



**Government
of South Australia**

**YORKE AND NORTHERN LOCAL HEALTH
NETWORK
2019-20 Annual Report**

YORKE AND NORTHERN LOCAL HEALTH NETWORK

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OFFICIAL

To:

Hon Stephen Wade MLC
Minister for Health and Wellbeing

This annual report will be presented to Parliament to meet the statutory reporting requirements of *Public Sector Act 2009*, the *Public Finance and Audit Act 1987* 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 Yorke and Northern Local Health Network Inc by:

Roger Kirchner

Chief Executive Officer

Yorke and Northern Local Health Network



Date: 17 September 2020

Signature

John Voumard

Chair

Yorke and Northern Local Health Network Governing Board



Date: 17 September 2020

Signature

Acknowledgement to Traditional Custodians

The Yorke and Northern Local Health Network acknowledges the Aboriginal Custodians of the Land and Waters within the Footprint of the Yorke and Northern Local Health Network. We respect their spiritual relationship with their country and acknowledge their cultural beliefs are an important focus of the past, present and future. We acknowledge Elders and emerging Leaders.

From the Chief Executive

On 1 July 2019, I was delighted to formally commence in the role of Chief Executive Officer for the new Yorke and Northern Local Health Network.



While I have worked for many years as CEO in various iterations of what is now the Yorke and Northern Local Health Network, I have not experienced a time of such significant change.

The first 12 months as a new organisation, added with the impact of COVID-19, has seen the Yorke and Northern Local Health Network experience both exciting and challenging times, together with great learnings. I believe we have begun to lay strong foundations that continue to ensure the Yorke and Northern Local Health Network continues to be a leader and excel in providing high-quality health care to the Yorke and Northern community. While we are still finding our feet as a new agency, I am very proud of our accomplishments and achievements to date.

Significant events in the Yorke and Northern Local Health Network this year include:

- Launch of the Yorke and Northern Local Health Network Governing Board Strategic Priorities on 1 November 2019.
- Announcement of the Orroroo and District Health Service Centenary Celebration as the winner of the 2020 Australia Day Community Event of the Year.
- Finalisation of the Executive Committee Charter and the establishment of the Yorke and Northern Local Health Network governance structure.
- Implementation of bi-monthly meetings with the Presiding Members of our Health Advisory Councils.
- Release of the Lower Yorke Peninsula Health Service Plan in February 2019, identifying key priorities for mental health, aged care, emergency services and future health needs for the community.
- Resignation of our inaugural Governing Board Chair, Vanessa Bouilly and appointment of our new Governing Board Chair, John Voumard.
- Resignation of Aboriginal member Shane Mohor from the Governing Board and the appointment of Glenise Coulthard AM.
- Appointment of Dr Viney Joshi to the position of Executive Director of Medical Services for the Yorke and Northern Local Health Network.
- We said farewell to two long-serving members of the Port Pirie Health Advisory Council, Mr Barry Hay and Mr Joe Paparella, who both dedicated over 20 years of service to the Port Pirie community.
- Commencement of the development of the Yorke and Northern Local Health Network Strategic Plan, Consumer and Community Engagement Strategy, Clinical Engagement Strategy and Communication Strategy.

- A visit from the Minister for Health and Wellbeing, who visited the Environmental Health Centre in February 2019, to witness the innovation and education around Lead for the Port Pirie community.
- Announcement of three Yorke and Northern Local Health Network finalists for the 2020 Nursing and Midwifery Excellence Awards - Heather Braun, Tanya Seddon and the Midwifery Caseload Model of Care.
- Presentation of the 2020 Premier's Certificate of Recognition to John Blieschke, a long-standing volunteer, for outstanding volunteer service at the Port Pirie Regional Health Service.
- Establishment of the Yorke and Northern Local Health Network Reconciliation Committee.
- Celebration of NAIDOC week during July 2019, with many events held across sites and communities.
- Creation of an updated Statement of Acknowledgement, tailored to acknowledge local Traditional Owners of the Land.
- The newly formed Narungga Health Assembly met for the first time in March 2019 to discuss the health priorities and future health needs of Narungga Nations people living in the Yorke Peninsula. As part of the State Government's Buthera Agreement, the meeting saw a number of key stakeholders come together to discuss future health service opportunities tailored to the needs of the Narungga Nations people.
- Commencement of significant investment projects addressing repairs, maintenance and upgrades in hospitals across Yorke and Northern Local Health Network.
- Establishment of the Yorke and Northern Local Health Network Facebook Page, which since its inception on 15 March 2020 to 30 June 2020, has over 4,000 followers.
- Launch of Teamgage in June 2020, a positive workplace feedback platform to support managers to gain real-time feedback from staff. Trending upwards, 25% of staff have engaged in this initiative, and as a result, changes have begun to improve employee wellbeing in the workplace.
- Successful accreditation under the National Safety and Quality Health Care Standards for Symonds Wing at the Jamestown Hospital and Health Service and Ira Parker Nursing Home at the Balaklava Soldiers' Memorial District Hospital.
- Celebration of all volunteers across the Local Health Network during National Volunteer Week to recognise and thank volunteers who continually and selflessly give their time to support our consumers and services.
- Acknowledgement and celebration of nurses and midwives across all sites as part of the International Year of the Nurse and Midwife initiative.
- Provision of support during the bushfires on Yorke Peninsula through the implementation of the emergency response plan for Southern Yorke Peninsula Hospital (Yorketown).

The Yorke and Northern Local Health Network has undertaken many infrastructure improvements to enhance patient comfort, security and services. I extend a heartfelt

thank you to the support provided by our Health Advisory Councils, Hospital Auxiliaries, volunteers and communities, without whose help this work would not be possible.

I look forward to the upcoming year with a sense of confidence that we are moving forward positively and will continue to progress, learn and thrive as we shape our local health network to serve our local communities. We will continue to work with our local communities to ensure we understand their needs, collaborate with our valuable stakeholders, and maximise resources to ensure we continue to provide excellent services to our communities closer to home.

In closing, I extend my sincere thanks to the Governing Board, Executive staff, Health Advisory Councils, and all managers, medical staff, staff and volunteers for their dedication and support in ensuring the delivery of high-quality services to communities in the Yorke and Northern Local Health Network.



Roger Kirchner

Chief Executive Officer

Yorke and Northern Local Health Network

From the Governing Board Chair

It's been a very eventful year for the inaugural Yorke and Northern Local Health Network (YNLHN) Governing Board.

YNLHN has moved into a new space of independence with the ability to determine our own destiny. Under a new governance structure, we have watched our leaders and managers step up and thrive while exercising this new level of autonomy.



It has been a time of challenges and learning. The dedication, commitment and leadership of staff has been ever-present, and, despite these challenges, they have continued to provide high-quality services to our communities.

On 1 July 2019, the inaugural chair of the YNLHN Governing Board, Vanessa Bouly, officially launched the YNLHN, with our catch-phrase *'more than just a health service.'* At the time, Vanessa spoke about 'evolution' describing its many meanings: developing, sprouting; growing; changing; progressing and advancing. All of which, we have continued to do over the past 12 months, and we will continue to do as we evolve in the future.

The implementation of a new governance structure posed some challenges. Still, we successfully established five new board committees, supported by a range of protocols and procedures to ensure good governance for the YNLHN. These committees, including, Aged Care Services, Audit and Risk, Clinical Governance, Community and Consumer Engagement, and Finance and Performance, are each chaired by a board member.

In line with the requirements of the Health Care (Governance) Amendment Act 2018, the YNLHN Governing Board is required to develop and publish a Clinician Engagement Strategy and a Community and Consumer Engagement Strategy. Development of both of these strategies is well underway. The Clinician Engagement Strategy will ensure that the specialist knowledge and experience of our clinicians is incorporated into the core activities of our services. The Community and Consumer Engagement Strategy will support transparency and engagement with our communities and consumers, enabling local voices to be involved and heard during the planning of our health services.

