Southern Adelaide Local Health Network

SERVICE AGREEMENT

1 July 2025 – 30 June 2026

Government of South Australia

SA Health

Version Control

Version No.	Changes Made	By Whom	Date
V0.1	Draft Service Agreement	K Lang	18 March 2025
V0.2	Incorporating LHN Feedback & KPIs	K Lang	16 June 2025
V0.3	Addition of Funding Tables	K Lang	10 July 2025

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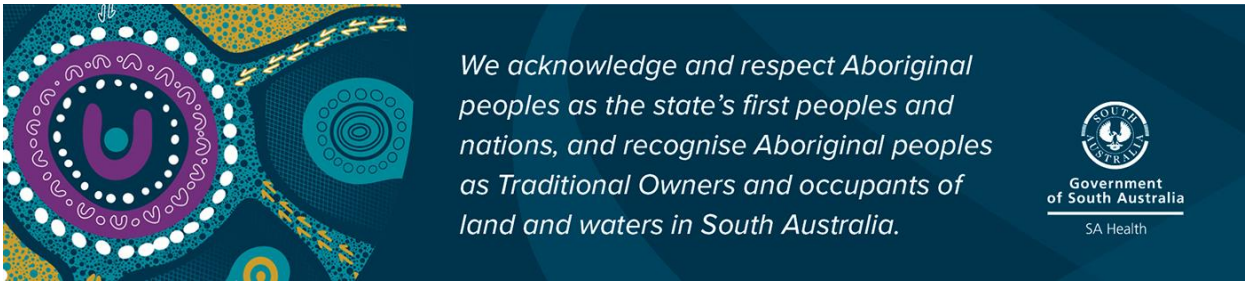

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PART A: OBJECTIVES, GOVERNANCE AND STRATEGIC DELIVERABLES

Introduction

The Service Agreement (Agreement) supports the delivery of safe, effective and accountable high quality health care to the South Australian community by formally setting out the performance expectations and funding arrangements between the Department for Health and Wellbeing (DHW) and the Local Health Network (LHN) (the Parties) during the term of the Agreement.

The content and process for preparing the Agreement is consistent with the requirements of the *Health Care Act 2008 (HCA)* and the National Health Reform Agreement (NHRA). Fundamental to the success of the Agreement is:

- a strong collaboration between the LHN, including its Chief Executive Officer (CEO) and its Governing Board (where applicable), and DHW
- the Parties' commitment to achieving high standards of governance, transparency, integrity and accountability
- the Parties' commitment to delivering high quality health care to the South Australian community
- the Parties' commitment to upholding the South Australian Public Sector Values and Behaviour Framework

In entering this Agreement, and without limiting any other obligations, both DHW and the LHN commit to the compliance of the following:

- the terms of this Agreement
- the legislative requirements as set out within the *Health Care Act 2008*
- all regulations made under Charter for Local Health Network Governing Boards Volume 1
- all applicable Cabinet decisions.

Objectives of the Service Agreement

The Agreement is designed to:

- describe the strategic priorities and Government commitments for DHW and the LHN, and the respective responsibilities of both Parties
- describe the key services and obligations that the LHN is required to deliver, including particulars of the volume, scope, and standard of services
- describe the performance indicators, associated reporting arrangements and monitoring methods that apply to both Parties
- provide a non-exhaustive list of relevant legislation, regulations, State Government, and/or SA Health policies, directives, standards, instructions, circulars and determinations that the LHN must comply with
- describe the sources of funding that the Agreement is based on and the manner in which these funds will be provided to the LHN, including the commissioned activity
- detail any other matter the CE, DHW considers relevant to the provision of the services by the LHN.

Legislative and Regulatory Framework

The Agreement is regulated by the *Health Care Act 2008* and the NHRA which provides the Commonwealth funding contribution for the delivery of public hospital services and details a range of reforms.

In February 2025, First Ministers agreed to a one-year extension of the 2020-2025 Addendum to the NHRA, with the Commonwealth Government providing one-time fixed funding in 2025-26 as a top-up contribution to support public hospitals and related health services. The extension is an interim measure while states and territories continue to negotiate with the Commonwealth on a long-term agreement to implement health and disability reforms agreed at National Cabinet in December 2023.

The one-time fixed funding is formalised under *Schedule K - Addendum to the National Health Reform Agreement* and implemented through bilateral agreements, with no impact on state entitlements under the NHRA.

The NHRA requires the State of South Australia to establish Service Agreements with each Health Service for the commissioning of health services and to implement a performance and accountability framework, including processes for remediation of poor performance.

In delivering health services, the LHN is required to meet the applicable conditions of any national partnership agreements between the State Government and the Commonwealth Government (including any commitments under related implementation plans).

The Health Care Act 2008

Part 4A of the HCA legislates the minimum requirements for Service Agreements. This Part outlines high-level processes for negotiating amendments and resolving disputes and provides for further operational detail about these processes to be mandated in policy established by the CE, or as prescribed by the regulations.

It also contains a last resort dispute resolution provision to the effect that if DHW and a LHN or South Australian Ambulance Service (SAAS) cannot agree on a term of, or variation to, the Service Agreement, the Minister may make a decision about the term or variation and must advise both Parties in writing. Any such Ministerial decision must be tabled in each House of Parliament within seven sitting days after the Service Agreement to which the decision relates is entered into or varied.

A Service Agreement between DHW and a LHN or SAAS is binding and must, within 14 days after it is entered into or varied, be made publicly available by the CE.

Governance

Without limiting any other obligations, the LHN must implement an appropriate compliance management system to ensure compliance with:

- all Cabinet decisions and directives applicable to the LHN
- all Ministerial directions and CE directions applicable to the LHN
- all agreements entered into between the South Australian and Commonwealth Governments applicable to the LHN
- all legislation and regulations applicable to the LHN
- all State Government and/or SA Health policies, directions, standards, instructions, circulars and determinations applicable to the LHN (refer to Part C: Obligations for examples).

DHW will ensure that any decision or agreement impacting on the LHN will be discussed with, and formally communicated to, the LHN.

