

OFFICIAL



**Government  
of South Australia**

# Northern Adelaide Local Health Network

## **2020-21 Annual Report**

Northern Adelaide Local Health Network

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To: The Hon Stephen Wade MLC  
Minister for Health and Wellbeing

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009*, the *Public Finance and Audit Act 1982*, and the *Health Care Act 2008* 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 Northern Adelaide Local Health Network by:

Maree Geraghty  
**Chief Executive Officer**

Date 29/09/21

Signature

A handwritten signature in black ink, appearing to read 'M Geraghty', is written over a horizontal line.



### Acknowledgement of Country

*Northern Adelaide Local Health Networkrlu tampinthe Kurna miyurna yaitya yarta-mathanya Kurna yartarna-arra ngadlu warpulayinthe.*

*Ngadlu tampinthe purkarna pukinangku, yalaka, tarrkarritya.*

*Ngadlu tampinthe yaitya mathanya kuma parnaku tuwila yartangka.*

*Northern Adelaide Local Health Network acknowledges the Kurna people as the traditional custodians of the land where we proudly work and deliver health and wellbeing services.*

*We also honour Kurna Elders past, present and emerging.*

*We recognise Aboriginal cultural authority, and their ongoing spiritual connection to country.*

### From the Chair, Governing Board and Chief Executive Officer



It is with great pleasure that the Northern Adelaide Local Health Network (NALHN) Governing Board and Executive team present the 2020-21 NALHN Annual Report.

Like all hospitals and health services across the sector, the continuation of the COVID-19 pandemic has provided many challenges to NALHN over the past year. Local outbreaks and support for the vaccination roll-out have led to increased demands on our staff and services, but despite this, we have forged ahead and kept our focus on improving the health and wellbeing of our community.

Throughout this time, our staff have demonstrated a strong resilience and commitment towards each other in how they have worked tirelessly to keep South Australians safe. This includes the way in which we have delivered services virtually in the peak of the pandemic, adapting to new and innovative technologies, such as telehealth and video-conferencing services.

The capacity of our staff to support COVID-19 testing and vaccination efforts in parallel with maintaining the services we deliver across our hospital and community sites has been outstanding.

In May 2021, NALHN's Elizabeth COVID-19 Vaccination Clinic successfully opened at the Playford Civic Centre and since then it has delivered more than 20,000 doses as at 30 June 2021. To support NALHN's Aboriginal and Torres Strait Islander community, a dedicated Aboriginal Health hub and outreach service was also set up at the Clinic, providing our consumers and their kin across Adelaide, access to the COVID-19 vaccine administered by our Aboriginal Health team at Watto Purrinna Aboriginal Primary Health Care.

Some major milestones were achieved this year for NALHN's redevelopment projects at both Modbury Hospital and Lyell McEwin Hospital which will strengthen both sites into world-class facilities for our community and staff.

At Modbury Hospital, we saw the completion of the re-established High Dependency Unit and refurbished Surgical Suite. This has enabled more patients to have low to medium complexity surgeries, including multi-day surgeries, and recover closer to home.

We also welcomed the opening of the new Outpatients Department and new front entrance and café. Further work has since progressed on a new purpose built 20-bed Palliative Care Unit and Short Stay General Medical Unit at the site.

In January 2021, construction commenced for the expansion of the Emergency Department and new Short Stay Mental Health Unit at Lyell McEwin Hospital.

Both redevelopment projects will enable NALHN to meet the future needs of our community through more contemporary well-designed facilities.

To acknowledge the work of our exceptional people, this year NALHN launched the inaugural NALHN Staff Awards. Nominations were received from individuals and teams across 10 different categories which were aligned to NALHN's organisational values, vision and purpose. All finalists and award winners were celebrated at a gala event attended by more than 150 guests, including South Australia's Minister for Health and Wellbeing and the NALHN Governing Board.

NALHN's Clinical Services Plan was released in March 2021. The Plan was developed by our clinicians and builds on the foundation laid by our Strategic Plan 2020-25, providing a blueprint for NALHN's future service direction to meet the needs of our growing and diverse community. It sets out the key priorities for clinical service delivery across our network, while developing Models of Care, to deliver high-quality cost-effective services that are aligned to the changing needs of our population.

NALHN's Outpatients Department Redesign Project has made significant improvements to access and flow within the Department. As a result, maximum waiting times have reduced from over eight years to four years, with further improvements anticipated in 2021-22.

On behalf of the Governing Board and Executive team, we would like to thank all our staff for their commitment to keeping our hospitals operating during the COVID-19 pandemic and while construction works continue to progress across our sites. We are truly proud of their resilience and dedication to delivering safe, high-quality health and wellbeing services to the community.

We again look forward to building on the great work achieved during 2020-21 and to delivering the best possible health and wellbeing outcomes for our community.



Ray Blight  
**Chair, Governing Board**  
**Northern Adelaide Local Health Network**



Maree Geraghty  
**Chief Executive Officer**

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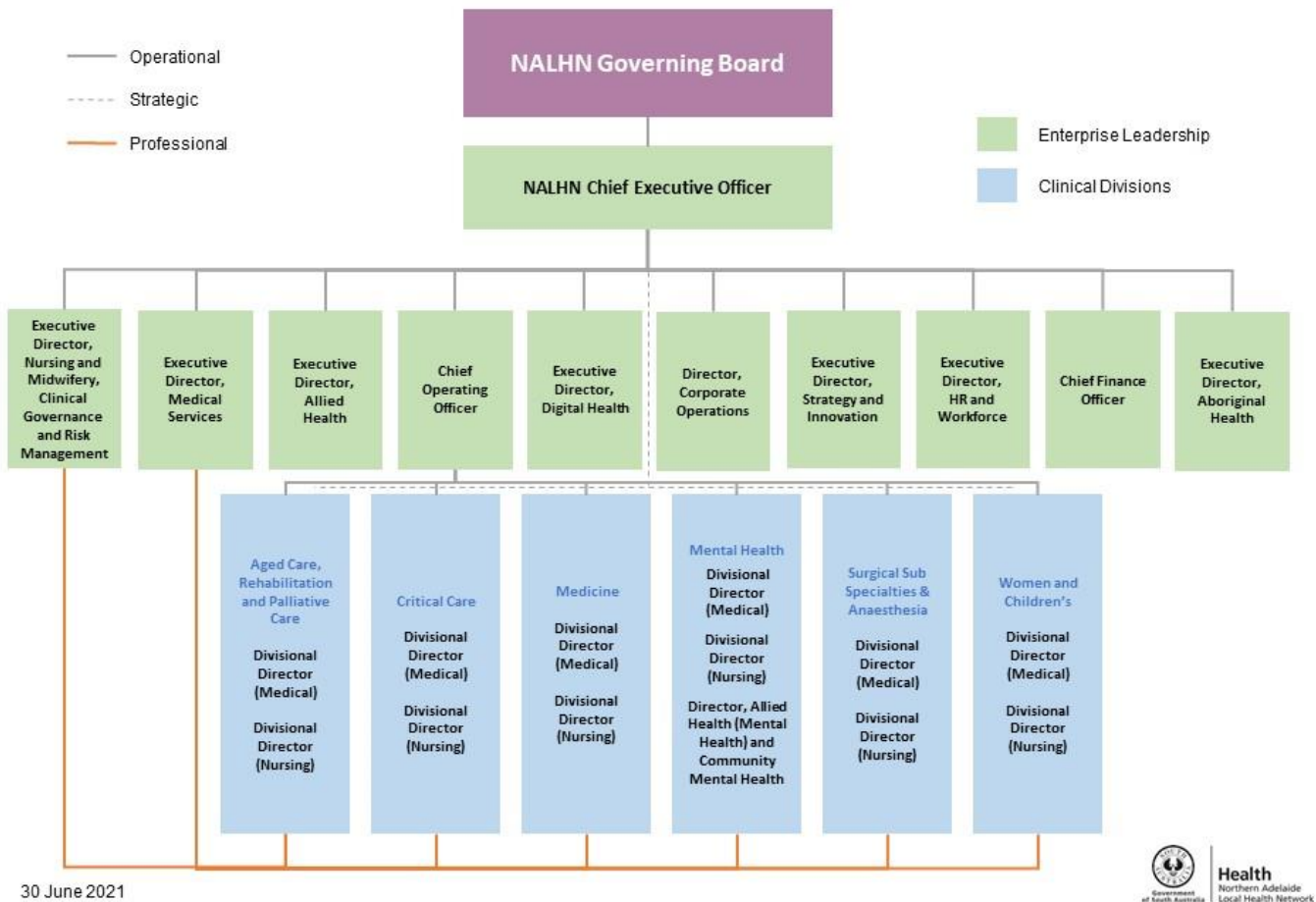
## Overview: about the agency

### Our strategic focus

<b>Our Purpose</b>	The Northern Adelaide Local Health Network (NALHN), an incorporated hospital under the <i>Health Care Act 2008</i> , provides a range of hospital, community and home-based services across multiple sites in the northern and north-eastern Adelaide region.
<b>Our Vision</b>	Our community has the best possible health and wellbeing throughout their life.
<b>Our Values</b>	<p>Values are at the heart of our organisation and inform our culture and how we work. In NALHN we believe that:</p> <p><i>Everyone has a story.</i>  <i>Everyone matters.</i>  <i>Everyone contributes.</i>  <i>Everyone grows.</i></p>
<b>Our functions, objectives and deliverables</b>	<p>The NALHN Governing Board is responsible for the overall governance, leadership and oversight for local health service delivery by the Local Health Network, including governance of performance and budget, clinical governance, safety and quality, risk management and achievement of the board functions and responsibilities.</p> <p>NALHN comprises two hospital sites. Lyell McEwin Hospital, a major adult tertiary hospital, provides emergency care, complex and multi day surgery, medicine, obstetrics, paediatric and outpatient services. Modbury Hospital provides emergency care, elective surgery, medicine, outpatient and sub-acute services, rehabilitation, geriatric and palliative care.</p> <p>Other specialty services provided by NALHN include GP Plus Health Care Centres and a GP Plus Super Clinic, four dedicated Aboriginal healthcare sites, and a satellite dialysis centre.</p> <p>Mental health services are provided across community and hospital settings in NALHN, including adult, older persons and state-wide forensic services.</p> <p><u>Objectives</u></p> <ul style="list-style-type: none"> <li>• To expand services to provide an increased level of health and wellbeing for residents in the north and north east.</li> <li>• Continued development of NALHN's highly skilled and valued workforce.</li> <li>• Continued commitment to patient safety and quality improvement activity across NALHN.</li> <li>• A strong commitment to high quality research acknowledging the valuable contribution to improving patient care and attracting leaders in their respective fields.</li> </ul>

## Our organisational structure

### Northern Adelaide Local Health Network Organisation Chart



## Changes to the agency

During 2020-21 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 Stephen Wade MLC 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 Governing Board**

Mr Ray Blight (Chair)

Mr Michael Forwood (Deputy Chair)

Ms Anne Burgess

Mr Frank Lampard OAM

Ms Mary Patetsos

Dr Carolyn Roesler

Ms Linda South

Mr Robin Moore



(Left to Right)

Back row: Mary Patetsos, Robin Moore, Linda South, Michael Forwood, Anne Burgess, Frank Lampard OAM, Dr Carolyn Roesler