These strategies will sit alongside the 2020-2025 YNLHN Strategic Plan, which is also in development. All strategies will be completed and released by the end of 2020.

The Board is extremely grateful that we have such a cohesive management team, who have successfully led the work creating the Yorke and Northern Local Health Network, as well as providing strong leadership to ensure the effective management of the COVID-19 pandemic.

The Board and I have the utmost confidence in the management of the COVID-19 pandemic, as YNLHN developed a thorough and responsive COVID-19 management plan.

Staff worked above and beyond, to ensure we continued to provide services to our communities within the imposed constraints. We have been blessed by not having many positive cases across our region, but we were ready to respond if the pandemic had hit us severely, and continue to be prepared should this situation change.

The Board also experienced some changes to our membership during the year. In November, we welcomed Glenise Coulthard, who joined us after Shane Mohor resigned. Following the resignation of Vanessa Bouilly in December, I accepted the role of Board Chair with pleasure to ensure continuity of our inaugural Board's work.

I wish to extend my sincere thanks to the YNLHN Board members; Julianne Badenoch, Glenise Coulthard, Liz Malcolm and Yvonne Warncken, all who provide exceptional skills and knowledge to the Governing Board and to their assigned board committees. Their passion for the YNLHN is valued, and I look forward to continuing to working together as we evolve as a Board and LHN.

I thank Roger Kirchner, Chief Executive Officer, the YNLHN Executive Team and all managers, staff, clinicians, medical staff and volunteers, who so capably and diligently undertake their roles with dedication and commitment to ensure our communities continue to receive services of the highest quality.

I look forward to all of us continuing this journey together to ensure we deliver and grow best practice services for the Yorke and Northern community.



John Voumard

Chair, Governing Board

Yorke and Northern Local Health Network

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Overview: about the agency

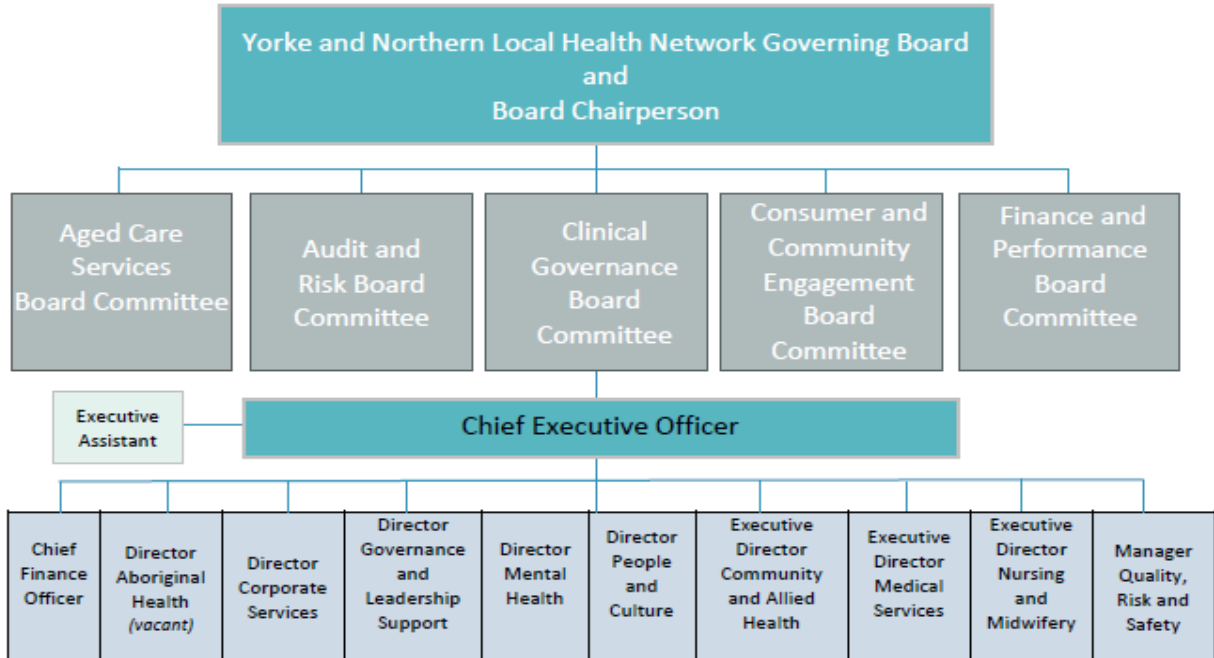
Our strategic focus

Our Purpose	Yorke and Northern Local Health Network delivers safe, high quality services, which are reflective of local needs and priorities, and provided within available resources.
Our Values	<ul style="list-style-type: none"> • Customer Focus • Collaboration • Caring • Creativity • Courage
Our functions, objectives and deliverables	<p>Yorke and Northern Local Health Network provided a range of public acute, residential aged care, community health and mental health services to country based South Australians.</p> <p>These services are based on population needs, focusing on integrating our service delivery with metropolitan hospitals and other service providers in regional locations.</p> <p>Yorke and Northern Local Health Network's strategic priorities were to:</p> <ul style="list-style-type: none"> • Build innovative and high performing health services. • Pursue excellence in all that we do. • Create a vibrant, values based place to work and learn. • Harness the power of partnerships to improve the effectiveness of services. • Elevate and enhance the level of health in our communities. <p>Yorke and Northern Local Health Network's key deliverables were to:</p> <ul style="list-style-type: none"> • Develop a service planning schedule for the remainder of the health units in YNLHN and consider additional support resources required to complete the process by December 2020. • Commence the development of a strategic planning process for YNLHN beyond 2020. • Establish a process to review the delivery and sustainability of aged care services across YNLHN.

	<ul style="list-style-type: none"> • Consider a process for reviewing and developing sustainable medical models for YNLHN. • Ensure the safety and quality of care for patients/consumers through the development, implementation and monitoring of an integrated governance framework. • Ensure all YNLHN sites work towards meeting budget parameters and performance measures. • Ensure succession plans are in place for the critical roles, including the Chief Executive Officer and Board Chair. • Consider options for future workforce planning across the LHN, in partnership with the YNLHN People and Culture directorate. • Undertake an assessment of the current culture across YNLHN. • Consider ways to engage staff and create a culture that ‘champions consumer and stakeholder best practice to ensure consumers are at the centre of planning and service redesign and redevelopment’. • Commence the development of a clinical engagement strategy. • Commence the development of a consumer and community engagement strategy, engaging and utilising the knowledge and networks of the members of the Health Advisory Councils in the LHN. • Identify potential partners that support access to health and health related services, and map ways for them to be engaged. • Develop and implement a process to ensure that hospital resources are applied equitably to meet the identified needs of the community served. • Identify and work with potential partners to ensure the YNLHN is involved with, and is an active participant in, the planning of future health and health related services designed to meet demographic shifts and regional developments. (e.g. the Primary Health Network; local government; regional development boards; Department for Planning, Transport and Infrastructure). • Develop and implement a process that ensures concepts, ideas and innovation are considered through a structured process that is based on the best benefit to identified consumer need.
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Our organisational structure

YNLHN is managed by the Chief Executive Officer who reports to, and is accountable to the YNLHN Governing Board.



Changes to the agency

During 2019-20 there were the following changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

- Pursuant to the *Health Care (Local Health Networks) Proclamation 2019*, Country Health SA was dissolved on 30 June 2019.
- On 1 July 2019, pursuant to the above named Proclamation, the Yorke and Northern Local Health Network Inc. formally commenced operation.
- At this time, the new governance arrangements came into effect. The Yorke and Northern Local Health Network Governing Board assumed governance responsibility for the Yorke and Northern Local Health Network, with operational and management responsibility assumed by the Chief Executive Officer.

