



**Government
of South Australia**

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK 2022-23 Annual Report

Southern Adelaide Local Health Network

C/- Flinders Medical Centre

Flinders Drive

BEDFORD PARK SA 5042

www.sahealth.sa.gov.au/salhn

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|-----------------------------|--|
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To:

Hon. Chris Picton MP

Minister for Health and Wellbeing

This annual report will be presented to Parliament to meet the statutory reporting requirements of Section 37 of the *Health Care Act 2008* (the Act) 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 Southern Adelaide Local Health Network by:

Mr Mark Butcher

Chair, Southern Adelaide Local Health Network Governing Board

Date: 14 September 2023

Signature



Professor Kerrie Freeman

Chief Executive Officer, Southern Adelaide Local Health Network

Date: 14 September 2023

Signature





Acknowledgement

Ngadlu tampinhi, Kurna Miyurna yaitya yartamathanya Wama Tarntanyaku. Ngadlu tampinhi purkarna pukinangku, yalaka, tarrkarritya. Parnaku yailtya, parnaku tapa purruna, parnaku yarta ngadlu tampinhi. Yalaka Kurna Miyurna itu yailtya, tapa purruna, yarta kuma puru martinhi, puru warri-apinhi, puru tangka martulayinhi.

We acknowledge the Kurna people are the traditional custodians of the Adelaide Plains and pay respects to Elders past, present and future. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kurna people living today.

From the SALHN Governing Board Chair



The 2022-23 financial year shaped up to be another busy year for SALHN, as we continued our focus on engaging consumers, staff, and stakeholders to Listen, Act, Make better, Together.

We commenced a refresh of our Strategic Directions Map, engaging with a range of stakeholders to help shape the future of health care in the South. This journey has ignited many conversations and provided an opportunity to foster connections across the community.

This year, we launched our SALHN Consumer and Carer Engagement Strategy 2023-2025 which sets out a consistent platform for how we will engage with consumers, carers, and families both now and into the future.

We progressed our Health Service Planning which provides a blueprint for service development and planning into the future. We also continued our Outpatient Reform project, in line with the broader SA Health Outpatient Reform, to reduce waiting lists and enhance the consumer experience.

Acknowledging we are nothing without our people, we further supported staff wellbeing, with the launch of the Wellbeing Index App to monitor wellbeing and access to support services. The first SALHN Schwartz Round was also held providing an opportunity, and a safe space for staff to reflect on working in healthcare.

On behalf of the SALHN Governing Board, I'd like to acknowledge the contribution of Chief Executive Officer, Kerrie Freeman, the Executive Team and SALHN staff for their efforts this year, as always, in uniting to overcome challenges and continually improve how we deliver services to patients and the southern communities.

I look forward to continuing our work together next year and into the future.

Mark Butcher | SALHN Governing Board Chair

From the SALHN Chief Executive Officer

In 2022-23, I am proud to say that we have continued our journey to continuously evolve our services to better meet the changing needs of consumers. As always, we remained steadfast in our mission to build thriving communities by consistently delivering reliable and respectful healthcare. Consumers, carers, and their families are at the heart of everything we do.

This past financial year did not come without challenges. We navigated sustained high-demand for our services, the impacts of the COVID-19 pandemic and how we integrate COVID-19 into our business-as-usual operations. Throughout these challenges, I am proud of the way both staff and consumers came together to improve our processes, implement new initiatives, and look at ways in which we could deliver care differently.

The SALHN Noarlunga-based COVID-19 vaccination clinic reached the significant milestone of delivering over 326,000 vaccinations to adults and children in the southern suburbs of Adelaide, before closing in September 2022. We were privileged to play our part in helping to make the vaccination accessible to communities and be part of the frontline response to the pandemic.

We successfully achieved National Safety and Quality Health Service (NSQHS) Standards accreditation, having met all eight national standards during a week-long visit from the assessors in May 2023.

We also commenced the \$474 million Southern Redevelopment – Stage 1, which included the refurbishment of the endoscopy unit at Flinders Medical Centre and the relocation of Geriatric Evaluation and Management service at Flinders Medical Centre to the Repat Health Precinct, allowing for 26 Older Persons Assessment and Emergency Liaison/Residential Aged Care Outreach Team beds to open. Works also commenced on the new Renal Dialysis Unit at Noarlunga Hospital and the expanded Medical Imaging Space at Flinders Medical Centre. Excitingly, we also opened a new Vascular Technical Theatre in March 2023, which is the first of its type in the public health system in South Australia.

On behalf of the SALHN Executive, I would like to say a genuine and heartfelt thank you to everyone, including staff and the wider SALHN community, for your efforts this year. We continue to be motivated by the passion we have for caring for the communities we serve.

Professor Kerrie Freeman | Chief Executive Officer, Southern Adelaide Local Health Network

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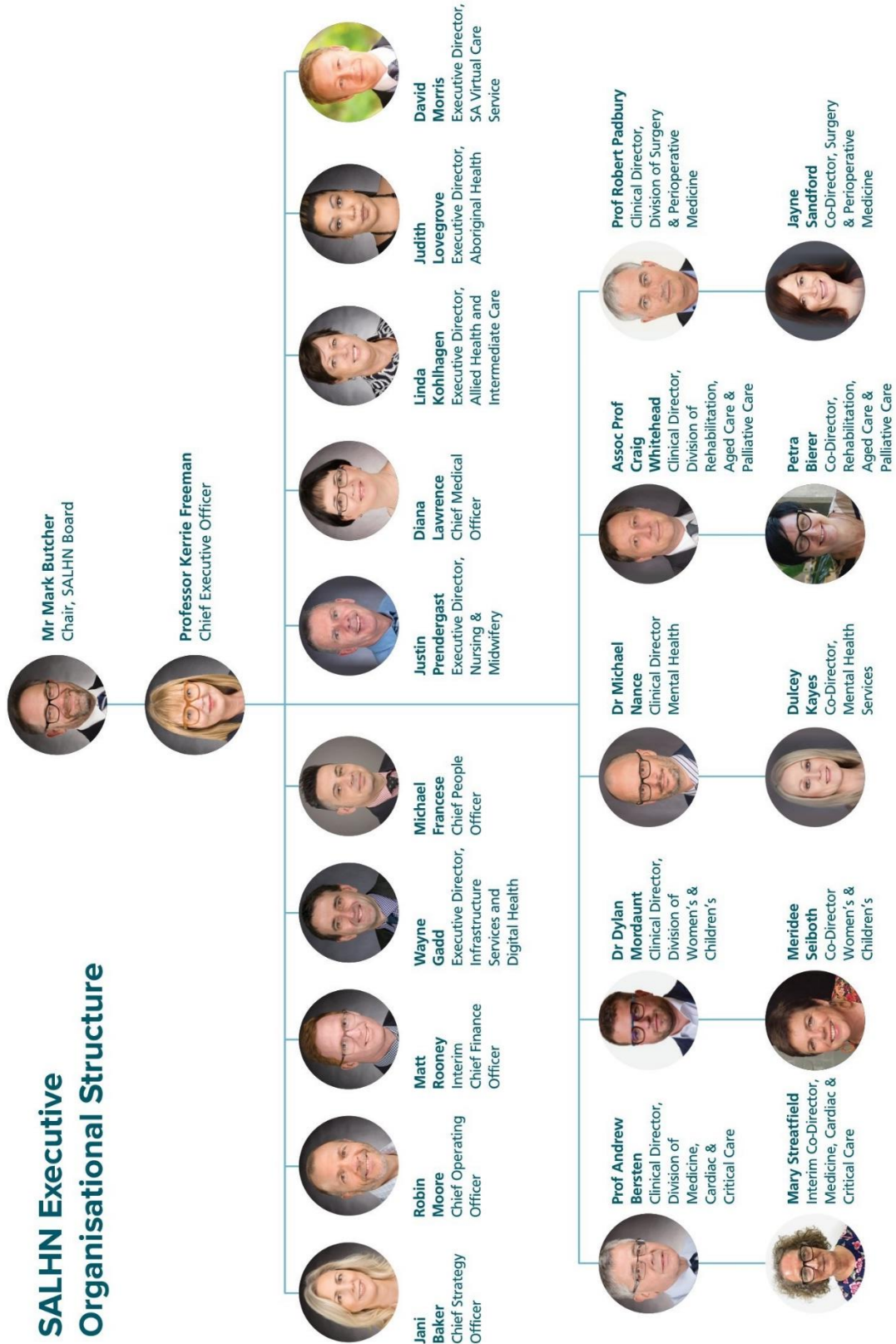
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Overview: about the agency

Our strategic focus

| | |
|---|---|
| Our Purpose | Working together to improve health and wellbeing for the communities we serve |
| Our Vision | Striving for exceptional care |
| Our Values | Empathy, trust, inclusion |
| Our functions, objectives and deliverables | <div>Deliver equitable services</div> <div>Provide quality care</div> <div>Drive innovation and research</div> <div>Look after the workforce</div> <div>Inspire through education and learning</div> <div>Grow cooperative partnerships</div> |

SALHN Executive Organisational Structure



Our Governing Board



Mr Mark Butcher is Chair of the SALHN Governing Board; Chair of the Ramping Committee; and Chair of the Board Executive Committee.

1 July 2019 – 30 June 2023



Ms Virginia Hickey is a member of the SALHN Governing Board and Chair of the Audit and Risk Committee.

1 July 2019 – 30 June 2023



Associate Professor Tamara Mackean is a member of the SALHN Governing Board and Clinical Governance Committee.

1 July 2019 – 30 June 2024



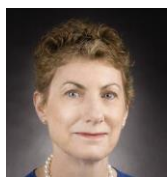
Ms Julie Mitchell is a member of the SALHN Governing Board; the Clinical Governance Committee; and Board Executive Committee.

1 July 2019 – 30 June 2023



Ms Jill Noble is a member of the SALHN Governing Board and Audit and Risk Committee and Finance and Performance Committee.

1 July 2019 – 30 June 2023



Ms Jennifer Richter AM is Deputy Chair of the SALHN Governing Board; Chair of the Finance and Performance Committee; and a member of the Ramping Committee.

1 July 2019 – 30 June 2024



Professor Judy Searle is a member of the SALHN Governing Board and Chair of Clinical Governance Committee.

1 July 2022 – 30 June 2023



Dr Tony Sherbon is a member of the SALHN Governing Board, Finance and Performance Committee and Ramping Committee.

1 July 2021 – 30 June 2024

Changes to the agency

During 2022-23, 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

As at 30 June 2023, SALHN's Executive Leadership Team comprised:

- Professor Kerrie Freeman, Chief Executive Officer
- Ms Jani Baker, Chief Strategy Officer
- Mr Robin Moore, Chief Operating Officer
- Mr Matthew Rooney, Interim Chief Financial Officer
- Mr Wayne Gadd, Executive Director Infrastructure Services and Digital Health
- Mr Michael Francese, Chief People Officer
- Mr Justin Prendergast, Executive Director Nursing and Midwifery
- Dr Diana Lawrence, Executive Director Medical Services
- Ms Linda Kohlhagen, Executive Director Allied Health and Intermediate Care
- Ms Judith Lovegrove, Executive Director Aboriginal and Torres Strait Islander Health
- Mr David Morris, Executive Director South Australia Virtual Care Service
- Professor Andrew Bersten, Clinical Director, Medicine, Cardiac and Critical Care
- Dr Dylan Mordaunt, Clinical Director, Women's and Children's Division
- Dr Michael Nance, Clinical Director, Mental Health
- Associate Professor Craig Whitehead, Clinical Director, Rehabilitation, Aged Care and Palliative Care
- Professor Robert Padbury, Clinical Director, Division of Surgery and Perioperative Medicine
- Ms Marina Bowshall, State Director Drug and Alcohol Services South Australia

Legislation administered by the agency

Southern Adelaide Local Health Network plays a role in administering all legislation committed to the Minister for Health and Wellbeing with some legislation administered in conjunction with other public sector agencies:

- *Advance Care Directives Act 2013*
- *Aged Citizens Clubs (Subsidies) Act 1963*
- *Ageing and Adult Safeguarding Act 1995*
- *Assisted Reproductive Treatment Act 1988*
- *Blood Contaminants Act 1985*
- *Consent to Medical Treatment and Palliative Care Act 1995*
- *Controlled Substances Act 1984*
- *Food Act 2001*
- *Gene Technology Act 2001*
- *Health and Community Services Complaints Act 2004*
- *Health Care Act 2008*
- *Health Practitioner Regulation National Law (South Australia) Act 2010*
- *Health Professionals (Special Events Exemption) Act 2000*
- *Health Services Charitable Gifts Act 2011*
- *Mental Health Act 2009*
- *National Health Funding Pool Administration (South Australia) Act 2012*
- *New Women's and Children's Hospital Act 2022*
- *Prohibition of Human Cloning for Reproduction Act 2003*
- *Public Intoxication Act 1984*
- *Research Involving Human Embryos Act 2003*
- *Safe Drinking Water Act 2011*
- *South Australian Public Health Act 2011*
- *Suicide Prevention Act 2021*
- *Termination of Pregnancy Act 2021*
- *Tobacco and E-Cigarette Products Act 1997*
- *Transplantation and Anatomy Act 1983*
- *Voluntary Assisted Dying Act 2021*

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

- Department for Health and Wellbeing
- Central Adelaide Local Health Network
- Northern Adelaide Local Health Network
- Women's and Children's Local Health Network
- South Australian Ambulance Service
- Barossa Hills Fleurieu Local Health Network
- Eyre and Far North Local Health Network
- Flinders and Upper North Local Health Network
- Limestone Coast Local Health Network
- Riverland Mallee Coorong Local Health Network
- Yorke and Northern Local Health Network
- Wellbeing SA
- Commission on Excellence and Innovation in Health
- medSTAR

The agency's performance

Performance at a glance

SALHN provides public health services including hospital, outpatient and community-based health services to a population of more than 380,000 people across southern Adelaide metropolitan region. At SALHN, our aim is to ensure that the consumer is at the centre of everything we do.

Our **core health services** include medical, surgical, rehabilitation, aged care, mental health, and women's and children's services.

Our **state-wide services** include liver transplant and adult cochlear implant services, eye bank, adult eating disorder services, gambling therapy, veteran's mental health, obstetric trauma and Drug and Alcohol Services South Australia.

The performance of SALHN is monitored through robust governance structures, including:

- SALHN Governing Board and Board Committees
- SALHN Executive Leadership Committee
- Clinical, Digital, Research and Safety Councils
- The Integrated Management System
- Risk Management and Internal Audit
- Partnering with Consumers Advisory Group
- Clinical Review Committee
- Divisional Quality and Safety and National Standard Committee Meetings
- Benchmarking via the Health Roundtable and Clinical Registries.

SALHN employs more than 9,000 staff across 10 state-wide services. Our key sites include:

- Flinders Medical Centre: A beginning of life to end-of-life hospital. Emergency and elective care is provided across a full range of complex and specialist areas.
- Noarlunga Hospital and health precinct includes an emergency department, geriatric inpatient services, elective 23 hour and day surgery, a range of mental health services and outpatient clinics.
- Repat Health Precinct provides rehabilitation and transitional care services. Redevelopment of the Repat Health Precinct is currently in progress and is being led by the Department for Health and Wellbeing.
- GP Plus Super Clinic (Noarlunga) and GP Plus Centres (Marion and Aldinga) provided intermediate care services, community mental health and specialist outpatient services.
- Jamie Larcombe Centre provides state-wide Veteran's Mental Health services from within the Glenside Health Precinct.

- Aboriginal Family Clinics provide health services for Aboriginal and Torres Strait Islander peoples from two locations, Noarlunga and Clovelly Park.
- SA Virtual Care Service is a state-wide virtual health service located at Tonsley, providing access to healthcare across the state and responding to the demand upon frontline health workers, by bringing emergency care to people prior to arriving in an emergency department.
- Drug and Alcohol Services South Australia provides a state-wide alcohol and other drug treatment services.

In 2022-23, SALHN proudly:

- Provided over 326,000 COVID-19 vaccinations to adults and children in the southern suburbs at the Noarlunga based COVID-19.
- Underwent National Safety and Quality Health Service Standards Accreditation in June 2023 to ensure we continue to provide care in line with the national standards each and every day. SALHN has received advice of successful awarding of accreditation.
- Provided care for 121,525 presentations to our Emergency Departments across Noarlunga Hospital and Flinders Medical Centre.
- Conducted 24,209 elective and emergency surgery and procedures.
- Cared for 102,555 patients in our hospitals.
- Provided 421,148 outpatient consultations.
- Cared for 3,604 babies born at Flinders Medical Centre.
- Commenced the Southern Redevelopment – Stage 1, with works underway for the Medical Imaging Expansion at Flinders Medical Centre and the Renal Dialysis Unit upgrades at Noarlunga Hospital.
- Undertook a comprehensive review of the SALHN Clinical Governance Framework. The Framework is underpinned by the National Safety and Quality Health Service Standards.
- Progressed Outpatient Reform to reduce waiting lists and enhance the consumer experience.
- Commenced work to refresh our Strategic Direction that will shape the way we delivery care for, and with, the southern communities for both now and in the future.
- Launched the SALHN Consumer and Carer Engagement Strategy 2023-2025, which sets out a consistent platform for how we will engage with our consumers, carers and families.
- Continued to play our part in responding to the global COVID-19 pandemic.
- Commenced the first Schwartz Round at SALHN as part of the ongoing work to promote staff wellbeing within the network.
- Partnered with Aboriginal organisation, Linking Futures, to develop and deliver a Level 2 and 3 Cultural Learning training program over the next three years.

Meeting Attendance

| | Governing Board | Asset & Infrastructure Planning Committee | Audit & Risk Committee | Board Executive Committee |
|-----------------|--------------------------------------|--|--|---------------------------------------|
| Mark Butcher | 12 / 12 | 1 / 1 | - | 2 / 2 |
| Virginia Hickey | 11 / 12 | - | 6 / 6 | - |
| Tamara Mackean | 10 / 12 | - | - | - |
| Julie Mitchell | 12 / 12 | 1 / 1 | - | 2 / 2 |
| Jill Noble | 11 / 12 | - | 5 / 6 | - |
| Jenny Richter | 12 / 12 | 1 / 1 | - | - |
| Judy Searle | 12 / 12 | - | - | - |
| Tony Sherbon | 11 / 12 | 1 / 1 | - | - |
| | Clinical Governance Committee | Community Engagement Committee | Finance & Performance Committee | Ramping Committee ³ |
| Mark Butcher | - | 3 / 3 | - | 5 / 6 |
| Virginia Hickey | - | - | - | - |
| Tamara Mackean | 5 / 6 | - | - | - |
| Julie Mitchell | 3 / 3 ¹ | 3 / 3 | - | - |
| Jill Noble | - | - | 5 / 6 | - |
| Jenny Richter | 3 / 3 ² | - | 6 / 6 | 6 / 6 |
| Judy Searle | 6 / 6 | - | - | - |
| Tony Sherbon | - | - | 5 / 6 | 4 / 6 |

- Not appointed to Committee and not required to attend

¹ Clinical Governance Committee – Julie Mitchell joined the Committee at meeting held on 8 February 2023

² Clinical Governance Committee – Jenny Richter resigned as Chair at meeting on 1 December 2022

³ Demand & Access Committee – established in December 2022 and renamed to Ramping Committee from January 2023