Front row: Ray Blight and Maree Geraghty

## **Our Executive team**

Ms Maree Geraghty	Chief Executive Officer
Ms Karen Puvogel	Chief Operating Officer
Ms Natalia Hubczenko	Chief Finance Officer
Mr Kurt Towers	Executive Director, Aboriginal Health
Ms Sandra Parr	Executive Director, Allied Health
Ms Helen Stevens	Executive Director, Human Resources and Workforce
Dr John Maddison (Acting)	Executive Director, Medical Services
Assoc. Prof. Vanessa Owen	Executive Director, Nursing and Midwifery, Clinical Governance and Risk Management
Ms Sinead O'Brien	Executive Director, Strategy and Innovation
Mr Arindam Chaudhuri	Executive Director, Digital Health (from 16/11/2020)
Ms Cate Hilliard	Chief Digital Information Officer (to 27/11/2020)
Mr Peter Mullen	Director, Corporate Operations
Dr Venu Kochiyil (Acting)	Divisional Director (Medical), Aged Care, Rehabilitation and Palliative Care (from 06/04/2021)
Dr Sally Johns (Acting)	Divisional Director (Medical), Aged Care, Rehabilitation and Palliative Care (to 31/03/2021)
Ms Kirsty Delguste	Divisional Director (Nursing), Aged Care, Rehabilitation and Palliative Care
Dr Penny Conor (Acting)	Divisional Director (Medical), Critical Care (from 12/10/2020)
Dr John Maddison (Acting)	Divisional Director (Medical), Critical Care (to 11/10/2020)
Mr Damien Heffernan (Acting)	Divisional Director (Nursing) Critical Care (from 10/10/2020)
Ms Nadja Hartzenberg	Divisional Director (Nursing), Critical Care (to 05/10/2020)
Dr Tony Elias	Divisional Director (Medical), Medicine
Ms Trudy Smith-Sparrow (Acting)	Divisional Director (Nursing), Medicine (from 10/10/2020)
Mr Damien Heffernan	Divisional Director (Nursing) Medicine (to 09/10/2020)

**Our Executive team (continued)**

Dr Sanmuganatham Sujeeve	Divisional Director (Medical), Mental Health
Ms Dianne Callahan	Divisional Director (Nursing), Mental Health
Ms Nicole Keller	Director, Allied Health (Mental Health) and Community Mental Health
Professor Jeganath Krishnan	Divisional Director (Medical), Surgical Sub-Specialties and Anaesthesia
Ms Heather Saunders	Divisional Director (Nursing), Surgical Sub-Specialties and Anaesthesia
Dr Martin Ritossa	Divisional Director (Medical), Women and Children's
Ms Meredith Hobbs	Divisional Director (Nursing and Midwifery), Women and Children's

**Legislation administered by the agency**

None

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

Department for Health and Wellbeing

Wellbeing SA

Commission on Excellence and Innovation in Health

South Australian Ambulance Service

Barossa Hills Fleurieu Local Health Network

Central Adelaide 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

Southern Adelaide Local Health Network

Women's and Children's Health Network

Yorke and Northern Local Health Network

## The agency's performance

### Performance at a glance

During 2020-21 at NALHN:

- NALHN's financial position at the end of 2020-21 was a deficit of \$12.6 million. This deficit was mainly due to COVID-19 related expenditure.
- Activity for NALHN exceeded funded levels by 5,118 National Weighted Activity Units, which equates to \$27 million worth of additional activity.
- NALHN's cost per National Weighted Activity Unit is 1.8% below the National Efficient Price (NEP), compared to the State average of 7.3% above NEP.
- We achieved a Relative Stay Index of 0.85 with our inlier average length of stay reducing from 3.05 days in 2019-20 to 2.96 days in 2020-21 for acute overnight average length of stay.
- We treated 120,244 presentations in the Emergency Department, 4.3% higher than last year.
- We undertook 16,701 Elective Surgical procedures, including an additional 2,104 procedures undertaken in the private sector as part of the State's Elective Surgery Strategy.
- At the end of June 2021, NALHN had a total of 44 patients overdue for Elective Surgery procedures, compared to the State total of 1,158 patients overdue for Elective Surgery, all categories.
- We had 332,422 outpatient presentations, which is 1.1% higher than last year.
- We had 3,826 births at Lyell McEwin Hospital in 2020-21, an increase on the previous year.
- In March 2021, NALHN released its Clinical Services Plan 2020-2025.

### Agency response to COVID-19

NALHN forms part of the state-wide Local Health Network COVID-19 response and plays an integral part in the COVID-19 South Australian Inpatient Integrated Plan (SAIIP). The SAIIP is informed by event-based triggers, namely numbers of COVID-19 positive case beds utilised in hospital, for both Intensive Care Unit beds and general inpatient beds.

As part of the SAIIP, NALHN has developed a COVID-19 Response Plan (staged action plan) that can be enacted in response to any local positive COVID-19 case or state-wide COVID-19 cluster under the direction of the NALHN Incident Management Team.

The NALHN COVID-19 Program sits under the governance of the NALHN Director of Nursing (Operations) reporting through to the Chief Operating Officer and includes the COVID-19 Testing Clinic located at the Lyell McEwin Hospital and the Elizabeth COVID-19 Vaccination Clinic located at the Playford Civic Centre.

## Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	<p>In line with the key NALHN Strategic Plan, high priority work linking to the strategic imperatives of Exceptional People and Culture have been implemented across the Local Health Network, with a focus on employer of choice, diversity and inclusion well-being, staff engagement and culture.</p> <p>These activities include:</p> <ul style="list-style-type: none"> <li>• the formal establishment of the Exceptional People &amp; Inclusive Culture Steering Committee;</li> <li>• research and commencement of the development of a workforce plan linking to the NALHN Clinical Services Plan 2020-2025;</li> <li>• the formal establishment of a well-being sub-committee;</li> <li>• the formal establishment of a Diversity &amp; Inclusion sub-committee.</li> </ul> <p>NALHN's aim is to be the employer of choice for the Aboriginal and Torres Strait Islander community in the north through its Aboriginal Workforce action plan and committee. In addition, NALHN truly values the significant and important role our existing Aboriginal workforce plays; therefore has established the network's inaugural Aboriginal and Torres Strait Employee Network. This network meets four days a year and discusses and advises strategies to engage, upskill, and retain this critical workforce.</p>
Lower costs	<p>In 2020-21, NALN reduced its cost per National Weighted Activity Unit to 1.8% below the National Efficient Price, which is a significant improvement from last financial year where NALHN's cost was 3% above the National Efficient Price.</p> <p>This was achieved through the implementation of a number of savings in the following areas:</p> <ul style="list-style-type: none"> <li>• Nursing costs which were more closely matched to activity</li> <li>• Medical overtime</li> <li>• Security costs</li> <li>• Conversion of casual security staff to permanent</li> <li>• Goods and services through better procurement arrangements</li> <li>• Vacant positions not recruited to unless essential to delivery of services</li> <li>• Reduction in length of stay</li> <li>• Reduction in clinical variation.</li> </ul>

Better Services	<p>NALHN continues to be innovative and provide services to meet the needs of our population.</p> <p>In March, NALHN released its Clinical Services Plan 2020-2025. Developed by our clinicians, the plan builds on the foundations laid out in our Strategic Plan and sets the blueprint for clinical service direction over the next five years.</p> <p>The plan aligns the needs of our growing population with the services NALHN plans to deliver in order to provide the best clinical outcomes, at the lowest cost and as close to home as possible.</p> <p>The plan will assist NALHN to engage purposefully in discussions with the Department for Health and Wellbeing about how available and future funding can best be applied to service our community.</p> <p>In line with our Clinical Services Plan 2020-2025, NALHN has delivered care close to home for our community during significant change and redevelopment of our hospital sites. Modbury Hospital's refurbished surgical suite and re-introduction of a High Dependency Unit has increased the range and complexity of surgeries able to be undertaken on site. This increases the number of patients that can have surgery closer to home, in turn supporting the Lyell McEwin Hospital to undertake more emergency surgeries.</p> <p>Our Women's services have also introduced a digital perinatal mental health screening tool to ensure great access and service delivery for our community.</p>
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## Agency specific objectives and performance

Agency objectives	Indicators	Performance
<b>STRATEGIC IMPERATIVE</b> <b>Inclusive culture:</b> <i><b>NALHN is committed to supporting and building our personality in line with our values and determination to provide the best care, every time, by our exceptional staff.</b></i>	A values-based workforce in which all our staff know and embrace our core values.	<ul style="list-style-type: none"> <li>The organisation's core values are articulated in the NALHN Strategic Plan 2020-25.</li> <li>These values have been incorporated into our workforce plans, professional development plans and recruitment to ensure we create a culture where:  <i>Everyone has a story.  Everyone matters.  Everyone contributes.  Everyone grows.</i> </li> </ul>
	Psychological safety in which staff feel valued and are safe to learn, grow, speak up and achieve without any concern for negative repercussions.	<ul style="list-style-type: none"> <li>NALHN has committed to establish an organisation wide speaking up culture through implementation of the Cognitive Institute's Speaking Up For Safety (SUFS) train the trainer program, whereby staff are trained in a common language to speak up at any time there is a safety concern. NALHN has trained 85% of its staff in SUFS.</li> <li>NALHN continues to monitor the psychological safety of our staff through staff surveys, Work Health and Safety audits and reporting systems.</li> </ul>
	Excellence in care through partnership, learning, evidence, research, and continuous improvement.	<ul style="list-style-type: none"> <li>The Northern Precinct Roundtable was established with local councils, key partners in the north and other government agencies.</li> <li>Research Strategy is in development and is aimed at Research being part of core business at NALHN, with anticipated growth in future years.</li> </ul>
	A state-wide reputation for our spirit of learning, growth and excellence embodied in an inclusive culture.	<ul style="list-style-type: none"> <li>NALHN has created pathways to enable current and future leaders to gain the experience and skills necessary to succeed and realise their potential including the Ways of Working (WOW) forums, and New and Existing Managers' Training.</li> <li>The Consumer and Community Engagement Strategy 2020-25 continues to ensure we hold ourselves accountable when consulting with our community and consumers.</li> </ul>



Agency objectives	Indicators	Performance
	<p>A welcoming and safe care environment where the rights and needs of all members of our community are championed, particularly people who are at risk of poorer health outcomes, or of limitations in access and advocacy. This includes actively supporting better outcomes for Aboriginal people, and responding to the needs of people from culturally and linguistically diverse backgrounds.</p>	<ul style="list-style-type: none"> <li>• The NALHN Reconciliation Action Plan committee, in consultation with key Aboriginal stakeholders, co-designed and implemented a cultural audit tool to ensure all clinical areas of the network develop a plan of action ensuring our staff and environment are culturally safe and accessible.</li> <li>• The NALHN Clinical Services Plan was released to better plan our services to meet the needs of our diverse community, included our large culturally and linguistically diverse population.</li> </ul>
<p><b>Service Design:</b> <i><b>NALHN delivers services tailored to meet the health needs of our population in the most effective and efficient way.</b></i></p>	<p>Effective and innovative care from beginning to end of life.</p>	<ul style="list-style-type: none"> <li>• The NALHN Clinical Services Plan was released, which will guide our clinical services over the next five years, ensuring we understand and meet the needs of our vulnerable and growing population.</li> <li>• A number of services continue to be developed with our clinicians and our consumers to meet the needs of our population, for example:             <ul style="list-style-type: none"> <li>○ Expansion of Community Palliative Care services for after hours and on weekends. Enabling greater access for palliative care patients.</li> <li>○ Implementation of the state-wide model of care for patients with an intellectual disability. Transitioning from Centre for Disability Health to the new South Australian Intellectual Disability Health Service.</li> <li>○ Mental Health Co-responder. Partnership between NALHN Mental Health and SA Ambulance Service to provide early intervention in the community to reduce the need for Emergency Department (ED) care.</li> <li>○ Prison in reach program - forensic in reach teams to support mental health care in prison.</li> </ul> </li> </ul>