To access data published for reporting periods prior to 2019-20, please see <https://data.sa.gov.au/data/dataset/country-health-sa-local-health-network>

Our Minister

The 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 Executive team

Chief Executive Officer

Roger Kirchner is accountable to the Governing Board for the provision, management and administration of health services and ensuring the overall performance of all public health services, including residential aged care facilities, in the Yorke and Northern Local Health Network.

Chief Finance Officer

Vincent Bellifemini is responsible for leading the provision of a comprehensive financial management, analysis and reporting service across the local health network.

Director Aboriginal Health

This position was filled on a temporary basis in 2019-20 by the Consultant Aboriginal Health, who provided advice and support with initiatives and issues related to the delivery of Aboriginal Health services. The position will be filled on an ongoing basis early in 2020-21.

Director Corporate Services

Paul Fahey is responsible for the management of a broad range of high level, critical corporate and business functions that support the effective operation of all sites in the local health network. This includes capital works; asset management; business continuity planning and emergency management.

Director Governance and Leadership Support

Leeanne Stringer is responsible for leading the provision of high quality and timely support to the Chief Executive Officer and the Governing Board. The role has a strong focus on performance, effectiveness and relevant legislative compliance, and is also responsible for the functions of the Office of the Chief Executive Officer and local health network Communications.

Director Mental Health

Lucas Milne leads mental health services across the local health network, with teams based in Clare, Port Pirie and Kadina.

The role is responsible for the delivery of mental health services and complex mental health reform projects in line with state-wide directions in collaboration with the Rural and Remote Mental Health Service.

Director People and Culture

Michael Davis is responsible for the management of the People and Culture Directorate, which encompasses the Human Resource and Work Health and Safety functions.

These teams are responsible for the provision of expert advice and practical support to managers and staff, and also provide a range of reports to support the delivery of LHN strategic and operational objectives.

Executive Director Community and Allied Health

Melissa Koch is responsible for the efficient and effective management of a range of community and hospital based Community and Allied Health services across the local health network. This also includes the Environmental Health Centre; Aboriginal Health and Country Health Connect.

Executive Director Medical Services

Dr. Viney K. Joshi commenced work in the local health network in March 2020 and is responsible for ensuring the delivery of safe, high quality medical, surgical and specialist services to sites in the local health network.

Executive Director Nursing and Midwifery

Michael Eades is responsible for the delivery of a range of services across the Local Health Network, including Nursing and Midwifery; Aged Care, including residential and Quality Risk and Safety.

The Executive Officers/ Directors of Nursing from 16 health services and 8 Residential Aged Care facilities across the Yorke and Northern Local Health Network all report to this position.

Manager Quality Risk and Safety

Joanne Vermeeren manages the Quality Risk and Safety Unit, which monitors the safety and quality systems, framework and supports sites in the implementation of safety and quality initiatives.

Our Governing Board

The Yorke and Northern Local Health Network Governing Board is responsible and accountable to the Minister for Health and Wellbeing for local decision making.

The role of the board is also to set strategies and priorities for health services in the region, and to ensure the local health network achieves the performance indicators in its Service Agreement with the Department for Health and Wellbeing.

Chairperson

Mrs Vanessa Bouilly (1 July 2019 – 4 December 2019)

Mr. John Voumard – effective 4 December 2019

Board Members

Mrs. Julianne Badenoch

Mrs. Glenise Coulthard AM

Mrs. Yvonne Warncken

Mrs. Liz Malcolm

Legislation administered by the agency

Nil

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

Department for Health and Wellbeing

Barossa Hills Fleurieu Local Health Network

Central Adelaide Local Health Network

Eyre and Far North Local Health Network

Flinders and Upper North Local Health Network

Limestone Coast Local Health Network

Northern Adelaide Local Health Network

Riverland Mallee Coorong Local Health Network

Southern Adelaide Local Health Network

Women's and Children's Local Health Network

South Australian Ambulance Service

Commission on Excellence and Innovation in Health

Office for Ageing Well

Wellbeing SA

The agency's performance

Performance at a glance

In 2019 – 2020 the Yorke and Northern Local Health Network achieved key performance areas including:

- Meeting targets for all emergency department 'seen on time' triage categories.
- Meeting targets for emergency department 'waits >24 hours'.
- Meeting targets for emergency department 'length of stay <4 hours'.
- Delivering investment on capital upgrades and equipment in country hospitals and health services.
- Increased Chemotherapy and Dialysis activity.
- Increased referrals to Community and Allied Health services.
- Increased Home Care and National Disability Insurance Scheme (NDIS) Packages.
- Increased referrals to Out of Hospital Strategy programs.
- The Virtual Clinical Care program resulted in 2659 total client contacts and saved 11 ED presentations and 20 hospital admissions.

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	<p>The commencement of the Rural Health Workforce Strategy was a critical achievement, contributing investment towards:</p> <ul style="list-style-type: none"> • improving services for long-term, high-quality maternity care • providing further specialised training for allied health professionals • providing additional training and career opportunities for Aboriginal and Torres Strait Islander health practitioners • providing medical workforce support grants, supporting recruitment and retention of GPs in rural communities • expanding training opportunities for community support workers • providing mental health education for suicide prevention and patient management • supporting rural community nursing workforce to manage more complex clients in rural areas • providing rural dental workshops, promoting a rural career for dental professionals • expanding the Digital Telehealth Network • providing simulation and training equipment <p>The YNLHN has recruited an Implementation Lead for the Rural Health Workforce Strategy. This role is responsible for the development and implementation of local strategies that align with the Rural Health Workforce Strategy and Local Health Network priorities.</p> <p>The YNLHN has been supporting efforts by local General Practitioner (GP) clinics to support an advertising campaign to attract GP staff to Booleroo.</p> <p>Employment of Direct Care Workers in aged care, providing a broad range of support the Riverton and District Soldiers' Memorial Hospital.</p>
Lower costs	<p>Costs for consumers were reduced through delivering programs such as:</p> <ul style="list-style-type: none"> • the Patient Assistance Transport Scheme (PATs) • timely elective surgery in rural communities • increasing access to telehealth services • increasing access to Virtual Clinical Care (VCC) • home-based chronic disease monitoring

Better Services	<p>Implementation of the Midwifery Caseload Model of Care pilot at Wallaroo Hospital. The model of care has been developed in partnership with GP Obstetricians GP's, clinicians, nursing and community services providing a well-integrated network of maternal and neonatal care providers that has supported 509 women and their families across the Yorke and Northern communities.</p> <p>Undertaking Service Planning activities within the YNLHN at the Clare Hospital, the Balaklava Soldiers Memorial Hospital (BSMH) and the Port Pirie Regional Health Service (PPRHS) to plan for the future health needs of the community.</p> <p>The YNLHN response to the COVID-19 pandemic and the establishment of an Incident Management Team has resulted in the safe management of patients, staff and the community during the pandemic.</p> <p>\$3.68 million in major electrical upgrades to Wallaroo Hospital and Health Services, Port Pirie Regional Health Service and Burra Hospital.</p> <p>\$1.17 million on works for Central Sterile Service Department (CSSD) compliance upgrade, in addition to an operating suite compliance upgrade for Southern Yorke Peninsula Hospital (Yorketown) commenced June 2020.</p> <p>\$0.73 million for communications upgrades throughout Yorke and Northern Local Health Network.</p> <p>Commencement of the Nurse-Led Ambulatory clinic at the Port Pirie Regional Health Service for Outpatient appointments to prevent avoidable hospital admissions. This clinic enables patients presenting to the Emergency Department to receive treatment that can be given by nurses with the support of doctors to reduce waiting room times.</p> <p>Increased local services for Cancer and Chemotherapy clients with the implementation of the Cancer Care Coordinator role at the Port Pirie Regional Health Service.</p> <p>Piloting of the "My Top 5" project at the Port Pirie Regional Health Service to identify key important care needs for clients with a cognitive deficit, along with publication by the National Safety and Quality Commission of an abstract article.</p> <p>Construction of a new Helipad adjacent to the Port Broughton District Hospital and Health Services, funded by the community, enabling direct access for the retrieval team into the hospital, supporting cost-saving and removing the need for SAAS attendance.</p>
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Agency specific objectives and performance