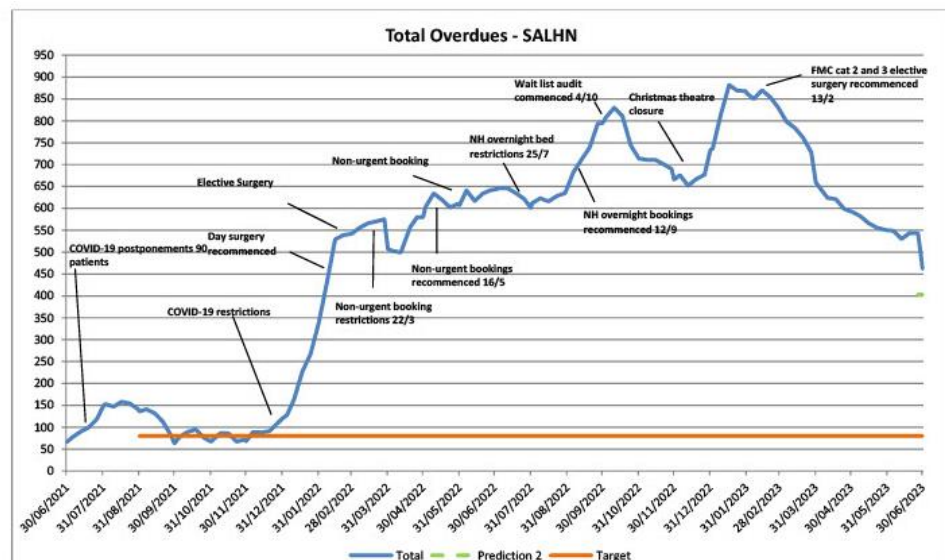
Agency specific objectives and performance

| OUR CLINICAL SERVICES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-------|------------|--------|--------|--------|-------|--------|-------|--------|--------|--------|-------|--------|-------|--------|--------|--------|-------|--------|-------|--------|--------|--------|-------|--------|-------|-------|--------|-------|-------|--------|-------|-------|--------|-------|-------|--------|-------|-------|
| Indicators | Performance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Average Length of Stay | <p>As we emerge from the COVID-19 pandemic, the overall length of stay for overnight inpatients continues to be impacted across SALHN in 2022-23.</p> <p>Programs focused on improving patient flow across the organisation, such as the Patient Journey Collaborative program of work and ‘Go with the Flow’ week, has seen improvements in efficiencies, barriers to discharge and consumer experience. Specific divisions have also progressed initiatives focused on targeted work to improve overall length of stay for patients.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Length of Stay in the Emergency Department of less than four hours | <p>National Emergency Access Target performance across SALHN has been mostly stable over the past 12 months. SALHN initiated several targeted improvement projects to improve patient flow, including timely allocation and transfer of patients to wards and timely access to diagnostic services.</p> <p>Overall Percentage of SALHN ED Presentations That Were Completed in 4 Hours</p> <table><thead><tr><th>Month</th><th>Percentage</th></tr></thead><tbody><tr><td>Jul-22</td><td>33%</td></tr><tr><td>Aug-22</td><td>31%</td></tr><tr><td>Sep-22</td><td>32%</td></tr><tr><td>Oct-22</td><td>33%</td></tr><tr><td>Nov-22</td><td>32%</td></tr><tr><td>Dec-22</td><td>33%</td></tr><tr><td>Jan-23</td><td>34%</td></tr><tr><td>Feb-23</td><td>33%</td></tr><tr><td>Mar-23</td><td>32%</td></tr><tr><td>Apr-23</td><td>36%</td></tr><tr><td>May-23</td><td>33%</td></tr><tr><td>Jun-23</td><td>33%</td></tr></tbody></table> | Month | Percentage | Jul-22 | 33% | Aug-22 | 31% | Sep-22 | 32% | Oct-22 | 33% | Nov-22 | 32% | Dec-22 | 33% | Jan-23 | 34% | Feb-23 | 33% | Mar-23 | 32% | Apr-23 | 36% | May-23 | 33% | Jun-23 | 33% | | | | | | | | | | | | | |
| Month | Percentage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul-22 | 33% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug-22 | 31% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sep-22 | 32% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct-22 | 33% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov-22 | 32% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec-22 | 33% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-23 | 34% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb-23 | 33% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar-23 | 32% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr-23 | 36% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May-23 | 33% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jun-23 | 33% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Presentations to the Emergency Department | <p>Presentations to SALHN’s Emergency Departments have remained relatively stable in 2022-23, with around 10,000 presentations per month, which is comparable to 2021-22.</p> <p>SALHN Emergency Department Presentations</p> <table><thead><tr><th>Month</th><th>Walkin</th><th>SAAS</th></tr></thead><tbody><tr><td>Jul-22</td><td>7,500</td><td>2,500</td></tr><tr><td>Aug-22</td><td>7,500</td><td>2,500</td></tr><tr><td>Sep-22</td><td>7,500</td><td>2,500</td></tr><tr><td>Oct-22</td><td>8,000</td><td>2,000</td></tr><tr><td>Nov-22</td><td>7,500</td><td>2,500</td></tr><tr><td>Dec-22</td><td>8,000</td><td>2,000</td></tr><tr><td>Jan-23</td><td>7,500</td><td>2,500</td></tr><tr><td>Feb-23</td><td>7,000</td><td>3,000</td></tr><tr><td>Mar-23</td><td>7,500</td><td>2,500</td></tr><tr><td>Apr-23</td><td>7,500</td><td>2,500</td></tr><tr><td>May-23</td><td>7,500</td><td>2,500</td></tr><tr><td>Jun-23</td><td>7,000</td><td>3,000</td></tr></tbody></table> | Month | Walkin | SAAS | Jul-22 | 7,500 | 2,500 | Aug-22 | 7,500 | 2,500 | Sep-22 | 7,500 | 2,500 | Oct-22 | 8,000 | 2,000 | Nov-22 | 7,500 | 2,500 | Dec-22 | 8,000 | 2,000 | Jan-23 | 7,500 | 2,500 | Feb-23 | 7,000 | 3,000 | Mar-23 | 7,500 | 2,500 | Apr-23 | 7,500 | 2,500 | May-23 | 7,500 | 2,500 | Jun-23 | 7,000 | 3,000 |
| Month | Walkin | SAAS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul-22 | 7,500 | 2,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug-22 | 7,500 | 2,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sep-22 | 7,500 | 2,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct-22 | 8,000 | 2,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov-22 | 7,500 | 2,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec-22 | 8,000 | 2,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-23 | 7,500 | 2,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb-23 | 7,000 | 3,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar-23 | 7,500 | 2,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr-23 | 7,500 | 2,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May-23 | 7,500 | 2,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jun-23 | 7,000 | 3,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Elective Surgery Overdue Patients

With restrictions on elective surgery in 2022-23 due to the COVID-19 response and emergency demand, SALHN had over 600 overdue elective surgery patients as at 30 June 2022. Restrictions due to COVID-19 and high emergency demand continued and resulted in elective surgery resuming normal activity on 13 February 2023 at Flinders Medical Centre. High demand also resulted in elective surgery postponements at Flinders Medical Centre between February and June 2023. SALHN had 462 overdue patients as at 30 June 2023. Strategies assisting in reduction of overdue patients include:

- Outsourcing to private providers
- Registrar backfill for surgeon leave at Noarlunga Hospital to increase internal capacity utilisation.
- Extended lists at Noarlunga Hospital



| | |
|---------------------------|---|
| <p>Safety and Quality</p> | <p>During the year, SALHN focused on strengthening incident management and increasing the focus on quality and safety through a range of initiatives. This included responding to patient feedback and learnings from formal and informal incident reviews. Positive outcomes for this year included:</p> <p>An improvement in infection control rates including:</p> <ul style="list-style-type: none"> • Ongoing rates of Staphylococcus aureus bacteraemia (SAB) compared to benchmarks. • Methicillin-resistant Staphylococcus aureus infections year to date of 0.6% against a maximum target of 1.2%. • Reduction in Vancomycin-resistant Enterococci infection rate from 1.1% in 2021/22 FY to 0.8% in 2022/23 full year to date. <p>Other outcomes included:</p> <ul style="list-style-type: none"> • Emergency Department reattendance rates year to date 4.3% against a maximum target of 4.5% • Decrease in perineal tears from 4.2% to 1.6% • Colonoscopy Clinical Care Standards – standards for caecal intubation are 95% against a target of 95%, adenoma detection 52% against a target of 25%. • A reduction in seclusion episodes per 1000 bed days from 4.4 in 2021-22 to 2.9 in 2022-23 full year to date in Mental Health. <p>Ongoing improvement work is occurring on several indicators including:</p> <ul style="list-style-type: none"> • SALHN's Digital Strategy which brings together people, technology, processes and allows the organisation to achieve rapid improvements in overall digital maturity. • Emergency Department length of stay and transfer of care which continues to remain a focus for the Patient Journey Collaborative. • Improving rates of post-discharge in Mental Health follow-up and facilitating community follow-up closer to home where it has not been possible to meet patients face-to-face. • Identification, reporting and monitoring of clinical risks. <p>Other organisational activities to improve the quality of care we deliver to our patients includes:</p> <ul style="list-style-type: none"> • In 2022, two Continuous Improvement Program courses attracting 55 participants working on 26 projects in 2022 and 2023. Two Continuous Improvement Program courses involving 100 participants working on 50 projects. |
|---------------------------|---|

| | |
|--------------------------------------|---|
| | <p>Participants worked on a range of problems with a specific focus on problems aligned to the Total Quality Care Program.</p> <ul style="list-style-type: none"> • Launch of the Nursing and Midwifery Professional Practice Framework, enhancing the fundamentals of care for consumers in 2022. • Development and implementation of Aboriginal Cultural learning for all staff, including ask the question training sessions and educational resources. • Improvement plans completed for several Clinical Care Standards (e.g myocardial infarction, stroke) • Systems and processes in place to support diverse and high-risk groups include: <ul style="list-style-type: none"> ○ Interpreter Service is available for patients who are of culturally and linguistically diverse backgrounds. ○ Lived experience groups in mental health. ○ Social worker services. ○ Vulnerable client list maintained by the Mental Health Division; clients on the list are contacted on days of extreme weather. |
| Drug and Alcohol Services SA (DASSA) | <p>Drug and Alcohol Services South Australia works to prevent and reduce the harms caused by alcohol, tobacco and other drugs through providing state-wide services and policy advice at system level.</p> <p>In 2022-23, Drug and Alcohol Services South Australia provided:</p> <ul style="list-style-type: none"> • 35,248 outpatient services across the state and 1,690 inpatient separations for withdrawal management and residential rehabilitation. • Confidential telephone counselling and support to 17,781 callers through the Alcohol and Drug Information Service. • Specialist clinical consultation to 1,727 clinician callers seeking expert guidance and advice for their services. |

| OUR CONSUMERS | |
|--|--|
| Indicators | Performance |
| Deliver person and family-centred care | <p>SALHN continued to embed consumer representatives across all governance levels and within strategic programs of work. SALHN also continued to promote the principles of person and family-centred care through education and training.</p> <p>The Consumer and Carer Engagement Strategy 2023-2025 which is a key enabler of SALHN's strategic direction and reinforces our commitment to working with consumers, carers and community members To Listen, Act, Make Better, Together was also launched.</p> <p>This strategy builds on the existing consumer engagement approach in place across the network and the achievements of the previous Consumer Engagement Framework and Plan 2019-2021. It has been co-designed through meaningful and deliberate consultation and engagement with our consumers, carers, staff and community members.</p> <p>The strategy sets out to deliver:</p> <ul style="list-style-type: none"> • A service that is appropriate, respectful and meets the diverse needs of consumers, carers and their families. • An organisational culture of safe, responsive and effective person and family centred care to deliver quality healthcare outcomes. • Reliable and equitable access to care for all consumers in the right place and at the right time. |
| Patient and family representatives | <p>The role of the Patient and Family Representative is to be independent, while working in partnership with staff, in their provision of holistic care by increasing the involvement of patients, families and carers. The aim of their role is to support person and family-centred care and therefore continuously improve the care experience for consumers and staff.</p> <p>Patient and Family Representatives are allocated to one or more wards at Flinders Medical Centre, Noarlunga Hospital, the Repat Health Precinct, community health sites and the out-of-hospital service, to speak with patients about their experience within our health system and feedback their comments to relevant staff.</p> <p>The Patient and Family Representatives have a dedicated focus on connecting the patient voice with our service delivery.</p> |

| | |
|---------------------|---|
| Consumer Indicators | <p>SALHN supports the collection of Patient Related Experience Measures (PREMs) through the Consumer Experience Discharge Survey and the Patient and Family Representative Program. This data is used to analyse and identify trends to drive safety and quality improvements across the organisation. The Consumer Experience Discharge Survey is sent to patients who have been discharged from wards across the organisation in the preceding 7 days. All feedback received is themed against the Charter of Rights Domains with reports provided to service areas to drive improvement.</p> <p>In the 2022-23 financial year, over 106,000 surveys were sent to our patients with over 16,000 responses equating to a 15% response rate. Over this period, there has been an 80% overall satisfaction rate and a net promoter score average of 55 points, which is within the good range.</p> |
|---------------------|---|

| OUR RELATIONSHIPS | |
|--------------------------------|---|
| Indicators | Performance |
| Priority Care Centres | <p>SALHN has partnered with Wellbeing SA and the Marion Domain GP practice to provide an urgent care option for the southern Adelaide communities, 7 days per week.</p> <p>The average number of patients receiving treatment each week at the Marion Priority Care Centre increased from 142 per week in June 2022 to 161 in June 2023.</p> |
| My Home Hospital | <p>My Home Hospital is a partnership project between Wellbeing SA and SALHN with Calvary Medibank providing clinical care in the home.</p> <p>The service averages 24 patients per week.</p> |
| Memory Support Transition Team | <p>The Memory Support Transition Team is an initiative of the Rehabilitation, Aged and Palliative Care Team in partnership with Residential Aged Care Facilities across southern Adelaide.</p> <p>Since commencing in February 2022, the Memory Support Transition Team have supported 76 consumers with complex Behavioural and Psychological Symptoms of Dementia to become permanent residents in a Residential Aged Care Facilities.</p> <p>There have been over 2500 Residential Aged Care Facilities site visits, and over 800 telehealth visits attended to residents across 27 Residential Aged Care Facilities across the SALHN catchment area.</p> <p>Feedback received from consumers' families and Residential Aged Care Facilities has been extremely positive. The Memory Support Transition Team can enrich consumers' lives by discharging quicker out of the hospital environment and transitioning patients into their new home. The Average Length of Stay in April 2022 for this cohort of patients has reduced from 180.2 days to 97.45 in June 2023.</p> <p>The Memory Support Transition Team is pivotal in ensuring strong transparent communication between the consumer, their carer, the Residential Aged Care Facility and their general practitioner while on the program.</p> |

| OUR RESEARCH | |
|------------------------|--|
| Indicators | Performance |
| Research Week | <p>SALHN Research Week engaged with over 1500 people both in person and virtually. The Research Week program hosted a diverse range of national and international keynote speakers, panel presentations and concurrent sessions. Abstracts were also sought for Free Paper and Poster Presentations for each of the Four Fields of Enquiry.</p> <p>The total funding pool for the 2022 SALHN Enquiry Grant Round was \$1,000,000 with both the Flinders Foundation and The Hospital Research Foundation each contributing \$500,000. Twenty-three clinician-led programs were funded in 2022.</p> |
| Research Applications | <p>The Human Research Ethics Committee approved 98% of applications within 60 calendar days.</p> <p>91% of Site-specific Assessments were authorised within 30 calendar days.</p> <p>81% of joint ethics and Site-specific Assessments applications (low risk) were approved within 20 calendar days.</p> |
| Continuous Improvement | <p>Over 110 participants complete the Continuous Improvement Program in 2022-23. The current Continuous Improvement Program has 50 participants working in teams with a special focus on 11 high volume cohorts with potential for positive hospital flow impact.</p> <p>The program had guest presentations from Dr Saxon Connor Consultant Surgeon, Christchurch, New Zealand, who has an interest in human factors, workflows and e-health clinical systems and Dr Ian Sturgess from United Kingdom with large scale quality improvement in healthcare delivery expertise and was visiting Professor of Medicine at SALHN in February 2015.</p> <p>The program had strong representation and participant interest in improvement work during SALHN Research Week. The team have implemented improvements in several SALHN wide projects aligned to the Patient Journey Collaborative.</p> |

Corporate performance summary

Throughout the year, SALHN has encountered various challenges as we emerge from the COVID-19 pandemic. These challenges have had a direct and indirect impact on how we provide services to the community. In particular, the shortage of health care professionals and limitations in our infrastructure have placed additional strain on hospital flow and the ability to meet the growing demand of our community.

Despite these challenges, SALHN has made steady improvements across our hospital services over the last 12 months. In particular, we have seen a steady month on month improvement on ramping hours, which reflects our commitment to reducing wait times and enhancing patient care.

In response to the increased admissions of COVID-19 positive patients during the winter period and the high demand for emergency care, we had intermittent interruption to elective surgery activity across the organisation. Targeted strategies through partnerships with the private sector has seen an improvement in overdue elective surgery patients.

One of the primary focuses has been to reduce waiting times for specialist appointments through our Outpatient Redesign approach. By leveraging technology and implementing innovative models of care, we have achieved significant reductions in patient waiting times. Additionally, our collaboration with Flinders University on the Collaborative Eyecare Project for Ophthalmology has ensured timely access to eyecare services for our consumers.

Employment opportunity programs

| Program name | Performance |
|--|--|
| Aboriginal and Torres Strait Islander employment program | The SALHN Aboriginal Enrolled Nurse Cadet Program continues to progress with three cadets gaining their diploma. Two Aboriginal Health Trainees are being supported to attend their Certificate IV training as Aboriginal Health Practitioners. |
| Flexibility at Work Program | SALHN is committed to flexible working arrangements which enable the network to respond to changing demands and provide flexibility to actively support employees to balance their work, family, and personal commitments, providing a positive workplace culture where employees feel valued and supported. |

Agency performance management and development systems

| Performance management and development system | Performance |
|--|--|
| SA Health Performance Review and Development Program | <p>Our managers understand that staff value the support and feedback they receive through Performance Review and Development (PR&D) and that this is an opportunity to check-in on their wellbeing.</p> <p>To assist the divisions, an on-line Performance Review and Development form has been implemented as an alternative option to the paper-based form, providing a simplified and more accessible process.</p> <p>The progress of Performance Review and Development uptake is a key focus through the Excellence Framework, with a rate at 30 June 2023 of 71.5%</p> |

Work health, safety and return to work programs

The establishment of SALHN's Be Healthy, Be Safe, Be Well Plan provided a framework that places safety first, promoting the values of health and wellbeing of our people.

The plans describe our mutual commitments to respond to the environment in which we operate, outlining our key goals and initiatives supporting sustainment of a safe environment.

Through the adoption of the framework, integrating workplace safety discussion through our integrated management structures, the reduction of workplace injuries was achieved and is reflected in the tables below.

| Program name | Performance |
|---------------------------------|---|
| Staff Physical Wellness Service | <p>508 workers accessed services in 2022-23, reflecting a 48% increase in workforce participation this financial year.</p> <p>The program also contributed to a 34% reduction in significant injuries due to prompt, early intervention injury treatment.</p> |
| Workforce Wellbeing | <p>A SALHN Staff Wellbeing Committee has been established, reporting to the SALHN Safety Council to oversee the strategic direction of wellbeing initiatives and to provide advice and recommendations to the Safety Council.</p> <p>The Committee draws upon national and international research and expertise relating to staff mental and physical wellbeing and plays an important role in shaping the direction of initiatives to address wellness and promote a compassionate culture. The Committee meets monthly and commenced in February 2023. It includes membership from across SALHN medical, nursing, allied health, and corporate and support services.</p> <p>SALHN has now gained a licence from the Schwartz Center for Compassionate Healthcare in the United States to run Schwartz Rounds. Schwartz Rounds are a group forum where clinical and non-clinical staff meet regularly to discuss the emotional and social aspects of working in healthcare. Post implementation research in other health services has demonstrated that Schwartz Rounds improve staff wellbeing and increase empathy for both patients and colleagues. The first Schwartz Round was held in SALHN in June 2023 and was very well received.</p> |

| Workplace injury claims | 2022-23 | 2021-22 | % Change (+ / -) |
|--|---------|---------|------------------|
| Total new workplace injury claims | 126 | 151 | -16.6% |
| Fatalities | 0 | 0 | 0% |
| Seriously injured workers* | 1 | 0 | - |
| Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 Full Time Equivalent) | 11.18 | 15.81 | -29.3% |

**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)*

| Work health and safety regulations | 2022-23 | 2021-22 | % Change (+ / -) |
|--|---------|---------|---------------------|
| Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>) | 4 | 6 | -33.3% |
| Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>) | 0 | 0 | 0.0% |

| Return to work costs** | 2022-23 | 2021-22 | % Change (+ / -) |
|---|-------------|-------------|---------------------|
| Total gross workers compensation expenditure (\$) | \$7,688,143 | \$6,659,264 | +15.5% |
| Income support payments – gross (\$) | \$3,059,240 | \$3,411,549 | -10.3% |

**before third party recovery

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/southern-adelaide-local-health-network-salhn/resource/6b563792-d33a-4796-bb20-bc6c713588e6>

Executive employment in the agency

| Executive classification | Number of executives |
|--------------------------------------|-----------------------------|
| Chief Executive Officer | 1 |
| South Australian Executive Service 1 | 14 |
| South Australian Executive Service 2 | 1 |

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/southern-adelaide-local-health-network-salhn/resource/6b563792-d33a-4796-bb20-bc6c713588e6>

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.