Agency objectives	Indicators	Performance
		<ul style="list-style-type: none"> <li>○ Coordination of patients to the Priority Care Centres allowing for faster urgent care for those patients in clinical scope.</li> <li>○ Commencement of lower limb arthroplasty at Modbury Hospital allowing for care closer to home.</li> <li>• The Kanggawoddli Dialysis program collaboration with Central Adelaide Local Health Network and Aboriginal community stakeholders has demonstrated improved health outcomes, whilst significantly reduced avoidable hospital and ED admissions for the NALHN Aboriginal community.</li> </ul>
	<p>Excellent and compassionate health services delivered to our key population groups.</p> <p>Integrated health services across the continuum of care.</p>	<ul style="list-style-type: none"> <li>• NALHN's Watto Purrunga and four dedicated Aboriginal Health Services and team within strategic locations within the NALHN and Central Adelaide Local Health Network catchment provide comprehensive primary health care to over 3,000 Aboriginal community members.</li> <li>• NALHN's state-wide service, Kanggawoddli hostel, provides a 24/7 care coordination and support program for fellow country men and women traveling from rural and remote locations within Australia to access medical services in Adelaide metro. This service also implements a culturally responsive hospital avoidance program, keeping vulnerable consumers in the community and out of hospital and ED beds.</li> <li>• Kumangka Padninthi Health and Wellbeing Unit (KPHWU) provides clinical and cultural support within the Acute care setting.</li> <li>• The KPHWU Team incorporates after hours ED access team, Care Opportunities team and the Aboriginal Hospital Liaison Officers.</li> <li>• Ongoing investment of KPHWU was established in 2021.</li> <li>• The after hours ED access team commenced in December 2020; seven days after hours support provided in the ED.</li> </ul>

Agency objectives	Indicators	Performance
		<ul style="list-style-type: none"> <li>• The Care Opportunities team provides early detection and management of chronic disease for Aboriginal consumers.</li> <li>• NALHN Outpatients Department has undertaken a significant piece of redesign to improve access and flow. As a result, from a waitlist perspective, maximum waiting times have been reduced from over eight years down to four years.</li> <li>• Ongoing management of complex patients within acute care wards.</li> <li>• Prison in-reach, NDIS coordinator with moving long stay patients through, Mental Health core, Northern Adelaide Mental Health Alliance, Post Graduate Mental Health Nursing rotation.</li> <li>• Change in code black management and staff training.</li> <li>• The management, care and discharge of complex behavioural patients.</li> <li>• The establishment of the Ambulatory Gynaecology Unit at Modbury Hospital. Patient focused one stop shop to diagnose and treat menstrual disorders. Patients previously treated under general anaesthetic are now able to watch their procedure being performed under local or no anaesthetic and drive themselves home to resume normal activities.</li> <li>• Care awaiting placement expansion of services with new provider from eight to 16 beds improving NALHN flow.</li> <li>• Palliative care 24/7 - expansion of community palliative care across seven days and afterhours improving NALHN flow and patients receiving extended care at home.</li> <li>• Introduction of the FLIC/EPIC model at Modbury ED with improved wait times for categories 2 and 3 patients.</li> </ul>

Agency objectives	Indicators	Performance
		<ul style="list-style-type: none"> <li>The Northern Mental Health Alliance was established in October 2020. This is a multi-agency and sector group working together to improve the mental health and wellbeing outcomes for people in the north and north east areas of Adelaide.</li> </ul>
<b>Digitally Smart:</b> <i>NALHN develops digitally smart programs and use the latest technology to maximise better health outcomes and reshape how our consumers, communities and partners use technology to interface with us and support staff.</i>	Excellent care and patient safety outcomes through digital and technological innovation and uptake.	<ul style="list-style-type: none"> <li>Released Digital Health Strategy 2020-25 to guide our digital priorities going forward.</li> <li>Establishment of the Digital Health Directorate. A number of initiatives have been completed or commenced to support improved data, timely decision-making, improved productivity and streamlining our clinical services. Some examples of our successes to date:               <ul style="list-style-type: none"> <li>SystemView implementation for Operating Theatre and Outpatients Department.</li> <li>Implementation of GETZ Anaesthetics Management solution.</li> <li>Implementation of Power BI Dashboards for visualisation of clinical information.</li> <li>Electronic distribution of Patient Discharge Summaries to GPs.</li> <li>Windows 10 and Microsoft 365 rollout.</li> </ul> </li> </ul>
	Transparency and communication with consumers.	<ul style="list-style-type: none"> <li>NALHN has commenced a proof-of-concept project for digitising the antenatal engagement for mothers. This will enable us to improve both the quality of our communication and its timeliness. The outcome of this pilot study will inform the development of the overall digital enablement to support our consumer engagement strategy.</li> </ul>
	A digitally smart workforce.	<ul style="list-style-type: none"> <li>Established the NALHN Digital Health Program.</li> </ul>

Agency objectives	Indicators	Performance
<p><b><i>Sustainability:</i></b></p> <p><b><i>NALHN embraces sustainability by innovating, improving our efficiency, recognising and managing risk, and continually aligning, optimising and growing our resources and living within our means.</i></b></p>	<p>Resource efficiencies and generation through innovation, commercialisation and investment.</p>	<ul style="list-style-type: none"> <li>• NALHN has worked with our partners in providing efficient and quality services. For example, we have utilised the services of Private Hospitals under SA Health approved panel contracts to deliver elective surgery procedures such as colonoscopies, ENT procedures, urology procedures and orthopaedic services at an efficient price to increase throughput and reduce waiting times.</li> <li>• Reviewed Budget Allocations which provided workable and fair start of year budgets that could then be used to hold Divisions and Directorates to account within a Performance and Accountability Framework. This also led to improved internal and external financial reporting. NALHN is now operating below the NEP and is financially sustainable.</li> <li>• Established the NALHN Lymphoedema garment scheme (made possible through state-wide funding) has enabled the provision of custom-made garments twice per year at no charge to patients receiving a service within our network. Previously patients were required to fund these themselves. This garment replacement cost for a single limb might cost \$1,000 per year, which was unachievable for many of our patients, further compounding the impacts of this disabling condition.</li> <li>• Surgical Floor Modbury Hospital; Rapid closure, redeployed staff (98% to their first choice of placement), developed partnerships with consistent 11 private providers, redeveloped the floor, re-opened and now fully operational. This took place during COVID-19 pandemic conditions while still achieving elective surgery targets and within existing Division of Surgery resources.</li> </ul>

Agency objectives	Indicators	Performance
	Efficient processes and administration to support safe and appropriate health services.	<ul style="list-style-type: none"> <li>NALHN commenced work on an Integrated Management System which will enable staff on the floor to the Board to understand NALHN's performance and to identify areas for improvement. This four-tier reporting platform will be completed in 2022.</li> <li>Continuous improvement is being embedded as part of the culture at NALHN and methodology for continuous improvement is shared as part of the Integrated Management System.</li> <li>A 'Blast the Blocks' campaign was initiated during the year with over 200 improvements identified by staff. A total of 37 Blast the Blocks improvements were implemented during 2020-21.</li> </ul>
	Best-practice financial management and business acumen.	<ul style="list-style-type: none"> <li>Budgets were revised considerably in 2020-21 to provide improved budgets to which areas could be held accountable. The budgets were underpinned by a performance framework against which divisions were reported.</li> </ul>
	Care for the environment.	<ul style="list-style-type: none"> <li>A network waste management plan has continued which segregates waste streams at the workplace, supporting a more sustainable approach to waste management.</li> <li>A formal contracted partnership has been established with recycle partner (suez) in the management of the waste streams reducing waste to landfill.</li> <li>Ecological Sustainable Developments including:               <ul style="list-style-type: none"> <li>LMH 760kW Solar Panel Upgrade and Electrical Vehicle Charging Stations.</li> <li>LED lighting replacement program.</li> <li>Waste Management recycling program – diversion to landfill by volume – 25.5% diversion to landfill.</li> <li>Redevelopment 5 Greenstar design and DHW IGRAT design Principles.</li> </ul> </li> </ul>

Agency objectives	Indicators	Performance
<p><b>Exceptional people:</b></p> <p><i>We strive to be a workplace of choice that attracts and retains exceptional employees by fostering an inclusive work culture and environment where they feel empowered to grow, contribute and everyone matters.</i></p>	<p>A welcoming culture that values and empowers all staff and supports a world-class workforce known for its expertise and compassion.</p>	<ul style="list-style-type: none"> <li>• Introduced the inaugural NALHN Staff Awards in June 2021 as a mechanism to formally recognise the commitment and achievements of staff and provide a pathway to the SA Health Awards.</li> <li>• Geriatrics in the Home (GITH) SA Health Award – Enhancing Hospital Care.</li> <li>• NALHN participated in the development of the SA Health Diversity and Inclusion Plan to ensure all our staff are appropriately supported and engaged.</li> <li>• Options have been explored to enhance our Aboriginal cultural safety training to be level 2, ensuring our staff can meet the needs of our community, with the program launched during 2021.</li> <li>• Continuing the Performance Review and Development (PR&amp;D) blitz with strategies to increase NALHN's PR&amp;D Compliance including regular communication with staff, a standing item on key agendas, development of a Team Based Review fact sheet and form for six-monthly reviews, development of a NALHN procedure and review and update of supporting materials.</li> </ul>
	<p>A visionary, capable, sustainable and supportive leadership.</p>	<ul style="list-style-type: none"> <li>• Developed leadership programs and support staff to engage in leadership program outside of our Local Health Network to support continued development and exceptional people.</li> <li>• Current Leadership programs:               <ul style="list-style-type: none"> <li>○ Next Executive Leadership Course Program</li> <li>○ Executive Excellence Program</li> <li>○ Foundations of Transformative Leadership Program</li> <li>○ Transformative Leadership Program</li> <li>○ LEAN Thinking Initiative</li> <li>○ JAWUN Executive Secondment</li> <li>○ TIER Leadership and Management Program for Nursing and Midwifery Leaders</li> <li>○ Leading Clinicians Program</li> <li>○ Managers Essential Program</li> <li>○ New and Existing Managers Training Program</li> <li>○ Ways of Working Forums</li> </ul> </li> </ul>

Agency objectives	Indicators	Performance
<b>Partnering:</b> <i>We create strategic collaborative partnerships to maximise and leverage opportunities to support our growing community.</i>	<p>The health and wellbeing of our community are strengthened through our partnerships across the NALHN region.</p>	<ul style="list-style-type: none"> <li>Established relationships with key partners to create the Northern Health Precinct that collaborates to create greater opportunities for the local population and provides mechanisms to support increase in local employment and wellbeing.</li> <li>In partnership with consumers, the Dialysis program at Kanggawodoli has been a fantastic achievement for Aboriginal health.</li> <li>Released the Nursing and Midwifery Engagement Framework.</li> </ul>
	<p>NALHN meaningfully engages with and responds to consumers, their carers and the community.</p>	<ul style="list-style-type: none"> <li>NALHN is committed to engaging and understanding the needs of the local population and to support this has developed and launched the Consumer and Community Engagement Strategy building on the work of the Consumer Advisory Council and guiding the future direction.</li> </ul>
	<p>NALHN is at the forefront of research, education and training that contributes to community health and wellbeing.</p>	<ul style="list-style-type: none"> <li>Introduced Flinders Medical Centre Medical Students into NALHN via the PMEUT/TMO with positive feedback.</li> <li>Partnered with universities (e.g. Older Persons' Mental Health Certificate with University of SA, Professor of Midwifery position with Flinders University, and Journal Club with University of Adelaide).</li> <li>NALHN has partners with SAHMRI's Wardliparingga Research team to ensure the network's meaningful compliance against key Aboriginal health priorities and strategies, including the SA Health Aboriginal Heart and Stroke Plan, Diabetes Plan, and Cancer Plan. This partnership has witnessed the development of an NALHN Aboriginal Health Framework and Action plan due to be released later in 2021.</li> <li>Allied Health has worked to raise the profile of research activities across the division, focusing particularly of translation of evidence into practice. One of the outcomes has been the acceptance of three papers at this year's National Allied Health conference and one paper as at the national Occupational Therapy conference.</li> </ul>



## **Corporate performance summary**

NALHN achieved key corporate performance outcomes, including:

- Involvement in the delivery of the COVID Vaccination Hub.
- Development of Strategic Asset Management Plan and Asset Management Plan.
- Environmental Management – Ecological Sustainable Developments.
- Delivery of Capital Minor Works Program.
- Triennial Fire Inspections.
- Released NALHN's Clinical Services Plan in March 2021.
- Continued planning and implementation of significant capital investments at the Lyell McEwin and Modbury Hospitals.
- Scoping the implementation of 'follow-me' printing at Lyell McEwin Hospital.