In accordance with the Risk Management, Integrated Compliance, and Internal Audit Policy the LHN is also required to escalate any serious or systemic compliance breaches to the Governing Board and DHW CE as the system leader.

Amendments to the Service Agreement and Dispute Resolution

An amendment of the Agreement will occur where there is a change to the DHW CE's commissioning intentions, i.e. a change to funding, deliverables or other requirements contained within the Agreement.

Whilst a Party may submit an amendment proposal at any time, including the commencement, transfer or cessation of a service, formal negotiation and finalisation must be communicated in writing between all Parties and follow the process as laid out in the Service Agreement Amendment Fact Sheet.

Resolution of disputes will be through a tiered resolution process, commencing at the local level and escalating to DHW CE and, if required, through to the Minister for Health and Wellbeing. Further information is specified in the Service Agreement Dispute Resolution Fact Sheet.

Commencement of a New Service

In the event that either Party wishes to commence providing a new service (services in addition to those already delivered, and/or where new funding is required), the requesting Party will notify the other Party in writing prior to any commencement or change in service. The correspondence must clearly articulate details of the proposed service, impacts on centralised services, any activity and/or financial implications and intended benefits/outcomes.

The non-requesting Party will provide a formal written response to the requesting Party regarding any proposed new service, including any amendments of Key Performance Indicators (KPIs) (new or revised targets), and will negotiate with the other Party regarding funding associated with any new service.

Capital Project Delivery

LHN responsibilities within capital project delivery include the management of stakeholder engagement and consultation tasks and ensuring the operational readiness and transition tasks are planned and completed in alignment with project deliverables.

Cessation of Service Delivery

DHW and LHN may terminate or temporarily suspend a service by mutual agreement. Any proposed service termination or suspension must be made in writing to the other Party, detailing the patient needs, workforce implications, relevant government policy and LHN sustainability considerations. The Parties will agree to a notice period. Any changes to service delivery must maintain provision of care and minimise disruption to consumers.

Agreements with Other Local Health Networks and Service Providers

DHW is responsible for supporting and managing whole-of-health contracts, in consultation with LHNs, as required. Where a service is required for which there is a SA Government or SA Health panel contract in place, the LHN is required to engage approved providers.

Where a service is required outside of an approved panel contract, the LHN may agree with another service provider to deliver services on behalf of the LHN as required, and in alignment

with South Australian Government procurement standards.

The terms of an agreement made with any health service provider do not limit the LHN's obligations under the Agreement, including the performance standards provided for in the Agreement.

Where a service is provided by either DHW or another LHN, DHW, in principle, agree to ensure service agreements are established. It is expected that the service agreements will articulate scope, deliverables and KPIs that will assist the LHN in delivering service requirements.

In the event that the LHN is experiencing difficulties in establishing required service agreements, DHW will provide assistance as appropriate.

Strategic Deliverables

The LHN has a responsibility to ensure that the delivery of health care services is consistent with SA Health's strategic directions and priorities, and that these and local priorities are reflected in strategic and operational plans.

The overarching approach to address the health needs of all South Australians is underpinned by the SA Health and Wellbeing Strategy 2020-2025. This strategy provides the strategic intent for the health system, guiding how we align and balance our immediate priorities with a future vision of health and wellbeing. Following consultation and engagement with stakeholders, it is anticipated that a revised 2025 – 2030 SA Health Strategy will be released by August 2025.

The LHN will be responsible for developing an LHN-specific Clinical Services Plan that will determine services required to meet the need of their population, as well as the need for the State where required.

In alignment with the *South Australian Public Health Act 2011*, LHNs will work to promote the health and wellbeing of individuals and communities, including disadvantaged communities, aiming to prevent disease, medical conditions, injury and disability.

Government Commitments

SA Health is responsible for delivering a range of government priorities. LHNs will be responsive to government policy directions and priorities as communicated throughout the year. Each LHN will work with DHW to deliver the Government's election commitments relevant to the LHN, as well as contributing to the achievement of system-wide election commitments.

Central Coordination of System Level Patient Flow

To sustain and embed the benefits of a strong centralised approach to patient flow management across SA Health, the CE, DHW has enacted a strengthened governance model for central coordination of system level patient flow. This has been articulated within the following updated documents:

- Statewide Demand and Escalation Policy
- Ambulance Transport and Handover Policy
- Inter-Facility Transfer Policy
- State Health Coordination Centre Operational Framework

The Demand and Activity Winter Plan 2025 has been developed to outline the strategies and targets of the LHNs, SAAS, and DHW to ensure sufficient inpatient capacity to meet or exceed the forecasted peak winter demand. This plan will form Part 1 of the Annual Demand and Activity Plan, which will provide a comprehensive, year-round approach to managing system capacity.

Embedding these changes will continue to ensure patients have timely access to safe and appropriate care, and support staff safety and wellbeing including during periods of high demand.

LHNs are required to comply with the strengthened governance model to better enable the health system to manage situations where hospital demand exceeds available capacity.

Alternative Care Pathways

The South Australian public health system continues to identify and develop innovative means of providing care that deliver improved outcomes for patients in more appropriate care settings. The LHN will continue to contribute to the development of alternative care pathways, including consideration of alternative workforce models, as well as actively pursuing referral and utilisation of alternative care pathways wherever possible, to improve patient access to services.

Aboriginal Health Services and Mainstream Services for Aboriginal People

SA Health is committed to ensuring Aboriginal people in South Australia live long and healthy lives, grounded in culture, with access to equitable and culturally responsive services. South Australia's Implementation Plan for Closing the Gap 2024 - 2026 emphasises shared decision-making and coordinated service delivery to effectively address the health disparities faced by Aboriginal and Torres Strait Islander populations, and sets out the State's plan for achieving the priority reforms and socio-economic targets embedded in the Closing the Gap Agreement. By adhering to the actions and outputs outlined in South Australia's Implementation plan, LHNs will play an integral role in the collaborative efforts to achieve these reforms.