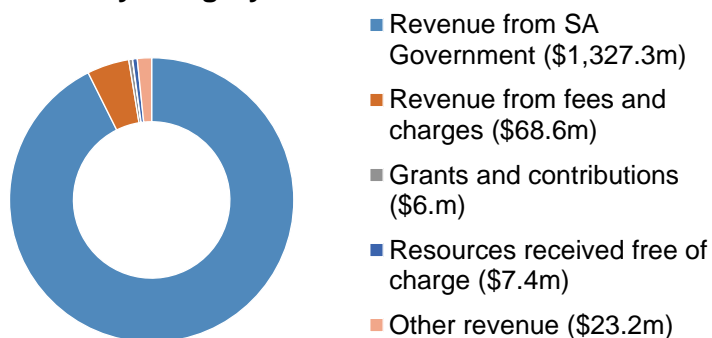
Financial performance

Financial performance at a glance

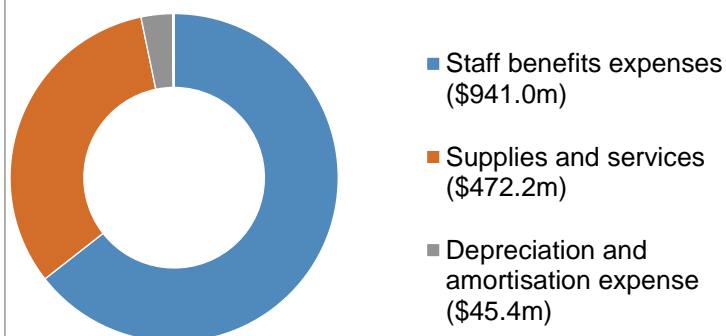
The following is a brief summary of the overall financial performance of SALHLN. Full audited financial statements for 2022-23 are attached to this report.

| Three-year financial summary (\$000) | 2022-23 | % | 2021-22 | % | 2020-21 | % |
|---|-----------|-----------|-----------|-----------|-----------|----------|
| | | ↑↓ | | ↑↓ | | ↑↓ |
| Total Income | 1 432 893 | ↑ 8.9% | 1 316 225 | ↑ 4.7% | 1 256 658 | ↑ 8.3% |
| Total expenses | 1 460 108 | ↑ 12.1% | 1 302 305 | ↑ 5.8% | 1 230 652 | ↑ 4.2% |
| Net result for the period | (27 215) | ↓ -295.5% | 13 920 | ↓ -46.5% | 26 006 | ↑ 226.0% |
| Net cash provided by operating activities | 17 009 | ↓ -310.8% | (8 069) | ↓ -149.9% | 16 160 | ↓ -58.8% |
| Total assets | 820 427 | ↑ 0.2% | 819 189 | ↓ -0.9% | 826 980 | ↑ 3.4% |
| Total liabilities | 390 665 | ↑ 7.9% | 362 212 | ↓ -5.9% | 384 974 | ↑ 0.2% |
| Net assets | 429 762 | ↓ -6.0% | 456 977 | ↑ 3.4% | 442 006 | ↑ 6.3% |

Income by category 2022-23



Expenses by category 2022-23



| Statement of Comprehensive Income | 2022-23 Budget \$000s | 2022-23 Actual \$000s | Variation \$000s | 2021-22 Actual \$000s |
|--|------------------------------|------------------------------|-------------------------|------------------------------|
| Total Income | 1 351 339 | 1 432 893 | 81 554 | 1 316 225 |
| Total Expenses | 1 358 012 | 1 460 108 | (102 096) | 1 302 305 |
| Net Result | (6 673) | (27 215) | (20 642) | 13 920 |
| Total Comprehensive Result | (6 673) | (27 215) | (20 642) | 13 920 |

| Statement of Financial Position | 2022-23 Budget* \$000s | 2022-23 Actual \$000s | Variation \$000s | 2021-22 Actual \$000s |
|--|-------------------------------|------------------------------|-------------------------|------------------------------|
| Current assets | | 55 688 | | 48 596 |
| Non-current assets | | 764 739 | | 770 593 |
| Total assets | | 820 427 | | 819 189 |
| Current liabilities | | 206 797 | | 185 007 |
| Non-current liabilities | | 183 868 | | 177 205 |
| Total liabilities | | 390 665 | | 362 212 |
| Net assets | | 429 762 | | 456 977 |
| Equity | | 429 762 | | 456 977 |

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

| Consultancies | Purpose | \$ Actual payment |
|--|----------------|--------------------------|
| All consultancies below \$10,000 each - combined | Various | \$ 16,542 |

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

| Consultancies | Purpose | \$ Actual expense |
|---|--|--------------------------|
| PricewaterhouseCoopers Consulting (Australia) Pty Ltd | Health System Response Centre implementation support | \$391,950 |
| Zed Management Consulting | Support the development of a statewide inter-facility transfer process | \$252,450 |

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| Consultancies | Purpose | \$ Actual expense |
|---|--|--------------------------|
| PricewaterhouseCoopers Consulting (Australia) Pty Ltd | Supporting the development and co-design of the Health System Response Centre | \$212,587 |
| Deloitte Touche Tohmatsu | Technical Productivity Review - Activity Based Funding Clinical Coding | \$174,671 |
| Strategic Momentum Pty Ltd | Deliver revised Strategic Plan for SALHN | \$164,583 |
| Flinders University | Initial economic evaluation of SA Virtual Care | \$78,545 |
| Maverick Advisors | Advice on funding strategy in delivery of Flinders Medical Centre masterplan | \$52,752 |
| BDO Services Pty Ltd | Noarlunga Radiology Tender Financial Model review | \$25,023 |
| Johnstaff Advisory Pty Ltd | Development of SALHN Allied Health Service Model of Care | \$24,400 |
| Destravis Australia Pty Ltd | Clinical Services Planning and Engineering Input - respiratory plan | \$24,050 |
| Quality Innovation Performance Ltd | National Safety and Quality Health Service Accreditation Services | \$19,750 |
| Andrew Fletcher & Associates Pty Ltd | Advisory services for development of program of works contributing to longer term redevelopment of infrastructure at SALHN | \$12,000 |
| Institute for Healthy Communities Australia certification Pty Ltd | Drug and Alcohol Services SA Standard for Therapeutic Communities and Residential Rehabilitation Services recertification | \$10,314 |
| | Total | \$ 1,443,075 |

Data for previous years is available at:

<https://www.sahealth.sa.gov.au/wps/wcm/connect/public+content/sa+health+internet/about+us/our+lo>

cal+health+networks/southern+adelaide+local+health+network/news+and+publications/news+and+publications+for+salhn

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 | \$ 90,135 |

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

| Contractors | Purpose | \$ Actual expense |
|---|--|-------------------|
| Ventia Australia Pty Ltd | Facilities management | \$1,647,287 |
| PricewaterhouseCoopers Consulting (Australia) Pty Ltd | Implementation, delivery and analytics for SALHN Data and Analytics Strategy | \$656,978 |
| MTX Australia Pty Ltd | Drug and Alcohol Services SA client data systems replacement | \$399,432 |
| Commission on Excellence and Innovation in Health | SA Virtual Care Service Project | \$334,982 |
| Care Park Pty Ltd | Flinders Medical Centre car park management | \$317,289 |
| Ernst & Young | Internal Audit services | \$232,538 |
| Pricewaterhousecoopers Consulting (Australia) Pty Ltd | Contract Management Repat Phase 2 | \$95,139 |
| Flinders University | Evaluation of the assertive outreach pilot program | \$92,816 |

| Contractors | Purpose | \$ Actual expense |
|-------------------------------------|--|--------------------------|
| DXC Technology Australia Pty Ltd | Information and communication technologies services | \$89,384 |
| Health Dreaming Pty Ltd | Support Closing the GAP Program initiative | \$77,856 |
| Johnstaff Advisory Pty Ltd | Clinical Service Planning and Bed Platform Reset | \$76,593 |
| Jim Allen and Associates | Flinders Medical Centre Imaging Upgrade | \$74,749 |
| University Of South Australia | Project on the Prevalence of Drug Use by wastewater analysis in South Australia | \$72,000 |
| Business Health Consulting Services | Business finance services | \$62,100 |
| Ernst & Young | Southern Area Health Direction Program - Contract Management | \$58,758 |
| Chamonix IT Consulting | Health System Response Centre development | \$55,900 |
| FBE Pty Ltd | Biomedical engineering procurement | \$52,616 |
| Flinders University | Evaluation of alcohol, tobacco and other drugs screening tools and intake assessment processes | \$51,375 |
| Christopher Simon Reynolds | Report on proposed and new public health, tobacco and e-cigarette regulations | \$50,040 |
| Macquarie University | Safety culture assessment | \$49,230 |
| Lean Enterprise Australia Ltd | Coaching and support to establish the learning system for Health System Response Centre | \$46,414 |
| Flinders University | Qualitative evaluation of the Aboriginal patient experience at quarantine facility | \$42,875 |
| Health Legal Pty Ltd | Legislative compliance services | \$35,526 |
| Flinders University | Research scientists | \$30,000 |

2022-23 ANNUAL REPORT for the Southern Adelaide Local Health Network

| Contractors | Purpose | \$ Actual expense |
|---|---|--------------------------|
| Zed Management Consulting | Delivery of workshops | \$28,600 |
| BDO Services Pty Ltd | Probity advisory services for procurement of additional residential rehabilitation beds | \$26,926 |
| Job Doornberg | Support research in Orthopaedic Department | \$24,960 |
| Accru Harris Orchard | Review of Drug and Alcohol Services SA Compliance | \$18,000 |
| Galpins Accountants Auditors and Business Consultants | Development of Drug and Alcohol Services SA Continuity plan | \$16,034 |
| Think Human Pty Ltd | Design, delivery and reporting for workshop | \$12,870 |
| PricewaterhouseCoopers Consulting (Australia) Pty Ltd | Electronic Medical Records optimisation staff survey | \$11,400 |
| | Total | \$ 4,840,667 |

Data for previous years is available at:

<https://www.sahealth.sa.gov.au/wps/wcm/connect/public+content/sa+health+internet/about+us/our+local+health+networks/southern+adelaide+local+health+network/news+and+publications/news+and+publications+for+salhn>

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.](#)

Risk management

Risk and audit at a glance

SALHN's Board Audit and Risk Committee met quarterly in 2022-23 with additional scheduling of meetings around the end of financial year to support financial statement verification and submission processes. The Committee consists of two Board Members and one Independent Member. Ernst & Young supported the delivery of the SALHN Internal Audit Plan throughout 2022-23.

Continuous improvement strategies continue to guide risk management maturity. This is incorporated into the SALHN Clinical Governance Framework and the SALHN Integrated Compliance Framework.

Fraud detected in the agency

| Category/nature of fraud | Number of instances |
|-----------------------------------|---------------------|
| Time keeping and attendance | 23 |
| Falsification of corporate record | 1 |

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

Strategies implemented to control and prevent fraud

- The Code of Ethics is issued to all new employees with the Contracts of Employment and new employees attend SALHN's Corporate Orientation program which contains a section on employee responsibilities including abiding by the Code of Ethics.
- The Code of Ethics is a mandatory training requirement for all employees.
- Declarations are required of all employees in relation to interests, gifts and benefits and travel interests are required by employees.
- Delegations of authority for financial, procurement, contract and human resources.
- Permissions based access to information technology platforms.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/southern-adelaide-local-health-network-salhn/resource/30ab8d86-20d1-43cf-aa64-ccd6920b0d50>

Public interest disclosure

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

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/southern-adelaide-local-health-network-salhn/resource/80ae2805-aae1-4780-b65f-c876b454e4b2>

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 |
|--|--|
| <i>Voluntary Assisted Dying Act 2021</i> | <p>The Voluntary Assisted Dying Act 2021 is deemed applicable for the following: Department for Health and Wellbeing and all health service establishments including private hospitals within the meaning of the Health Care Act 2008 (SA), other private health facilities either whole or part of as may be prescribed in the regulations.</p> <p>Section 107</p> <ul style="list-style-type: none"> Establishes several reporting requirements to the Voluntary Assisted Dying Review Board ('Board') <p>Section 39– Regulation 8:</p> <ul style="list-style-type: none"> The coordinating medical practitioner must notify the person requesting access to Voluntary Assisted Dying of the outcome of the first assessment and give a copy of the consulting assessment form to the Board within 7 days. <p>Section 45 & 48:</p> <ul style="list-style-type: none"> If the consulting medical practitioner is unable to determine whether the person requesting access to Voluntary Assisted Dying has decision making capacity, they must refer the person to a registered health practitioner for specialist opinion (i.e., psychiatrist in the case of mental illness) The consulting medical practitioner must notify the person requesting access to Voluntary Assisted Dying of the outcome of the consulting assessment, complete the consulting assessment report form and give a copy to the Board and the consulting medical practitioner within 7 days. <p>Section 59 (Part 4):</p> <ul style="list-style-type: none"> On receipt of a final request made by a person, the coordinating medical practitioner must review the following |

| Act or Regulation | Requirement |
|-------------------|---|
| | <p>forms completed under Part 4 of the Act:</p> <ul style="list-style-type: none"> ○ the first assessment report form; ○ all consulting assessment report forms; ○ the written declaration; ○ the contact person appointment form; and <ul style="list-style-type: none"> • Complete the final review form in respect of the person; and • Certify whether the request and assessment process has been completed as required by the Act. • The coordinating medical practitioner must give the Board a copy of the completed final review form, accompanied by copies of all above forms within 7 days after completing the final review form. <p>Sections 105 and 106:</p> <ul style="list-style-type: none"> • It is an offence to fail to give copies of forms to the Board if a person who is required provide those copies <ul style="list-style-type: none"> ○ a consulting assessment report form; or ○ a final review form; or ○ a voluntary assisted dying substance dispensing form; or ○ a voluntary assisted dying substance disposal form; or ○ a coordinating medical practitioner administration form. <p>A maximum penalty of \$10,000 may apply to a body corporate or an officer of a body corporate for an offence against a provision if they fail to exercise due diligence or is found guilty of an offence under the Act</p> |

To ensure the appropriate, safe and effective provision of voluntary assisted dying care within SALHN, the following systems and processes have been implemented:

- The South Australian Government established the Voluntary Assisted Dying Implementation Taskforce to ensure the introduction of safe, accessible and compassionate Voluntary Assisted Dying to provide South Australians with a terminal illness choice at the end of life.
- The Department for Health and Ageing and SALHN commenced work to implement the reforms to the Voluntary Assisted Dying Act 2021 (SA) and Voluntary Assisted Dying Regulations 2022 (SA) which included a suite of strategies such as the development of a voluntary assisted dying Policy, Clinical Guideline for Health Practitioners, pathway, eligibility criteria, FAQs, communiques, information for consumers considering Voluntary Assisted Dying (VAD), review board information, information and training for Medical Practitioners participating in voluntary assisted dying which are contained within the SALHN Voluntary Assisted Dying intranet page.

The approved SALHN Voluntary Assisted Dying Procedure (Adult) was developed which includes Voluntary Assisted Dying contacts, describes the Voluntary Assisted Dying roles and responsibilities at SALHN, training and development, credentialing, cultural considerations, the Voluntary Assisted Dying pathway, death reporting requirements by Medical Practitioners, documentation requirements, reporting possible breaches of the Act and checklists.

| Act or Regulation | Requirement |
|---|---|
| <p><i>Termination of Pregnancy Act 2021 (SA)</i></p> <p><i>Termination of Pregnancy Regulations 2022 (SA)</i></p> | <p>The Termination of Pregnancy Act 2021 (SA) and Termination of Pregnancy Regulations 2022 (SA) are deemed applicable to the Minister for Health and Wellbeing, organisations that operate hospitals or private day procedure centres and registered health practitioners who perform pregnancy terminations. The Regulations introduce new reporting obligations on Chief Executive Officers of hospitals, private day procedure centres where pregnancies are terminated and registered health practitioners who perform terminations as follows:</p> <p>Section 20 Act: the Minister must provide an annual report to both Houses of Parliament relating to services provided in connection with the performance of terminations per calendar year as outlined in the legislation and regulations.</p> <p>Regulation 6 and Schedule 2 of Regulations:</p> <p>If a pregnancy is terminated at a hospital or private day procedure centre during a month, the Chief Executive Officer of that</p> |

| Act or Regulation | Requirement |
|-------------------|--|
| | hospital or private day procedure centre (as the case requires) must, within 20 days of the end of the month, provide the information specified in Schedule 2 of the Regulations to the Chief Executive as specified by the Act and regulations. |

The Family Advisory Unit at SALHN updated existing processes to ensure that reporting meets the new requirements.

A monthly report is sent to the Executive Director Nursing and Midwifery for sign off and includes the relevant details as specified by the Act and Regulations and is then sent to the Pregnancy Outcome Unit.

The Family Advisory Unit collates all Termination of Pregnancy Notification forms at the end of the months and these forms are also sent to the Pregnancy Outcome Unit.

| Act or Regulation | Requirement |
|--|---|
| <i>Radiation Protection and Control Act 2021</i> <i>Radiation Protection and Control Regulations 2022</i> | <p>The Radiation Protection and Control Act 2021 and Radiation Protection and Control Regulations 2022 incorporate several provisions and definitions from the National Director for Radiation Protection and aims to align South Australia with other jurisdictions to create national uniformity in the regulation of radiation. The new regulations also pare back the existing framework of regulation in SA, opting to introduce more flexible provisions that can be amended with changes in the technology.</p> <p>New requirements for the investigation and reporting of notifiable radiation incidents are as follows:</p> <p>Regulation 95, 96 & 97 – requires a worker to report a notifiable incident as soon as reasonably practical, an employer to immediately investigate all reported incidents and to enter the required details into a register. Failure to do so may result in a maximum fine of \$10,000.</p> <p>Regulation 98 – The employer must report the incident to the Minister within the</p> |

| Act or Regulation | Requirement |
|-------------------|--|
| | required reporting timeframe which is determined by the type of incident that occurred and is outlined in Schedule 3 of the new Regulations. Failure to do so may result in a maximum penalty of \$10,000. |

The SALHN Radiation Safety Committee is providing oversight and due to the change of definitions and reporting requirements there will be an increase to the following activities at SALHN:

- regulatory control of regular use items due to a change of definition of radioactive substance which requires further consideration by the Environmental Protection Agency and instruction on how this will be managed.
- reporting of a wider range of radiation incidents, within a short timeframe (i.e. 7 days) which will require a revision of current processes.
- compliance testing of X-ray apparatus and increased frequency of testing which will result in additional downtime to allow access to conduct testing. SA Medical Imaging is preparing systems to manage this requirement.

The amended regulations have placed the responsibility for policy decisions onto employers for:

- radiation personal protective equipment usage - by removing the requirement for any person in the room during the use of an x-ray machine that exposes them to scattered radiation, to wear a lead or equivalent protective apron to protect the chest and abdomen.
- radiation monitoring – removing the current requirement to issue a radiation monitoring device to every radiation worker employed and instead monitoring workers who have a reasonable possibility of exceeding a minimum defined radiation level.

| Act or Regulation | Requirement |
|--|--|
| <i>Australian Immunisation Register Act 2015 (Cth)</i> | Reporting required under the Australian Immunisation Register Amendment (Japanese Encephalitis Virus) Rules 2022 (Cth) which amended the Australian Immunisation Register Act 2015 (Cth) are deemed as applicable to recognised vaccination providers being general practitioners or an individual or body endorsed to administer vaccines in Australia and are required to report the |

| Act or Regulation | Requirement |
|-------------------|---|
| | <p>administration of certain vaccinations to the Australian Immunisation Register.</p> <p>Section 10A Rule 9: Requires that if a recognised vaccination provider administers a relevant vaccination in Australia for the Japanese encephalitis virus the provider must report, within the period prescribed by the rules and in the manner prescribed by the rules, the information prescribed by the rules for that vaccination for inclusion in the Australian Immunisation Register.</p> |

Vaccination is a simple, safe and effective way to protect SALHN patients and staff against harmful diseases and to reduce the likelihood of transmission. To ensure that personnel responsible for providing vaccinations maintain compliance with the relevant legislation, SALHN has implemented the following strategies:

- Monthly staff meeting agenda includes vaccine documentation to raise awareness for all staff working within the unit and to communicate any new requirements.
- All staff sign the approved SALHN Standard Medication orders whereby they are required to obtain consent from client to record all vaccines into the Australian Immunisation Register on day of vaccination.
- All staff working within SALHN Clinical Work Health and Safety Team have undertaken the Certificate of "Understanding vaccines and adult vaccination requirements for workplace programs".

All new staff are required to undertake orientation which includes legal requirements for vaccination documentation.

Reporting required under the *Carers' Recognition Act 2005*

| Act or Regulation | Requirement |
|-------------------------------------|---|
| <i>Carers' Recognition Act 2005</i> | <p>Reporting required under the Carers' Recognition Act 2005.</p> <p>The Carers' Recognition Act 2005 is deemed applicable for the following: Department of Human Services, Department for Education, Department for Health and Wellbeing, Department of State Development, Department of Planning,</p> |

| Act or Regulation | Requirement |
|-------------------|--|
| | <p>Transport and Infrastructure, South Australia Police and TAFE SA.</p> <p>Section 7: Compliance or non-compliance with Section 6 of the Carers' Recognition Act 2005 and (b) if a person or body provides relevant services under a contract with the organisation (other than a contract of employment), that person's or body's compliance or non-compliance with Section 6.</p> |

The important role that carers play in caring is highly valued and respected by SALHN. To improve carers experience and build stronger support systems in 'caring for the carer' SALHN has:

- Both consumer and carer representation with the Patient and Family Representative Program.
- Expanded the Consumer Experience Discharge Survey, which allows an opportunity for carers to provide feedback which informs organisational and service level agreements.
- Promoting person and family centred care principles across the organisation as well as exploring how the role of the carer can be formalised through a Carer Partner Framework.
- Carers and their role as featured with SALHN's Consumer and Carer Engagement Strategy 2023-2025, with the *Carers Recognition Act 2005* identified as underpinning the strategy.
- Cares included with SALHN Consumer Advisory Groups, to ensure the views of carers are represented.
- Embedded consumer and carer voices within strategic programs, service changes and planning.
- Consumer and carer stories highlighted through SALHN communications.
- Consumers and carers contributing and influencing research.
- The principles of the Statement for Australian Carers embedded within the SALHN Corporate Orientation.
- Implemented promotion of the Australian Charter of Rights across the organisation (i.e. posters and intranet)

Public complaints

Number of public complaints reported

| Complaint categories | Sub-categories | Example | Number of Complaints 2022-23 |
|----------------------|------------------------------------|---|------------------------------|
| Access | Attendance | Provider fails to keep an agreed appointment, failure to attend to give emergency treatment | 35 |
| Access | Delay in Admission or treatment | Delays in treatment or admission including delay in attending – e.g., long waits in emergency, department or waiting rooms (excludes waiting lists) | 84 |
| Access | Discharge or transfer arrangements | Premature, unsuitable, or delayed discharge or transfer, inadequate discharge planning, refusal to discharge | 49 |
| Access | Service Ability | Service or resources non-existent, service or resources insufficient for consumer requirements | 107 |
| Access | Waiting lists | Unreasonable wait for elective surgery, other treatment or service, or further postponement, after a date has been set, outpatient appointments | 99 |
| Communication | Attitude | Staff manner is rude, discourteous, negative, lacks sensitivity or is patronising or overbearing (excludes discrimination) | 176 |
| Communication | Inadequate information | Information is inadequate, difficult to understand due to jargon, language or other barriers or is incomplete | 97 |
| Communication | Wrong / Misleading Information | Information is wrong, incorrect, misleading, or conflicting (excludes consent not informed / failure to warn and information on costs) | 16 |

| Complaint categories | Sub-categories | Example | Number of Complaints 2022-23 |
|-----------------------------|---|--|-------------------------------------|
| Consent | Consent Invalid, Consent not informed, involuntary admission | Consumer's right to be involved in decision making and to be given sufficient information on which to base their consent or treatment or service | 4 |
| Corporate Services | Hotel Services | Services and physical environment provided during a patient's visit or stay (includes car parking, cleaning, laundry, maintenance, security and accommodation) | 11 |
| Costs | Information on Costs | Fees, discrepancies between advertised and actual costs, charges and rebates, and information about costs and fees | 33 |
| Privacy / Discrimination | Access to records / privacy and confidentiality | Breaches of consumer rights or acts of discrimination in relation to service provision or breaches of privacy or confidentiality | 19 |
| Professional Conduct | Accuracy/ inadequacy of records, Assault, Certificates / reports, Competence, Safety / Rights | Unethical and/or illegal practices as well as issues of competence (excludes negligent treatment and referral) | 25 |
| Treatment | Inadequate Treatment | Claim that a provider did not provide adequate treatment or care (excludes negligent treatment and competence) | 236 |
| | | Total | 1,029 |

| Additional Metrics | Total |
|--|--------|
| Number of positive feedback comments | 467 |
| Number of negative feedback comments | 1,295 |
| Total number of feedback comments | 1,918 |
| % complaints resolved within policy timeframes | 85.18% |

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/southern-adelaide-local-health-network-salhn/resource/8366510c-e619-42c5-a107-7cf6258730bc>

Service Improvements

Improvements resulting from consumer feedback and suggestions during financial year 22/23 included:

- Implementation of the SALHN Carer and Community Feedback and Complaint Management Strategy 2022-2025.
- Lost property improvement project.
- New procedure completed for staff to cancel ambulance bookings to free up resources.
- Implementation of a cross agency procedure with ambulance booking and correct payment of invoices.