## Employment opportunity programs

Program name	Performance
Allied Health Cadetship program	Engaging Allied Health Assistants and paying for their training.
Nursing and Midwifery Aboriginal Cadetship program	Program in place over 10 years - encouraging the Aboriginal community to consider nursing and midwifery as a sustainable career. Students have returned to NALHN to continue studies – i.e. enrolled nurses becoming registered nurses; registered nurses becoming midwives.
Aboriginal Health Scholarships	Funded by the Hospital Research Foundation, the Scholarship program allows existing Aboriginal staff to upskill or gain a qualification (e.g. Cert IV Primary Health Care or Immunisation training).
Aboriginal Workforce Action Plan	Aboriginal & Torres Strait Islander employment participation rate remains at 1.7%, as at 30 June 2021.
Innovative Closing the Gap Programs	Programs within Mental Health, Medicine, Allied Health, Women and Children's Division and Aboriginal Health have seen the employment additional Aboriginal and Torres Strait Islander staff working within the acute and mental health settings.
Aboriginal Health employment	Appointments using the Aboriginal Employment or disabilities register.

## Agency performance management and development systems

Performance management and development system	Performance
Number of employees who undertook a PR&D	4,828
% of workforce who undertook a PR&D	92%

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

<b>Program name</b>	<b>Performance</b>
Worksite Safety Inspection Program	153 worksite safety inspections were scheduled in August 2020 and February 2021 and undertaken across all NALHN sites (including contractors) as part of the rolling hazard management program.
Healthcare Worker Immunisation Program	3,467 healthcare workers received full dosage of a COVID-19 vaccine in 2020-21 (note: 2,947 workers were clinicians). NALHN is currently working towards compliance of the SA Health Healthcare Worker Immunisation Policy Directive which has also resulted in a high uptake of employees being immunised.
Fit Testing Program and roll out of the Detmold N95 masks	NALHN had fit tested 3,400 employees in high risk clinical areas as part of the COVID-19 response.

<b>Workplace injury claims</b>	2020-21	2019-20	% Change (+ / -)
Total new workplace injury claims	114	107	+6.5%
Fatalities	0	0	0.0%
Seriously injured workers*	0	0	0.0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1,000 FTE)	10.29	16.19	-36.4%

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

<b>Work health and safety regulations</b>	2020-21	2019-20	% Change (+ / -)
Number of notifiable incidents ( <i>Work Health and Safety Act 2012, Part 3</i> )	3	6	-50.0%
Number of provisional improvement, improvement and prohibition notices ( <i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i> )	18	6	+200.0%

<b>Return to work costs**</b>	<b>2020-21</b>	<b>2019-20</b>	<b>% Change (+ / -)</b>
Total gross workers compensation expenditure (\$)	\$3,387,825	\$2,464,252	+37.5%
Income support payments – gross (\$)	\$1,162,366	\$1,022,786	+13.6%

*\*\*before third party recovery*

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/northern-adelaide-local-health-network>

### Executive employment in the agency

<b>Executive classification</b>	<b>Number of executives</b>
<b>EXEC0E</b>	<b>1</b>
<b>SAES1</b>	<b>7</b>

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/northern-adelaide-local-health-network>

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

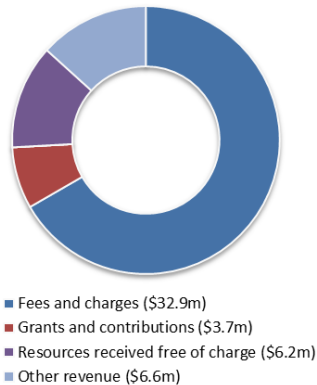
### Financial performance at a glance

The following table is a brief summary of the overall financial position of the agency and the full audited financial statements for 2020-21 are attached to this report. NALHN recorded a surplus of \$27.44 million for the 2020-21 financial year and this was mainly due to increased revenue from SA Government of \$51.739 million and tight expenditure controls implemented.

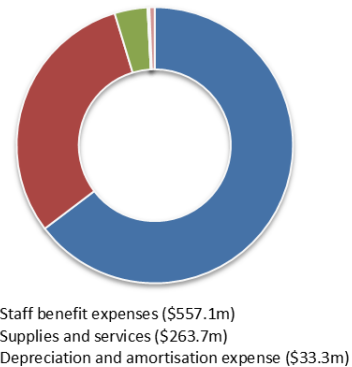
#### NALHN three-year financial summary

Three-year financial summary (\$'000)	2020-21	%	2019-20	%	2018-19	%
		↑↓		↑↓		↑↓
Total income	888 768	↑6.7%	833 207	↑17.8%	707 290	↑6.4%
Total expenses	861 328	↑3.7%	830 802	↑7.8%	770 569	↑12.6%
Net result for the period	27 440	↑1041.0%	2 405	↑103.8%	( 63 279)	↓-215.6%
Net cash provided by operating activities	17 243	↓-22.6%	22 272	↑279.7%	( 12 397)	↓-182.1%
Total assets	530 601	↑4.0%	510 225	↑15.4%	442 057	↓-7.1%
Total liabilities	252 590	↑0.1%	252 223	↑35.6%	186 043	↑18.8%
Net assets	278 011	↑7.8%	258 002	↑0.8%	256 014	↓-19.8%

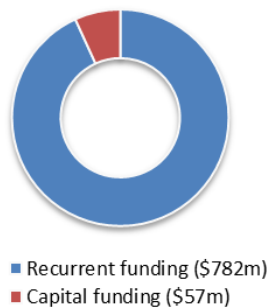
Non SA Government Income by category 2020-21



Expenses by category 2020-21



DHA contributions for the provision of general health services to NALHN in 2020-21 (\$839m)



**Consultants disclosure**

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

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

<b>Consultancies</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
All consultancies below \$10,000 each – combines	Various	\$4,000

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

<b>Consultancies</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
Zed Management Consulting	Develop a five year detailed Clinical Services Plan for NALHN that provides direction and priorities for delivery of clinical services that meets the needs of NALHN's local population. Preparation of a commissioning plan for the next five years.	\$108,808
Bee Squared Consultants	Provide expertise in the review of the Gastro and Surgery Booking Process and prepare a report detailing an implementation/resolution action plan.	\$ 26,000
Zed Management Consulting	Develop a state-wide model of Care for Child Protection Services	\$ 15,000
	<b>Total</b>	<b>\$ 153,808</b>

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/northern-adelaide-local-health-network>

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.

<b>Contractors – Agency Staff</b>	<b>Purpose</b>	<b>Value</b>
<b>Contractors – Agency Staff Below \$10,000</b>		
All Contractors – Agency Staff below \$10,000 Each Combined	Various	\$47,463

<b>Business name</b>	<b>Purpose</b>	<b>\$ Value</b>
<b>Contractors – Agency Staff above \$10,000 each</b>		
HCA - Healthcare Australia	Provision of Medical Locum and Nursing Agency Services	\$3,400,088
Mediserve Nursing Agency	Provision of Nursing Agency Services	\$1,183,674
Nursing Agency accruals (various)	Provision of Nursing Agency Services	\$1,141,536
Australian Medical Placements Pty Ltd	Provision of Medical Locum Services	\$787,066
The University Of Adelaide	Provision of Medical Specialists and Clinical Academics	\$629,380
Your Nursing Agency Pty Ltd	Provision of Nursing Agency Services	\$420,590
ISS Health Services Pty Limited	Provision of Additional Orderly Services	\$323,909
McArthur Management Services (Sa) Pty Ltd	Provision of Nursing Agency Services	\$212,882
Wavelength International Pty Limited	Provision of Medical Locum Services	\$195,206

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<b>Business name</b>	<b>Purpose</b>	<b>\$ Value</b>
Hays Specialist Recruitment (Australia) Pty Limited	Provision of Salaried Administrative Agency Staff	125,359
Global Medics Pty Ltd	Provision of Medical Locum Services	\$83,664
Harrison McMillan Pty Ltd	Provision of Salaried Administrative Agency Staff	\$73,594
Randstad Pty Limited	Provision of Salaried Administrative Agency Staff	\$52,020
Skilled Medical Pty Ltd	Provision of Medical Locum Services	\$51,431
Recruitment Solutions Group Australia Pty Ltd	Provision of Domestic Services Agency Staff	\$46,209
Department Of Human Services (SA)	Provision of Nursing Agency and Support Services Staff	\$45,041
Nursing Agency Australia Pty Ltd	Provision of Nursing Agency staff	\$29,960
Kemp Recruitment Pty Ltd	Provision of Nurse Medical Professional	\$25,676
Hudson Global Resources (Aust) Pty Limited	Provision of Salaried Administrative Agency Staff	\$22,718
Department Of Defence	Provision of Registered Medical Officer	\$22,580
Medipeople Pty Ltd	Provision of Medical Locum Services	\$19,773
Rexco People	Provision of Domestic Services Agency Staff	\$11,555
Locum Life Recruitment Pty Ltd	Provision of Locum Medical Professional	\$11,155
Subtotal Contractors – Agency Staffing above \$10,000		\$8,915,066
<b>Contractors – Agency Staffing Grand Total</b>		<b>\$8,962,529</b>



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

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
All contractors below \$10,000 each - combined	Various	\$8,655

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

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
FBE Pty Ltd	Biomedical maintenance work	\$126,551
Martin Philip Moyse	Systems management support for the Modbury Patient Administration System	\$102,000
PowerHealth Solutions	Development of Evidence Based Efficiency Plan and Commensurate Education and Engagement of Clinicians	\$74,801
PowerHealth Solutions	Patient Costing and Casemix Reporting Services	\$85,371
Penelope Gale	Communication advisory service	\$82,350
The Health Roundtable	Health Roundtable Organisation and Personal Membership in the Roundtable, LMH + Modbr Cor Package & Improvement Groups	\$73,775
Lucid Consulting		\$52,870
KPMG	Financial Improvement Support	\$36,735
Francis Health	NALHN Medical Leaders Program May21	\$23,084
Byrne Kelley Pty Ltd	Corporate Communications Strategy for NALHN	\$19,800
Escient Pty Ltd	SystemView Implementation	\$14,875
Subtotal Contractors – above \$10,000		\$692,212
<b>Contractors – Grand Total</b>		<b>\$700,867</b>

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/northern-adelaide-local-health-network>

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**

The NALHN Audit and Risk Committee (ARC) conducted meetings on the following dates: 18 August 2020, 17 November 2020, 29 March 2021 and 2 June 2021.

The ARC meetings operate according to the Terms of Reference which define the purpose, scope, functions and authority of the Committee.

The ARC assists the Board in fulfilling its oversight responsibilities for:

- the integrity of the financial statements;
- compliance with legal and regulatory requirements;
- independent auditor's qualification and independence;
- performance of the internal audit function; and
- efficient and effective management of all aspects of risk.