This includes the requirement for LHNs to have in place, by 31 December 2025, local Partnership Agreements between themselves and Aboriginal community-controlled health organisations (ACCHOs) and/or relevant Aboriginal community-controlled organisations (ACCOs). The Aboriginal Health branch, DHW, will provide guidance to LHNs in establishing these agreements to formalise shared decision making processes.

The LHN will operate programs that promote the provision of health care for Aboriginal people. The LHN is responsible for working collaboratively with the Aboriginal Health branch, DHW, other relevant health services, support organisations and Aboriginal community-controlled health services towards the outcomes of the SA Health Aboriginal Health Care Framework and SA Government Anti Racism Action Plan 2023 - 2028 to ensure the delivery of culturally appropriate services that meet the needs of the local Aboriginal population.

In the development and delivery of services, LHNs should consider the principles of the South Australian Aboriginal Health Promotion Strategy 2022–2030, which outlines ways of working that are culturally appropriate, safe, and promote the Cultural Determinants of Health, based on local context.

Aboriginal Health Workforce

An Aboriginal workforce is essential for meeting the health needs of Aboriginal Australians. Aboriginal health professionals bring unique skills to improve patient care, enhance service access, and support culturally safe care. The SA Health Aboriginal Workforce Framework 2023 - 2031 provides LHNs with a strategic, evidence-based approach to increasing Aboriginal representation in South Australia's health workforce.

In 2025-26, LHNs, SAAS, and Statewide Clinical Support Service must continue implementing Aboriginal workforce activities and report on their progress in annual reports.

Care Close to Home as Possible

DHW is committed to support LHNs to provide high quality services in a timely manner as close to patient's homes as possible. These services will be provided within the clinical capability and capacity of the services in accordance with the Clinical Service Capability Framework (currently under review).

Vulnerable Adults

The LHN is expected to work collaboratively with the Office for Ageing Well, Adult Safeguarding Unit and the National Disability Insurance Scheme Quality and Safeguards Commission to support the safeguarding of vulnerable adults.

The Office of the Chief Psychiatrist will work collaboratively with the LHNs regarding their compliance with the *Mental Health Act 2009* and their engagement with the Chief Psychiatrist inspection program, including responding to any recommendations.

Priority Access for Children and Young People in Care and Those Who Have Left Care

SA Health is a partner agency in the Department for Child Protection's Investing in their Future program, under which children and young people in care, and those children (or those who are now adults) who have left care, may be eligible for priority access to services. LHNs should therefore ensure that such eligible patients are given priority access to services to meet their physical, developmental, psychosocial and mental health needs.

The LHN is committed to safeguarding the safety of children and young people by recognising, addressing, and preventing child abuse and neglect. They also contribute to the development and delivery of child protection programs and services that provide integrated and consistent systems and structures.

The LHN is responsible for ensuring services are provided that focus on the protection of children and young people. This includes contributing to the creation and implementation of targeted and culturally appropriate early intervention for children and their families in order to enhance safety, health and development outcomes when vulnerability factors exist. LHN staff participate as an active partner in child protection related forums such as Child Family Safety Networks and Family Safety Meetings, representing the health sector and contributing information to facilitate best management of at risk or potentially at-risk children.

The LHN is responsible for providing a specialist Child Protection Service (CPS) delivering tertiary level assessments, referrals, and therapy to children at risk of abuse, or those who have been abused or neglected. The CPS provides consultancy and advice 24 hours a day, seven days a week, and collaborates with partner agencies.

Mental Health Services

The SA Mental Health Services Plan 2020-2025 provides direction for mental health service delivery, and remains current until replaced.

Key projects identified in the Mental Health Services Plan have been reinforced in a Bilateral Schedule on Mental Health and Suicide Prevention: South Australia which was signed in early 2022 and renegotiated in 2023. This agreement commits the State to working in partnership with Commonwealth funded providers as relevant to the SALHN area, and includes partnering to improve youth mental health and a new purpose built Head to Health Kid's Hub.

SALHN will also be partnering with DHW and Breakthrough Foundation on the new facility for the treatment of eating disorders, and working to return the previous Southern Intermediate Care Centre at Noarlunga for use as a mental health facility.

Aged Care Reforms

All LHNs will work with DHW to support national work on the design and implementation of reforms across aged care emerging from the Royal Commission into Aged Care Quality and Safety. This includes reforms to aged care service delivery, reforms to aged care programs delivered by LHNs and identification of impacts aged care sector reforms will have on the health system. DHW will coordinate Commonwealth State engagement across aged care reforms and develop an overarching system view of SA Health delivered aged care services. This includes developing system level service and investment advice for government.

Climate Change

Using the SA Health Climate Change Framework as guidance, the LHN will commit to achieving climate-resilient operations that can anticipate, respond to, and recover from climate-related challenges, whilst improving population health. This will include an agreement to assess the vulnerability of its assets and programs, develop a model for assessing health service and policy needs (encompassing mitigation and adaptation), and to develop a sustainability framework to guide the development and delivery of future projects, partnerships, policies, and programs.

LHNs will respond in line with the across-government requirements under the Climate Ready Government initiative and South Australian Climate Change Actions, working to achieve at least a 60% reduction in net emissions by 2030 and net zero emissions by 2050, and to work to build climate-resilient systems. This requires all LHNs to be proactive in developing and implementing strategies to reduce emissions and to adapt to the impacts of climate change.

DHW Commitments

DHW commits to provide system leadership and direction in pursuit of coordinated, efficient and high quality service delivery across South Australia. In 2025-26 DHW commits to continuing to work together with all LHNs to:

- Address demand for acute services and improve patient flow across the system
- Ensure Aboriginal health and equity is at the forefront of everything that we do
- Prioritise Emergency Department discharge streams
- Support initiatives that improve Mental Health service provision and outcomes for consumers
- Remain focussed on addressing elective surgery wait times and outpatient reform
- Progress and deliver the Budget Performance Improvement Program to maximise healthcare system efficiencies and develop a sustainable commissioning and performance plan with an accompanying reporting framework.
- Advocate for the South Australian system throughout Commonwealth reform and NHRA negotiations and communicate key outcomes
- Continue to pursue minimisation of low value care services to support re-investment in areas of high need across the system
- Develop and implement system-wide plans and strategies in collaboration, including:
    - Clinical Services Capability Framework
    - Clinical Services Plan
    - State Health Infrastructure Plan
    - Workforce Plan
    - Research Strategy

PART B: SERVICES

Purpose

Without limiting any other obligation of the LHN, Part B sets out the key services that the LHN is required to deliver under the terms of the Agreement.