Agency objectives	Indicators	Performance
Hospital Services	Emergency Department seen on time	Targets met across all triage categories
	Emergency department length of stay less than or equal to 4 hours	Target :>=90% Achievement: met
	Emergency Department Length of Stay greater than 24 hours	Target: 0 Achievement: 0
	Elective Surgery timely admissions	Category 1 target 100% - achievement 99.5% due to impact of COVID-19. Targets met for Category 2 and 3
	Elective Surgery Overdue Patients	Target: 0 Achievement: 0
	Relative Stay Index	Target: <=0.95% Achievement: 0.97%
	Unplanned Emergency Department Re-Attendances within 48 hours	Target: <=4.5% Achievement: 5.63%
	Healthcare Associated Infection Rate: Staphylococcus Aureus	Target: <=1.0 Achievement: 0
	Hospital Acquired Complication Variation	Target: <=1.0% Achievement: 1.1%
Hospital Hand Hygiene Compliance rate-Overall	Target: >=80% Achievement: 89.79%	

	Coding Timeliness	Target:100% Achievement: 99.7%
	Acute inpatient activity	8,785 overnight patients 9,653 same day patients 330 babies delivered (including 27 Aboriginal and Torres Strait Islander)
	Chemotherapy activity	2,053 Chemotherapy treatments across three sites. (<i>Port Pirie; Wallaroo; Clare</i>)
	Renal Dialysis activity	3,680 renal dialysis treatments across three sites. (<i>Port Pirie; Maitland; Clare</i>)
Improving access to health services in our communities	Community, Nursing and Allied Health service activity	Approximately 21,000 referrals were received for these services. A total of 462,441 services were provided.
	Potentially Preventable Admissions	Target: <=8% Achievement: 10%
	National Disability Insurance Scheme (NDIS) program activity	Active NDIS clients as at 30 June 2020: <ul style="list-style-type: none"> • 104 adult • 133 children
Aboriginal Health Programs	Aboriginal Health – Left at own risk ED	Target: <=4.5%. Achievement: 6.8%
	Aboriginal Health – Left hospital against medical advice (inpatients)	Target: <=4.5% Achievement: 6.5%
	Aboriginal workforce	Target >=4%. Achievement 1.3%

Continuous improvement of quality and safety	Safety Assessment Code (SAC) 1 and 2 incidents	Total SAC 1 & 2 incidents for 2019-20: 19. Total SAC 1 & 2 incidents for 2018-19: 17
	Consumer Experience Survey: Overall Quality	Target: >=85% Achievement: 96.9%
	Consumer Experience Survey: Being heard and listened to	Target: >=85% Achievement: 87.6%
	Consumer Experience: Survey Being cared about by staff	Target: 85% Achievement: 88%
Aged Care	Aged Care Assessment Program (ACAP) assessments	Target: 955 Achievement: 800
	Commonwealth Home Support Program (CHSP)	Target: 90% Achievement: 82.94%
	Home Care Package occupancy rates	There were 1,193 home care packages provided.
	Residential Aged Care Occupancy	The average rate of occupancy was 78.9%

Corporate performance summary

In 2019-2020 the Yorke and Northern Local Health Network achieved key performance outcomes, including:

- Establishment of the Board committees in line with the prescribed legislative requirements.
- Approval by the Minister for Health and Wellbeing and subsequent establishment of an Aged Care Services Board Committee to ensure a strong focus on this core function in the local health network.
- Implementation of a new governance structure.
- Establishment of the YNLHN Reconciliation Committee.
- Establishment of the Office of the Chief Executive Officer directorate.
- Successful recruitment to key executive roles.
- Commencement of recruitment to the Director Aboriginal Health role.
- Completion of service plans for Wallaroo Hospital and Health Services and Yorke Peninsula Health Services (Southern Yorke Peninsula Hospital –Yorketown and Central Yorke Peninsula Hospital-Maitland).
- Implementation of the COVID-19 Incident Management Team.
- Implementation of Teamgage workplace feedback platform.
- Reduced Worker's Compensation costs.

Employment opportunity programs

Program name	Performance
Aboriginal Employment Program	Yorke and Northern Local Health Network employed 7 people who identified as Aboriginal or Torres Strait Islander through local employment initiatives.
Enrolled Nurse Cadet program	During 2019-20, five students commenced the program. This targeted recruitment strategy continues to be successful, offering a training and employment pathway for rural people to commence their health career.

Agency performance management and development systems

Performance management and development system	Performance
Performance Review and Development is a process for supporting continuous improvement of employees' work performance to assist them to meet SA Health values and objectives	948 YNLHN employees (55.9%) have participated in a PRD review within the six months prior to 30/06/2020.
	885 YNLHN employees (52.2%) have participated in a PRD review within the six months prior to 31/12/2019.
	1399 YNLHN employees (82.5%) have participated in a PRD review within the twelve months prior to 30/06/2020.

Work health, safety and return to work programs

Program name	Performance																																																																														
Internal Audit Program	218 (92%) completed of 236 scheduled.																																																																														
Worksite Safety Inspection Program	160 (91%) completed of 175 scheduled.																																																																														
Emergency Exercise Program	90 (87%) completed of 103 scheduled.																																																																														
Corrective Action Plan	In the fourth quarter, 14 actions were added and 15 actions were closed. 21 actions remain open greater than 3 months.																																																																														
1800 Injury Reporting	<table border="1"> <thead> <tr> <th><u>1800 injury reporting</u></th> <th>July 2019</th> <th>Aug 2019</th> <th>Sept 2019</th> <th>Oct 2019</th> <th>Nov 2019</th> <th>Dec 2019</th> <th>Jan 2020</th> <th>Feb 2020</th> <th>Mar 2020</th> <th>Apr 2020</th> <th>May 2020</th> <th>Jun 2020</th> </tr> </thead> <tbody> <tr> <td>Total number of 1800# calls for the month</td> <td>10</td> <td>8</td> <td>12</td> <td>18</td> <td>19</td> <td>16</td> <td>15</td> <td>19</td> <td>8</td> <td>18</td> <td>12</td> <td>12</td> </tr> <tr> <td>Number of calls made on the same shift</td> <td>7</td> <td>7</td> <td>10</td> <td>15</td> <td>12</td> <td>11</td> <td>15</td> <td>11</td> <td>6</td> <td>16</td> <td>4</td> <td>9</td> </tr> <tr> <td>% of calls made on the same shift</td> <td>70%</td> <td>88%</td> <td>83%</td> <td>83%</td> <td>63%</td> <td>69%</td> <td>100%</td> <td>58%</td> <td>61%</td> <td>100%</td> <td>33%</td> <td>75%</td> </tr> <tr> <td>Number of calls made within 2 business days</td> <td>10</td> <td>8</td> <td>12</td> <td>17</td> <td>18</td> <td>16</td> <td>15</td> <td>17</td> <td>8</td> <td>18</td> <td>8</td> <td>12</td> </tr> <tr> <td>% of calls made within 2 business days (KPI 80%)</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>94%</td> <td>95%</td> <td>100%</td> <td>100%</td> <td>89%</td> <td>100%</td> <td>100%</td> <td>67%</td> <td>100%</td> </tr> </tbody> </table>	<u>1800 injury reporting</u>	July 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Total number of 1800# calls for the month	10	8	12	18	19	16	15	19	8	18	12	12	Number of calls made on the same shift	7	7	10	15	12	11	15	11	6	16	4	9	% of calls made on the same shift	70%	88%	83%	83%	63%	69%	100%	58%	61%	100%	33%	75%	Number of calls made within 2 business days	10	8	12	17	18	16	15	17	8	18	8	12	% of calls made within 2 business days (KPI 80%)	100%	100%	100%	94%	95%	100%	100%	89%	100%	100%	67%	100%
<u>1800 injury reporting</u>	July 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020																																																																			
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Workers' Compensation Claims Activity and Claims Costs	Achieved no increase in number of worker's compensation claims lodged. Achieved a 13% reduction in direct worker's compensation claims costs. Achieved a 40% reduction in registered medical costs.																																																																														