Compliance Statement

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

SALHN has communicated the content of PC039 through raising staff awareness of the SALHN Consumer Advisory Service Feedback Management Procedure which is compliant with the content of PC039.

SALHN staff are also aware of the SA Health Consumer, Carer and Community Feedback and Complaints Management web page and Strategic Framework which encompass the PC039.

Appendix: Audited financial statements 2022-23



Our ref: A23/473

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Mr M Butcher
Governing Board Chair
Office of the Chief Executive Officer
Southern Adelaide Local Health Network Incorporated
Level 4, Margaret Tobin Centre
Flinders Medical Centre
Flinders Drive
BEDFORD PARK SA 5042
email: Health.SALHNCEOOffice@sa.gov.au
Health.SALHNBoard@sa.gov.au

Dear Mr Butcher

**Audit of the Southern Adelaide Local Health Network Incorporated
for the year to 30 June 2023**

We have completed the audit of your accounts for the year ended 30 June 2023. Key outcomes from the audit are the:

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

1 Independent Auditor's Report

We are returning the financial report for the Southern Adelaide Local Health Network Incorporated, with the Independent Auditor's Report. This report is unmodified.

The *Public Finance and Audit Act 1987* allows me to publish documents on the Auditor-General's Department website. The enclosed Independent Auditor's Report and accompanying financial report will be published on that website on Tuesday 17 October 2023.

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

2 Audit management letters

During the year, we sent you audit management letters detailing the weaknesses we noted and improvements we considered you need to make including matters we considered in forming our collective opinion on financial controls required by the *Public Finance and Audit Act 1987*.

Significant matters related to:

- payroll planning, monitoring and approval processes could be improved
- asset management processes under the across government facilities management arrangements could be improved
- some reviews over key expenditure controls could be improved
- some contract management processes could be improved
- no private practice audits performed.

We have received responses to our letters and will follow these up in the 2023-24 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. Some notable areas were:

- governance
- accounts payable and goods and services expenditure
- payroll and workforce management
- patient billing and debtor management
- medical officer professional development
- cash and online banking
- general ledger and financial accounting
- property, plant and equipment.

Particular attention was given to capital works-in-progress and property, plant and equipment.

We concluded that the financial report was prepared in accordance with the financial reporting framework in this respect.

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

18 September 2023

enc



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To the Governing Board Chair Southern Adelaide Local Health Network Incorporated

Opinion

I have audited the financial report of the Southern Adelaide Local Health Network Incorporated for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Southern Adelaide Local Health Network Incorporated as at 30 June 2023, its financial performance and its 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 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Governing Board Chair, the Chief Executive Officer and the Interim 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 Southern Adelaide Local Health Network Incorporated. 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 Governing 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 issued 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 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 Governing 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 Southern Adelaide Local Health Network Incorporated for the financial year ended 30 June 2023.

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 Southern Adelaide 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

18 September 2023

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2023

| | Note | 2023 | 2022 |
|--|-------------|------------------|------------------|
| | | \$'000 | \$'000 |
| Income | | | |
| Revenues from SA Government | 2 | 1,327,331 | 1,220,410 |
| Fees and charges | 3 | 68,558 | 57,375 |
| Grants and contributions | 4 | 6,025 | 5,326 |
| Interest | 12 | 342 | - |
| Resources received free of charge | 5 | 7,439 | 7,265 |
| Other revenues/income | 6 | 23,198 | 25,849 |
| Total income | | 1,432,893 | 1,316,225 |
| Expenses | | | |
| Staff benefits expenses | 7 | 941,040 | 846,804 |
| Supplies and services | 8 | 472,184 | 410,737 |
| Depreciation and amortisation | 16,17 | 45,371 | 43,499 |
| Grants and subsidies | 9 | 451 | - |
| Borrowing costs | 20 | 128 | 142 |
| Net loss from disposal of non-current and other assets | 11 | 137 | 1 |
| Impairment loss on receivables | 13.1 | (263) | 734 |
| Other expenses | 10 | 1,060 | 388 |
| Total expenses | | 1,460,108 | 1,302,305 |
| Net result | | (27,215) | 13,920 |
| Total comprehensive result | | (27,215) | 13,920 |

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

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF FINANCIAL POSITION
As at 30 June 2023

| | Note | 2023 \$'000 | 2022 \$'000 |
|--|-------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalents | 12 | 24,799 | 17,466 |
| Receivables | 13 | 26,314 | 26,815 |
| Inventories | 15 | 4,575 | 4,315 |
| Total current assets | | 55,688 | 48,596 |
| Non-current assets | | | |
| Receivables | 13 | 8,345 | 6,505 |
| Other financial assets | 14 | 2,601 | 2,601 |
| Property, plant and equipment | 16,17 | 753,785 | 761,472 |
| Intangible assets | 16.5 | 8 | 15 |
| Total non-current assets | | 764,739 | 770,593 |
| Total assets | | 820,427 | 819,189 |
| Current liabilities | | | |
| Payables | 19 | 57,173 | 47,048 |
| Financial liabilities | 20 | 1,328 | 1,703 |
| Staff benefits | 21 | 140,351 | 128,196 |
| Provisions | 22 | 7,084 | 6,461 |
| Contract liabilities and other liabilities | 23 | 861 | 1,599 |
| Total current liabilities | | 206,797 | 185,007 |
| Non-current liabilities | | | |
| Payables | 19 | 5,895 | 5,511 |
| Financial liabilities | 20 | 5,264 | 6,143 |
| Staff benefits | 21 | 134,753 | 130,967 |
| Provisions | 22 | 37,956 | 34,584 |
| Total non-current liabilities | | 183,868 | 177,205 |
| Total liabilities | | 390,665 | 362,212 |
| Net assets | | 429,762 | 456,977 |
| Equity | | | |
| Retained earnings | | 346,132 | 373,347 |
| Asset revaluation surplus | | 83,630 | 83,630 |
| Total equity | | 429,762 | 456,977 |

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

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2023

| | Asset revaluation surplus \$ '000 | Retained earnings \$ '000 | Total equity \$ '000 |
|---|--|--|-------------------------------------|
| Balance at 30 June 2021 | 83,630 | 358,376 | 442,006 |
| Net result for 2021-22 | - | 13,920 | 13,920 |
| Total comprehensive result for 2021-22 | - | 13,920 | 13,920 |
| Net assets transferred out as a result of an administrative restructure | - | 1,051 | 1,051 |
| Balance at 30 June 2022 | 83,630 | 373,347 | 456,977 |
| Net result for 2022-23 | - | (27,215) | (27,215) |
| Total comprehensive result for 2022-23 | - | (27,215) | (27,215) |
| Balance at 30 June 2023 | 83,630 | 346,132 | 429,762 |

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

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2023

| | | 2023 | 2022 |
|---|-------------|--------------------|--------------------|
| | Note | \$'000 | \$'000 |
| Cash flows from operating activities | | | |
| Cash inflows | | | |
| Receipts from SA Government | | 1,140,861 | 1,018,987 |
| Fees and charges | | 65,737 | 57,140 |
| Grants and contributions | | 8,621 | 7,757 |
| Interest received | | 342 | - |
| GST recovered from ATO | | 19,999 | 15,932 |
| Other receipts | | 11,618 | 11,613 |
| Cash generated from operations | | 1,247,178 | 1,111,429 |
| Cash outflows | | | |
| Staff benefits payments | | (914,161) | (874,576) |
| Payments for supplies and services | | (314,255) | (244,140) |
| Payments of grants and subsidies | | (468) | (16) |
| Interest paid | | (128) | (142) |
| Other payments | | (1,157) | (624) |
| Cash used in operations | | (1,230,169) | (1,119,498) |
| Net cash provided by/(used in) operating activities | | 17,009 | (8,069) |
| Cash flows from investing activities | | | |
| Cash inflows | | | |
| Proceeds from sale of property, plant and equipment | | 53 | - |
| Cash generated from investing activities | | 53 | - |
| Cash outflows | | | |
| Purchase of property, plant and equipment | | (7,939) | (8,675) |
| Cash used in investing activities | | (7,939) | (8,675) |
| Net cash provided by/(used in) investing activities | | (7,886) | (8,675) |
| Cash flows from financing activities | | | |
| Cash outflows | | | |
| Repayment of lease liabilities | | (1,790) | (1,971) |
| Cash used in financing activities | | (1,790) | (1,971) |
| Net cash provided by/(used in) financing activities | | (1,790) | (1,971) |
| Net increase/(decrease) in cash and cash equivalents | | 7,333 | (18,715) |
| Cash and cash equivalents at the beginning of the period | | 17,466 | 36,181 |
| Cash and cash equivalents at the end of the period | 12 | 24,799 | 17,466 |
| Non-cash transactions | 24 | | |

The accompanying notes form part of these financial statements.

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

1. About Southern Adelaide Local Health Network

The Southern Adelaide Local Health Network (the Hospital) is a not-for-profit incorporated hospital established under the *Health Care Act 2008*. The financial statements include all controlled activities of the Hospital. The Hospital does not control any other entity. It does have an interest in an unconsolidated structured entity (Flinders Fertility). Information on the Hospital's interests 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 are disclosed in the Schedule of Administered Financial Statements (note 34). Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for the Hospital's transactions.

1.1 Objectives and activities

The Hospital is committed to protecting and improving the health of all South Australians by delivering a system that balances the provision of safe, high-quality and accessible services that are sustainable and reflective of local values, needs and priorities with strategic system leadership, regulatory responsibilities and an increased focus on wellbeing, illness prevention, early intervention and quality care.

The Hospital is part of the SA Health portfolio providing health services for Southern Adelaide, including those managed on a State-wide basis. The Hospital is structured to contribute to the outcomes for which the portfolio is responsible by providing hospital-based quaternary care including medical, surgical and other acute services, rehabilitation, mental health, palliative care and other community health services to veterans and other persons living within the Southern Adelaide metropolitan area and statewide as appropriate.

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 the Chief Executive of the Department for Health and Wellbeing (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.

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/throughout the notes.

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.

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

1.4 Continuity of Operations

As at 30 June, the Hospital had a working capital deficiency of \$151.109 million (\$136.411 million deficiency). The SA Government is committed and has consistently demonstrated a commitment to the ongoing funding of the Hospital to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annually produce 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 Administrative restructures

2022-23

There were no transfers during this period.

2021-22

As a result of administrative arrangements outlined in the Chief Executive Agreement (4 April 2022), the Metropolitan Referral Unit was transitioned from the Hospital to Wellbeing SA, effective 26 March 2022. Net liabilities of \$1.051 million were transferred out, consisting of payables (\$0.060 million) and staff benefits (\$0.991 million). This included the transfer of 32 staff.

Net liabilities transferred by the Hospital as a result of the administrative restructure were at the carrying amount immediately prior to transfer, and treated as a distribution to the SA Government as owner.

1.7 Impact of COVID-19 pandemic on SA Health

The COVID-19 pandemic has impacted the Hospital's operations to ensure that demand can be managed across South Australia and that necessary compliance measures are followed. COVID-19 specific costs have not been quantified for 2022-23 following revocation of the declaration of a major emergency COVID-19 and expiration of Commonwealth financial assistance to the Department via the National Partnership on COVID-19 Response. Net COVID-19 specific costs for the Hospital in 2021-22 were \$35.760 million.

1.8 Change in accounting policy

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

2. Revenues from SA Government

| | 2023 | 2022 |
|--|------------------|------------------|
| | \$'000 | \$'000 |
| Operational funding | 1,291,654 | 1,170,962 |
| Capital projects funding | 35,677 | 49,448 |
| Total revenues from Department for Health and Wellbeing | 1,327,331 | 1,220,410 |

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 revenues when the Hospital obtains control over the funding. Control over the funding is normally obtained upon receipt.

3. Fees and charges

| | 2023 | 2022 |
|----------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Car parking revenue | 4,617 | 3,093 |
| Commissions revenue | 12 | 13 |
| Fees for health services | 13,149 | 12,396 |
| Fines, fees and penalties | 17 | 19 |
| Patient and client fees | 44,944 | 36,304 |
| Private practice fees | 2,804 | 2,912 |
| Sale of goods - medical supplies | 497 | 619 |
| Training revenue | 153 | 122 |
| Other user charges and fees | 2,365 | 1,897 |
| Total fees and charges | 68,558 | 57,375 |

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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. Revenue is recognised either at a point in time or over time, when (or as) the Hospital satisfies performance obligations by transferring the promised goods or services to its customers.

All revenue from fees and charges is revenue recognised from contracts with customers except for fines, fees and penalties.

| Contracts with Customers disaggregated by pattern of revenue recognition and type of customer | 2023 \$'000 Goods/Services transferred at a point in time | 2023 \$'000 Goods/Services transferred over a period of time | 2022 \$'000 Goods/Services transferred at a point in time | 2022 \$'000 Goods/Services transferred over a period of time |
|--|--|---|--|---|
| Car parking revenue | 3,758 | 859 | 3,047 | 46 |
| Commissions revenue | 12 | - | 13 | - |
| Patient and client fees | 35,936 | - | 29,819 | - |
| Private practice fees | 2,804 | - | 2,912 | - |
| Fees for health services | 11,092 | - | 10,694 | - |
| Sale of goods - medical supplies | 94 | - | 77 | - |
| Training revenue | 85 | - | 17 | - |
| Other user charges and fees | 1,962 | - | 1,502 | - |
| Total contracts with external customers | 55,743 | 859 | 48,081 | 46 |
| Patient and client fees | 9,008 | - | 6,485 | - |
| Fees for health services | 2,057 | - | 1,702 | - |
| Sale of goods - medical supplies | 403 | - | 542 | - |
| Training revenue | 68 | - | 105 | - |
| Other user charges and fees | 403 | - | 395 | - |
| Total contracts with SA Government customers | 11,939 | - | 9,229 | - |
| Total contracts with customers | 67,682 | 859 | 57,310 | 46 |

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). Similarly, if the Hospital satisfies a performance obligation before it receives the consideration, the Hospital recognises either a contract asset or a receivable, depending on whether something other than the passage of time is required before the consideration is due (refer to note 13).

The Hospital recognises revenue (contract from customers) 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.

Fees for 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 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 accounts receivable.

Private practice fees

The Hospital grants SA Health employed salaried medical consultants the ability to provide billable medical services relating to the assessment, treatment and care of privately referred outpatients or private inpatients in SA Health sites. Fees derived from undertaking private practice is income derived in the hands of the specialist. The specialist appoints the Hospital as an agent in the rendering and recovery of accounts of the specialists private practice. The Hospital disburses amounts collected on behalf of the specialist to the specialist via payroll (fortnightly) or accounts payable (monthly) depending on the rights of private practice scheme. Revenue from these services is recognised as it's collected as per the Rights of Private Practice Agreement.

Car parking revenue

The Hospital provides access to car parks directly to staff, patients and visitors. A discounted weekly ticket is also available. Revenue is recognised when control of the goods has transferred to the customer, being when the ticket is purchased. The Hospital also provides weekly, fortnightly and monthly car park passes to doctors, nurses and other staff.

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4. Grants and contributions

| | 2023 | 2022 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Commonwealth grants and donations | 1,789 | 1,148 |
| Other SA Government grants and contributions | 949 | 940 |
| Private sector capital contributions | 464 | 687 |
| Private sector grants and contributions | 2,823 | 2,551 |
| Total grants and contributions | 6,025 | 5,326 |

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

Of the \$6.025 million (\$5.326 million) total grants and contributions, \$1.641 million (\$2.033 million) was provided for specific purposes, such as research and associated activities.

5. Resources received free of charge

| | 2023 | 2022 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Buildings and improvements | 502 | 562 |
| Services | 6,937 | 6,703 |
| Total resources received free of charge | 7,439 | 7,265 |

Buildings and improvements contributions relates to upgraded Hospital facilities shared with Central Adelaide Local Health Network.

Contribution of services are recognised only when the 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 \$5.462 million (\$5.055 million) and ICT services valued at \$1.475 million (\$1.648 million) from Department of the Premier and Cabinet following Cabinet's approval to cease intra-government charging.

In addition, although not recognised the Hospital received volunteer services from the Volunteer Service for Flinders Medical Centre Inc. There are several hundred volunteers who provide patient and staff support services to individuals using Hospital's services. The services include but are not limited to: childcare, respite care, transport, therapeutic activities, patient liaison gift shop support, kiosk support and café support.

6. Other revenues/income

| | 2023 | 2022 |
|-----------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Donations | 8 | 37 |
| Health recoveries | 11,729 | 14,064 |
| Other | 11,461 | 11,748 |
| Total other income/revenue | 23,198 | 25,849 |

7. Staff benefits expenses

| | 2023 | 2022 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Salaries and wages | 742,529 | 698,314 |
| Targeted voluntary separation packages | - | 270 |
| Long service leave | 18,659 | (7,090) |
| Annual leave | 76,824 | 70,848 |
| Skills and experience retention leave | 3,489 | 3,295 |
| Staff on-costs - superannuation* | 85,249 | 75,473 |
| Staff on-costs - other | 3 | 3 |
| Workers compensation | 11,898 | 3,202 |
| Board and committee fees | 325 | 353 |
| Other staff related expenses | 2,064 | 2,136 |
| Total staff benefits expenses | 941,040 | 846,804 |

* The superannuation staff 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.

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7.1 Key Management Personnel

Key management personnel (KMP) of the Hospital includes the Minister, eight members of the governing board, the Chief Executive of the Department, Chief Executive Officer of the Hospital and the five (three) 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 South Australia, respectively, and are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*; and
- Chief Executive of the Department. The Chief Executive of the Department is remunerated by the Department and there is no requirement for the Hospital to reimburse those expenses.

| Compensation | 2023 | 2022 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Salaries and other short term staff benefits | 1,469 | 1,262 |
| Post-employment benefits | 196 | 152 |
| Total | 1,665 | 1,414 |

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.

7.2 Remuneration of board and committee members

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

| | 2023 | 2022 |
|---------------------|----------------|----------------|
| | No. of | No. of |
| | Members | Members |
| \$0 | 349 | 303 |
| \$1 - \$20,000 | 38 | 37 |
| \$20,001 - \$40,000 | 6 | 7 |
| \$40,001 - \$60,000 | - | - |
| \$60,001 - \$80,000 | 1 | 1 |
| Total | 394 | 348 |

The total remuneration received or receivable by members was \$0.355 million (\$0.386 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. Board members ceasing membership during the reporting period are also included in the table above.

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 33 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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7.3 Remuneration of staff

| | 2023 | 2022 |
|---|---------------|---------------|
| | Number | Number |
| The number of staff whose remuneration received or receivable falls within the following bands: | | |
| \$157,001 - \$160,000* | n/a | 24 |
| \$160,001 - \$180,000 | 140 | 143 |
| \$180,001 - \$200,000 | 104 | 101 |
| \$200,001 - \$220,000 | 67 | 71 |
| \$220,001 - \$240,000 | 48 | 34 |
| \$240,001 - \$260,000 | 40 | 49 |
| \$260,001 - \$280,000 | 41 | 44 |
| \$280,001 - \$300,000 | 37 | 33 |
| \$300,001 - \$320,000 | 22 | 30 |
| \$320,001 - \$340,000 | 33 | 27 |
| \$340,001 - \$360,000 | 29 | 22 |
| \$360,001 - \$380,000 | 20 | 22 |
| \$380,001 - \$400,000 | 23 | 14 |
| \$400,001 - \$420,000 | 20 | 20 |
| \$420,001 - \$440,000 | 16 | 20 |
| \$440,001 - \$460,000 | 27 | 23 |
| \$460,001 - \$480,000 | 24 | 19 |
| \$480,001 - \$500,000 | 14 | 25 |
| \$500,001 - \$520,000 | 17 | 18 |
| \$520,001 - \$540,000 | 18 | 13 |
| \$540,001 - \$560,000 | 4 | 8 |
| \$560,001 - \$580,000 | 8 | 5 |
| \$580,001 - \$600,000 | 7 | 8 |
| \$600,001 - \$620,000 | 6 | 7 |
| \$620,001 - \$640,000 | 4 | 3 |
| \$640,001 - \$660,000 | 2 | 1 |
| \$660,001 - \$680,000 | - | 2 |
| \$740,001 - \$760,000 | - | 1 |
| Total | 771 | 787 |

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2021-22.