The function and responsibilities of ARC is to provide advice and comment to the Governing Board in the following areas:

- Risk Management Activities (Strategic, Operational, Clinical and Corporate)
- Monitor NALHN's response to serious and/or systemic risks escalated to the Department for Health and Wellbeing
- Internal control
- Draft annual financial statements
- Legislative compliance requirements
- Internal audit
- External audit
- Audit reporting matters
- Review of reports on public health system risk and assurance policies and directives issued by the Chief Executive, Department for Health and Wellbeing
- Corruption control
- Other matters

**Fraud detected in the agency**

Category/nature of fraud	Number of instances
Criminal Offences	2
Handling Official Information	1
Use of Government/Public Resources	1
Fraud	2

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

**Strategies implemented to control and prevent fraud**

The SA Health Fraud and Corruption Control Policy Directive and Plan aligns procedures for the identification and reporting of fraud and corruption with the South Australian Public Sector Fraud and Corruption Control Policy which was released in January 2016.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/northern-adelaide-local-health-network>

**Public interest disclosure**

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

Nil

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/northern-adelaide-local-health-network>

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

Nil required

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

NALHN values carers for our patients, acknowledging their critical role as partners in the delivery of health services for those who live in the NALHN catchment. During 2020-21 NALHN's staff have worked at the service level to partner with carers who care for patients and know them best. Carers are able to provide relevant information to assist the health service in understanding a person's health, wellbeing, living situation and interests. NALHN acknowledges the additional burden of responsibility placed on carers during the COVID-19 pandemic, and the health service's need to care for and support carers at this time.

Analysis of consumer feedback from NALHN in 2020-21 shows that 3.13% of people providing feedback identify themselves formally as being a carer for the patient who is the subject of the feedback. This is considered an underestimate. NALHN staff will aim to record the status of people who identify as carers when they provide feedback about services received in NALHN in the coming year, acknowledging the challenges faced by carers and the vulnerability of those who receive their care.

NALHN actively promotes SA Health initiatives recognising carers and the *Carers' Recognition Act 2005*.

## Public complaints

### Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2020-21
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	170
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	5
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	153
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	23
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	58
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	25
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	24
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0

Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	2
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	3
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	215
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	34
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	67
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		<b>Total</b>	<b>779</b>

<b>Additional Metrics</b>	<b>Total</b>
Number of positive feedback comments	1,140
Number of negative feedback comments	1,278
Total number of feedback comments (includes advice and suggestions)	2,686
% complaints resolved within policy timeframes	96.62%

Data for previous years is available at:

<https://data.sa.gov.au/data/dataset/departments-for-health-and-wellbeing>

## Service Improvements

NALHN encourages patients, consumers, families, carers and community to provide feedback about the care they receive, which provides an opportunity for NALHN to reflect on and improve the quality of health care. Consumer feedback enables the organisation to understand the perspective of patients, consumers, families, carers and the community who receive care and plan improvements in the quality of those services.

NALHN responds to the feedback from consumers and the community; some examples are provided below:

- Consumer information sheets have been reviewed by consumers directly affected as well as those from the Consumer Advisory Council.
- Implemented new consumer and carer information sheets, e.g. information about potential ambulance costs, responded to complaints received about unexpected bills for ambulance transfers from acute hospitals.
- Patient stories are used to inform wards, services, divisions and governance meeting about care provided and opportunities for improvement.
- Staff education in response to specific complaints; staff involved are encouraged to use feedback to reflect on their communication and practice.
- Point of care surveys gather consumer experiences to identify issues of concern across the network as well as for local services.
- In response to COVID-19 restrictions, NALHN redesigned Pain Management Workshops to meet consumer needs, and enabled visiting for mental health consumers.
- Improved partnership with transport providers returning patients to country areas, to ensure they have a plan of action should the patient's condition change en route.
- Created a parent lounge in the Special Care Nursery to provide a break for parents away from the busy-ness of the nursery.
- Created an Aboriginal Cultural Garden for patients in James Nash House.
- Several consumers who have provided feedback on their experience with NALHN have been recruited to the NALHN Consumer Community.

## Compliance Statement

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



## **Appendix: Audited financial statements 2020-21**



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Adelaide SA 5000  
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www.audit.sa.gov.au

**To the Chair of the Board  
Northern Adelaide Local Health Network Incorporated**

**Opinion**

I have audited the financial report of the Northern Adelaide Local Health Network Incorporated for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Northern Adelaide Local Health Network Incorporated as at 30 June 2021, 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 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Board Chair, the Acting Chief Executive Officer, the Chief Finance Officer and the Financial Business Manager.

**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 Northern 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 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* 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 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 of the *Health Care Act 2008*, I have audited the financial report of Northern Adelaide Local Health Network Incorporated for the financial year ended 30 June 2021.

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 Northern 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 about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

**Auditor-General**

20 September 2021

## Certification of the financial statements

We certify that the:

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



Ray Blight  
Board Chair



Natalia Hubczenko  
A/Chief Executive Officer



Natalia Hubczenko  
Chief Finance Officer



Kay Butler  
Financial Business Manager

Date 14/9/21

**NORTHERN ADELAIDE LOCAL HEALTH NETWORK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 30 June 2021**

	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>			
Revenues from SA Government	2	839,430	787,165
Fees and charges	3	32,896	32,173
Grants and contributions	4	3,676	4,264
Interest		4	51
Resources received free of charge	5	6,210	3,484
Other revenues/income	6	6,552	6,070
<b>Total income</b>		<b>888,768</b>	<b>833,207</b>
<b>Expenses</b>			
Staff benefits expenses	7	557,069	540,930
Supplies and services	8	263,744	252,787
Depreciation and amortisation	13,14	33,280	34,943
Grants and subsidies		50	78
Borrowing costs	17	1,069	1,126
Net loss from disposal of non-current and other assets		276	3
Impairment loss on receivables	11.1	509	161
Other expenses	9	5,331	774
<b>Total expenses</b>		<b>861,328</b>	<b>830,802</b>
<b>Net result</b>		<b>27,440</b>	<b>2,405</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in property, plant and equipment asset revaluation surplus		(7,431)	-
<b>Total other comprehensive income</b>		<b>(7,431)</b>	<b>-</b>
<b>Total comprehensive result</b>		<b>20,009</b>	<b>2,405</b>

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

**NORTHERN ADELAIDE LOCAL HEALTH NETWORK**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2021**

	Note	2021 \$'000	2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents	10	29,539	22,925
Receivables	11	10,525	8,824
Inventories	12	2,996	2,639
<b>Total current assets</b>		<b>43,060</b>	<b>34,388</b>
<b>Non-current assets</b>			
Receivables	11	1,419	1,467
Property, plant and equipment	13,14	485,924	474,346
Intangible assets	13.5	198	24
<b>Total non-current assets</b>		<b>487,541</b>	<b>475,837</b>
<b>Total assets</b>		<b>530,601</b>	<b>510,225</b>
<b>Current liabilities</b>			
Payables	16	22,057	19,844
Financial liabilities	17	3,207	3,426
Staff benefits	18	80,734	78,593
Provisions	19	2,856	2,584
Contract liabilities and other liabilities	20	135	55
<b>Total current liabilities</b>		<b>108,989</b>	<b>104,502</b>
<b>Non-current liabilities</b>			
Payables	16	3,707	3,662
Financial liabilities	17	42,598	45,463
Staff benefits	18	93,532	95,155
Provisions	19	3,764	3,441
<b>Total non-current liabilities</b>		<b>143,601</b>	<b>147,721</b>
<b>Total liabilities</b>		<b>252,590</b>	<b>252,223</b>
<b>Net assets</b>		<b>278,011</b>	<b>258,002</b>
<b>Equity</b>			
Retained earnings		264,907	236,124
Asset revaluation surplus		13,104	21,878
<b>Total equity</b>		<b>278,011</b>	<b>258,002</b>

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

**NORTHERN ADELAIDE LOCAL HEALTH NETWORK**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 June 2021**

	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
<b>Balance at 30 June 2019</b>	<b>21,878</b>	<b>234,136</b>	<b>256,014</b>
<b>Net result for 2019-20</b>	-	2,405	2,405
<b>Total comprehensive result for 2019-20</b>	-	2,405	2,405
Net assets received from an administrative restructure	-	(417)	(417)
<b>Balance at 30 June 2020</b>	<b>21,878</b>	<b>236,124</b>	<b>258,002</b>
<b>Net result for 2020-21</b>	-	27,440	27,440
Impairment loss on land and buildings	(7,431)	-	(7,431)
<b>Total comprehensive result for 2020-21</b>	<b>(7,431)</b>	<b>27,440</b>	<b>20,009</b>
Transfer between equity components	(1,343)	1,343	-
<b>Balance at 30 June 2021</b>	<b>13,104</b>	<b>264,907</b>	<b>278,011</b>

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



**NORTHERN ADELAIDE LOCAL HEALTH NETWORK**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 30 June 2021**

	Note	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Receipts from SA Government		689,493	659,660
Fees and charges		31,448	32,326
Grants and contributions		3,892	4,576
Interest received		4	51
GST recovered from ATO		13,519	12,957
Other receipts		708	513
<b>Cash generated from operations</b>		<b>739,064</b>	<b>710,083</b>
<b>Cash outflows</b>			
Staff benefits payments		(553,874)	(522,768)
Payments for supplies and services		(166,193)	(163,172)
Payments of grants and subsidies		(53)	(80)
Interest paid		(1,069)	(1,126)
Other payments		(632)	(665)
<b>Cash used in operations</b>		<b>(721,821)</b>	<b>(687,811)</b>
<b>Net cash provided by /(used in) operating activities</b>		<b>17,243</b>	<b>22,272</b>
<b>Cash flows from investing activities</b>			
<b>Cash inflows</b>			
Proceeds from sale of property, plant and equipment		5	-
<b>Cash generated from investing activities</b>		<b>5</b>	<b>-</b>
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(6,870)	(6,701)
Purchase of intangible assets		(191)	-
<b>Cash used in investing activities</b>		<b>(7,061)</b>	<b>(6,701)</b>
<b>Net cash used in investing activities</b>		<b>(7,056)</b>	<b>(6,701)</b>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Repayment of lease liabilities		(3,573)	(3,653)
<b>Cash used in financing activities</b>		<b>(3,573)</b>	<b>(3,653)</b>
<b>Net cash used in financing activities</b>		<b>(3,573)</b>	<b>(3,653)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>6,614</b>	<b>11,918</b>
Cash and cash equivalents at the beginning of the period		22,925	11,007
<b>Cash and cash equivalents at the end of the period</b>	10	<b>29,539</b>	<b>22,925</b>
Non-cash transactions	21		

The accompanying notes form part of these financial statements.

## **1. About Northern Adelaide Local Health Network**

The Northern Adelaide Local Health Network Incorporated (the Hospital) is a not-for-profit incorporated hospital established under the *Health Care Act 2008* (the Act). The financial statements include all controlled activities of the Hospital. The Hospital does not control any other entity and has no interests in unconsolidated structured entities.

### *Administered items*

The Hospital has administered activities and resources. Transactions and balances relating to administered resources are presented separately and are disclosed in Trust funds at Note 23 and Administered items at Note 30. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for the Hospital transactions.

### **1.1 Objectives and activities**

The Hospital is committed to a health system that produces positive health outcomes by focusing on health promotion, illness prevention, early intervention and achieving equitable health outcomes for all South Australians.

The Hospital is part of the SA Health portfolio providing health services for Northern Adelaide. The Hospital is structured to contribute to the outcomes for which the portfolio is responsible by providing hospital-based tertiary care including medical, surgical and other acute services, rehabilitation, mental and palliative health and other community health services to veterans and other persons living within the northern Adelaide metropolitan area.

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, (the Minister) or the Chief Executive of the Department for Health and Wellbeing (the Department).

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

### **1.2 Basis of preparation**

These financial statements are general purpose finance 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 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.

**NORTHERN ADELAIDE LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

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**1.4 Continuity of Operations**

As at 30 June 2021, the Hospital had a working capital deficiency of \$65.929 million (\$70.114 million). 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.

**1.5 Changes to reporting entity**

**2020-21**

There were no transfers during this period.

**2019-20**

As part of governance reforms and new Department structure, it was agreed that a portion of the following functions would be transferred from the Department to the Hospital, effective 1 July 2019:

- Risk and assurance internal audit
- Local Health Network based Biomedical Engineering
- Debt management

This resulted in the transfer in of net liabilities of \$0.417 million, consisting of staff benefits liabilities of \$0.391 million and Payables - staff on-costs of \$0.026 million. It comprised of 18 full time equivalents.