Workplace injury claims	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Total new workplace injury claims	24	24	0.0%
Fatalities	0	0	0.0%
Seriously injured workers*	0	0	0.0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	10.84	11.91	-9.0%

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

Work health and safety regulations	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	3	7	-57.1%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	1	2	-50.0%

Return to work costs**	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$237,496	\$546,568	-56.5%
Income support payments – gross (\$)	\$134,216	\$115,230	+16.5%

**before third party recovery

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

Executive employment in the agency

Executive classification	Number of executives
SAES1	1

To access data published for reporting periods prior to 2019-20, please see <https://data.sa.gov.au/data/dataset/country-health-sa-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

During 2017-18, The Health Care Act 2008 was amended to facilitate the establishment of six new regional Local Health Networks. (LHNs).

These regional LHNs and their respective Governing Boards became operational on 1 July 2019 and at that time, assumed responsibility for health services previously provided by the Country Health SA Local Health Network.

The following is a brief summary of the overall financial position of the Yorke and Northern Local Health Network. The information is unaudited.

Full audited financial statements for 2019-20 are attached to this report.

Statement of Comprehensive Income	2019-20 Budget \$000s	2019-20 Actual \$000s	Variation \$000s	Past Year 2018-19 Actual \$000s
Expenses	170,420	176,725	(6,305)	Not Applicable
Revenues	49,991	49,931	(60)	Not Applicable
Net cost of providing services	120,429	126,794	(6365)	Not Applicable
Net Revenue from SA Government	117,949	121,813	0	Not Applicable
Net result	2,480	4,981	(2,501)	Not Applicable
Total Comprehensive Result	2,480	4,981	(2,501)	Not Applicable

Statement of Financial Position	2019-20 Budget \$000s	2019-20 Actual \$000s	Variation \$000s	Past year 2018-19 Actual \$000s
Current assets	29,949	0	0	Not applicable
Non-current assets	155,549	0	0	Not applicable
Total assets	185,498	0	0	Not applicable
Current liabilities	35,294	0	0	Not applicable
Non-current liabilities	21,153	0	0	Not applicable
Total liabilities	56,447	0	0	Not applicable

Statement of Financial Position	2019-20 Budget \$000s	2019-20 Actual \$000s	Variation \$000s	Past year 2018-19 Actual \$000s
Net assets	129,051	0	0	Not applicable
Equity	129,051	0	0	Not applicable

Consultants disclosure

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

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

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	\$10,424

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

Consultancies	Purpose	\$ Actual payment
Babyboomers Pty Ltd	Contract Nurse Advisor and Administrator Service-Ira Parker Nursing Home Aged Care compliance	\$ 207,345
Babyboomers Pty Ltd	Contract Nurse Advisor Services – Riverton Aged Care compliance	\$ 39,854
Babyboomers Pty Ltd	Contract Aged Care Quality Standards Review – Community Services Port Pirie	\$ 15,370
Total		\$ 262,579

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/country-health-sa-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.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	\$ 52,575

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

Contractors	Purpose	\$ Actual payment
HCA – Healthcare Australia	Agency	\$ 590,520
Your Nursing Agency Pty Ltd	Agency	\$ 569,154
Rural Locum Scheme Pty Ltd	Agency	\$ 302,164
Prime Medical Placements Pty Ltd	Agency	\$ 82,394
Advance Physiotherapy Pty Ltd	Agency	\$ 17,280
Cornerstone Medical Recruitment	Agency	\$ 13,545
Country Home Services	Social Support/Domestic Assistance	\$ 10,586
Hays Specialist Recruitment (Australia) Pty Ltd	Agency	\$ 10,507
	Total	\$ 1,596,690

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/country-health-sa-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 YNLHN Audit and Risk Board Committee operates in line with an approved Terms of Reference that defines the purpose, function and scope of the committee.

This committee is Chaired by the YNLHN Governing Board Chair, and reports directly to the YNLHN Governing Board.

Membership of this committee includes an external member, representatives from the Auditor General's Department, Rural Support Service and SA Health Risk and Assurance Services.

The committee met monthly to review a range of information and reports to ensure the efficient and effective management of all aspects of risk in the Yorke and Northern Local Health Network. Bi-monthly meetings will commence after July 2020.

Fraud detected in the agency

Nil

Strategies implemented to control and prevent fraud

Yorke and Northern Local Health Network processes implemented to help control and prevent fraud include:

- Monthly reports are provided to the YNLHN Audit and Risk Board Committee who provide advice directly to the Governing Board about any instances of fraud reported to the Independent Commission Against Corruption and to the Department for Health and Wellbeing's Risk and Audit Branch.
- Internal review of organisational finances is undertaken by YNLHN Executive Committee on a monthly basis.
- The YNLHN Finance and Performance Board Committee reviews a comprehensive range of organisational financial reports on a monthly basis. This committee provides advice to the YNLHN Governing Board.
- The Chief Finance Officer provides a monthly finance summary to the YNLHN Governing Board, and also attends the monthly Governing Board meetings.
- The YNLHN Finance and Performance Board Committee reviews outstanding debts and debt write-offs on a monthly basis.
- An annual Financial Controls Self-Assessment review is undertaken to ensure controls are in place to avoid fraud.
- The YNLHN Governing Board notes all SA Health Policy Directives and this is reflected in meeting minutes. There is an established process to ensure these are implemented through the governance structure.
- There is an established annual Declaration of Interest process in place, with registers in place to record declared conflicts. Managers have assigned responsibility to manage these where required.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/country-health-sa-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*:

0

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/country-health-sa-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

Reporting required under the Carers' Recognition Act 2005

The Yorke and Northern Local Health Network (YNLHN) recognises that the involvement and engagement of carers is essential to ensure services are considerate of and responsive to their needs, health and well-being and their role in the community.

The value of carers cannot be underestimated, and by working in partnership, we ensure their contribution to service planning and delivery is actively sought.

YNLHN does this by:

- Liaison and consultation with our Partnering with Consumers Committee, the Mental Health Lived Experience Group, Aboriginal community groups and Aboriginal Experts by Experience.
- Ensuring ongoing and regular consultation with our eight Health Advisory Councils and other representative groups when developing policies and programs that affect consumers or carers.
- Involving consumers and carers in the review, design and delivery of services, particularly through participation in service planning processes and the collection and review of consumer feedback.
- Co-designing and reviewing the information provided to carers to ensure it is accessible, relevant and appropriate.
- Ensuring service design and review considers cultural appropriateness.
- Designing services that are delivered as close to home as possible to reduce the burden upon carers.
- Working in partnership with a range of government and non-government service providers and other stakeholders to ensure a broad range of services are available across the YNLHN area.
- Providing a staff orientation and induction program and a mandatory staff training program that ensures staff are educated about the Carers Charter.
- Using appropriate communication platforms such as the YNLHN and YNLHN Health Advisory Councils Facebook pages, and Health Advisory Council newsletters, where implemented.
- Providing access to Respite Services, Day Care programs and Dementia Support programs to support carers in their caring role.

There is a detailed communications strategy that describes how YNLHN actively encourages consumer and carer engagement and seeks feedback about the services that we provide.