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

7.4 Remuneration of staff by classification

The total remuneration received by these staff included in note 7.3:

| | 2023 | | 2022 | |
|--|-------------|----------------|-------------|----------------|
| | No. | \$'000 | No. | \$'000 |
| Nursing remuneration | 71 | 12,599 | 63 | 10,920 |
| Medical (excluding Nursing) remuneration | 686 | 210,464 | 709 | 214,405 |
| Non-medical (i.e. administration) remuneration | 3 | 530 | 7 | 1,238 |
| Executive remuneration | 11 | 2,711 | 8 | 1,881 |
| Total | 771 | 226,304 | 787 | 228,444 |

7.5 Targeted voluntary separation packages (TVSP)

| | 2023 | 2022 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Amount paid to separated staff: | | |
| Leave paid/payable to separated employees | - | 70 |
| Targeted voluntary separation packages | - | 270 |
| Net cost to the Hospital | - | 340 |
| The number of staff who received a TVSP during the reporting period | - | 4 |

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8. Supplies and services

| | 2023 | 2022 |
|---|----------------|----------------|
| | \$'000 | \$'000 |
| Administration | 518 | 531 |
| Advertising | 1,830 | 2,073 |
| Communication | 3,075 | 3,505 |
| Computing | 14,222 | 11,751 |
| Consultants | 1,460 | 1,148 |
| Contract of services | 18,057 | 17,501 |
| Contractors | 4,931 | 3,723 |
| Contractors - agency staff | 27,184 | 18,814 |
| Drug supplies | 28,310 | 26,638 |
| Electricity, gas and fuel | 7,800 | 6,986 |
| Fee for service | 73,528 | 47,500 |
| Food supplies | 14,850 | 13,376 |
| Hotel quarantine - accommodation costs | - | 13 |
| Housekeeping | 12,785 | 13,178 |
| Insurance | 8,097 | 6,515 |
| Internal SA Health SLA payments | 15,174 | 14,588 |
| Legal | 290 | 237 |
| Low value lease expense | 32 | 54 |
| Medical, surgical and laboratory supplies | 149,390 | 142,428 |
| Minor equipment | 4,896 | 5,941 |
| Motor vehicle expenses | 733 | 674 |
| Occupancy rent and rates | 4,177 | 3,378 |
| Patient transport | 5,207 | 5,374 |
| Postage | 1,584 | 1,612 |
| Printing and stationery | 2,314 | 2,381 |
| Repairs and maintenance | 22,024 | 19,948 |
| Security | 16,410 | 13,350 |
| Services from Shared Services SA | 5,529 | 5,120 |
| Short term lease expense | 158 | 181 |
| Training and development | 11,401 | 9,795 |
| Travel expenses | 5,260 | 1,293 |
| Other supplies and services | 10,958 | 11,131 |
| Total supplies and services | 472,184 | 410,737 |

The Hospital recognises lease payments associated with short term leases (12 months or less) and leases for which the underlying asset is low value (less than \$15,000) 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.

9. Grants and subsidies

| | 2023 | 2022 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Subsidies | 239 | - |
| Funding to non-government organisations | 212 | - |
| Total grants and subsidies | 451 | - |

The grants given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation. Contributions payable will be recognised as a liability and an expense when the Hospital has a present obligation to pay the contribution and the expense recognition criteria are met.

10. Other expenses

| | 2023 | 2022 |
|-----------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Debts written off | 225 | 56 |
| Bank fees and charges | 42 | 43 |
| Other* | 793 | 289 |
| Total other expenses | 1,060 | 388 |

* 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 \$0.374 million (\$0.363 million). No other services were provided by the Auditor-General's Department. Also includes reversal of inventory write-down arising from an increase in net realisable value of \$0.002 million (\$0.348 million).

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

| | 2023 | 2022 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Total assets: | | |
| Total proceeds from disposal | 53 | - |
| Less total carrying amount of assets disposed | (190) | (1) |
| Total net gain/(loss) from disposal of plant and equipment | (137) | (1) |

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.

12. Cash and cash equivalents

| | 2023 | 2022 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Cash at bank or on hand | 970 | 1,735 |
| Deposits with Treasurer: general operating | 8,080 | 3,558 |
| Deposits with Treasurer: special purpose funds | 15,749 | 12,173 |
| Total cash and cash equivalents | 24,799 | 17,466 |

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

The Hospital earned interest on the special purpose funds deposit account of \$0.342 million (nil).

13. Receivables

| | | 2023 | 2022 |
|--|-------------|---------------|---------------|
| | Note | \$'000 | \$'000 |
| Current | | | |
| Patient/client fees: compensable | | 2,268 | 3,195 |
| Patient/client fees: other | | 13,108 | 9,576 |
| Debtors | | 4,498 | 5,661 |
| Less: allowance for impairment loss on receivables | 13.1 | (2,178) | (2,441) |
| Prepayments | | 4,139 | 5,836 |
| Workers compensation provision recoverable | | 2,350 | 2,111 |
| Sundry receivables and accrued revenue | | 1,325 | 1,720 |
| GST input tax recoverable | | 804 | 1,157 |
| Total current receivables | | 26,314 | 26,815 |
| Non-current | | | |
| Debtors | | 815 | 798 |
| Prepayments | | 1,376 | 1,432 |
| Workers compensation provision recoverable | | 6,154 | 4,275 |
| Total non-current receivables | | 8,345 | 6,505 |
| Total receivables | | 34,659 | 33,320 |

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.

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13.1 Impairment of receivables

The Hospital has adopted the simplified impairment approach under AASB 9 *Financial Instruments* 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:

| | 2023 | 2022 |
|---|--------------|--------------|
| | \$'000 | \$'000 |
| Carrying amount at the beginning of the period | 2,441 | 1,707 |
| Increase/(Decrease) in allowance recognised in profit or loss | (263) | 734 |
| Carrying amount at the end of the period | 2,178 | 2,441 |

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

14. Other financial assets

| | 2023 | 2022 |
|-------------------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Non-current | | |
| Joint venture | 2,601 | 2,601 |
| Total other financial assets | 2,601 | 2,601 |

The joint venture represents the Hospital's share of beneficial entitlement of Flinders Reproductive Medicine Pty Ltd as trustee for Flinders Charitable Trust, trading as Flinders Fertility, which is the only joint arrangement in which the Hospital participates. The value of entitlement as at the reporting period is unchanged at \$2.601 million from the previous financial year.

According to the terms of the joint venture, profit earned during the financial year is to be distributed to the beneficiaries, resulting in immaterial net assets being held by the trust. However, it has previously been agreed that rather than paying out these distributions, they be retained in Flinders Fertility as a liability to the beneficiaries to facilitate growth within the business. Therefore the Hospital recognises their ownership interest of the distribution as a financial asset.

There is no impairment on other financial assets. Refer to note 30 for information on risk management.

15. Inventories

| | 2023 | 2022 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Drug supplies | 915 | 928 |
| Inventory imprest stock | 2,967 | 2,700 |
| Other | 693 | 687 |
| Total current inventories - held for distribution | 4,575 | 4,315 |

Inventories held for distribution at no or nominal consideration, 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 and intangible assets

16.1 Acquisition and recognition

Property, plant and equipment 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. However, if the 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 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.

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Depreciation and amortisation is calculated on a straight line basis. Property, plant and equipment and intangible assets 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 | 40 – 80 |
| Right-of-use buildings | Lease term |
| Accommodation and Leasehold improvements | Lease term |
| Plant and equipment: | |
| • Medical, surgical, dental and biomedical equipment and furniture | 5 – 15 |
| • Other plant and equipment | 3 – 25 |
| Right-of-use plant and equipment | Lease term |
| Intangible assets | 5 – 30 |

16.3 Revaluation

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

Revaluation of non-current assets or a group of assets is only performed when the assets fair value at the time of acquisition is greater than \$1.500 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 \$1.500 million materially differs from its fair value, then the asset will be revalued regardless of when the last valuation 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 and intangible assets 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 for property, plant and equipment or intangibles as at reporting date.

16.5 Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The amortisation period and the amortisation method for intangible assets with finite useful lives are reviewed on an annual basis.

The acquisition of, or internal development of, software is capitalised only when the expenditure meets the definition criteria and recognition criteria, and when the amount of expenditure is greater than or equal to \$10,000.

The Hospital has computer software with a carrying amount of \$0.008 million (\$0.015 million) at the end of reporting period after amortisation of \$0.007 million (\$0.007 million).

16.6 Land and building

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 Jones Lang Lasalle (SA) Pty Ltd, as at 1 June 2018. Consistent with *Treasurer's Instructions*, a public authority must at least every 6 years obtain a valuation appraisal from a qualified valuer, the next independent valuation is scheduled to occur during the 2023-24 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.

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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 are no indications of impairment. Additions to right-of-use assets during the reporting period consists of addition to motor vehicles of \$0.536 million (\$0.630 million). Short-term leases of 12 months or less and low value leases, where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and disclosed in note 8.

The Hospital has a number of lease agreements. Lease terms vary in length from 2 to 10 years.

Major lease activities include the use of:

- Properties – Office accommodation and health clinics are generally leased from the private sector. Generally property leases are non-cancellable with many having the right of renewal. Rent is payable in arrears, with increases generally at a fixed rate. Prior to renewal, most lease arrangements undergo a formal rent review linked to market appraisals or independent valuers.
- 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 committed to any lease arrangement that has not commenced. The Hospital has not entered into any sub-lease arrangements outside of the SA Health.

The lease liabilities related to the right-of-use assets, maturity analysis and interest expense are disclosed at note 20. Depreciation expense related to right-of-use assets is disclosed at note 17. Cash outflows related to right-of-use assets are disclosed at note 24.

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17. Reconciliation of property, plant and equipment

The following table shows the movement :

| 2022-23 | Land and buildings: | | | | | Plant and equipment: | | | | |
|--|---------------------|---------------------|---|--|---|--|---|--|---|------------------|
| | Land \$'000 | Buildings \$'000 | Right-of- use buildings \$'000 | Capital works in progress land and buildings \$'000 | Accommod ation and Leasehold improve- ments \$'000 | Medical/ surgical/ dental/ biomedical \$'000 | Other plant and equipment \$'000 | Right-of- use plant and equipment \$'000 | Capital works in progress plant and equipment \$'000 | Total \$'000 |
| Carrying amount at the beginning of the period | 43,232 | 660,466 | 6,368 | 30,450 | 3,155 | 10,709 | 1,842 | 910 | 4,340 | 761,472 |
| Additions | - | - | - | 32,426 | - | 2,227 | 91 | 536 | 2,085 | 37,365 |
| Assets received free of charge | - | - | - | 393 | - | - | - | - | 109 | 502 |
| Disposals | - | - | - | (3) | - | (10) | (177) | - | - | (190) |
| Transfers between asset classes | - | 45,788 | - | (44,933) | - | 3,181 | 200 | - | (4,236) | - |
| Subtotal: | 43,232 | 706,254 | 6,368 | 18,333 | 3,155 | 16,107 | 1,956 | 1,446 | 2,298 | 799,149 |
| Gains/(losses) for the period recognised in net result: | | | | | | | | | | |
| Depreciation and amortisation | - | (38,507) | (1,263) | - | (294) | (4,304) | (384) | (612) | - | (45,364) |
| Subtotal: | - | (38,507) | (1,263) | - | (294) | (4,304) | (384) | (612) | - | (45,364) |
| Carrying amount at the end of the period | 43,232 | 667,747 | 5,105 | 18,333 | 2,861 | 11,803 | 1,572 | 834 | 2,298 | 753,785 |
| Gross carrying amount | | | | | | | | | | |
| Gross carrying amount | 43,232 | 854,253 | 11,058 | 18,333 | 6,133 | 50,110 | 8,705 | 1,997 | 2,298 | 996,119 |
| Accumulated depreciation / amortisation | - | (186,506) | (5,953) | - | (3,272) | (38,307) | (7,133) | (1,163) | - | (242,334) |
| Carrying amount at the end of the period | 43,232 | 667,747 | 5,105 | 18,333 | 2,861 | 11,803 | 1,572 | 834 | 2,298 | 753,785 |

All assets are classified in the level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 16.7 for details about the right-of-use assets, and note 20 for details about the lease liability for right-of-use assets.

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| 2021-22 | Land and buildings: | | | | | Plant and equipment: | | | | |
|--|---------------------|---------------------|---|--|--|--|---|--|---|------------------|
| | Land \$'000 | Buildings \$'000 | Right-of- use buildings \$'000 | Capital works in progress land and buildings \$'000 | Accommod- ation and Leasehold improve- ments \$'000 | Medical/ surgical/ dental/ biomedical \$'000 | Other plant and equipment \$'000 | Right-of- use plant and equipment \$'000 | Capital works in progress plant and equipment \$'000 | Total \$'000 |
| Carrying amount at the beginning of the period | 43,232 | 646,262 | 7,877 | 36,532 | 3,459 | 11,836 | 2,036 | 869 | 643 | 752,746 |
| Additions | - | - | - | 45,060 | - | 1,904 | - | 630 | 4,066 | 51,660 |
| Assets received free of charge | - | - | - | 562 | - | - | - | - | - | 562 |
| Disposals | - | - | - | - | - | (1) | - | (3) | - | (4) |
| Transfers between asset classes | - | 50,534 | - | (51,704) | 25 | 1,311 | 203 | - | (369) | - |
| Other movements | - | - | - | - | - | - | - | - | - | - |
| Subtotal: | 43,232 | 696,796 | 7,877 | 30,450 | 3,484 | 15,050 | 2,239 | 1,496 | 4,340 | 804,964 |
| Gains/(losses) for the period recognised in net result: | | | | | | | | | | |
| Depreciation and amortisation | - | (36,330) | (1,509) | - | (329) | (4,341) | (397) | (586) | - | (43,492) |
| Subtotal: | - | (36,330) | (1,509) | - | (329) | (4,341) | (397) | (586) | - | (43,492) |
| Carrying amount at the end of the period | 43,232 | 660,466 | 6,368 | 30,450 | 3,155 | 10,709 | 1,842 | 910 | 4,340 | 761,472 |
| Gross carrying amount | | | | | | | | | | |
| Gross carrying amount | 43,232 | 808,465 | 11,058 | 30,450 | 6,133 | 47,979 | 9,322 | 1,812 | 4,340 | 962,791 |
| Accumulated depreciation / amortisation | - | (147,999) | (4,690) | - | (2,978) | (37,270) | (7,480) | (902) | - | (201,319) |
| Carrying amount at the end of the period | 43,232 | 660,466 | 6,368 | 30,450 | 3,155 | 10,709 | 1,842 | 910 | 4,340 | 761,472 |

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 \$1.500 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 into hierarchy based on the level of inputs used in measurement as follows:

All assets are held at level 3 and are recurring fair value measurements.

The Hospital's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Valuation techniques and inputs used to derive Level 2 and 3 fair values are at note 16 and 18.2.

During the reporting period, the Hospital had no valuations categorised into Level 1, there were no transfers of assets between Level 1, 2 and 3 fair value hierarchy levels.

18.2 Valuation techniques and inputs

Land fair values were derived by using the market approach, being recent sales transactions of other similar land holdings within the region, adjusted for differences in key attributes such as property size, zoning and any restrictions on use, and then adjusted with a discount factor. For this reason they are deemed to have been valued using Level 3 valuation inputs.

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

Unobservable inputs used to arrive at final valuation figures included:

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

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

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19. Payables

| | 2023 | 2022 |
|-----------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Current | | |
| Creditors and accrued expenses | 38,836 | 31,914 |
| Paid Parental Leave Scheme | 230 | 193 |
| Staff on-costs* | 17,138 | 13,212 |
| Other payables | 969 | 1,729 |
| Total current payables | 57,173 | 47,048 |
| Non-current | | |
| Staff on-costs* | 5,838 | 5,438 |
| Other payables | 57 | 73 |
| Total non-current payables | 5,895 | 5,511 |
| Total payables | 63,068 | 52,559 |

Payables are measured at nominal amounts. Creditors and accruals are recognised for all amounts owed and unpaid. Contractual payables 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 are discharged. These on-costs primarily relate to the balance of leave owing to staff. 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 2022 rate (10.6%) to 11.1% 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 expense of \$0.627 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

Refer to note 30 for information on risk management.

20. Financial liabilities

| | 2023 | 2022 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Current | | |
| Lease liabilities | 1,328 | 1,703 |
| Total current financial liabilities | 1,328 | 1,703 |
| Non-current | | |
| Lease liabilities | 5,264 | 6,143 |
| Total non-current financial liabilities | 5,264 | 6,143 |
| Total financial liabilities | 6,592 | 7,846 |

Lease liabilities 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 Hospital incurred borrowing costs associated with leasing activities of \$0.128 million (\$0.142 million). Refer to note 16 for details about the right-of-use assets (including depreciation).

Refer to note 30 for information on risk management.

20.1 Concessional lease arrangements

The Hospital has no concessional lease arrangements.

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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:

| | 2023 | 2022 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Lease Liabilities | | |
| 1 to 3 years | 2,894 | 3,865 |
| 3 to 5 years | 2,174 | 1,628 |
| 5 to 10 years | 1,938 | 2,864 |
| Total lease liabilities (undiscounted) | 7,006 | 8,357 |

21. Staff benefits

| | 2023 | 2022 |
|---|----------------|----------------|
| | \$'000 | \$'000 |
| Current | | |
| Accrued salaries and wages | 21,289 | 17,914 |
| Annual leave | 100,653 | 93,010 |
| Long service leave | 12,181 | 11,590 |
| Skills and experience retention leave | 5,897 | 5,391 |
| Other | 331 | 291 |
| Total current staff benefits | 140,351 | 128,196 |
| Non-current | | |
| Long service leave | 134,753 | 130,967 |
| Total non-current staff benefits | 134,753 | 130,967 |
| Total staff benefits | 275,104 | 259,163 |

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

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 are expected to be payable within 12 months and are measured at the undiscounted amount expected to be paid.

As a result of the actuarial assessment performed by DTF, the salary inflation rate has increased from the 2022 rate (1.50%) to 2.00% for annual leave and skills and experience retention leave liability. As a result, there is an increase in the staff benefits liability and staff benefits expenses of \$0.522 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 employee departures and periods of service. These assumptions are based on employee 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 2022 (3.75%) to 4.00%. 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 increased the salary inflation rate from 2022 (2.50%) to 3.50% for long service leave.

The net financial effect of the changes to actuarial assumptions is a decrease in the long service leave liability of \$2.724 million, payables (staff on-costs) of \$0.115 million and staff benefits expense of \$2.839 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

All provisions are for workers compensation.

Reconciliation of workers compensation (statutory and additional compensation)

| | 2023 | 2022 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Carrying amount at the beginning of the period | 41,045 | 44,664 |
| Payments | (5,673) | (5,430) |
| Remeasurments | 2,571 | (4,330) |
| Additions | 7,097 | 6,141 |
| Carrying amount at the end of the period | 45,040 | 41,045 |

22.1 Workers Compensation

The Hospital, as an exempt employer, is responsible for the payment of workers compensation claims and the implementation and funding of preventative programs. 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 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 nonserious 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 estimating 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.

23. Contract liabilities and other liabilities

| | 2023 | 2022 |
|---|------------|--------------|
| | \$'000 | \$'000 |
| Current | | |
| Unclaimed monies | 4 | 4 |
| Unearned revenue | 35 | 55 |
| Contract liabilities | 512 | 1,522 |
| Other | 310 | 18 |
| Total contract liabilities and other liabilities | 861 | 1,599 |

Revenue relating to services/treatments for drug and alcohol abuse support is recognised over time although all funds are received upfront for these services. A contract liability is recognised for this revenue at the time of initial receipt and is released over the time as and when service obligations are met. 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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24. Cash flow reconciliation

| Reconciliation of cash and cash equivalents at the end of the reporting period | 2023 | 2022 |
|---|-----------------|---------------|
| | \$'000 | \$'000 |
| Cash and cash equivalents disclosed in the Statement of Financial Position | 24,799 | 17,466 |
| Cash as per Statement of Financial Position | 24,799 | 17,466 |
| Balance as per Statement of Cash Flows | 24,799 | 17,466 |
| Reconciliation of net cash provided by/(used in) operating activities to net result: | | |
| Net cash provided by/(used in) operating activities | 17,009 | (8,069) |
| Add/less non-cash items | | |
| Capital revenues | 27,477 | 41,439 |
| Depreciation and amortisation expense of non-current assets | (45,371) | (43,499) |
| Gain/(loss) on sale or disposal of non-current assets | (137) | (1) |
| Resources received free of charge | 502 | 562 |
| Movement in assets and liabilities | | |
| Increase/(decrease) in receivables | 1,339 | 1,662 |
| Increase/(decrease) in inventories | 260 | 543 |
| (Increase)/decrease in staff benefits | (15,941) | 26,180 |
| (Increase)/decrease in payables and provisions | (13,091) | (5,377) |
| (Increase)/decrease in other liabilities | 738 | 480 |
| Net result | (27,215) | 13,920 |

The total cash outflows for leases were \$2.107 million (\$2.346 million).

25. Unrecognised contractual commitments

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

25.1 Contractual commitments to acquire property, plant and equipment

| | 2023 | 2022 |
|----------------------------------|------------|--------------|
| | \$'000 | \$'000 |
| Within one year | 895 | 1,006 |
| Total capital commitments | 895 | 1,006 |

The Hospital's capital commitments are for plant and equipment ordered but not received and capital works. Capital commitments for major infrastructure works are recognised in the Department for Infrastructure and Transport financial statements.

25.2 Other contractual commitments

| | 2023 | 2022 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Within one year | 85,552 | 89,423 |
| Later than one year but not longer than five years | 175,914 | 179,732 |
| Later than five years | 387 | 5 |
| Total expenditure commitments | 261,853 | 269,160 |

The Hospital's expenditure commitments are for agreements for goods and services ordered but not received.

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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 mental health services, residential drug and alcohol rehabilitation services, or 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.

| | 2023 | 2022 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Carry amount at the beginning of period | 59 | 43 |
| Client trust receipts | 401 | 419 |
| Client trust payments | (427) | (403) |
| Carrying amount at the end of the period | 33 | 59 |

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 and contingent liabilities. 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 effective

Australian Accounting Standards and Interpretations not yet effective have not been adopted by the Hospital for the reporting period ended 30 June 2023, except for AASB 2021-2 which was adopted from 1 July 2021.

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* will apply from 1 July 2024. Given the complexity and level of judgement required in applying AASB 13 and the new amending standard, together with the need to liaise with valuers, the Hospital has not yet determined the impact.