Net assets assumed by the Hospital as a result of the administrative restructure are at the carrying amount of those assets in the transferor's Statement of Financial Position immediately prior to the transfer. The net assets transferred were treated as a contribution by the Government as owner.

**1.6 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.

**1.7 Impact of COVID-19 pandemic**

The COVID-19 pandemic continues to have an impact on the Hospital's operations. This includes an increase in costs associated with COVID capacity and preparation, the readiness of COVID-19 testing clinics, establishment of vaccine clinics, increased demand for personal protective equipment and increased staffing costs (including agency) to ensure necessary compliance measures are followed.

Net COVID-19 specific costs for the Hospital was \$13.205 million (\$4.082 million).

**1.8 Change in accounting policy**

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

**1.9 Transfer of Oakden Crown Land**

In 2020-21 the South Australian Government approved the transfer of Oakden land, where the NALHN Older Persons Mental Health facility is located, to the Urban Renewal Authority via the Department. This transfer has been reflected in the 2020-21 financial statements as follows:

- Note 9 Other Expenses - \$4.550 million: Assets transferred to the Department
- Note 14 Property, plant and equipment - \$4.450 million: Impairment of Land, \$2.980 million: Impairment of Oakden Buildings, \$4.550 million: Donated asset expense.
- Equity – Impairment loss of \$7.431 million.

**NORTHERN ADELAIDE LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

**2. Revenues from SA Government**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Capital projects funding	57,301	37,261
Operational funding	782,129	749,904
<b>Total revenues from SA Government</b>	<b>839,430</b>	<b>787,165</b>

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

**3. Fees and charges**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Car parking revenue	709	2,727
Fines, fees and penalties	84	62
Patient and client fees	23,572	21,488
Private practice fees	2,647	1,933
Fees for health services	1,813	1,715
Rent revenue	1,978	2,222
Residential and other aged care charges	123	122
Sale of goods - medical supplies	30	-
Training revenue	41	52
Other user charges and fees	1,899	1,852
<b>Total fees and charges</b>	<b>32,896</b>	<b>32,173</b>

The Hospital measures revenue based on the consideration specified in a major contract with a customer and excludes amounts collected on behalf of third parties. 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, and rent revenue.

<b>Contracts with Customers disaggregated by pattern of revenue recognition and type of customer</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>Goods/Services transferred at a point in time</b>	<b>Goods/Services transferred over a period of time</b>	<b>Goods/Services transferred at a point in time</b>	<b>Goods/Services transferred over a period of time</b>
Car parking revenue	683	26	789	1,938
Patient and client fees	21,459	-	19,611	-
Private practice fees	2,647	-	1,933	-
Fees for health services	1,681	-	1,488	-
Residential and other aged care charges	123	-	122	-
Sale of goods - medical supplies	2	-	-	-
Training revenue	40	-	52	-
Other user charges and fees	1,784	-	1,836	-
<b>Total contracts with external customers</b>	<b>28,419</b>	<b>26</b>	<b>25,831</b>	<b>1,938</b>
Patient and client fees	2,113	-	1,877	-
Fees for health services	132	-	227	-
Sale of goods - medical supplies	28	-	-	-
Training revenue	1	-	-	-
Other user charges and fees	115	-	16	-
<b>Total contracts with SA Government customers</b>	<b>2,389</b>	<b>-</b>	<b>2,120</b>	<b>-</b>
<b>Total contracts with customers</b>	<b>30,808</b>	<b>26</b>	<b>27,951</b>	<b>1,938</b>

The Hospital recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities (refer to note 20). 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 11).

**NORTHERN ADELAIDE LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

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, anaesthetist, 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.

*Private practice fees*

SA Health 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 specialist's private practice. SA Health 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.

**4. Grants and contributions**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Commonwealth grants and donations	261	184
Other SA Government grants and contributions	805	588
Private sector capital contributions	136	366
Private sector grants and contributions	2,474	3,126
<b>Total grants and contributions</b>	<b>3,676</b>	<b>4,264</b>

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

Specific purpose grants and contributions of \$1.990 million (\$2.055 million) were provided for research and associated activities.

**5. Resources received free of charge**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Buildings and improvements	1,552	-
Services	4,658	3,484
<b>Total resources received free of charge</b>	<b>6,210</b>	<b>3,484</b>

Buildings and improvements contributions of \$1.552 million include solar photovoltaic cells for the Lyell McEwin Hospital.

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 \$3.567 million (\$3.484 million) and ICT (information and communication technology) services from Department of the Premier and Cabinet valued at \$1.091 million (\$ Nil), following Cabinet's approval to cease intra-government charging. Contribution of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

In addition, although not recognised, the Hospital receives volunteer services from the Lyell McEwin Volunteers Association. There are around 600 volunteers who provide patient and staff support services to individuals using the Hospital's services. The services include but not limited to: childcare, respite care, transport, therapeutic activities, patient liaison, gift shop and café support.

**6. Other revenues/income**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Donations	3	6
Health recoveries	5,889	5,315
Insurance recoveries	114	150
Other	546	599
<b>Total other revenues/income</b>	<b>6,552</b>	<b>6,070</b>

**NORTHERN ADELAIDE LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2021

**7. Staff benefits expenses**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	451,153	433,127
Targeted voluntary separation packages (refer below)	2,115	437
Long service leave	5,197	11,517
Annual leave	44,748	43,352
Skills and experience retention leave	1,686	1,574
Staff on-costs - superannuation*	46,466	45,684
Staff on-costs - other	3	3
Workers' compensation	4,057	3,500
Board and committee fees	311	350
Other staff related expenses	1,333	1,386
<b>Total staff benefits expenses</b>	<b>557,069</b>	<b>540,930</b>

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

**7.1 Key Management Personnel**

Key management personnel (KMP) of the Hospital includes the Minister, the eight members of the governing board, the Chief Executive of the Department, the Chief Executive Officer of the Hospital and the two (four) members of the Executive Management Group.

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

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Compensation		
Salaries and other short term employee benefits	1,000	1,605
Post-employment benefits	195	251
<b>Total</b>	<b>1,195</b>	<b>1,856</b>

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

**7.2 Remuneration of Board and Committees**

	<b>2021</b>	<b>2020</b>
	<b>No. of</b>	<b>No. of</b>
	<b>Members</b>	<b>Members</b>
\$0	5	10
\$1 - \$9,999	20	23
\$10,000 - \$19,999	-	1
\$30,000 - \$39,999	5	5
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	-	1
\$70,000 - \$79,999	1	1
<b>Total</b>	<b>32</b>	<b>41</b>

The total remuneration received or receivable by members was \$0.340 million (\$0.378 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 *Department of the Premier and Cabinet Circular No. 016*, government employees did not receive any remuneration for board/committee duties during the financial year.

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

Refer to note 29 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.

**NORTHERN ADELAIDE LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

**7.3 Remuneration of staff**

	2021	2020
The number of staff whose remuneration received or receivable falls within the following bands:	<b>No.</b>	<b>No.</b>
\$154,678 - \$175,000	144	110
\$175,001 - \$195,000	56	47
\$195,001 - \$215,000	26	23
\$215,001 - \$235,000	27	27
\$235,001 - \$255,000	23	21
\$255,001 - \$275,000	14	8
\$275,001 - \$295,000	12	16
\$295,001 - \$315,000	18	20
\$315,001 - \$335,000	22	14
\$335,001 - \$355,000	17	22
\$355,001 - \$375,000	10	13
\$375,001 - \$395,000	11	10
\$395,001 - \$415,000	17	18
\$415,001 - \$435,000	20	11
\$435,001 - \$455,000	7	14
\$455,001 - \$475,000	8	11
\$475,001 - \$495,000	11	1
\$495,001 - \$515,000	7	8
\$515,001 - \$535,000	8	6
\$535,001 - \$555,000	6	9
\$555,001 - \$575,000	10	5
\$575,001 - \$595,000	4	1
\$595,001 - \$615,000	3	1
\$615,001 - \$635,000	1	1
\$635,001 - \$655,000	2	-
\$655,001 - \$675,000	-	2
\$675,001 - \$695,000	2	4
\$695,001 - \$715,000	-	4
\$715,001 - \$735,000	2	2
\$735,001 - \$755,000	4	2
\$755,001 - \$775,000	2	1
\$775,001 - \$795,000	1	-
\$795,001 - \$815,000	1	-
<b>Total number of staff</b>	<b>496</b>	<b>432</b>

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

	2021		2020	
	<b>No.</b>	<b>\$'000</b>	<b>No.</b>	<b>\$'000</b>
Medical (excluding Nursing)	429	131,708	387	119,501
Executive	7	1,674	6	1,385
Nursing	56	9,422	38	6,369
Non-medical (i.e. administration)	4	805	1	171
<b>Total</b>	<b>496</b>	<b>143,609</b>	<b>432</b>	<b>127,426</b>

**7.5 Targeted voluntary separation packages**

	2021	2020
	<b>\$'000</b>	<b>\$'000</b>
Amount paid/payable to separated staff:		
Leave paid/payable to separated staff	1,061	483
Targeted voluntary separation packages	2,115	437
<b>Net cost to the Hospital</b>	<b>3,176</b>	<b>920</b>

The number of staff who received a TVSP during the reporting period	22	11
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**8. Supplies and services**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Administration	885	581
Advertising	178	109
Communication	2,362	1,276
Computing	6,704	6,292
Consultants	154	861
Contract of services	84	155
Contractors	700	453
Contractors - agency staff	14,217	15,816
Drug supplies	13,762	13,713
Electricity, gas and fuel	5,608	6,616
Fee for service	19,975	18,450
Food supplies	7,580	7,445
Housekeeping	23,585	24,097
Insurance	5,753	5,588
Internal SA Health SLA payments	7,996	7,801
Legal	236	204
Medical, surgical and laboratory supplies	92,097	82,643
Minor equipment	3,281	1,316
Motor vehicle expenses	418	425
Occupancy rent and rates	1,767	1,525
Patient transport	6,800	6,700
Postage	1,029	1,261
Printing and stationery	2,815	2,896
Repairs and maintenance	12,520	13,903
Security	16,070	15,198
Services from Shared Services SA	3,569	3,484
Training and development	6,327	6,365
Travel expenses	302	206
Other supplies and services	6,970	7,408
<b>Total supplies and services</b>	<b>263,744</b>	<b>252,787</b>

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.

**Consultants**

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

	<b>No.</b>	<b>2021</b>	<b>No.</b>	<b>2020</b>
		<b>\$'000</b>		<b>\$'000</b>
Below \$10,000	1	4	-	-
Above \$10,000	3	150	11	861
<b>Total paid/payable to consultancies engaged</b>	<b>4</b>	<b>154</b>	<b>11</b>	<b>861</b>

**9. Other expenses**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Assets transferred to the Department	4,550	-
Debts written off	156	333
Bank fees and charges	27	26
Other*	598	415
<b>Total other expenses</b>	<b>5,331</b>	<b>774</b>

\* Includes audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* of \$0.285 million (\$0.289 million). No other services were provided by the Auditor-General's Department.



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**10. Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank or on hand	772	849
Deposits with Treasurer: general operating	19,429	13,263
Deposits with Treasurer: special purpose funds	9,338	8,813
<b>Total cash and cash equivalents</b>	<b>29,539</b>	<b>22,925</b>

Cash is measured at nominal amounts. The Government has a policy to align agency cash balances with the appropriation and expenditure authority.

The Hospital receives specific purpose funds from various sources including government, private sector and individuals. These 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, these amounts are treated as revenue at the time they are earned or at the time control passes to the Hospital.

The Hospital only earns interest on the special deposit account. It earned \$0.004 million in 2021 (\$0.051 million).