Service Profile

The following summarises the key facilities and services operated by SALHN:

Flinders Medical Centre (FMC) is one of two major trauma centres for emergency services in South Australia, providing comprehensive adult acute medical and surgical services. FMC also provides maternity care for women with complicated and uncomplicated pregnancies, including maternal intensive care, paediatric medicine and surgery, neonatal services and sub-acute care. The Southern Adelaide Palliative Care Service is also located at the Flinders Medical Centre.

Noarlunga Hospital (NH) is a general hospital providing a range of medical, surgical, mental health and sub-acute services to communities in the south.

Repat Health Precinct (RHP)

The RHP hosts a range of services provided by SALHN, other LHNs and Government agencies as well as external service providers. SALHN's role on the precinct is to deliver the services it is accountable for, e.g. Rehabilitation Services, Specialist Advanced Dementia Unit, Transitional Care services, Neuro-Behavioural Unit and the CARE service. In addition, SALHN has responsibility for the operational governance of the site.

Statewide Services

Where an LHN has responsibility for the delivery of a statewide service, the LHN must provide equitable, system-wide access to this service.

The LHN has responsibility for the provision and/or coordination of the following Statewide services and will liaise with the other LHNs and DHW CE to support the provision of these services. The respective responsibilities should be incorporated in formal agreements between the Parties.

Drug and Alcohol Services South Australia (DASSA)

DASSA is a Statewide health service that provides services and policy advice for tobacco, alcohol and other drug issues, including illicit drugs. In 2023-24, DASSA's governance arrangements were amended to transition elements of DASSA's functions (integral to the prevention work forming the basis of the new Preventive Health agency) to Preventative Health SA, whilst DASSA's corporate and operational support functions transferred to SALHN.

Other formal statewide services provided by the LHN include:

- South Australian Liver Transplant Service
- Eye Bank of South Australia
- Adult Eating Disorders
- Adult Cochlear Implant Service
- Chronic Pain Spinal Implant
- Gambling Therapy
- Complex Obstetric Trauma
- Level 6 Maternity Service, for patients requiring ICCU

- Jamie Larcombe Centre for Veteran's Mental Health.

Aligning with the Clinical Services Plan (currently in development), a determination will be made as to whether the below Services provided by the LHN are formalised into a Statewide Service.

- Complex Heart Failure
- Bone Sarcoma
- Neurosciences:
  - Multiple Sclerosis
  - Motor Neurone Disease
  - Huntington's Disease
  - Parkinson's Rehabilitation Clinic
- Home TPN

Tuberculosis Control

Cases of tuberculosis in Aboriginal communities across the State require prompt and culturally informed management including contact tracing and active case finding to treat, contain and eliminate the disease, which is notifiable under the *South Australian Public Health Act 2011*.

Sexual Health Services

Adelaide Sexual Health Centre (ASHC) is South Australia's major public sexual health service, providing an essential government funded service. ASHC is a designated statewide service provided by Central Adelaide Local Health Network (CALHN).

South Australia is committed to the virtual elimination of human immunodeficiency virus transmission by 2030, and to improving control of syphilis and other sexually transmittable infection epidemics (refer to National strategies for human immunodeficiency virus and sexually transmissible infections).[1] Furthermore, the South Australian Sexual Health Services Review provides recommendations to inform more equitable, system-wide access to sexual health services across SA. DHW's response to these recommendations was endorsed by the SA Health Chief Executives Council and the Minister for Health and Wellbeing in 2024.

DHW's Public Health division and CALHN, as the lead LHN for the statewide sexual health service, will work with WCHN to improve access to sexual health services for populations in the WCHN catchment.

Mental Health Services

The LHN is responsible for providing the following integrated mental health services in accordance with national standards and the Mental Health Services Plan 2020-2025, which remains current until replaced.:

- Acute Psychiatric Services:
  - Margaret Tobin- PICU and Acute
  - Morier Ward NH- HDU and Acute
  - The Neuro-Behavioural Unit
- Statewide Eating Disorder Services (FMC)

[1] Virtual elimination will mean HIV is no longer a challenge to public health, equivalent to a 90% reduction in new diagnoses since 2010 (https://www.health.gov.au/sites/default/files/2024-12/ninth-national-hiv-strategy-2024-2030.pdf)

- Veterans Mental Health (Jamie Larcombe Centre, Glenside)
- Older Person Services (FMC)
- Intermediate Care (NH)
- Community Rehabilitation (NH)
- Supported Accommodation – Residential Metropolitan Area
- Community Mental Health (Inner South at Marion, Outer South at NH)
- Older Persons Community Mental Health
- Youth Mental Health Services (Marion GP Plus and Adair Clinic NH)
- ED Consultation Liaison
- Statewide Eating Disorders Community Service
- Statewide Gambling Services
- Centre for Anxiety Related Disorders.

Teaching and Training

The *Health Care Act 2008* stipulates that the Service Agreement is required to include the teaching, training and research functions to be undertaken at the LHN level.

Medical Profession Specific

The LHN will support ongoing medical education and training in line with the SA Medical Education and Training Principles, and will continue to provide training placements consistent with, and proportionate to, the capacity of the LHN. This includes, but is not limited to, planning and resourcing for clinical placements in collaboration with other LHNs, and the provision of placements for medical students, interns, rural generalist trainees and vocational medical trainees. The LHN must maintain accreditation standards for medical intern and other medical training positions.