We have commenced work on the YNLHN Consumer and Community Engagement Strategy, and expect this will be finalised by December 2020. This strategy will outline specific techniques to ensure our communities and vulnerable groups are engaged in ways that suit them, and enable further development of the partnerships with our consumers and carers, with a particular focus on enhancing engagement in the design and delivery of local health services.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2019-20
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	59
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	4
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	11
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	6
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	3
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	2
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	1
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	1

Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	1
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	21
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	14
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	103
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		Total	226

Additional Metrics	Total
Number of positive feedback comments	1106
Number of negative feedback comments	314
Total number of feedback comments	1496
% complaints resolved within policy timeframes	90%

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/department-for-health-and-wellbeing>

Service Improvements resulting from complaints or consumer suggestions over 2019-20

The YNLHN has made the following improvements to facilities as a result of consumer feedback:

- Installation of an electronic device charging station in the Port Pirie Regional Health Service Accident and Emergency Department.
- Installation of a Gopher charging and storage shed at Ira Parker Nursing home in the Balaklava Soldiers' Memorial District Hospital.
- Improved garden areas for residential aged care consumers and relatives at several sites.
- Disability access ramps installed at several sites.
- Improvements to health unit signage to assist with directing consumers and their carers.
- Increased disabled car parking spaces at the Port Pirie Regional Health Service.
- Increased seating as rest points for consumers in the corridors of the Port Pirie Regional Health Service.
- In consultation with consumers, improved ambience in the sunroom at Peterborough Soldiers' Memorial Hospital to remove clinical appearance, with local primary school children engaged to provide artwork.
- Installation of a wider footpath to the front veranda at Laura and District Hospital to enable consumers to safely use seating areas on the veranda.

Consumer Communication Boards

YNLHN introduced standardised consumer communication boards for all inpatients in November 2018.

A survey of consumers to evaluate the implementation of the consumer communication boards conducted in September 2019 identified that 86% of respondents found the boards clear and easy to read; 90% indicated that staff involved consumers when making notations on the communication board; 80% indicated they felt more informed about their care.

Further improvements suggested included having written goals of care on the communication board and Nurses names written on the Board consistently.

As a result of the consumer feedback YNLHN revised the Consumer Communication Board template, with a focus on more consumer-friendly language, consideration for Aboriginal and Torres Strait Islander consumers, and including areas for consumer goals and discharge planning.

Food and Dining Experience in Residential Aged Care

Consumer feedback within YNLHN residential aged care services identified food provision and dining experience as an area for improvement.

The Menu & Dining Experience Working Party developed an action plan to assist residential aged care services to implement a variety of suggested improvements.

In 2020 the Older Persons Food Working Party was developed to enable consumers to improve consumer's choices for take away food options, whilst mitigating associated risks and maintaining Food Safety Guidelines.

Mental Health Welcome Packs

YNLHN have implemented consumer Welcome Packs following consumer feedback which identified that improvements could be made regarding the consistency of information provided at entry of mental health services.

The Consumer Carer Participation Program (CCPP) Team Champions, including a YNLHN champion, provided feedback from teams on what information should be provided to each consumer to ensure they are well informed and supported.

The Welcome Packs are designed to remain flexible with teams continuing to add additional local information and resources as appropriate.

Resources to Assist with Awareness of Lead Safe Practices

The Environmental Health Centre in Port Pirie have co-designed and developed several new resources with consumers and key stakeholders to assist with awareness of lead safe practices.

Some of their recent projects include:

- A 'One talk' poster developed specifically for Aboriginal consumers in five different dialects, with a focus on pregnant women and importance of blood lead testing at Environmental Health Centre for those living in Pt Pirie
- Augmented interactive poster with several 'clips' of consumers providing information on lead safe messages to assist with reducing lead exposure, developed in collaboration with University of Adelaide and SA Health Public health department. This resource was launched at the Port Pirie Smelters Picnic in 2019, providing useful information that can be used in several formats and locations in the community. These clips are now also shared via the YNLHN Facebook page and other key stakeholder social media platforms reaching a broader community audience
- A mobile phone application is ready to launch in 2020 for the community to download EHC lead safe messages, links to resources and websites.

Appendix: Audited financial statements 2019-20

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Your ref: A20/SJ

11 September 2020

Principal Audit Manager
Auditor-General's Department
Level 9, State Administration Centre
200 Victoria Square
ADELAIDE SA 5000

Dear Stephen Jared,

Management representation letter

Yorke and Northern Local Health Network financial statements for the year ended 30 June 2020

We make the following representation, for your audit of the financial statements of the Yorke and Northern Local Health Network Inc. for the year ended 30 June 2020, having made such enquiries as we considered necessary for appropriately informing ourselves and according to the best of our knowledge and belief.

1. We have fulfilled our responsibilities as set out in the terms of the engagement letter dated 22 May 2020 for the preparation of financial statements that give a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards.
2. We have provided you with:
 - (a) access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters
 - (b) additional information that you have requested from us for the purpose of the audit
 - (c) unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence and

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- (d) information regarding all legal issues and legal opinions which have the capacity to be relevant to the control environment and the fair presentation of the financial statements.
3. All transactions have been recorded in the accounting records and are reflected in the financial statements.
4. We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud and error. We have established and maintained an effective internal control structure to facilitate the preparation of reliable financial statements, and adequate financial records have been maintained. We have disclosed to you details of all deficiencies in internal control that we are aware of.
5. We have disclosed to you all information about
 - fraud or suspected fraud involving:
 - i. management
 - ii. employees who have significant roles in internal control
 - iii. others where the fraud could have a material effect on the financial statements
 - allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators or others.
6. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
7. We have disclosed to you all known or suspected instances of non-compliance with laws, regulations, contracts or agreements, the effects of which should be considered when preparing the financial statements.
8. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in line with the financial reporting framework.
9. We believe the methods, the data, and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
10. All events occurring subsequent to the date of the financial statements and for which the financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

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11. There have been no changes in accounting policies or application of those policies that would have a material effect on the financial statements, except as disclosed in the financial statements.

12. **Non-current assets**

- (a) The entity has satisfactory title to all assets (excluding those assets held in the name of the Crown), and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- (b) Depreciation on assets has been allocated on a systematic basis over the estimated useful lives of assets. Useful lives and residual values of the assets were reviewed during the reporting period and adjusted where necessary. Any resulting changes were accounted for as a change in accounting estimate.
- (c) We have considered the requirements of accounting standards when assessing whether there are indicators of impairment of assets, and in ensuring that no assets are stated in excess of their recoverable amount.
- (d) We consider the measurement methods (including related assumptions) used to determine the value of assets to be appropriate, consistently applied, and sufficiently disclosed in the financial statements.

13. **Liabilities**

- (a) We have recognised all liabilities in the financial statements.
- (b) We consider the measurement methods (including related assumptions) used to determine the value of liabilities to be appropriate, consistently applied, and sufficiently disclosed in the financial statements.

14. **Contingent liabilities**

All material contingent liabilities have been completely and adequately disclosed in the financial statements.

15. **Commitments**

We have disclosed all material commitments in the financial statements.

16. **Related party transactions**

- (a) We have disclosed to you the identity of all related parties and related party relationships and transactions of which we are aware.
- (b) We have appropriately accounted for and disclosed such relationships and transactions in line with the requirements of the financial reporting framework.

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17. Uncorrected misstatements

We have reviewed the attached summary of uncorrected misstatements and believe the effects of those uncorrected misstatements aggregated by you during the audit, are immaterial, both individually and in aggregate, to the financial statements taken as a whole.