**11. Receivables**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Patient/client fees: compensable	666	685
Patient/client fees: other	5,974	4,799
Debtors	2,272	1,978
Less: allowance for impairment loss on receivables	(1,779)	(1,270)
Prepayments	812	807
Workers' compensation provision recoverable	834	855
Sundry receivables and accrued revenue	1,216	823
GST input tax recoverable	530	147
<b>Total current receivables</b>	<b>10,525</b>	<b>8,824</b>
<b>Non-current</b>		
Debtors	73	41
Workers' compensation provision recoverable	1,346	1,426
<b>Total non-current receivables</b>	<b>1,419</b>	<b>1,467</b>
<b>Total receivables</b>	<b>11,944</b>	<b>10,291</b>

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

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

**11.1 Impairment of receivables**

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

Movement in the allowance for impairment loss on receivables:

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	<b>1,270</b>	<b>1,109</b>
Increase/(Decrease) in allowance recognised in profit or loss	509	161
<b>Carrying amount at the end of the period</b>	<b>1,779</b>	<b>1,270</b>

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government.

Refer to note 27 for details regarding credit risk and the methodology for determining impairment.

## **12. Inventories**

Inventories of \$2.996 million (\$2.639 million) are held for distribution at no or nominal consideration and are measured at the lower of cost and replacement cost.

The amount of 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.

## **13. Property, plant and equipment and intangible assets**

### **13.1 Acquisition and recognition of non-current assets**

Property, plant and equipment are initially recorded on a cost basis and are subsequently measured at fair value. Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. Where assets are acquired at no or nominal value as part of a restructure of administrative arrangements, the assets are recorded at the value held by the transferor public authority prior to the restructure.

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

### **13.2 Depreciation and amortisation of non-current assets**

The residual values, useful lives, depreciation and amortisation methods of all major assets held by the Hospital are reviewed and adjusted if appropriate on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

Depreciation/amortisation is calculated on a Straight-line basis. Property, plant and equipment are depreciated 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
Plant and equipment:	
Medical, surgical, dental and biomedical equipment and furniture	5 - 15
• Computing equipment	3 - 5
• Other plant and equipment	3 - 25
Right-of-use plant and equipment	Lease Term
Intangibles	5-10

### **13.3 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 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 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

### **13.4 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 and therefore these assets have not been tested for impairment. Where there is an indication of impairment, the recoverable amount is estimated. For revalued assets, an impairment loss is offset against the revaluation surplus for that class of assets, to the extent that the impairment loss does not exceed the amount in the respective asset revaluation surplus.

There were no indications of impairment for property, plant and equipment or intangibles as at 30 June 2021.

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**13.5 Intangible assets**

The carrying amount of intangible assets (software) as at 1 July 2020 was \$0.024 million (\$0.045 million), amortisation during the financial year was \$0.017 million (\$0.021 million) and intangibles work in progress was \$0.191 million (\$ Nil) resulting in a carrying amount as at 30 June 2021 of \$0.198 million (\$0.024 million).

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 is 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. Capitalised software is amortised over the useful life of the asset.

**13.6 Land and buildings**

An independent valuation of owned land and buildings, including site improvements, was performed in March and April 2018 by a Certified Practising Valuer from Jones Lang Lasalle (SA) Pty Ltd, as at 1 June 2018.

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 for specialised land and buildings, 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 the acquisition/transfer costs.

**13.7 Plant and equipment**

The Hospital's plant and equipment assets with a fair value greater than \$1 million or had an estimated useful life of greater than three years, were revalued using the fair value methodology, as at 1 June 2018, based on independent valuations performed by Simon O'Leary, AAPI, C.P.V, Australian Valuation Solutions Pty Ltd. The value of all other plant and equipment has not been revalued, this is in accordance with APS 116D, the carrying value of these items is deemed to approximate fair value. These assets are classified in Level 3 as there have been no subsequent adjustments to their value, except for management assumptions about the asset condition and remaining useful life.

**13.8 Leased, property, plant and equipment**

Right-of-use assets (including concessional arrangements) leased by the Hospital as lessee are measured at cost and there were no indications of impairment. Additions to the right-of-use assets during 2020-21 were \$0.473 million (\$0.313 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 lease liabilities related to the right-of-use assets (and the maturity analysis) are disclosed at note 17. Expenses related to right-of-use assets including depreciation and interest expense are disclosed at note 14 and 17. Cash flows related to right-of-use assets are disclosed at note 21.

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

The following table shows the movement:

	Land and buildings:				Plant and equipment:				Total \$'000
	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
<b>2020-21</b>									
Carrying amount at the beginning of the period	43,000	330,523	47,705	37,362	3,703	9,479	1,224	566	784
Additions	-	6	-	49,895	-	4,998	-	473	164
Assets received free of charge	-	-	-	1,552	-	-	-	-	-
Disposals	-	-	-	(23)	-	(258)	-	(14)	-
Donated assets disposal	(4,550)	-	-	-	-	-	-	-	-
Transfers between asset classes	-	3,241	-	(3,135)	-	624	59	-	(789)
Other movements	-	-	29	-	-	-	-	-	-
<b>Subtotal:</b>	<b>38,450</b>	<b>333,770</b>	<b>47,734</b>	<b>85,651</b>	<b>3,703</b>	<b>14,843</b>	<b>1,283</b>	<b>1,025</b>	<b>159</b>
<b>Gains/(losses) for the period recognised in net result:</b>									
Depreciation and amortisation	-	(25,024)	(3,625)	-	(707)	(3,242)	(213)	(452)	-
<b>Subtotal:</b>	<b>-</b>	<b>(25,024)</b>	<b>(3,625)</b>	<b>-</b>	<b>(707)</b>	<b>(3,242)</b>	<b>(213)</b>	<b>(452)</b>	<b>-</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>									
Revaluation increment / (decrement)	-	-	-	-	-	-	-	-	-
Impairment (losses) / reversals	(4,450)	(2,981)	-	-	-	-	-	-	-
<b>Subtotal:</b>	<b>(4,450)</b>	<b>(2,981)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,431)</b>
<b>Carrying amount at the end of the period</b>	<b>34,000</b>	<b>305,765</b>	<b>44,109</b>	<b>85,651</b>	<b>2,996</b>	<b>11,601</b>	<b>1,070</b>	<b>573</b>	<b>159</b>
<b>Gross carrying amount</b>									
Gross carrying amount	34,000	383,498	50,819	85,651	7,547	38,416	5,937	1,185	159
Accumulated depreciation / amortisation	-	(77,733)	(6,710)	-	(4,551)	(25,815)	(4,867)	(612)	-
<b>Carrying amount at the end of the period</b>	<b>34,000</b>	<b>305,765</b>	<b>44,109</b>	<b>85,651</b>	<b>2,996</b>	<b>11,601</b>	<b>1,070</b>	<b>573</b>	<b>159</b>

All property, plant and equipment (excluding capital works in progress which is not classified), is classified as level 3 in the fair value hierarchy, except for \$1.150 million in land which is classified as level 2 – refer note 15.1. Refer to note 13.8 for details about the right-of-use assets, and note 17 for details about the lease liability for right-of-use assets.

2020-21 capital works in progress land and buildings of \$49,895 million includes the Modbury Hospital Upgrade (\$39.079 million) and Lyell McEwin Hospital Emergency Department expansion (\$8.862 million).

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2019-20	Land and buildings:			Plant and equipment:					Total \$'000	
	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
Carrying amount at the beginning of the period	43,000	351,271	51,449	8,337	4,410	9,962	1,308	780	704	471,221
Additions	-	-	42	34,718	-	1,953	130	271	936	38,050
Disposals	-	-	-	-	-	(3)	-	-	-	(3)
Transfers between asset classes	-	5,687	-	(5,693)	-	818	44	-	(856)	-
Subtotal:	43,000	356,958	51,491	37,362	4,410	12,730	1,482	1,051	784	509,268
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(26,435)	(3,786)	-	(707)	(3,251)	(258)	(485)	-	(34,922)
Subtotal:	-	(26,435)	(3,786)	-	(707)	(3,251)	(258)	(485)	-	(34,922)
Carrying amount at the end of the period	43,000	330,523	47,705	37,362	3,703	9,479	1,224	566	784	474,346
Gross carrying amount										
Gross carrying amount	43,000	385,699	51,491	37,362	7,547	34,309	6,044	1,006	784	567,242
Accumulated depreciation / amortisation	-	(55,176)	(3,786)	-	(3,844)	(24,830)	(4,820)	(440)	-	(92,896)
Carrying amount at the end of the period	43,000	330,523	47,705	37,362	3,703	9,479	1,224	566	784	474,346

All property, plant and equipment (excluding capital works in progress which is not classified), is classified as level 3 in the fair value hierarchy, except for \$1.150 million in land which is classified as level 2 – refer note 15.1. Refer to note 13.8 for details about the right-of-use assets, and note 17 for details about the lease liability for right-of-use assets.

## 15. 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 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to notes 13 and 15.2 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

### 15.1 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 a hierarchy based on the level of inputs used in measurement as follows:

#### Fair value measurements at 30 June 2021

	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>			
Land	1,150	32,850	34,000
Buildings and improvements	-	305,765	305,765
Leasehold improvements	-	2,996	2,996
Plant and equipment	-	12,671	12,671
<b>Total recurring fair value measurements</b>	<b>1,150</b>	<b>354,282</b>	<b>355,432</b>

#### Fair value measurements at 30 June 2020

	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>			
Land	1,150	41,850	43,000
Buildings and improvements	-	330,523	330,523
Leasehold improvements	-	3,703	3,703
Plant and equipment	-	10,703	10,703
<b>Total recurring fair value measurements</b>	<b>1,150</b>	<b>386,779</b>	<b>387,929</b>

There are no non-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 notes 13 and 15.2.

During 2021 and 2020, the Hospital had no valuations categorised into Level 1; \$1.150 million valuations categorised into Level 2; and the balance into Level 3. There were no transfers of assets between Level 1, 2 and 3 fair value hierarchy levels in 2020-21.

### 15.2 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. 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. 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.

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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.

## 16. Payables

	2021 \$'000	2020 \$'000
<b>Current</b>		
Creditors and accrued expenses	13,506	11,759
Paid Parental Leave Scheme	112	126
Staff on-costs*	7,669	7,111
Other payables	770	848
<b>Total current payables</b>	<b>22,057</b>	<b>19,844</b>
<b>Non-current</b>		
Staff on-costs*	3,707	3,662
<b>Total non-current payables</b>	<b>3,707</b>	<b>3,662</b>
<b>Total payables</b>	<b>25,764</b>	<b>23,506</b>

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

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

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave is unchanged at 38% and the average factor for the calculation of employer superannuation on-costs has increased from the 2020 rate (9.8%) to 10.1% 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 expenses of \$0.279 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

The Paid Parental Leave Scheme payable represents amounts which the Hospital has received from the Commonwealth Government to forward onto eligible staff via the Hospital's standard payroll processes. That is, the Hospital is acting as a conduit through which the payment to eligible staff is made on behalf of the Family Assistance Office.

Refer to note 27 for information on risk management.

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**17. Financial liabilities**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Lease liabilities	3,207	3,426
<b>Total current financial liabilities</b>	<b>3,207</b>	<b>3,426</b>
<b>Non-current</b>		
Lease liabilities	42,598	45,463
<b>Total non-current financial liabilities</b>	<b>42,598</b>	<b>45,463</b>
<b>Total financial liabilities</b>	<b>45,805</b>	<b>48,889</b>

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or Treasury's incremental borrowing rate. There were no defaults or breaches on any of the above liabilities throughout the year.

The borrowing costs associated with leasing activities is \$1.069 million (\$1.126 million).

Refer to note 27 for information on risk management.

**17.1 Leasing activities**

The Hospital has a number of lease agreements, lease terms vary from 1 to 20 years.

Major lease activities include the use of:

- Properties – The Hospital has three property leases in place:
  - 7-9 Park Terrace Salisbury (office space)
  - 116 Reservoir Road Modbury (office space)
  - Elizabeth GP Plus, Elizabeth Way, Elizabeth (GP Clinic)

General property leases are non-cancellable with many having the right of renewal. Rent is payable in arrears, with increases generally linked to CPI increases. Prior to renewal, most lease arrangements undergo a formal rent review linked to market appraisals or independent valuers.