The Hospital does not expect any other standards issued but not yet effective to have a material impact on the financial statements.

30. Financial instruments/financial risk management

30.1 Financial risk management

Risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management - Guidelines*.

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 SA Government via the Department. The Department works with DTF to determine the cash flows associated with this Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to note 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.

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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 interest bearing liabilities are managed through SAFA and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

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

30.2 Categorisation of financial instruments

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

The carrying amounts of each of the following categories of financial assets and liabilities: financial assets measured at amortised cost; financial assets measured at fair value through profit or loss; and financial liabilities measured at amortised cost are detailed below. All of the resulting fair value estimates are included in Level 2 as all significant inputs required are observable.

A financial asset is measured at amortised cost if:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

| | Notes | 2023 Carrying amount/ Fair value \$'000 | 2022 Carrying amount/ Fair value \$'000 |
|--|-------|---|---|
| Category of financial asset and financial liability | | | |
| Financial assets | | | |
| Cash and equivalent | | | |
| Cash and cash equivalents | 12 | 24,799 | 17,466 |
| Amortised cost | | | |
| Receivables ⁽¹⁾⁽²⁾ | 13 | 18,982 | 17,654 |
| Fair value through profit or loss | | | |
| Other financial assets | 14 | 2,601 | 2,601 |
| Total financial assets | | 46,382 | 37,721 |
| Financial liabilities | | | |
| Financial liabilities at amortised cost | | | |
| Payables ⁽¹⁾ | 19 | 39,488 | 33,353 |
| Financial liabilities | 20 | 6,592 | 7,846 |
| Other liabilities | 23 | 314 | 22 |
| Total financial liabilities | | 46,394 | 41,221 |

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and fees and charges; this is in addition to staff related receivables and payables such as payroll tax, fringe benefits tax etc. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the disclosure requirements of AASB 7 *Financial Instruments: Disclosures* will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc. they will be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

(2) Receivables amount disclosed excludes prepayments as they are not financial assets.

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 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 amount previously written off are credited against the same line items.

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.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

To measure the expected credit loss, receivables are grouped based on shared risk characteristics and for 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 evidence and informed credit assessment including any forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant 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:

| | 30 June 2023 | | | 30 June 2022 | | |
|----------------------|--------------------------------------|---------------------------------------|-------------------------------------|--------------------------------------|---------------------------------------|-------------------------------------|
| | 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 |
| Days past due | | | | | | |
| Current | 0.1 - 1.9 % | 6,782 | 53 | 0.1 - 1.9 % | 6,242 | 48 |
| <30 days | 0.2 - 2.2 % | 3,652 | 175 | 0.2 - 2.1 % | 2,556 | 29 |
| 31-60 days | 0.4 - 3.8 % | 2,682 | 305 | 0.4 - 3.7% | 1,224 | 38 |
| 61-90 days | 0.6 - 6.0 % | 861 | 125 | 0.6 - 5.7 % | 1,124 | 95 |
| 91-120 days | 0.9 - 8.6 % | 529 | 41 | 0.9 - 8.3 % | 777 | 123 |
| 121-180 days | 1.7 - 12.7 % | 583 | 149 | 1.6 - 12.2 % | 827 | 58 |
| 181-360 days | 3.4 - 39.0 % | 433 | 58 | 2.8 - 37.6 % | 1,671 | 864 |
| 361-540 days | 23.6 - 55.5 % | 487 | 242 | 23.0 - 53.5 % | 464 | 292 |
| >540 days | 28.7 - 74.2 % | 1,476 | 1,030 | 28.1 - 71.5 % | 1,237 | 894 |
| Total | | 17,485 | 2,178 | | 16,122 | 2,441 |

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 SA Government are identifiable throughout this financial report. The Hospital received funding from the SA Government via the Department (note 2), incurred expenditure with the Department for medical, surgical and laboratory supplies, computing and insurance (note 8), and incurred significant capital expenditure with DIT of \$21.586 million (\$50.979 million).

32. Interests in other entities

Equity accounted investment

Long Entity Name: Flinders Reproductive Medicine Pty Ltd as trustee for Flinders Charitable Trust, trading as Flinders Fertility

Ownership interest: 50%

Flinders Reproductive Medicine Pty Ltd as trustee for Flinders Charitable Trust, trading as Flinders Fertility is the only joint arrangement in which the Hospital participates.

Flinders Fertility is structured as a private trust which is not a reporting entity and is not publicly listed. The Hospital and Flinders University each have a 50% beneficial entitlement to the net assets of the trust. Accordingly, the interest is classified as a joint venture with the investment measured using the equity accounting method.

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

The Hospital's share in the equity of the Flinders Fertility is calculated based on the draft financial statements provided as at the reporting period and subsequently adjusted when the final Audited financial statements are available.

The profits have not been distributed for this reporting period as accumulated losses from previous financial years are yet to be recouped.

The following table summarises the financial information of Flinders Fertility based on currently available information:

| | 2023 | 2022 |
|---|----------------|----------------|
| Percentage ownership interest | 50 % | 50 % |
| | \$'000 | \$'000 |
| Current assets | 1,512 | 1,996 |
| Current liabilities | (1,404) | (1,531) |
| Non-current assets | 2,919 | 2,347 |
| Non-current liabilities | (5,460) | (5,620) |
| Net assets | (2,433) | (2,808) |
| Groups share of net assets (50%) | | |
| Share of beneficial entitlement | 2,601 | 2,601 |
| Carrying amount of interest in joint venture | 2,601 | 2,601 |
| Expenses | (6,666) | (6,540) |
| Revenue | 7,039 | 6,810 |
| Profit/(loss) and total comprehensive income | 373 | 270 |
| Entity's share of profit and total comprehensive income (50%)* | 186 | 135 |

* The profit and loss have not been distributed at this stage.

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

33. 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 APS 124.B were:

| Board/Committee name: | Government employee members | Other members |
|--|--|---|
| Southern Adelaide Local Health Network Governing Board | - | Butcher M (Chair), Hickey V, Mackean T, Mitchell J, Noble J, Richter J (Deputy Chair), Sherbon A, Searle J (appointed 01/07/2022) |
| DASSA Clinical Executive Committee | 11 | Newrick K |
| DASSA Community Advisory Council | 2 | Bealing D, Cornish M (ceased 25/09/2022), Dwyer Scott (Chair - appointed 28/09/2022), Halls A, Holly C, Honeyman L (appointed 28/09/2022), Mclean J, Moncrieff D (appointed 28/09/2022), Newrick K (ceased 27/05/2023), Nimmo E, O'Brien J, Petracco C, Randle M (ceased 25/09/2022), Sherif M, Vega L, Whiteway L, Cotter B (appointed 31/05/2023) |
| DASSA Drug and Therapeutics Committee (Sub Committee of the DASSA Clinical Executive Committee) | 12 | Randle M (ceased 28/06/2023) |
| DASSA Executive Group | 11 | O'Brien J |
| DASSA Audit and Risk Committee | 4 | Davies T |
| Consumer and Community Operational Committee (formerly Partnering with Consumer Advisory Group) | 26 | King P (Co Chair), Ball R, Dame T, Duke J (ceased 27/06/2023), Hofhius C (ceased 30/04/2023), Hoiles J (ceased 30/04/2023), Klinge N (ceased 30/04/2023), Oudih E (ceased 30/04/2023), Pascoe P, Rankine J (ceased 28/02/2023), Voss D, Gray H (appointed 01/06/2023), Wharton J (appointed 01/06/2023) |
| Mental Health Consumer and Carer Advisory Group | 10 | Braund S, Clarke W, Corena M, Harrison J, Hofhuis C, Hopkins R, King P |
| Southern Adelaide Clinical Human Research Ethics Committee | 23 | Arnold G, Cahalan P, Dykes L, Berg M, Ingleson V (ceased 18/01/2023), Lange B (Deputy Chair), Lister C, Lower K, McEvoy M, Miliotis B, Mudd A, Phillips C, Putsey T, Sharma S, Shephard S, Souzeau E, Spencer M, Thomas J, Treloar H (ceased 25/06/2023), Trethewey C, Trethewey Y, Van Lueven J, Velayudham P, Watt B, Were L, Yip L, Zhou Y |
| Southern Adelaide Local Health Network Asset and Infrastructure Planning Sub-Committee | - | Butcher M (Chair), Mitchell J, Richter J, Sherbon A |
| Southern Adelaide Local Health Network Audit and Risk Sub Committee (Sub Committee of the Governing Board) | - | Hickey V (Chair), Forman A, Noble J |
| Southern Adelaide Local Health Network Clinical Council | 53 | Dame T, Duong M |

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

| Board/Committee name: | Government employee members | Other members |
|---|--|---|
| Southern Adelaide Local Health Network Clinical Governance (Sub-Committee of the Governing Board) | - | Richter J (Chair), Baggoley C, Eckert M, Mackean T, Searl J, Voss D, Mitchell J (appointed 03/11/2022) |
| Southern Adelaide Local Health Network Communicating for Patient Safety Committee | 41 | Dame T |
| Southern Adelaide Local Health Network Community Engagement (Sub-Committee of the Governing Board) | - | Mitchell J (Chair), Butcher M, King P |
| Southern Adelaide Local Health Network Comprehensive Care Committee | 38 | Stankowski C |
| Southern Adelaide Local Health Network Drugs and Therapeutics Committee | 31 | Burdenuik C (appointed 23/01/2023) |
| Southern Adelaide Local Health Network End of Life Steering Committee | 15 | Barrington D, Phelan C |
| Southern Adelaide Local Health Network Falls Prevention Management Committee | 36 | Cohen M (ceased 06/06/2023) |
| Southern Adelaide Local Health Network Marion Lived Experience Group Mental Health Services | 4 | Brooke B (Chair), English L, Hofhuis C (Chair) (ceased 17/04/2023), Police D |
| Southern Adelaide Local Health Network Mental Health Services Noarlunga Lived Experience Group | 3 | Buer S (Chair), Healy S, Hopkins R, Hutchison S (appointed 01/02/2023), Smith K |
| Southern Adelaide Local Health Network New Technology and Clinical Practice Innovation Committee | 12 | Holly C, Kaambwa B, King P, Burtnik L (appointed 23/11/2022) |
| Southern Adelaide Local Health Network Older Persons Lived Experience Group Mental Health Services | 11 | Clark W (Chair), Eckert N, Lillecrapp D, Schetters J, Wener J (appointed 01/07/2022), Whitmore A, Cavenett K (ceased 01/05/2023) |
| Southern Adelaide Local Health Network SEDS | 1 | Corena M (Chair), McGregor A, Goddard G, James S (appointed 02/03/2023), Rouvray L, Woolford L, Braund S, Witt K (appointed 02/03/2023), Higgins K (appointed 04/05/2023) |
| Southern Adelaide Local Health Network Veterans Lived Experience Group Mental Health Services | 4 | Frampton R (Chair) (appointed 28/02/2023), Daley G, Damare M, Hall R, Hill-Paul C, O'Malley J, Royals N, Schofield M, Tregea J (ceased 01/07/2022), Warren S |
| Southern Adelaide Local Health Network Finance and Performance Committee (Sub-Committee of the Governing Board) | - | Richter J (Chair), Sherbon T, Noble J, Fletcher A |
| Southern Adelaide Local Health Network Board Executive Committee (Sub-Committee of the Governing Board) | - | Butcher M (Chair), Mitchell J |

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

| Board/Committee name: | Government employee members | Other members |
|---|--|---|
| Southern Adelaide Local Health Network Ramping Committee (Sub-Committee of the Governing Board) | - | Butcher M (Chair), Richter J, Sherbon T |

Refer to note 7.2 for remuneration of board and committee members.

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

34. Administered items

The Hospital administers private practice arrangements, representing funds billed on behalf of salaried medical officers and subsequently distributed to the Hospital and salaried medical officers according to Rights of Private Practice Deeds of Agreement.

| | Rights of Private Practice | |
|--|-----------------------------------|---------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Other expenses | (11,385) | (12,288) |
| Revenue from fees and charges | 12,032 | 11,855 |
| Net result | 647 | (433) |
| Cash and cash equivalents | 1,716 | 1,265 |
| Receivables | 818 | 633 |
| Other current provisions/liabilities | (6) | (17) |
| Net assets | 2,528 | 1,881 |
| Cash at the beginning of the reporting period | 1,265 | 1,555 |
| Other receipts | 11,847 | 12,002 |
| Other payments | (11,396) | (12,292) |
| Cash at the end of the reporting period | 1,716 | 1,265 |

Certification of the financial statements

We certify that the:

- financial statements of the Southern Adelaide 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 Southern Adelaide Local Health Network Inc. over its financial reporting and its preparation of the financial statements have been effective.



.....
Kerrie Freeman
Chief Executive Officer



.....
Matt Rooney
Interim Chief Finance Officer



.....
Mark Butcher
Governing Board Chair

Date 14 September 2023

Certification of the financial statements

We certify that the:

- financial statements of the Southern Adelaide 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 Southern Adelaide Local Health Network Inc. over its financial reporting and its preparation of the financial statements have been effective.



.....
Kerrie Freeman
Chief Executive Officer



.....
Matt Rooney
Interim Chief Finance Officer



.....
Mark Butcher
Governing Board Chair

Date 14 September 2023

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2023

| | Note | 2023 | 2022 |
|--|-------------|------------------|------------------|
| | | \$'000 | \$'000 |
| Income | | | |
| Revenues from SA Government | 2 | 1,327,331 | 1,220,410 |
| Fees and charges | 3 | 68,558 | 57,375 |
| Grants and contributions | 4 | 6,025 | 5,326 |
| Interest | 12 | 342 | - |
| Resources received free of charge | 5 | 7,439 | 7,265 |
| Other revenues/income | 6 | 23,198 | 25,849 |
| Total income | | 1,432,893 | 1,316,225 |
| Expenses | | | |
| Staff benefits expenses | 7 | 941,040 | 846,804 |
| Supplies and services | 8 | 472,184 | 410,737 |
| Depreciation and amortisation | 16,17 | 45,371 | 43,499 |
| Grants and subsidies | 9 | 451 | - |
| Borrowing costs | 20 | 128 | 142 |
| Net loss from disposal of non-current and other assets | 11 | 137 | 1 |
| Impairment loss on receivables | 13.1 | (263) | 734 |
| Other expenses | 10 | 1,060 | 388 |
| Total expenses | | 1,460,108 | 1,302,305 |
| Net result | | (27,215) | 13,920 |
| Total comprehensive result | | (27,215) | 13,920 |

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

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF FINANCIAL POSITION
As at 30 June 2023

| | Note | 2023 \$'000 | 2022 \$'000 |
|--|-------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalents | 12 | 24,799 | 17,466 |
| Receivables | 13 | 26,314 | 26,815 |
| Inventories | 15 | 4,575 | 4,315 |
| Total current assets | | 55,688 | 48,596 |
| Non-current assets | | | |
| Receivables | 13 | 8,345 | 6,505 |
| Other financial assets | 14 | 2,601 | 2,601 |
| Property, plant and equipment | 16,17 | 753,785 | 761,472 |
| Intangible assets | 16.5 | 8 | 15 |
| Total non-current assets | | 764,739 | 770,593 |
| Total assets | | 820,427 | 819,189 |
| Current liabilities | | | |
| Payables | 19 | 57,173 | 47,048 |
| Financial liabilities | 20 | 1,328 | 1,703 |
| Staff benefits | 21 | 140,351 | 128,196 |
| Provisions | 22 | 7,084 | 6,461 |
| Contract liabilities and other liabilities | 23 | 861 | 1,599 |
| Total current liabilities | | 206,797 | 185,007 |
| Non-current liabilities | | | |
| Payables | 19 | 5,895 | 5,511 |
| Financial liabilities | 20 | 5,264 | 6,143 |
| Staff benefits | 21 | 134,753 | 130,967 |
| Provisions | 22 | 37,956 | 34,584 |
| Total non-current liabilities | | 183,868 | 177,205 |
| Total liabilities | | 390,665 | 362,212 |
| Net assets | | 429,762 | 456,977 |
| Equity | | | |
| Retained earnings | | 346,132 | 373,347 |
| Asset revaluation surplus | | 83,630 | 83,630 |
| Total equity | | 429,762 | 456,977 |

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

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2023

| | Asset revaluation surplus \$ '000 | Retained earnings \$ '000 | Total equity \$ '000 |
|---|--|--|-------------------------------------|
| Balance at 30 June 2021 | 83,630 | 358,376 | 442,006 |
| Net result for 2021-22 | - | 13,920 | 13,920 |
| Total comprehensive result for 2021-22 | - | 13,920 | 13,920 |
| Net assets transferred out as a result of an administrative restructure | - | 1,051 | 1,051 |
| Balance at 30 June 2022 | 83,630 | 373,347 | 456,977 |
| Net result for 2022-23 | - | (27,215) | (27,215) |
| Total comprehensive result for 2022-23 | - | (27,215) | (27,215) |
| Balance at 30 June 2023 | 83,630 | 346,132 | 429,762 |

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

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2023

| | | 2023 | 2022 |
|---|-------------|--------------------|--------------------|
| | Note | \$'000 | \$'000 |
| Cash flows from operating activities | | | |
| Cash inflows | | | |
| Receipts from SA Government | | 1,140,861 | 1,018,987 |
| Fees and charges | | 65,737 | 57,140 |
| Grants and contributions | | 8,621 | 7,757 |
| Interest received | | 342 | - |
| GST recovered from ATO | | 19,999 | 15,932 |
| Other receipts | | 11,618 | 11,613 |
| Cash generated from operations | | 1,247,178 | 1,111,429 |
| Cash outflows | | | |
| Staff benefits payments | | (914,161) | (874,576) |
| Payments for supplies and services | | (314,255) | (244,140) |
| Payments of grants and subsidies | | (468) | (16) |
| Interest paid | | (128) | (142) |
| Other payments | | (1,157) | (624) |
| Cash used in operations | | (1,230,169) | (1,119,498) |
| Net cash provided by/(used in) operating activities | | 17,009 | (8,069) |
| Cash flows from investing activities | | | |
| Cash inflows | | | |
| Proceeds from sale of property, plant and equipment | | 53 | - |
| Cash generated from investing activities | | 53 | - |
| Cash outflows | | | |
| Purchase of property, plant and equipment | | (7,939) | (8,675) |
| Cash used in investing activities | | (7,939) | (8,675) |
| Net cash provided by/(used in) investing activities | | (7,886) | (8,675) |
| Cash flows from financing activities | | | |
| Cash outflows | | | |
| Repayment of lease liabilities | | (1,790) | (1,971) |
| Cash used in financing activities | | (1,790) | (1,971) |
| Net cash provided by/(used in) financing activities | | (1,790) | (1,971) |
| Net increase/(decrease) in cash and cash equivalents | | 7,333 | (18,715) |
| Cash and cash equivalents at the beginning of the period | | 17,466 | 36,181 |
| Cash and cash equivalents at the end of the period | 12 | 24,799 | 17,466 |
| Non-cash transactions | 24 | | |

The accompanying notes form part of these financial statements.

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

1. About Southern Adelaide Local Health Network

The Southern Adelaide Local Health Network (the Hospital) is a not-for-profit incorporated hospital established under the *Health Care Act 2008*. The financial statements include all controlled activities of the Hospital. The Hospital does not control any other entity. It does have an interest in an unconsolidated structured entity (Flinders Fertility). Information on the Hospital's interests 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 are disclosed in the Schedule of Administered Financial Statements (note 34). Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for the Hospital's transactions.

1.1 Objectives and activities

The Hospital is committed to protecting and improving the health of all South Australians by delivering a system that balances the provision of safe, high-quality and accessible services that are sustainable and reflective of local values, needs and priorities with strategic system leadership, regulatory responsibilities and an increased focus on wellbeing, illness prevention, early intervention and quality care.

The Hospital is part of the SA Health portfolio providing health services for Southern Adelaide, including those managed on a State-wide basis. The Hospital is structured to contribute to the outcomes for which the portfolio is responsible by providing hospital-based quaternary care including medical, surgical and other acute services, rehabilitation, mental health, palliative care and other community health services to veterans and other persons living within the Southern Adelaide metropolitan area and statewide as appropriate.

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 the Chief Executive of the Department for Health and Wellbeing (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.

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/throughout the notes.

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.

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

1.4 Continuity of Operations

As at 30 June, the Hospital had a working capital deficiency of \$151.109 million (\$136.411 million deficiency). The SA Government is committed and has consistently demonstrated a commitment to the ongoing funding of the Hospital to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annually produce 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 Administrative restructures

2022-23

There were no transfers during this period.

2021-22

As a result of administrative arrangements outlined in the Chief Executive Agreement (4 April 2022), the Metropolitan Referral Unit was transitioned from the Hospital to Wellbeing SA, effective 26 March 2022. Net liabilities of \$1.051 million were transferred out, consisting of payables (\$0.060 million) and staff benefits (\$0.991 million). This included the transfer of 32 staff.

Net liabilities transferred by the Hospital as a result of the administrative restructure were at the carrying amount immediately prior to transfer, and treated as a distribution to the SA Government as owner.

1.7 Impact of COVID-19 pandemic on SA Health

The COVID-19 pandemic has impacted the Hospital's operations to ensure that demand can be managed across South Australia and that necessary compliance measures are followed. COVID-19 specific costs have not been quantified for 2022-23 following revocation of the declaration of a major emergency COVID-19 and expiration of Commonwealth financial assistance to the Department via the National Partnership on COVID-19 Response. Net COVID-19 specific costs for the Hospital in 2021-22 were \$35.760 million.

1.8 Change in accounting policy

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

2. Revenues from SA Government

| | 2023 | 2022 |
|--|------------------|------------------|
| | \$'000 | \$'000 |
| Operational funding | 1,291,654 | 1,170,962 |
| Capital projects funding | 35,677 | 49,448 |
| Total revenues from Department for Health and Wellbeing | 1,327,331 | 1,220,410 |

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 revenues when the Hospital obtains control over the funding. Control over the funding is normally obtained upon receipt.