18. Publication on a website

With respect to the publication of the audited financial report on our website, we acknowledge that:

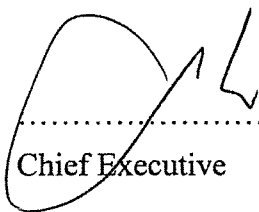
- (a) We are responsible for the electronic publication of the audited financial report.
- (b) We will ensure that the electronic version of the audited financial report and the auditor's report on the website are identical to the final signed hard copy version.
- (c) We will clearly differentiate between audited and unaudited information in the construction of the entity's website as we understand the risk of potential misrepresentation.
- (d) We have assessed the controls over the security and integrity of the data on the website and that adequate procedures are in place to ensure the integrity of the information published.
- (e) We will not present the auditor's report on the full financial report with extracts only of the full financial report.

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19. New Accounting Standards

We have assessed the impact of new accounting standards applied for the first time this year and have provided you with sufficient and appropriate documented evidence of our analysis which supports our judgements and conclusions about our accounting treatment.

Yours sincerely


.....
Chief Executive

15/9/2020
.....
Date:


.....
Chief Financial Officer

15/9/2020
.....
Date:

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Summary of uncorrected misstatements

Total net misstatements		Current period		Prior period	
(Overstatement)/Understatement of net result		-		N/A	
Overstatement/(Understatement) of net assets		-		N/A	

Uncorrected misstatements for the current period

Item	Financial Statement line(s) affected	Explanation	Statement of Financial Position				Statement of Comprehensive Income			
			Assets \$	Liabilities \$	Retained earnings beg of year \$	Other equity \$	Income \$	Expenses \$		
			Overstated (Understated)	(Overstated) Understated	(Overstated) Understated	(Overstated) Understated	(Overstated) Understated	Overstated (Understated)		
	Property Plant and Equipment <i>Capital work in progress land and buildings</i>	Factual Completed projects not transferred to asset classes.	796,801							
	Buildings		(796,801)							
	Total									

In addition to these uncorrected misstatements, no other misstatements were identified.

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Uncorrected misstatements for the prior (comparative) period – N/A

Item	Financial Statement line(s) affected	Explanation	Statement of Financial Position					Statement of Comprehensive Income	
			Assets \$	Liabilities \$	Retained earnings beg of year \$	Other equity \$	Income \$	Expenses \$	
			Overstated (Understated)	(Overstated) Understated	(Overstated) Understated	(Overstated) Understated	(Overstated) Understated	Overstated (Understated)	
Total									

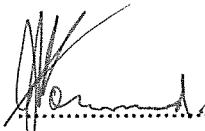
Uncorrected disclosure deficiencies

Item	Disclosure	Description	Amount (if can be defined)

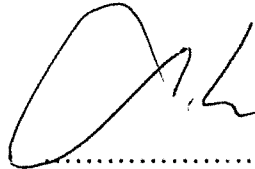
Certification of the financial statements

We certify that the:

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



John Voumard
Board Chair



Roger Kirchner
Chief Executive Officer



Vincent Bellifemini
Chief Finance Officer

Date 15/9/2020

YORKE AND NORTHERN LOCAL HEALTH NETWORK
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2020

	Note	Consolidated 2020 \$'000	Parent 2020 \$'000
Income			
Revenues from SA Government	10	128,848	128,848
Fees and charges	5	13,892	13,892
Grants and contributions	6	27,626	27,847
Interest		356	303
Resources received free of charge	7	1,984	1,984
Other revenues/income	9	506	324
Total income		173,212	173,198
Expenses			
Staff benefits expenses	2	103,007	103,007
Supplies and services	3	62,876	62,876
Depreciation and amortisation	15,16	10,215	6,486
Grants and subsidies		-	20
Borrowing costs	19	29	29
Net loss from disposal of non-current and other assets	8	1,466	1,466
Impairment loss on receivables	12	258	258
Other expenses	4	338	390
Total expenses		178,189	174,532
Net result		(4,977)	(1,334)
Total comprehensive result		(4,977)	(1,334)

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

YORKE AND NORTHERN LOCAL HEALTH NETWORK
STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	Note	Consolidated 2020 \$'000	Parent 2020 \$'000
Current assets			
Cash and cash equivalents	11	4,756	4,240
Receivables	12	3,706	3,693
Other financial assets	13	20,471	17,748
Inventories	14	794	794
Total current assets		29,727	26,475
Non-current assets			
Receivables	12	434	434
Property, plant and equipment	15,16	154,334	90,516
Intangible assets	15	700	700
Total non-current assets		155,468	91,650
Total assets		185,195	118,125
Current liabilities			
Payables	18	5,395	5,395
Financial liabilities	19	730	730
Staff benefits	20	13,881	13,881
Provisions	21	764	764
Contract liabilities and other liabilities	22	14,606	14,606
Total current liabilities		35,376	35,376
Non-current liabilities			
Payables	18	720	720
Financial liabilities	19	728	728
Staff benefits	20	18,719	18,719
Provisions	21	1,018	1,018
Total non-current liabilities		21,185	21,185
Total liabilities		56,561	56,561
Net assets		128,634	61,564
Equity			
Retained earnings		100,139	61,564
Asset revaluation surplus		28,495	-
Total equity		128,634	61,564

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

YORKE AND NORTHERN LOCAL HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2020

CONSOLIDATED

	Asset revaluation	Retained earnings	Total equity
Note	surplus \$ '000	\$ '000	\$ '000
Balance at 30 June 2019	-	-	-
Net assets received from an administrative restructure	1.6 -	62,898	62,898
Net assets received on first time consolidation	1.6 28,495	42,218	70,713
Adjusted balance at 1 July 2019	28,495	105,116	133,611
Net result for 2019-20	-	(4,977)	(4,977)
Total comprehensive result for 2019-20	-	(4,977)	(4,977)
Balance at 30 June 2020	28,495	100,139	128,634

PARENT

	Asset revaluation	Retained earnings	Total equity
Note	surplus \$ '000	\$ '000	\$ '000
Balance at 30 June 2019	-	-	-
Net assets received from an administrative restructure	1.6 -	62,898	62,898
Adjusted balance at 1 July 2019	-	62,898	62,898
Net result for 2019-20	-	(1,334)	(1,334)
Total comprehensive result for 2019-20	-	(1,334)	(1,334)
Balance at 30 June 2020	-	61,564	61,564

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

YORKE AND NORTHERN LOCAL HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2020

	Consolidated	Parent
Note	2020	2020
	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Fees and charges	13,062	13,062
Grants and contributions	28,588	28,809
Interest received	248	247
Residential aged care bonds received	4,636	4,636
GST recovered from ATO	3,405	3,405
Other receipts	513	331
Receipts from SA Government	122,851	122,851
Cash generated from operations	173,303	173,341
Cash outflows		
Staff benefits payments	(100,315)	(100,315)
Payments for supplies and services	(64,102)	(64,102)
Payments of grants and subsidies	-	(20)
Interest paid	(29)	(29)
Residential aged care bonds refunded	(4,120)	(4,120)
Other payments	(306)	(306)
Cash used in operations	(168,872)	(168,892)
Net cash provided by operating activities	4,431	4,449
Cash flows from investing activities		
Cash inflows		
Proceeds from sale of property, plant and equipment	20	20
Proceeds from maturities of investments	1,263	-
Cash generated from investing activities	1,283	20
Cash outflows		
Purchase of property, plant and equipment	(1,134)	(1,134)
Purchase of investments	(2,152)	(1,100)
Cash used in investing activities	(3,286)	(2,234)
Net cash used in investing activities	(2,003)	(2,214)
Cash flows from financing activities		
Cash inflows		
Cash received from restructuring activities	3,203	2,880
Cash generated from financing activities	3,203	2,880
Cash outflows		
Repayment of lease liability	(875)	(875)
Cash used in financing activities	(875)	(875)
Net cash provided by financing activities	2,328	2,005
Net increase in cash and cash equivalents	4,756	4,240
Cash and cash equivalents at the beginning of the period	-	-
Cash and cash equivalents at the end of the period	4,756	4,240
Non-cash transactions	23	

The accompanying notes form part of these financial statements.