- 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 specific time period (usually 3 years) or a specified number of kilometres, whichever occurs first.

The Hospital has not committed to any lease arrangements that have not commenced. The Hospital has not entered into any sub-lease arrangements outside of SA Health.

Refer note 14 for details about the right-of-use assets (including depreciation).

**17.2 Concessional lease arrangements**

The Hospital has no concessional lease arrangements.

**17.3 Maturity analysis**

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Lease Liabilities</b>		
1 to 3 years	12,174	12,529
3 to 5 years	6,929	7,214
5 to 10 years	13,787	14,786
More than 10 years	22,542	25,024
<b>Total lease liabilities (undiscounted)</b>	<b>55,432</b>	<b>59,553</b>



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**18. Staff benefits**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued salaries and wages	18,217	19,136
Annual leave	51,048	47,703
Long service leave	8,222	8,612
Skills and experience retention leave	3,232	3,128
Other	15	14
<b>Total current staff benefits</b>	<b>80,734</b>	<b>78,593</b>
<b>Non-current</b>		
Long service leave	93,532	95,155
<b>Total non-current staff benefits</b>	<b>93,532</b>	<b>95,155</b>
<b>Total staff benefits</b>	<b>174,266</b>	<b>173,748</b>

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.

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

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

The annual leave liability and the skills and experience retention leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. In the unusual event where salary and wages, annual leave and skills and experience retention leave liability are payable later than 12 months, the liability will be measured at present value.

The actuarial assessment performed by DTF left the salary inflation rate at 2.0% for annual leave and skills and experience retention leave liability. As a result, there is no net financial effect resulting in the salary inflation rate.

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.

**18.2 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 the long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of staff departures and periods of service. These assumptions are based on staff data over SA Government entities and the health sector across government.

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2020 (0.75%) to 1.50%. This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability. The actuarial assessment performed by DTF left the salary inflation rate at 2.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The net financial effect of the changes to actuarial assumptions is a decrease in the long service leave liability of \$7.209 million, payables (staff on-costs) of \$0.277 million and staff benefits expense of \$7.486 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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## 19. Provisions

The Hospital's provision relates to workers' compensation only.

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

	2021	2020
	\$'000	\$'000
Carrying amount at the beginning of the period	6,025	4,936
Increase / (Decrease) in provisions recognised	1,597	1,529
Reductions arising from payments/other sacrifices of future economic benefits	(1,002)	(440)
<b>Carrying amount at the end of the period</b>	<b>6,620</b>	<b>6,025</b>

### 19.1 Workers' Compensation

*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. The workers' compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The liability was calculated in accordance with AASB 137 as the present value of the expenditures expected to be required to settle obligations incurred as at 30 June. No risk margin is included in this estimate.

There is a significant degree of uncertainty associated with estimating future claim and expense payments. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

*Additional compensation for certain work-related injuries or illnesses (additional compensation)*

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

The additional compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The liability was calculated in accordance with AASB 137 as the present value of the expenditures expected to be required to settle obligations incurred at 30 June. The liability comprises an estimate for known claims and an estimate of incurred but not reported applications. No risk margin is included in the estimate.

There is a significant degree of uncertainty associated with this estimate. In addition, to the general uncertainties associated with estimating future claim and expense payments, the additional compensation provision is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meet, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate. Assumptions used will continue to be refined to reflect emerging experience.

## 20. Contract liabilities and other liabilities

	2021	2020
	\$'000	\$'000
Current		
Unearned revenue	127	55
Other	8	-
<b>Total current contract liabilities and other liabilities</b>	<b>135</b>	<b>55</b>

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## 21. Cash flow reconciliation

Reconciliation of cash and cash equivalents at the end of the reporting period	2021	2020
	\$'000	\$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	29,539	22,925
<b>Cash as per Statement of Financial Position</b>	<b>29,539</b>	<b>22,925</b>
<b>Balance as per Statement of Cash Flows</b>	<b>29,539</b>	<b>22,925</b>
<b>Reconciliation of net cash provided by operating activities to net result:</b>		
Net cash provided by (used in) operating activities	17,243	22,272
<b>Add/less non-cash items</b>		
Asset donated free of charge	(4,550)	-
Capital revenues	48,595	32,017
Depreciation and amortisation expense of non-current assets	(33,280)	(34,943)
Gain/(loss) on sale or disposal of non-current assets	(276)	(3)
Resources received free of charge	1,552	-
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	1,653	250
Increase/(decrease) in inventories	357	667
(Increase)/decrease in staff benefits	(518)	(13,825)
(Increase)/decrease in payables and provisions	(3,285)	(4,162)
(Increase)/decrease in other liabilities	(51)	132
<b>Net result</b>	<b>27,440</b>	<b>2,405</b>

## 22. Unrecognised contractual commitments

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

	2021	2020
	\$'000	\$'000
<b>Capital commitments</b>		
Within one year	421	550
<b>Total capital commitments</b>	<b>421</b>	<b>550</b>

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.

	2021	2020
	\$'000	\$'000
<b>Expenditure commitments</b>		
Within one year	33,507	29,275
Later than one year but not longer than five years	61,367	79,625
<b>Total expenditure commitments</b>	<b>94,874</b>	<b>108,900</b>

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

## 23. Trust funds

The Hospital holds money in trust on behalf of consumers that reside in LHN facilities whilst the consumer is receiving residential mental health services. As the Hospital only performs 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.

	2021	2020
	\$'000	\$'000
Carrying amount at the beginning of period	345	223
Client trust receipts	740	771
Client trust payments	(690)	(649)
<b>Carrying amount at the end of the period</b>	<b>395</b>	<b>345</b>

## **24. Contingent assets and liabilities**

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

## **25. 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.

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

The Hospital has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer. There are no Accounting Policy Statements that are not yet in effect.

Amending Standard AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments* will apply from 1 July 2022 and Amending Standard AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* will apply from 1 July 2023. Although applicable to the Hospital, these amending standards are not expected to have an impact on the Hospital's general purpose financial statements. SA Health will update its policies, procedures and work instructions, where required, to reflect the additional clarification requirements.

Amending Standard AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* will apply from 1 July 2023. The Hospital continues to assess liabilities eg LSL and whether or not the Hospital has a substantive right to defer settlement. Where applicable these liabilities will be classified as current.

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

### **27.1 Financial risk management**

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

#### Liquidity Risk

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

Refer to notes 1.4, 16 and 17 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 10 and 11 for further information.

#### Market Risk

The Hospital does not engage in high risk hedging for its financial assets. Exposure to interest rate risk may arise through interest bearing liabilities, including borrowings. The Hospital's 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.

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**27.2 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 financial assets and liabilities were categorised as: financial assets measured at amortised cost; financial assets measured at fair value through profit or loss; financial assets measured at fair value through other comprehensive income; 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.

The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes 11 and 16).

Category of financial asset and financial liability *	Notes	2021 Carrying amount/ Fair value \$'000	2020 Carrying amount/ Fair value \$'000
<b>Financial assets</b>			
Cash and equivalent			
Cash and cash equivalents	10,21	29,539	22,925
Amortised cost			
Receivables <sup>(1)(2)</sup>	11	8,339	7,009
<b>Total financial assets</b>		<b>37,878</b>	<b>29,934</b>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost			
Payables <sup>(1)</sup>	16	13,991	12,318
Lease liabilities	17	45,805	48,889
Other liabilities	20	8	-
<b>Total financial liabilities</b>		<b>59,804</b>	<b>61,207</b>

<sup>(1)</sup> Receivable and payable amounts disclosed 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 employee 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 will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

<sup>(2)</sup> Receivable amounts disclosed excludes prepayments as they are not financial assets.

**27.3 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. Loss allowances for contract assets are measured at an amount equal to an expected credit loss method using a 12 month method. No impairment losses were recognised in relation to contract assets during the year.

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 with net result, subsequent recoveries of amounts previously written off are credited against the same line item.

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

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

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The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses 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 2021			30 June 2020		
	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000
<b>Days past due</b>						
Current	0.2-2.7%	2,611	35	0.3-3.4%	2,000	35
<30 days	0.7-4.1%	1,516	24	0.8-5.1%	1,160	27
31-60 days	2.1-7.5%	300	10	2.8-8.6%	479	17
61-90 days	3.4-9.8%	340	21	4.6-10.2%	238	19
91-120 days	5.0-11.3%	267	24	6.6-11.6%	143	15
121-180 days	8.0-14.6%	471	67	10.1-16.4%	300	46
181-360 days	16.4-41.4%	964	362	16.4-41%	540	204
361-540 days	36.8-81.5%	456	366	36.8-81.3%	468	364
>540 days	42.1-99.0%	891	870	42.1-98.8%	552	543
<b>Total</b>		<b>7,816</b>	<b>1,779</b>		<b>5,880</b>	<b>1,270</b>

## 28. Significant transactions with government related entities

The Hospital is controlled by SA Government.

Related parties of the Hospital include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Significant transactions with the SA Government are identifiable throughout this financial report. The Hospital received funding from the SA Government via the Department (note 2), and incurred expenditure via the Department for medical, surgical and laboratory supplies, insurance and computing (note 8). The Department transferred capital works in progress of \$48.595 million (\$32.017 million) to the Hospital. The Hospital incurred significant expenditure with the Department for Infrastructure and Transport (DIT) for property repairs and maintenance of \$1.347 million (\$12.780 million) (note 8) and capital works of \$2.010 million (\$1.625 million).

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**29. 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 124B were:

Board/Committee name:	Government employee members		Other members
Northern Adelaide Local Health Network Consumer Advisory Board	-		White A (Chair), Dahal K (appointed 3/2/2021), Davies I (resigned 3/2/2021), Green L (resigned 8/5/2021), Lowden H (resigned 30/9/2020), Mossop J, Patching A (resigned 29/9/2020), Putsey P, Reynolds N (resigned 29/9/2020), Spargo J (appointed 3/2/2021), Whatley G (resigned 8/5/2021)
Northern Adelaide Local Health Network Governing Board	1		Blight R (Chair), Burgess A, Forwood M, Lampard F, Moore R (resigned 30/6/2021), Patetsos M, Roesler C
Northern Adelaide Local Health Network and Department of Health and Wellbeing Aboriginal Consumer Reference Group	-		Wanganeen K (Chair), Chisholm K, Forbes A, Lamont J (appointed 1/2/2021), O'Brien M (appointed 1/3/2021), Sinclair N, Stengle A, Thyer C (resigned 1/6/2021), Tonkin R (deceased), Varcoe E (appointed 1/11/2020), Wanganeen E, Weetra R
Northern Adelaide Local Health Network Risk Management & Audit Committee	-		Connor G (Chair), Forwood M, Moore R (resigned 30/6/2021), Patetsos M

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

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**30. Schedules of administered funds**

The Hospital administers the following funds:

- Private Practice Funds, representing funds billed on behalf of salaried medical officers and subsequently distributed to the LHN and salaried medical officers according to individual Rights of Private Practice Deeds of Agreement; and
- Nurses Education Funds, representing the balance of payroll deductions from nursing staff held for education purposes.

	2021	2020
	\$'000	\$'000
Revenue from fees and charges	10,126	9,536
Other revenue	75	35
Supplies and services	(7)	(44)
Other expenses	(10,494)	(8,760)
<b>Net result</b>	<b>(300)</b>	<b>767</b>
Cash and cash equivalents	1,050	1,111
Other current liabilities	(9)	-
Receivables	1,711	1,941
<b>Net assets</b>	<b>2,752</b>	<b>3,052</b>
Cash at 1 July	1,111	722
Cash inflows	10,432	9,190
Cash outflows	(10,493)	(8,801)
<b>Cash at 30 June</b>	<b>1,050</b>	<b>1,111</b>