3. Fees and charges

| | 2023 | 2022 |
|----------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Car parking revenue | 4,617 | 3,093 |
| Commissions revenue | 12 | 13 |
| Fees for health services | 13,149 | 12,396 |
| Fines, fees and penalties | 17 | 19 |
| Patient and client fees | 44,944 | 36,304 |
| Private practice fees | 2,804 | 2,912 |
| Sale of goods - medical supplies | 497 | 619 |
| Training revenue | 153 | 122 |
| Other user charges and fees | 2,365 | 1,897 |
| Total fees and charges | 68,558 | 57,375 |

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

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. Revenue is recognised either at a point in time or over time, when (or as) the Hospital satisfies performance obligations by transferring the promised goods or services to its customers.

All revenue from fees and charges is revenue recognised from contracts with customers except for fines, fees and penalties.

| Contracts with Customers disaggregated by pattern of revenue recognition and type of customer | 2023 \$'000 | 2023 \$'000 | 2022 \$'000 | 2022 \$'000 |
|--|--|---|--|---|
| | Goods/Services transferred at a point in time | Goods/Services transferred over a period of time | Goods/Services transferred at a point in time | Goods/Services transferred over a period of time |
| Car parking revenue | 3,758 | 859 | 3,047 | 46 |
| Commissions revenue | 12 | - | 13 | - |
| Patient and client fees | 35,936 | - | 29,819 | - |
| Private practice fees | 2,804 | - | 2,912 | - |
| Fees for health services | 11,092 | - | 10,694 | - |
| Sale of goods - medical supplies | 94 | - | 77 | - |
| Training revenue | 85 | - | 17 | - |
| Other user charges and fees | 1,962 | - | 1,502 | - |
| Total contracts with external customers | 55,743 | 859 | 48,081 | 46 |
| Patient and client fees | 9,008 | - | 6,485 | - |
| Fees for health services | 2,057 | - | 1,702 | - |
| Sale of goods - medical supplies | 403 | - | 542 | - |
| Training revenue | 68 | - | 105 | - |
| Other user charges and fees | 403 | - | 395 | - |
| Total contracts with SA Government customers | 11,939 | - | 9,229 | - |
| Total contracts with customers | 67,682 | 859 | 57,310 | 46 |

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). Similarly, if the Hospital satisfies a performance obligation before it receives the consideration, the Hospital recognises either a contract asset or a receivable, depending on whether something other than the passage of time is required before the consideration is due (refer to note 13).

The Hospital recognises revenue (contract from customers) 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.

Fees for 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 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 accounts receivable.

Private practice fees

The Hospital grants SA Health employed salaried medical consultants the ability to provide billable medical services relating to the assessment, treatment and care of privately referred outpatients or private inpatients in SA Health sites. Fees derived from undertaking private practice is income derived in the hands of the specialist. The specialist appoints the Hospital as an agent in the rendering and recovery of accounts of the specialists private practice. The Hospital disburses amounts collected on behalf of the specialist to the specialist via payroll (fortnightly) or accounts payable (monthly) depending on the rights of private practice scheme. Revenue from these services is recognised as it's collected as per the Rights of Private Practice Agreement.

Car parking revenue

The Hospital provides access to car parks directly to staff, patients and visitors. A discounted weekly ticket is also available. Revenue is recognised when control of the goods has transferred to the customer, being when the ticket is purchased. The Hospital also provides weekly, fortnightly and monthly car park passes to doctors, nurses and other staff.

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4. Grants and contributions

| | 2023 | 2022 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Commonwealth grants and donations | 1,789 | 1,148 |
| Other SA Government grants and contributions | 949 | 940 |
| Private sector capital contributions | 464 | 687 |
| Private sector grants and contributions | 2,823 | 2,551 |
| Total grants and contributions | 6,025 | 5,326 |

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

Of the \$6.025 million (\$5.326 million) total grants and contributions, \$1.641 million (\$2.033 million) was provided for specific purposes, such as research and associated activities.

5. Resources received free of charge

| | 2023 | 2022 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Buildings and improvements | 502 | 562 |
| Services | 6,937 | 6,703 |
| Total resources received free of charge | 7,439 | 7,265 |

Buildings and improvements contributions relates to upgraded Hospital facilities shared with Central Adelaide Local Health Network.

Contribution of services are recognised only when the 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 \$5.462 million (\$5.055 million) and ICT services valued at \$1.475 million (\$1.648 million) from Department of the Premier and Cabinet following Cabinet's approval to cease intra-government charging.

In addition, although not recognised the Hospital received volunteer services from the Volunteer Service for Flinders Medical Centre Inc. There are several hundred volunteers who provide patient and staff support services to individuals using Hospital's services. The services include but are not limited to: childcare, respite care, transport, therapeutic activities, patient liaison gift shop support, kiosk support and café support.

6. Other revenues/income

| | 2023 | 2022 |
|-----------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Donations | 8 | 37 |
| Health recoveries | 11,729 | 14,064 |
| Other | 11,461 | 11,748 |
| Total other income/revenue | 23,198 | 25,849 |

7. Staff benefits expenses

| | 2023 | 2022 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Salaries and wages | 742,529 | 698,314 |
| Targeted voluntary separation packages | - | 270 |
| Long service leave | 18,659 | (7,090) |
| Annual leave | 76,824 | 70,848 |
| Skills and experience retention leave | 3,489 | 3,295 |
| Staff on-costs - superannuation* | 85,249 | 75,473 |
| Staff on-costs - other | 3 | 3 |
| Workers compensation | 11,898 | 3,202 |
| Board and committee fees | 325 | 353 |
| Other staff related expenses | 2,064 | 2,136 |
| Total staff benefits expenses | 941,040 | 846,804 |

* The superannuation staff 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.

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7.1 Key Management Personnel

Key management personnel (KMP) of the Hospital includes the Minister, eight members of the governing board, the Chief Executive of the Department, Chief Executive Officer of the Hospital and the five (three) 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 South Australia, respectively, and are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*; and
- Chief Executive of the Department. The Chief Executive of the Department is remunerated by the Department and there is no requirement for the Hospital to reimburse those expenses.

| Compensation | 2023 | 2022 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Salaries and other short term staff benefits | 1,469 | 1,262 |
| Post-employment benefits | 196 | 152 |
| Total | 1,665 | 1,414 |

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.

7.2 Remuneration of board and committee members

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

| | 2023 | 2022 |
|---------------------|----------------|----------------|
| | No. of | No. of |
| | Members | Members |
| \$0 | 349 | 303 |
| \$1 - \$20,000 | 38 | 37 |
| \$20,001 - \$40,000 | 6 | 7 |
| \$40,001 - \$60,000 | - | - |
| \$60,001 - \$80,000 | 1 | 1 |
| Total | 394 | 348 |

The total remuneration received or receivable by members was \$0.355 million (\$0.386 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. Board members ceasing membership during the reporting period are also included in the table above.

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 33 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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7.3 Remuneration of staff

| | 2023 | 2022 |
|---|---------------|---------------|
| | Number | Number |
| The number of staff whose remuneration received or receivable falls within the following bands: | | |
| \$157,001 - \$160,000* | n/a | 24 |
| \$160,001 - \$180,000 | 140 | 143 |
| \$180,001 - \$200,000 | 104 | 101 |
| \$200,001 - \$220,000 | 67 | 71 |
| \$220,001 - \$240,000 | 48 | 34 |
| \$240,001 - \$260,000 | 40 | 49 |
| \$260,001 - \$280,000 | 41 | 44 |
| \$280,001 - \$300,000 | 37 | 33 |
| \$300,001 - \$320,000 | 22 | 30 |
| \$320,001 - \$340,000 | 33 | 27 |
| \$340,001 - \$360,000 | 29 | 22 |
| \$360,001 - \$380,000 | 20 | 22 |
| \$380,001 - \$400,000 | 23 | 14 |
| \$400,001 - \$420,000 | 20 | 20 |
| \$420,001 - \$440,000 | 16 | 20 |
| \$440,001 - \$460,000 | 27 | 23 |
| \$460,001 - \$480,000 | 24 | 19 |
| \$480,001 - \$500,000 | 14 | 25 |
| \$500,001 - \$520,000 | 17 | 18 |
| \$520,001 - \$540,000 | 18 | 13 |
| \$540,001 - \$560,000 | 4 | 8 |
| \$560,001 - \$580,000 | 8 | 5 |
| \$580,001 - \$600,000 | 7 | 8 |
| \$600,001 - \$620,000 | 6 | 7 |
| \$620,001 - \$640,000 | 4 | 3 |
| \$640,001 - \$660,000 | 2 | 1 |
| \$660,001 - \$680,000 | - | 2 |
| \$740,001 - \$760,000 | - | 1 |
| Total | 771 | 787 |

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2021-22.

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

7.4 Remuneration of staff by classification

The total remuneration received by these staff included in note 7.3:

| | 2023 | | 2022 | |
|--|-------------|----------------|-------------|----------------|
| | No. | \$'000 | No. | \$'000 |
| Nursing remuneration | 71 | 12,599 | 63 | 10,920 |
| Medical (excluding Nursing) remuneration | 686 | 210,464 | 709 | 214,405 |
| Non-medical (i.e. administration) remuneration | 3 | 530 | 7 | 1,238 |
| Executive remuneration | 11 | 2,711 | 8 | 1,881 |
| Total | 771 | 226,304 | 787 | 228,444 |

7.5 Targeted voluntary separation packages (TVSP)

| | 2023 | 2022 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Amount paid to separated staff: | | |
| Leave paid/payable to separated employees | - | 70 |
| Targeted voluntary separation packages | - | 270 |
| Net cost to the Hospital | - | 340 |
| The number of staff who received a TVSP during the reporting period | - | 4 |

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8. Supplies and services

| | 2023 | 2022 |
|---|----------------|----------------|
| | \$'000 | \$'000 |
| Administration | 518 | 531 |
| Advertising | 1,830 | 2,073 |
| Communication | 3,075 | 3,505 |
| Computing | 14,222 | 11,751 |
| Consultants | 1,460 | 1,148 |
| Contract of services | 18,057 | 17,501 |
| Contractors | 4,931 | 3,723 |
| Contractors - agency staff | 27,184 | 18,814 |
| Drug supplies | 28,310 | 26,638 |
| Electricity, gas and fuel | 7,800 | 6,986 |
| Fee for service | 73,528 | 47,500 |
| Food supplies | 14,850 | 13,376 |
| Hotel quarantine - accommodation costs | - | 13 |
| Housekeeping | 12,785 | 13,178 |
| Insurance | 8,097 | 6,515 |
| Internal SA Health SLA payments | 15,174 | 14,588 |
| Legal | 290 | 237 |
| Low value lease expense | 32 | 54 |
| Medical, surgical and laboratory supplies | 149,390 | 142,428 |
| Minor equipment | 4,896 | 5,941 |
| Motor vehicle expenses | 733 | 674 |
| Occupancy rent and rates | 4,177 | 3,378 |
| Patient transport | 5,207 | 5,374 |
| Postage | 1,584 | 1,612 |
| Printing and stationery | 2,314 | 2,381 |
| Repairs and maintenance | 22,024 | 19,948 |
| Security | 16,410 | 13,350 |
| Services from Shared Services SA | 5,529 | 5,120 |
| Short term lease expense | 158 | 181 |
| Training and development | 11,401 | 9,795 |
| Travel expenses | 5,260 | 1,293 |
| Other supplies and services | 10,958 | 11,131 |
| Total supplies and services | 472,184 | 410,737 |

The Hospital recognises lease payments associated with short term leases (12 months or less) and leases for which the underlying asset is low value (less than \$15,000) 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.

9. Grants and subsidies

| | 2023 | 2022 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Subsidies | 239 | - |
| Funding to non-government organisations | 212 | - |
| Total grants and subsidies | 451 | - |

The grants given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation. Contributions payable will be recognised as a liability and an expense when the Hospital has a present obligation to pay the contribution and the expense recognition criteria are met.

10. Other expenses

| | 2023 | 2022 |
|-----------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Debts written off | 225 | 56 |
| Bank fees and charges | 42 | 43 |
| Other* | 793 | 289 |
| Total other expenses | 1,060 | 388 |

* 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 \$0.374 million (\$0.363 million). No other services were provided by the Auditor-General's Department. Also includes reversal of inventory write-down arising from an increase in net realisable value of \$0.002 million (\$0.348 million).

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

| | 2023 | 2022 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Total assets: | | |
| Total proceeds from disposal | 53 | - |
| Less total carrying amount of assets disposed | (190) | (1) |
| Total net gain/(loss) from disposal of plant and equipment | (137) | (1) |

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.

12. Cash and cash equivalents

| | 2023 | 2022 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Cash at bank or on hand | 970 | 1,735 |
| Deposits with Treasurer: general operating | 8,080 | 3,558 |
| Deposits with Treasurer: special purpose funds | 15,749 | 12,173 |
| Total cash and cash equivalents | 24,799 | 17,466 |

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

The Hospital earned interest on the special purpose funds deposit account of \$0.342 million (nil).

13. Receivables

| | | 2023 | 2022 |
|--|-------------|---------------|---------------|
| | Note | \$'000 | \$'000 |
| Current | | | |
| Patient/client fees: compensable | | 2,268 | 3,195 |
| Patient/client fees: other | | 13,108 | 9,576 |
| Debtors | | 4,498 | 5,661 |
| Less: allowance for impairment loss on receivables | 13.1 | (2,178) | (2,441) |
| Prepayments | | 4,139 | 5,836 |
| Workers compensation provision recoverable | | 2,350 | 2,111 |
| Sundry receivables and accrued revenue | | 1,325 | 1,720 |
| GST input tax recoverable | | 804 | 1,157 |
| Total current receivables | | 26,314 | 26,815 |
| Non-current | | | |
| Debtors | | 815 | 798 |
| Prepayments | | 1,376 | 1,432 |
| Workers compensation provision recoverable | | 6,154 | 4,275 |
| Total non-current receivables | | 8,345 | 6,505 |
| Total receivables | | 34,659 | 33,320 |

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.

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13.1 Impairment of receivables

The Hospital has adopted the simplified impairment approach under AASB 9 *Financial Instruments* 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:

| | 2023 | 2022 |
|---|--------------|--------------|
| | \$'000 | \$'000 |
| Carrying amount at the beginning of the period | 2,441 | 1,707 |
| Increase/(Decrease) in allowance recognised in profit or loss | (263) | 734 |
| Carrying amount at the end of the period | 2,178 | 2,441 |

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

14. Other financial assets

| | 2023 | 2022 |
|-------------------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Non-current | | |
| Joint venture | 2,601 | 2,601 |
| Total other financial assets | 2,601 | 2,601 |

The joint venture represents the Hospital's share of beneficial entitlement of Flinders Reproductive Medicine Pty Ltd as trustee for Flinders Charitable Trust, trading as Flinders Fertility, which is the only joint arrangement in which the Hospital participates. The value of entitlement as at the reporting period is unchanged at \$2.601 million from the previous financial year.

According to the terms of the joint venture, profit earned during the financial year is to be distributed to the beneficiaries, resulting in immaterial net assets being held by the trust. However, it has previously been agreed that rather than paying out these distributions, they be retained in Flinders Fertility as a liability to the beneficiaries to facilitate growth within the business. Therefore the Hospital recognises their ownership interest of the distribution as a financial asset.

There is no impairment on other financial assets. Refer to note 30 for information on risk management.

15. Inventories

| | 2023 | 2022 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Drug supplies | 915 | 928 |
| Inventory imprest stock | 2,967 | 2,700 |
| Other | 693 | 687 |
| Total current inventories - held for distribution | 4,575 | 4,315 |

Inventories held for distribution at no or nominal consideration, 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 and intangible assets

16.1 Acquisition and recognition

Property, plant and equipment 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. However, if the 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 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.

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Depreciation and amortisation is calculated on a straight line basis. Property, plant and equipment and intangible assets 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 | 40 – 80 |
| Right-of-use buildings | Lease term |
| Accommodation and Leasehold improvements | Lease term |
| Plant and equipment: | |
| • Medical, surgical, dental and biomedical equipment and furniture | 5 – 15 |
| • Other plant and equipment | 3 – 25 |
| Right-of-use plant and equipment | Lease term |
| Intangible assets | 5 – 30 |

16.3 Revaluation

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

Revaluation of non-current assets or a group of assets is only performed when the assets fair value at the time of acquisition is greater than \$1.500 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 \$1.500 million materially differs from its fair value, then the asset will be revalued regardless of when the last valuation 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 and intangible assets 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 for property, plant and equipment or intangibles as at reporting date.

16.5 Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The amortisation period and the amortisation method for intangible assets with finite useful lives are reviewed on an annual basis.

The acquisition of, or internal development of, software is capitalised only when the expenditure meets the definition criteria and recognition criteria, and when the amount of expenditure is greater than or equal to \$10,000.

The Hospital has computer software with a carrying amount of \$0.008 million (\$0.015 million) at the end of reporting period after amortisation of \$0.007 million (\$0.007 million).

16.6 Land and building

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 Jones Lang Lasalle (SA) Pty Ltd, as at 1 June 2018. Consistent with *Treasurer's Instructions*, a public authority must at least every 6 years obtain a valuation appraisal from a qualified valuer, the next independent valuation is scheduled to occur during the 2023-24 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.

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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 are no indications of impairment. Additions to right-of-use assets during the reporting period consists of addition to motor vehicles of \$0.536 million (\$0.630 million). Short-term leases of 12 months or less and low value leases, where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and disclosed in note 8.

The Hospital has a number of lease agreements. Lease terms vary in length from 2 to 10 years.

Major lease activities include the use of:

- Properties – Office accommodation and health clinics are generally leased from the private sector. Generally property leases are non-cancellable with many having the right of renewal. Rent is payable in arrears, with increases generally at a fixed rate. Prior to renewal, most lease arrangements undergo a formal rent review linked to market appraisals or independent valuers.
- 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 committed to any lease arrangement that has not commenced. The Hospital has not entered into any sub-lease arrangements outside of the SA Health.

The lease liabilities related to the right-of-use assets, maturity analysis and interest expense are disclosed at note 20. Depreciation expense related to right-of-use assets is disclosed at note 17. Cash outflows related to right-of-use assets are disclosed at note 24.

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17. Reconciliation of property, plant and equipment

The following table shows the movement :

| 2022-23 | Land and buildings: | | | | | Plant and equipment: | | | | |
|--|---------------------|---------------------|---|--|---|--|---|--|---|------------------|
| | Land \$'000 | Buildings \$'000 | Right-of- use buildings \$'000 | Capital works in progress land and buildings \$'000 | Accommod ation and Leasehold improve- ments \$'000 | Medical/ surgical/ dental/ biomedical \$'000 | Other plant and equipment \$'000 | Right-of- use plant and equipment \$'000 | Capital works in progress plant and equipment \$'000 | Total \$'000 |
| Carrying amount at the beginning of the period | 43,232 | 660,466 | 6,368 | 30,450 | 3,155 | 10,709 | 1,842 | 910 | 4,340 | 761,472 |
| Additions | - | - | - | 32,426 | - | 2,227 | 91 | 536 | 2,085 | 37,365 |
| Assets received free of charge | - | - | - | 393 | - | - | - | - | 109 | 502 |
| Disposals | - | - | - | (3) | - | (10) | (177) | - | - | (190) |
| Transfers between asset classes | - | 45,788 | - | (44,933) | - | 3,181 | 200 | - | (4,236) | - |
| Subtotal: | 43,232 | 706,254 | 6,368 | 18,333 | 3,155 | 16,107 | 1,956 | 1,446 | 2,298 | 799,149 |
| Gains/(losses) for the period recognised in net result: | | | | | | | | | | |
| Depreciation and amortisation | - | (38,507) | (1,263) | - | (294) | (4,304) | (384) | (612) | - | (45,364) |
| Subtotal: | - | (38,507) | (1,263) | - | (294) | (4,304) | (384) | (612) | - | (45,364) |
| Carrying amount at the end of the period | 43,232 | 667,747 | 5,105 | 18,333 | 2,861 | 11,803 | 1,572 | 834 | 2,298 | 753,785 |
| Gross carrying amount | | | | | | | | | | |
| Gross carrying amount | 43,232 | 854,253 | 11,058 | 18,333 | 6,133 | 50,110 | 8,705 | 1,997 | 2,298 | 996,119 |
| Accumulated depreciation / amortisation | - | (186,506) | (5,953) | - | (3,272) | (38,307) | (7,133) | (1,163) | - | (242,334) |
| Carrying amount at the end of the period | 43,232 | 667,747 | 5,105 | 18,333 | 2,861 | 11,803 | 1,572 | 834 | 2,298 | 753,785 |

All assets are classified in the level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 16.7 for details about the right-of-use assets, and note 20 for details about the lease liability for right-of-use assets.