Medical training networks may be developed and will assist with linking rural and regional LHNs with metropolitan LHNs and ensure a complete and varied experience in different clinical contexts and hospital settings.

The LHN will also have systems in place to recognise high performance in education and training as a means of promoting a culture of excellence and innovation.

Transition to Professional Practice Program (TPPP)

The LHN will provide a TPPP for nursing and midwifery graduates. The TPPP is a structured experience intended to develop capabilities relevant to nursing and midwifery, supporting the graduate to be resilient and reflective with the clinical reasoning and decision making skills to safely provide effective person-centred care.

The LHN will provide structured, approved education programs incorporating theoretical and clinical teaching designed to meet identified knowledge and/or skills acquisition for nursing and/or midwifery staff. Programs will be aligned to the Nursing and Midwifery Capability Self-Development Framework, and the Nursing and Midwifery Strategic Directions 2023-2026.

Scientific and Allied Health Specific

The LHN will provide clinical teaching and training activities for allied and scientific health professionals that will be efficiently and sustainably managed to ensure future workforce capacity, development of a skilled and competent workforce, and provision of the best possible teaching infrastructure.

The LHN must ensure that high quality professional supervision is occurring for all allied and scientific health staff in a culturally safe and respectful manner and adhere to the principles outlined in the SA Health Allied Health Clinical Supervision Framework.

Research

The LHN's support for health and medical research will be demonstrated through a published Network Research Strategy which fully integrates research into teaching and clinical practice and supports opportunities for translational research. LHNs will be required to submit their annual Network Research Strategy Report as per the following:

- 2024-25 report due - 5 September 2025
- 2025-26 report due – 4 September 2026

During 2025-26, the LHNs and Statewide Clinical Support Services will also be required to provide summary research administration and performance data to DHW to fulfil the requirements of the National Aggregate Statistics (NAS) data collection.

More information regarding research, research governance, reporting requirements and the Network Research Strategy Annual Report template can be found in the Human Research Ethics Committee and Site Specific Approvals Technical Bulletin.

PART C: OBLIGATIONS

Purpose

This Service Agreement requires SALHN and DHW to comply with all relevant legislation, regulations, State Government, and/or SA Health policies, directions, standards, instructions, circulars and determinations, including, but not limited to the following obligations:

Addressing vaccine preventable disease: Occupational assessment, screening, and vaccination policy

Ageing and Adult Safeguarding Act 1995

Aged Care Act 2024

Ambulance Transport and Handover Policy

Australian Health Service Safety and Quality Accreditation (AHSSQA) Scheme

Australian Immunisation Register Act 2015 | Therapeutic Goods Administration (TGA)

Bilateral Schedule on Mental Health and Suicide Prevention: South Australia

Better Placed: Excellence in health education

Civil Liability Act 1936

Child Safe Environments (Child Protection) Policy

Children and Young People (Safety) Act 2017

Corporate Records Management Policy

Commonwealth Aged Care Quality and Safety Commission (where applicable)

Department for Child Protections' Investing in their Future program

Disaster Management in the SA Health System

Emergency Management Act 2004

Data, Analytics and Insights (DAI) - Data Requirements Bulletin 2024-25

The Fifth National Mental Health and Suicide Prevention Plan

Freedom of Information Act 1991

Freedom of Information Policy

Health Care Act 2008

Health Record Management Policy

Information Sharing Guidelines for Promoting Safety and Wellbeing

The Inter-Facility Transfer Policy and Statewide Inter-facility Transfer Process

National Agreement on Closing the Gap

National Model Clinical Governance Framework

National Health Reform Agreement

National Safety and Quality Health Service Standards

National Safety and Quality Primary and Community Healthcare Standards

National Sexually Transmissible Infection and Blood Borne Virus Strategies

NDIS Code of Conduct

NDIS Practice Standards and Quality Indicators

PC012 Information Privacy Principles (IPPS) Instructions

Privacy Policy

Return to Work Act 2014

Risk Management, Integrated Compliance, and Internal Audit Policy

SA Funding Allocation Technical Bulletins for South Australian Public Hospitals

SA Government Climate Change Actions

SA Government Anti Racism Action Plan 2023 - 2028

SA Government Closing the Gap Implementation Plan 2024-2026

SA Health Asset Management Policy

SA Health Clinical Governance Framework

SA Health Policy Framework

SA Health Aboriginal Cultural Learning Framework

SA Health Aboriginal Health Care Framework 2023-2031

SA Health Aboriginal Workforce Framework 2023 -2031

SA Health Accreditation to the Safety and Quality Standards Policy

SA Health Allied Health Clinical Supervision Framework

SA Health Climate Change and Health Framework | SA Health

SA Health Clinical Placement Requirements for Health Care Students

SA Health Clinical Services Capability Framework

SA Health Performance Framework

SA Health Procurement and Contract Management System (PCMS)

SA Health Research Ethics and Governance Policy

SA Medical Education and Training Principles

SA Mental Health Services Plan – 2020-2025

South Australian Public Health Act 2011

Service Agreement Amendment Fact Sheet

Service Agreement Dispute Resolution Fact Sheet

South Australian Health and Wellbeing Strategy 2020-2025

State Emergency Management Plan

State Public Health Plan 2019-2024

State Records Act 1997

Statewide Demand and Escalation Policy

State Health Coordination Centre Operational Framework

The Mental Health Act 2009

Treasurer's Instructions

All other policies and directives applicable to DHW, including all relevant Enterprise Agreements.

All accreditation standards and requirements for relevant health professional training programs, including but not limited to those set by the Royal Australasian College of Physicians, Royal Australasian College of Surgeons and Australian and New Zealand College of Anaesthetists.

PART D: DELIVERY AND PERFORMANCE

Purpose

Part D outlines the performance indicators, associated reporting requirements and monitoring methods that apply to the LHN.

Performance Framework

The SA Health Performance Framework sets out how DHW, as the leader and steward of the public health system, monitors and assesses the performance of public health services and resources within South Australia. The Performance Framework uses performance indicators to monitor the extent to which the LHN is delivering the high level objectives set out in the Agreement. The LHN should refer to the SA Health Performance Framework for further information about the performance assessment process.

The LHN will endeavour to meet targets for each KPI identified in the table below. All sites within the LHN must meet performance targets as described under the four domain areas; timely access to care, productivity and efficiency, safe and effective care and people and culture.

While LHN KPI reports will be issued monthly as an internal reporting tool, a formal assessment of the LHN performance will be completed quarterly. The quarterly process will include DHW undertaking an initial assessment to be discussed with the LHN to incorporate agreed contextual and qualitative aspects of sustainable performance. This discussion will inform the final quarterly performance assessment issued to the LHN. The LHN performance levels are not assigned solely on KPI data, with a range of other factors also considered by DHW.

Any performance issues which result in system-wide impacts will be actively managed as part of LHN performance reviews.

A number of KPIs will be 'monitored' in year and may transition to Tier 1 or Tier 2 KPIs depending on the system's performance. Monitor KPIs do not contribute to the evaluation of the LHN's overall performance level but will inform opportunities for improvement.

It is expected that LHNs will perform within funded levels. Where a performance concern is identified, the LHN will be required to develop strategies to address, with improvement to be monitored in performance meetings.

More detailed information regarding the 2025-26 KPI architecture, including KPI descriptions, levels (Tier 1, Tier 2, and monitor), calculation methodology, targets and reporting frequency is available in the 2025-26 KPI Master Definition Document.

KPI Architecture

Subdomain	Tier 1	Tier 2
Timely access to care (Access and Flow)		
Ambulance to Emergency Department	Hours lost due TOC delays > 30 minutes	%/no. of patients with delayed transfer of care (TOC) ≥ 1 hour
		TOC ≤ 30 mins
Emergency Department	ED LOS ≤ 4 hrs non- admitted	ED seen within clinically recommended time overall
		ED LOS > 24 hrs
Inpatient (Response and flow)	ED LOS ≤ 4 hrs admitted	% of no. patients ≥ 21 LOS (general)
Elective Surgery	Percentage of Cat 1 Elective wait list patients overdue for procedure	Percentage of Cat 2 and 3 Elective wait list patients overdue for procedure
Specialist care (non-admitted)		Outpatient clinics maximum wait time
Productivity and Efficiency		
Finance	Net Cost of Service (NCOS) Matched to Budget - Variance (%) (Forecast EOY)	Average cost per NWAU %
	Net Cost of Service less Activity related reportable variance at 100% Price (YTD)	Budget Management - % of YTD target achieved
Commissioned Activity	Overall NWAUs activity to cap	
Efficiency	LOS variance to IHACPA benchmark	Nursing hours per patient day
Quality of Health Information		Coding timeliness
Safe and Effective Care		
Safe Care	Hand hygiene compliance rate	Healthcare Associated CPE acquisition rate
	Healthcare Associated SAB Infection Rate	CHBOI – Hospital Standardised Mortality Ratio
	Hospital Acquired Complication Rate	
	Mental Health – Seclusion per 1,000 bed days	Mental Health - Restraint Events per 1,000 bed days
Consumers Experience of Care	Consumer Experience: Involved in Decision Making	Consumer Experience: Being Heard – Listened to.
Appropriateness of Care	Obstetrics – Early Planned births without medical or obstetric indication.	Maternity - HAC rate 3rd & 4th Degree Perineal tears
	Newborn hearing screening - % of infants who pass first hearing screen	Newborn hearing screening - % of infants who receive a hearing screen

Subdomain	Tier 1	Tier 2
	Aboriginal and Torres Strait Islander inpatient discharge against advice	Aboriginal and Torres Strait Islander ED DNW or left at own risk
	Mental Health - Post Discharge Community Follow Up Rate	Rehabilitation – Timeliness of Care
	Stroke Patients who Received Treatment in a Stroke Ward	
Effectiveness of Care	Avoidable Hospital Readmissions	Emergency Department Unplanned Re-attendances within 48 Hours
		Aboriginal and Torres Strait Islander Emergency Department Unplanned Re-attendances within 48 Hours
People and Culture		
Workforce	Employees with Excess Annual Leave Balance	Staff Turnover
	Completion of Performance Reviews in Line with the Commissioner's Determination	Percentage of Aboriginal and Torres Strait Islander workforce
		Overtime hrs as proportion of total productive hrs
		Sick/carers leave hrs as proportion of total productive hrs
		New Workplace Injury Claims

Priority Actions Incentive Program

In support of the Government's ongoing commitment to address ramping and improve hospital performance, the Priority Action Incentive Program is being continued in 2025-26.

Priority Action Incentive Program	
KPI	**Incentive Payment**
Transfer of care <=30 mins for >= 66% of patients.	$20,000 for every week target is achieved (payable monthly)* ** Incentive payments to be allocated to innovation and research programs within the LHN*
KPI	**Redistribution of funds to DHW**
Transfer of care hours lost on the ramp > 60 mins	$200 for every ambulance hour lost (payable monthly)

Demand Management KPI (Monitor)

To ensure surge capacity is available in the system, DHW will continue to monitor average occupancy for metropolitan LHNs in 2025-26, with the target set at 90%.

Data and Reporting Requirements

The LHN will provide data to DHW on the provision and performance of health services (including community and aged care data), in a timely manner and as required by DHW CE in alignment with the NHRA. All data provisions will be outlined in the Data, Analytics and Insights (DAI) - Data Requirements Bulletin, including routine monthly data submissions and ad hoc requests. It is essential that data is submitted by the date provided within the Bulletin.

Where new data indicators are developed and agreed by the Commonwealth and the State, LHNs and DHW will work to deliver appropriate data to meet these needs.

The LHN must ensure that reported activity meets national definitions as detailed in the Principles, Scope and Methodology within the IHACPA Pricing Framework, unless there is a State-determined variation. DHW is committed to supporting the LHN with their data and reporting requirements.

The LHN is required to maintain up-to-date information for the public on its website regarding its relevant facilities and services including population health, inpatient services and other non-inpatient services and community health. DHW is committed to working in-year with LHNs to establish routine public reporting across all domains.