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| 2021-22 | Land and buildings: | | | | | Plant and equipment: | | | | |
|--|---------------------|---------------------|---|--|--|--|---|--|---|------------------|
| | Land \$'000 | Buildings \$'000 | Right-of- use buildings \$'000 | Capital works in progress land and buildings \$'000 | Accommod- ation and Leasehold improve- ments \$'000 | Medical/ surgical/ dental/ biomedical \$'000 | Other plant and equipment \$'000 | Right-of- use plant and equipment \$'000 | Capital works in progress plant and equipment \$'000 | Total \$'000 |
| Carrying amount at the beginning of the period | 43,232 | 646,262 | 7,877 | 36,532 | 3,459 | 11,836 | 2,036 | 869 | 643 | 752,746 |
| Additions | - | - | - | 45,060 | - | 1,904 | - | 630 | 4,066 | 51,660 |
| Assets received free of charge | - | - | - | 562 | - | - | - | - | - | 562 |
| Disposals | - | - | - | - | - | (1) | - | (3) | - | (4) |
| Transfers between asset classes | - | 50,534 | - | (51,704) | 25 | 1,311 | 203 | - | (369) | - |
| Other movements | - | - | - | - | - | - | - | - | - | - |
| Subtotal: | 43,232 | 696,796 | 7,877 | 30,450 | 3,484 | 15,050 | 2,239 | 1,496 | 4,340 | 804,964 |
| Gains/(losses) for the period recognised in net result: | | | | | | | | | | |
| Depreciation and amortisation | - | (36,330) | (1,509) | - | (329) | (4,341) | (397) | (586) | - | (43,492) |
| Subtotal: | - | (36,330) | (1,509) | - | (329) | (4,341) | (397) | (586) | - | (43,492) |
| Carrying amount at the end of the period | 43,232 | 660,466 | 6,368 | 30,450 | 3,155 | 10,709 | 1,842 | 910 | 4,340 | 761,472 |
| Gross carrying amount | | | | | | | | | | |
| Gross carrying amount | 43,232 | 808,465 | 11,058 | 30,450 | 6,133 | 47,979 | 9,322 | 1,812 | 4,340 | 962,791 |
| Accumulated depreciation / amortisation | - | (147,999) | (4,690) | - | (2,978) | (37,270) | (7,480) | (902) | - | (201,319) |
| Carrying amount at the end of the period | 43,232 | 660,466 | 6,368 | 30,450 | 3,155 | 10,709 | 1,842 | 910 | 4,340 | 761,472 |

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 \$1.500 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 into hierarchy based on the level of inputs used in measurement as follows:

All assets are held at level 3 and are recurring fair value measurements.

The Hospital's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Valuation techniques and inputs used to derive Level 2 and 3 fair values are at note 16 and 18.2.

During the reporting period, the Hospital had no valuations categorised into Level 1, there were no transfers of assets between Level 1, 2 and 3 fair value hierarchy levels.

18.2 Valuation techniques and inputs

Land fair values were derived by using the market approach, being recent sales transactions of other similar land holdings within the region, adjusted for differences in key attributes such as property size, zoning and any restrictions on use, and then adjusted with a discount factor. For this reason they are deemed to have been valued using Level 3 valuation inputs.

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

Unobservable inputs used to arrive at final valuation figures included:

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

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

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19. Payables

| | 2023 | 2022 |
|-----------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Current | | |
| Creditors and accrued expenses | 38,836 | 31,914 |
| Paid Parental Leave Scheme | 230 | 193 |
| Staff on-costs* | 17,138 | 13,212 |
| Other payables | 969 | 1,729 |
| Total current payables | 57,173 | 47,048 |
| Non-current | | |
| Staff on-costs* | 5,838 | 5,438 |
| Other payables | 57 | 73 |
| Total non-current payables | 5,895 | 5,511 |
| Total payables | 63,068 | 52,559 |

Payables are measured at nominal amounts. Creditors and accruals are recognised for all amounts owed and unpaid. Contractual payables 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 are discharged. These on-costs primarily relate to the balance of leave owing to staff. 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 2022 rate (10.6%) to 11.1% 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 expense of \$0.627 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

Refer to note 30 for information on risk management.

20. Financial liabilities

| | 2023 | 2022 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Current | | |
| Lease liabilities | 1,328 | 1,703 |
| Total current financial liabilities | 1,328 | 1,703 |
| Non-current | | |
| Lease liabilities | 5,264 | 6,143 |
| Total non-current financial liabilities | 5,264 | 6,143 |
| Total financial liabilities | 6,592 | 7,846 |

Lease liabilities 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 Hospital incurred borrowing costs associated with leasing activities of \$0.128 million (\$0.142 million). Refer to note 16 for details about the right-of-use assets (including depreciation).

Refer to note 30 for information on risk management.

20.1 Concessional lease arrangements

The Hospital has no concessional lease arrangements.

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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:

| | 2023 | 2022 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Lease Liabilities | | |
| 1 to 3 years | 2,894 | 3,865 |
| 3 to 5 years | 2,174 | 1,628 |
| 5 to 10 years | 1,938 | 2,864 |
| Total lease liabilities (undiscounted) | 7,006 | 8,357 |

21. Staff benefits

| | 2023 | 2022 |
|---|----------------|----------------|
| | \$'000 | \$'000 |
| Current | | |
| Accrued salaries and wages | 21,289 | 17,914 |
| Annual leave | 100,653 | 93,010 |
| Long service leave | 12,181 | 11,590 |
| Skills and experience retention leave | 5,897 | 5,391 |
| Other | 331 | 291 |
| Total current staff benefits | 140,351 | 128,196 |
| Non-current | | |
| Long service leave | 134,753 | 130,967 |
| Total non-current staff benefits | 134,753 | 130,967 |
| Total staff benefits | 275,104 | 259,163 |

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

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 are expected to be payable within 12 months and are measured at the undiscounted amount expected to be paid.

As a result of the actuarial assessment performed by DTF, the salary inflation rate has increased from the 2022 rate (1.50%) to 2.00% for annual leave and skills and experience retention leave liability. As a result, there is an increase in the staff benefits liability and staff benefits expenses of \$0.522 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 employee departures and periods of service. These assumptions are based on employee 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 2022 (3.75%) to 4.00%. 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 increased the salary inflation rate from 2022 (2.50%) to 3.50% for long service leave.

The net financial effect of the changes to actuarial assumptions is a decrease in the long service leave liability of \$2.724 million, payables (staff on-costs) of \$0.115 million and staff benefits expense of \$2.839 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

All provisions are for workers compensation.

Reconciliation of workers compensation (statutory and additional compensation)

| | 2023 | 2022 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Carrying amount at the beginning of the period | 41,045 | 44,664 |
| Payments | (5,673) | (5,430) |
| Remeasurments | 2,571 | (4,330) |
| Additions | 7,097 | 6,141 |
| Carrying amount at the end of the period | 45,040 | 41,045 |

22.1 Workers Compensation

The Hospital, as an exempt employer, is responsible for the payment of workers compensation claims and the implementation and funding of preventative programs. 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 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 nonserious 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 estimating 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.

23. Contract liabilities and other liabilities

| | 2023 | 2022 |
|---|------------|--------------|
| | \$'000 | \$'000 |
| Current | | |
| Unclaimed monies | 4 | 4 |
| Unearned revenue | 35 | 55 |
| Contract liabilities | 512 | 1,522 |
| Other | 310 | 18 |
| Total contract liabilities and other liabilities | 861 | 1,599 |

Revenue relating to services/treatments for drug and alcohol abuse support is recognised over time although all funds are received upfront for these services. A contract liability is recognised for this revenue at the time of initial receipt and is released over the time as and when service obligations are met. 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.

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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24. Cash flow reconciliation

| Reconciliation of cash and cash equivalents at the end of the reporting period | 2023 | 2022 |
|---|-----------------|---------------|
| | \$'000 | \$'000 |
| Cash and cash equivalents disclosed in the Statement of Financial Position | 24,799 | 17,466 |
| Cash as per Statement of Financial Position | 24,799 | 17,466 |
| Balance as per Statement of Cash Flows | 24,799 | 17,466 |
| Reconciliation of net cash provided by/(used in) operating activities to net result: | | |
| Net cash provided by/(used in) operating activities | 17,009 | (8,069) |
| Add/less non-cash items | | |
| Capital revenues | 27,477 | 41,439 |
| Depreciation and amortisation expense of non-current assets | (45,371) | (43,499) |
| Gain/(loss) on sale or disposal of non-current assets | (137) | (1) |
| Resources received free of charge | 502 | 562 |
| Movement in assets and liabilities | | |
| Increase/(decrease) in receivables | 1,339 | 1,662 |
| Increase/(decrease) in inventories | 260 | 543 |
| (Increase)/decrease in staff benefits | (15,941) | 26,180 |
| (Increase)/decrease in payables and provisions | (13,091) | (5,377) |
| (Increase)/decrease in other liabilities | 738 | 480 |
| Net result | (27,215) | 13,920 |

The total cash outflows for leases were \$2.107 million (\$2.346 million).

25. Unrecognised contractual commitments

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

25.1 Contractual commitments to acquire property, plant and equipment

| | 2023 | 2022 |
|----------------------------------|------------|--------------|
| | \$'000 | \$'000 |
| Within one year | 895 | 1,006 |
| Total capital commitments | 895 | 1,006 |

The Hospital's capital commitments are for plant and equipment ordered but not received and capital works. Capital commitments for major infrastructure works are recognised in the Department for Infrastructure and Transport financial statements.

25.2 Other contractual commitments

| | 2023 | 2022 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Within one year | 85,552 | 89,423 |
| Later than one year but not longer than five years | 175,914 | 179,732 |
| Later than five years | 387 | 5 |
| Total expenditure commitments | 261,853 | 269,160 |

The Hospital's expenditure commitments are for agreements for goods and services ordered but not received.

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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 mental health services, residential drug and alcohol rehabilitation services, or 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.

| | 2023 | 2022 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Carry amount at the beginning of period | 59 | 43 |
| Client trust receipts | 401 | 419 |
| Client trust payments | (427) | (403) |
| Carrying amount at the end of the period | 33 | 59 |

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 and contingent liabilities. 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 effective

Australian Accounting Standards and Interpretations not yet effective have not been adopted by the Hospital for the reporting period ended 30 June 2023, except for AASB 2021-2 which was adopted from 1 July 2021.

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* will apply from 1 July 2024. Given the complexity and level of judgement required in applying AASB 13 and the new amending standard, together with the need to liaise with valuers, the Hospital has not yet determined the impact.

The Hospital does not expect any other standards issued but not yet effective to have a material impact on the financial statements.

30. Financial instruments/financial risk management

30.1 Financial risk management

Risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management - Guidelines*.

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 SA Government via the Department. The Department works with DTF to determine the cash flows associated with this Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to note 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.

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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 interest bearing liabilities are managed through SAFA and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

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

30.2 Categorisation of financial instruments

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

The carrying amounts of each of the following categories of financial assets and liabilities: financial assets measured at amortised cost; financial assets measured at fair value through profit or loss; and financial liabilities measured at amortised cost are detailed below. All of the resulting fair value estimates are included in Level 2 as all significant inputs required are observable.

A financial asset is measured at amortised cost if:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

| | Notes | 2023 Carrying amount/ Fair value \$'000 | 2022 Carrying amount/ Fair value \$'000 |
|--|-------|---|---|
| Category of financial asset and financial liability | | | |
| Financial assets | | | |
| Cash and equivalent | | | |
| Cash and cash equivalents | 12 | 24,799 | 17,466 |
| Amortised cost | | | |
| Receivables ⁽¹⁾⁽²⁾ | 13 | 18,982 | 17,654 |
| Fair value through profit or loss | | | |
| Other financial assets | 14 | 2,601 | 2,601 |
| Total financial assets | | 46,382 | 37,721 |
| Financial liabilities | | | |
| Financial liabilities at amortised cost | | | |
| Payables ⁽¹⁾ | 19 | 39,488 | 33,353 |
| Financial liabilities | 20 | 6,592 | 7,846 |
| Other liabilities | 23 | 314 | 22 |
| Total financial liabilities | | 46,394 | 41,221 |

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and fees and charges; this is in addition to staff related receivables and payables such as payroll tax, fringe benefits tax etc. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the disclosure requirements of AASB 7 *Financial Instruments: Disclosures* will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc. they will be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

(2) Receivables amount disclosed excludes prepayments as they are not financial assets.

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 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 amount previously written off are credited against the same line items.

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.

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To measure the expected credit loss, receivables are grouped based on shared risk characteristics and for 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 evidence and informed credit assessment including any forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant 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:

| | 30 June 2023 | | | 30 June 2022 | | |
|----------------------|--------------------------------------|---------------------------------------|-------------------------------------|--------------------------------------|---------------------------------------|-------------------------------------|
| | 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 |
| Days past due | | | | | | |
| Current | 0.1 - 1.9 % | 6,782 | 53 | 0.1 - 1.9 % | 6,242 | 48 |
| <30 days | 0.2 - 2.2 % | 3,652 | 175 | 0.2 - 2.1 % | 2,556 | 29 |
| 31-60 days | 0.4 - 3.8 % | 2,682 | 305 | 0.4 - 3.7% | 1,224 | 38 |
| 61-90 days | 0.6 - 6.0 % | 861 | 125 | 0.6 - 5.7 % | 1,124 | 95 |
| 91-120 days | 0.9 - 8.6 % | 529 | 41 | 0.9 - 8.3 % | 777 | 123 |
| 121-180 days | 1.7 - 12.7 % | 583 | 149 | 1.6 - 12.2 % | 827 | 58 |
| 181-360 days | 3.4 - 39.0 % | 433 | 58 | 2.8 - 37.6 % | 1,671 | 864 |
| 361-540 days | 23.6 - 55.5 % | 487 | 242 | 23.0 - 53.5 % | 464 | 292 |
| >540 days | 28.7 - 74.2 % | 1,476 | 1,030 | 28.1 - 71.5 % | 1,237 | 894 |
| Total | | 17,485 | 2,178 | | 16,122 | 2,441 |

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 SA Government are identifiable throughout this financial report. The Hospital received funding from the SA Government via the Department (note 2), incurred expenditure with the Department for medical, surgical and laboratory supplies, computing and insurance (note 8), and incurred significant capital expenditure with DIT of \$21.586 million (\$50.979 million).

32. Interests in other entities

Equity accounted investment

Long Entity Name: Flinders Reproductive Medicine Pty Ltd as trustee for Flinders Charitable Trust, trading as Flinders Fertility

Ownership interest: 50%

Flinders Reproductive Medicine Pty Ltd as trustee for Flinders Charitable Trust, trading as Flinders Fertility is the only joint arrangement in which the Hospital participates.

Flinders Fertility is structured as a private trust which is not a reporting entity and is not publicly listed. The Hospital and Flinders University each have a 50% beneficial entitlement to the net assets of the trust. Accordingly, the interest is classified as a joint venture with the investment measured using the equity accounting method.

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The Hospital's share in the equity of the Flinders Fertility is calculated based on the draft financial statements provided as at the reporting period and subsequently adjusted when the final Audited financial statements are available.

The profits have not been distributed for this reporting period as accumulated losses from previous financial years are yet to be recouped.

The following table summarises the financial information of Flinders Fertility based on currently available information:

| | 2023 | 2022 |
|--|----------------|----------------|
| Percentage ownership interest | 50 % | 50 % |
| | \$'000 | \$'000 |
| Current assets | 1,512 | 1,996 |
| Current liabilities | (1,404) | (1,531) |
| Non-current assets | 2,919 | 2,347 |
| Non-current liabilities | (5,460) | (5,620) |
| Net assets | (2,433) | (2,808) |
| Groups share of net assets (50%) | | |
| Share of beneficial entitlement | 2,601 | 2,601 |
| Carrying amount of interest in joint venture | 2,601 | 2,601 |
| Expenses | (6,666) | (6,540) |
| Revenue | 7,039 | 6,810 |
| Profit/(loss) and total comprehensive income | 373 | 270 |
| Entity's share of profit and total comprehensive income (50%).* | 186 | 135 |

* The profit and loss have not been distributed at this stage.

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33. 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 APS 124.B were:

| Board/Committee name: | Government employee members | Other members |
|--|--|---|
| Southern Adelaide Local Health Network Governing Board | - | Butcher M (Chair), Hickey V, Mackean T, Mitchell J, Noble J, Richter J (Deputy Chair), Sherbon A, Searle J (appointed 01/07/2022) |
| DASSA Clinical Executive Committee | 11 | Newrick K |
| DASSA Community Advisory Council | 2 | Bealing D, Cornish M (ceased 25/09/2022), Dwyer Scott (Chair - appointed 28/09/2022), Halls A, Holly C, Honeyman L (appointed 28/09/2022), Mclean J, Moncrieff D (appointed 28/09/2022), Newrick K (ceased 27/05/2023), Nimmo E, O'Brien J, Petracco C, Randle M (ceased 25/09/2022), Sherif M, Vega L, Whiteway L, Cotter B (appointed 31/05/2023) |
| DASSA Drug and Therapeutics Committee (Sub Committee of the DASSA Clinical Executive Committee) | 12 | Randle M (ceased 28/06/2023) |
| DASSA Executive Group | 11 | O'Brien J |
| DASSA Audit and Risk Committee | 4 | Davies T |
| Consumer and Community Operational Committee (formerly Partnering with Consumer Advisory Group) | 26 | King P (Co Chair), Ball R, Dame T, Duke J (ceased 27/06/2023), Hofhius C (ceased 30/04/2023), Hoiles J (ceased 30/04/2023), Klinge N (ceased 30/04/2023), Oudih E (ceased 30/04/2023), Pascoe P, Rankine J (ceased 28/02/2023), Voss D, Gray H (appointed 01/06/2023), Wharton J (appointed 01/06/2023) |
| Mental Health Consumer and Carer Advisory Group | 10 | Braund S, Clarke W, Corena M, Harrison J, Hofhuis C, Hopkins R, King P |
| Southern Adelaide Clinical Human Research Ethics Committee | 23 | Arnold G, Cahalan P, Dykes L, Berg M, Ingleson V (ceased 18/01/2023), Lange B (Deputy Chair), Lister C, Lower K, McEvoy M, Miliotis B, Mudd A, Phillips C, Putsey T, Sharma S, Shephard S, Souzeau E, Spencer M, Thomas J, Treloar H (ceased 25/06/2023), Trethewey C, Trethewey Y, Van Lueven J, Velayudham P, Watt B, Were L, Yip L, Zhou Y |
| Southern Adelaide Local Health Network Asset and Infrastructure Planning Sub-Committee | - | Butcher M (Chair), Mitchell J, Richter J, Sherbon A |
| Southern Adelaide Local Health Network Audit and Risk Sub Committee (Sub Committee of the Governing Board) | - | Hickey V (Chair), Forman A, Noble J |
| Southern Adelaide Local Health Network Clinical Council | 53 | Dame T, Duong M |

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

| Board/Committee name: | Government employee members | Other members |
|---|--|---|
| Southern Adelaide Local Health Network Clinical Governance (Sub-Committee of the Governing Board) | - | Richter J (Chair), Baggoley C, Eckert M, Mackean T, Searl J, Voss D, Mitchell J (appointed 03/11/2022) |
| Southern Adelaide Local Health Network Communicating for Patient Safety Committee | 41 | Dame T |
| Southern Adelaide Local Health Network Community Engagement (Sub-Committee of the Governing Board) | - | Mitchell J (Chair), Butcher M, King P |
| Southern Adelaide Local Health Network Comprehensive Care Committee | 38 | Stankowski C |
| Southern Adelaide Local Health Network Drugs and Therapeutics Committee | 31 | Burdenuik C (appointed 23/01/2023) |
| Southern Adelaide Local Health Network End of Life Steering Committee | 15 | Barrington D, Phelan C |
| Southern Adelaide Local Health Network Falls Prevention Management Committee | 36 | Cohen M (ceased 06/06/2023) |
| Southern Adelaide Local Health Network Marion Lived Experience Group Mental Health Services | 4 | Brooke B (Chair), English L, Hofhuis C (Chair) (ceased 17/04/2023), Police D |
| Southern Adelaide Local Health Network Mental Health Services Noarlunga Lived Experience Group | 3 | Buer S (Chair), Healy S, Hopkins R, Hutchison S (appointed 01/02/2023), Smith K |
| Southern Adelaide Local Health Network New Technology and Clinical Practice Innovation Committee | 12 | Holly C, Kaambwa B, King P, Burtnik L (appointed 23/11/2022) |
| Southern Adelaide Local Health Network Older Persons Lived Experience Group Mental Health Services | 11 | Clark W (Chair), Eckert N, Lillecrapp D, Schetters J, Wener J (appointed 01/07/2022), Whitmore A, Cavenett K (ceased 01/05/2023) |
| Southern Adelaide Local Health Network SEDS | 1 | Corena M (Chair), McGregor A, Goddard G, James S (appointed 02/03/2023), Rouvray L, Woolford L, Braund S, Witt K (appointed 02/03/2023), Higgins K (appointed 04/05/2023) |
| Southern Adelaide Local Health Network Veterans Lived Experience Group Mental Health Services | 4 | Frampton R (Chair) (appointed 28/02/2023), Daley G, Damare M, Hall R, Hill-Paul C, O'Malley J, Royals N, Schofield M, Tregea J (ceased 01/07/2022), Warren S |
| Southern Adelaide Local Health Network Finance and Performance Committee (Sub-Committee of the Governing Board) | - | Richter J (Chair), Sherbon T, Noble J, Fletcher A |
| Southern Adelaide Local Health Network Board Executive Committee (Sub-Committee of the Governing Board) | - | Butcher M (Chair), Mitchell J |

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

| Board/Committee name: | Government employee members | Other members |
|---|--|---|
| Southern Adelaide Local Health Network Ramping Committee (Sub-Committee of the Governing Board) | - | Butcher M (Chair), Richter J, Sherbon T |

Refer to note 7.2 for remuneration of board and committee members.

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

34. Administered items

The Hospital administers private practice arrangements, representing funds billed on behalf of salaried medical officers and subsequently distributed to the Hospital and salaried medical officers according to Rights of Private Practice Deeds of Agreement.

| | Rights of Private Practice | |
|--|-----------------------------------|---------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Other expenses | (11,385) | (12,288) |
| Revenue from fees and charges | 12,032 | 11,855 |
| Net result | 647 | (433) |
| Cash and cash equivalents | 1,716 | 1,265 |
| Receivables | 818 | 633 |
| Other current provisions/liabilities | (6) | (17) |
| Net assets | 2,528 | 1,881 |
| Cash at the beginning of the reporting period | 1,265 | 1,555 |
| Other receipts | 11,847 | 12,002 |
| Other payments | (11,396) | (12,292) |
| Cash at the end of the reporting period | 1,716 | 1,265 |