In line with the *Public Health Act 2011*, LHNs are to work collaboratively with the Chief Public Health Officer, local government, and Preventive Health SA to reduce the risk of health impacts at the population level. This may include the need to share individual patient level data to enhance surveillance and epidemiological analytics, within the scope of data sharing arrangements and relevant legislative requirements.

Integrated Safety and Quality Performance Account

Annually the LHN will complete a Safety and Quality Account Report (the Account) to demonstrate its achievement and ongoing commitment to quality assurance and improving and integrating safety and quality activity. The 2025-26 Account, due 25 September 2026, will provide information about clinical governance and the safety and quality performance of the LHN, highlighting improvement initiatives and outcomes for the financial year.

Workplace Wellbeing Report

LHNs/SAAS are required to prepare an annual Wellbeing report to provide qualitative data to demonstrate workplace wellbeing action against priority areas. The report will be due on 5 December 2025. DHW will commit to providing a summary of the wellbeing reports from LHNs/SAAS to enable visibility across the system and provide the opportunity to collaborate on future initiatives.

PART E: FUNDING AND COMMISSIONED ACTIVITY

Purpose

Part E sets out:

- the sources of funding that the Agreement is based on and the manner in which these funds will be provided to the LHN
- the activity commissioned by DHW from the LHN
- the funding provided for delivery of the commissioned activity
- specific funding commitments.

Procedures currently delivered and funded through the Nationally Funded Centres program will not be eligible for state funding.

Funding Sources			
Funding Source	**Revenue ($)**	**Expenditure ($)**	**Net Result ($)**
DHW Recurrent Transfer	1,610,718,000	0	
Hospital Programs	60,158,000	1,430,619,000	
Mental Health	358,000	177,389,000	
Other Programs	3,352,000	66,578,000	
Inter Regional/Inter Portfolio	8,237,000	8,237,000	
Special Purpose Funds & Other Own Source Revenue	49,607,000	47,092,000	
Capital	166,452,000	493,000	
Non-Cash Items	0	57,874,000	
Total SALHN Allocation	**1,898,882,000**	**1,788,282,000**	**110,600,000**

Funding Model

LHNs are provided with an annual budget and key performance indicators, including activity targets. The funding model supports the acquittal of the LHN budget and the activity targets by aligning funding to either activity or block-based payments. DHW has adopted the foundational elements of the national funding model, including the use of activity-based funding wherever practicable, thus is continuing to transition payments to ABF for programs that can be reported at an activity level.

As part of the 2025-26 funding approach, weighted activity volumes have been calculated using a State Efficient Price (SEP) of $6,730, with no regional relativity adjustments to be applied.

LHNs will acquit this activity target at the SEP, with other block funded programs continuing to be acquitted in line with program specific reporting requirements. Detail of individual LHN payments is outlined in the tables within this section.

To comply with obligations under the National Health Reform Agreement, LHNs must provide health and emergency services based on the Medicare principles, ensure appropriate alignment of patient reporting with the national classification systems, including those outlined at Classification | IHACPA, enable state level reporting in line with national costing standards found at Costing | IHACPA and adhere to local SA Health policies, reporting and data guidelines. The SA Health funding model is underpinned by these obligations and as such LHNs must also comply.

For 2025-26 Community Mental Health services will continue to be funded as a grant (block funded) at the State level. However, as the national model requires activity to be reported via the ABF stream, LHNs have been provided a notional National Weighted Activity Unit (NWAU) target consistent with their budget allocation.

LHNs must report community mental health using the Australian Mental Health Care Classification (AMHCC) in line with all other monthly activity reporting requirements so targets can be monitored against actuals.

Further details on the funding rules can be found at SA Funding Allocation Technical Bulletins for South Australian Public Hospitals.

Commissioning approach

Commissioned activity targets (NWAUs) for Admitted Acute, Emergency, Admitted Mental Health, Sub-Acute and Non-Admitted Services are based on the Hospital/LHN casemix profile.

DHW determines the funding allocation on the basis of the number of patients, irrespective of residence, or funding source e.g. private patient, Department of Veteran Affairs patient and the types of treatments at a set price weight. This ensures that LHNs have the appropriate expenditure authority, with an associated private revenue target for each LHN to meet.

LHN actual performance against commissioned activity targets will be monitored monthly and through the Performance Review meeting process. The LHN has a responsibility to actively monitor variances from commissioned activity levels, to notify DHW of any potential variance and to take appropriate action to avoid variance exceeding agreed tolerances. Where significant variances occur, LHNs will provide detailed explanation for the variations to support the activity Statements of Assurance to the Independent Hospital and Aged Care Pricing Authority (IHACPA).

If the LHN wishes to move activity between commissioned activity types and levels or make any deliberate changes to the consistent recording of activity that would result in activity moving between activity types and levels, this must be negotiated with DHW as it may affect NHRA revenue targets in DHW and non-NHRA revenue targets in LHNs.

Activity and Funding Allocation				
Funding Type	2025-26 Cap		NWAU	Commissioned
	Separation/Service Event	State Efficient Price		
Activity Allocations				
Acute (admitted)	106,373	6,730	117,103	$788,102,892
Admitted Mental Health	5,019	6,730	15,921	$107,146,550
Emergency Department	111,959	6,730	19,282	$129,769,215
Outpatients	558,123	6,730	39,778	$267,708,557
Sub-Acute	6,819	6,730	29,403	$197,882,625
Community Mental Health		6,730		$0
Total Activity Allocation	**788,293**		**221,487**	**$1,490,609,839**
Designated Allocations				
Mental Health				$70,242,500
Primary and Community Care				$10,075,722
Public and Preventative Health				$0
Other including DASSA				$113,695,906
DASSA				$56,502,000
Regional Office (Site Spec)				$23,606,912
Site Specifics & Grants				$23,548,718
Designated Allocation				$297,671,758
Total Expenditure				**$1,788,281,597**

Independent Health and Aged Care Pricing Authority (IHACPA) Model

SA Health is required to inform the Administrator of the National Health Funding Pool of the commissioned services of the LHN for the 2025-26 year, expressed in line with the determinations of IHACPA.

To meet the requirements of the Administrator, the Service Agreement includes a translation of the SA Health Activity Based Funding model into the same in-scope funding as the IHACPA Determination and Funding Model. This table shows the expected amount of Commonwealth revenue to flow to the LHN via their funding pool.

Please note, while Community Mental Health funding is now in scope nationally under the activity based funding stream, SA will continue to fund as a block payment for 2025-26, with a notional activity target provided.

National Health Reform Funding Table				
Funding Type	2025-26 Cap		Total Funding	Commonwealth Funding (33.08%ABF) (35.89 Block)
	NWAUs	State Efficient Price		
Activity Allocations				
Acute (admitted)	103,099	6,730	$693,858,809	$247,520,315
Admitted Mental Health	14,578	6,730	$98,112,454	$34,999,664
Emergency Department	19,282	6,730	$129,769,474	$46,292,676
Outpatients	28,626	6,730	$192,650,810	$68,724,341
Sub-Acute	25,970	6,730	$174,779,969	$62,349,274
Community Mental Health	4,230	6,730	$28,471,013	$10,156,467
Total Activity Allocation	**195,786**		**$1,317,642,528**	**$470,042,737**
Designated Allocations				
Teaching, Training and Research			$28,670,091	$10,289,696
Small and Rural Hospitals			$0	$0
Other Mental Health			$5,177,769	$1,858,301
Non-Admitted Home Ventilation			$418,799	$150,307
Other Non-Admitted Services (Home Oxygen)			$1,353,071	$485,617
Other Public Hospital Programs			$13,622,000	$4,888,936
Highly Specialised Therapies			$0	$0
Total Designated Allocation			$49,241,730	$17,672,857
Total			**$1,366,884,259**	**$487,715,594**

Specific Commissioning Commitments

The services, programs and projects set out in the table below have been specifically commissioned by DHW from the LHN. These services will be the focus of detailed monitoring by DHW. If the LHN forecasts an inability to achieve these commitments, the LHN will promptly notify DHW.

Specific Commissioning Commitments	
Service / Program	**Allocation**
Transition Care Program	Funds are allocated to the LHNs in proportion with their number of Transition Care places. Allocation of Transition Care places to LHNs is considerate of the Commonwealth allocation of places to the state and the utilisation of allocated places across LHNs. A six-month budget has been provided, while bed numbers and occupancy continue to be monitored. Residential Care Beds = 15 at $558.71 per bed at 94% occupancy. Community Beds = 65 at $315.65 per bed at 94% occupancy. These rates are considerate of increases in the Commonwealth daily subsidy rates in January and March 2025. Each bed rate is inclusive of $78.80 for LHN program delivery costs. Total 6 months = 80 at $4,755,815 The final six months will be released following analysis on bed numbers and occupancy reporting.
Noarlunga 24 Mental Health Rehab Beds	$11.4m - election commitment with funding provided pro rata based on estimated opening.
Noarlunga 24 Medical Inpatient Unit Beds	$11.0m (1,637 NWAUs) - election commitment with funding provided pro rata based on estimated opening.
End to End Subacute (Medihotel)	$7.2m (1,063 NWAUs) – remaining seven month commissioning impact.
Noarlunga - Myles ward 12 bed expansion	$2.2m (320 NWAUs) – remaining four month commissioning impact.
8 Bed mobile ward	$570,000 - funding for Q-bital lease costs in 2025-26
Specialist Dementia Care Unit (SDCU) in reach	$284,000 (42 NWAUs) - funding for SALHN to provide in-reach to the state funded SDCU under Hammond Care Agreement.
FMC 10 beds - Margaret Tobin	$4.2m (630 NWAUs) – Election commitment funding for 10-bed expansion.
Block funding conversion to ABF	$4.9m (726 NWAUs)

Centrally Managed Services

Funding for the following services has been allocated from the activity based management pool to support delivery of centrally managed services.

Centrally Managed Service Delivery		
	Service / Program	**Allocation ($,000)**
Centralised Support Services	DHW Procurement: Centralised supply chain costs	5,000
	Government Advertising and Insights Hub	150
	South Australian Aboriginal Community Controlled Organisation Network (SAACCON)	425
Specific Service Delivery	Blood and blood products	10,000
	Lymphoedema Garments	515
	DHW • SA Community Care Health Service Contracts: unfunded activity • Service Provision to LHNs and SAAS: associated net costs	15,000
	Health Service Contracts	597
	Priority Care Centres	823
	Transition Care Program Expansion	3,295
	Lung Cancer Screening: to support increasing imaging and pathology demand	3,000
	Existing LHN Contracts with Private Providers, aligned to the National Efficient Price	10,000
Total		**48,805**

SIGNATURE

This is a Service Agreement (the Agreement) between the Chief Executive of the Department for Health and Wellbeing (Chief Executive) and the Southern Adelaide Local Health Network Incorporated (the Parties) which sets out the Parties' mutual understanding of their respective statutory and other legal functions and obligations through a statement of expectations and performance deliverables for the period of 01 July 2025 - 30 June 2026.

Through execution of the Agreement, the Local Health Network agrees to meet the service obligations and performance requirements as detailed in Part A-Part E of the Agreement. The Chief Executive agrees to provide the funding and other support as outlined in the Agreement.

Mark Butcher
Chair
On behalf of
Southern Adelaide Local Health Network Inc. Governing Board

Signed: ..... Date: 29 August 2025

Kerrie Mahon
Chief Executive Officer
Southern Adelaide Local Health Network Inc.

Signed: ..... Date: 29 August 2025

Dr Robyn Lawrence PSM
Chief Executive
Department for Health and Wellbeing

Signed: ..... Date: 17.9.25

For more information

Southern Adelaide Local Health Network 2025-26 Service Agreement
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Interpreter

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Government of South Australia
SA Health