YORKE AND NORTHERN LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

1. About Yorke and Northern Local Health Network

Yorke and Northern Local Health Network Incorporated (the Hospital) is a not-for-profit incorporated hospital established under the *Health Care (Local Health Networks) Proclamation 2019* which is an amendment to the *Health Care Act 2008* (the Act). The Hospital commenced service delivery on 1 July 2019 following the dissolution of Country Health SA Local Health Network Incorporated (CHSALHN). Relevant assets, rights and liabilities were transferred from CHSALHN to the Hospital. The financial statements and accompanying notes include all controlled activities of the Hospital.

Parent Entity

The Parent Entity consists of the following:

- Balaklava Soldiers' Memorial District Hospital
- Ira Parker Nursing Home
- Booleroo Centre District Hospital and Health Services
- Burra Hospital
- Holder Homes
- Central Yorke Peninsula Hospital (Maitland)
- Clare Hospital
- Kara House
- Crystal Brook and District Hospital
- Gladstone Health Centre
- Jamestown Hospital and Health Service
- Laura and District Hospital
- Minlaton Health Service
- Melaleuca Court
- Orroroo and District Health Service
- Orroroo Community Home
- Peterborough Soldiers' Memorial Hospital and Health Service
- Nalya Lodge Hostel
- Port Broughton District Hospital and Health Service
- Port Pirie Regional Health Service
- Hammill House
- Riverton District Soldiers' Memorial Hospital
- Snowtown Hospital
- Lumeah Homes
- Wallaroo Hospital and Health Service
- Southern Yorke Peninsula Health Service (Yorketown)
- Yorke and Northern Region Community Health Services

Consolidated Entity

The Consolidated Entity includes the Parent Entity, the Incorporated Health Advisory Councils (HACs) and the Incorporated HAC Gift Fund Trusts (GFTs) as listed in note 31.

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

The consolidated financial statements have been prepared in accordance with AASB 10 *Consolidated Financial Statements*. Consistent accounting policies have been applied and all inter-entity balances and transactions arising within the consolidated entity have been eliminated in full. Information on the consolidated entity's interests in other entities is at note 31.

Administered items

The Hospital has administered activities and resources. Transactions and balances relating to administered resources are presented separately and disclosed in note 32. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting principles as for the Hospital's transactions.

1.1 Objectives and activities

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

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

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

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

YORKE AND NORTHERN LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

1.2 Basis of preparation

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

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

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

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

Significant accounting policies are set out below or 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.

1.4 Continuity of operations

As at 30 June 2020, the Hospital had working capital deficiency of \$5.649 million. The SA Government is committed to continuing the delivery of hospital services to country and regional SA and accordingly it has demonstrated a commitment to the ongoing funding of the hospitals.

1.5 Equity

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

1.6 Change to reporting entity

CHSALHN was dissolved on 1 July 2019. Six new entities were established to provide hospital, health and aged care services to country and regional SA. As per the *Health Care (Local Health Networks) Proclamation 2019* contained in the South Australian Government Gazette No 30, dated 27 June 2019, assets, rights and liabilities were transferred from CHSALHN to the relevant entity, effective 1 July 2019. This resulted in the transfer of 1,773 employees and net assets of \$133.611 million to the Hospital as detailed below.

YORKE AND NORTHERN LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

Assets and liabilities transferred in for the Hospital were:

	Consolidated	Parent
	2020	2020
	\$'000	\$'000
Cash	3,203	2,880
Receivables	3,903	3,880
Property, plant and equipment	156,040	88,546
Other assets	20,787	17,915
Total assets	183,933	113,221
Payables	5,281	5,282
Staff benefits	30,581	30,581
Provisions	1,486	1,486
Other liabilities	12,974	12,974
Total liabilities	50,322	50,323
Total net assets transferred in	133,611	62,898

1.7 Impact of COVID-19 pandemic

COVID-19 has been classified as a global pandemic by the World Health Organisation. SA Health is the Control Agency in SA for human disease pursuant to the *State Emergency Management Plan*. As at 30 June 2020, SA has had a total of 444 confirmed COVID-19 cases. Noteworthy, since April 22, SA has only had five new cases. Accordingly SA has minimised transmission of the virus and maintained containment of COVID-19 infection.

As the lead agency, SA Health has:

- activated COVID-19 clinics in metro and regional SA
- increased hospital capacity through commissioning of temporary hospital capacity and diversion of activity to the private hospital system
- secured medical supplies and personal protective equipment to deliver COVID- 19 services in a very high demand environment
- maximised community engagement
- managed workforce surge planning and up-skill training.

The material impacts on the Hospital's financial performance and financial position are outlined below:

- Additional financial assistance from the Commonwealth and State Governments to assist the COVID-19 response by the Hospital, including at Residential Aged Care and Multi-Purpose sites. This funding was for additional costs incurred by the Hospital and all residential aged care providers in responding to the COVID-19 outbreak, including the diagnosis and treatment of patients with or suspected of having COVID-19, and efforts to minimise the spread in the Australian community.
- Hospital staff accessing special leave with pay for up to 15 days for absences related to COVID-19 situations \$0.051 million.
- Additional costs associated with public health activities (eg preparation of hospitals to respond and establishing testing clinics), purchases of personal protective equipment for staff, and non-clinical costs (eg additional hospital cleaning costs) were \$0.477 million.

Business continuity information is at note 1.4, impairment information is at note 12.1, estimates and judgements are at notes 12.1, 18, 20.2 and 21.

1.8 Changes in presentation of financial statements

Treasurer's Instructions (Accounting Policy Statements) issued 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The Statement of Comprehensive Income and Statement of Cash Flows now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

YORKE AND NORTHERN LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

2. Staff benefits expenses

	Consolidated 2020 \$'000	Parent 2020 \$'000
Salaries and wages	82,659	82,659
Targeted voluntary separation packages (refer note 2.5)	96	96
Long service leave	2,124	2,124
Annual leave	8,012	8,012
Skills and experience retention leave	462	462
Staff on-costs - superannuation*	8,961	8,961
Workers compensation	543	543
Board and committee fees	150	150
Total staff benefits expenses	103,007	103,007

* 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.

2.1 Key Management Personnel

Key management personnel (KMP) of the consolidated and parent entity includes the Minister, the five members of the governing board, the Chief Executive of the Department, the Chief Executive Officer of the Hospital and the six members of the Executive Management Group who have responsibility for the strategic direction and management of the Hospital.

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

- The Minister. 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 is compensated by the Department and there is no requirement for the Hospital to reimburse those expenses.

Compensation	2020 \$'000
Salaries and other short term employee benefits	1,135
Post-employment benefits	140
Total	1,275

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

2.2 Remuneration of Boards and Committees

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

	2020 No. of Members
\$0	1
\$1 - \$20,000	2
\$20,001 - \$40,000	4
\$40,001 - \$60,000	1
Total	8

The total remuneration received or receivable by members was \$0.164 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 any fringe benefits tax paid or payable in respect of those benefits. In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

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

Refer to note 33 for members of boards/committees that served for all or part of the financial year and were entitled to receive income from membership in accordance with APS 124.B.

YORKE AND NORTHERN LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

2.3 Remuneration of staff

	Consolidated 2020	Parent 2020
	Number	Number
The number of staff whose remuneration received or receivable falls within the following bands:		
\$155,001 - \$175,000	3	3
\$175,001 - \$195,000	1	1
\$215,001 - \$235,000	1	1
Total number of staff	5	5

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 fringe benefits tax paid or payable in respect of those benefits.

2.4 Remuneration of staff by classification

The total remuneration received by staff included above:

	Consolidated 2020		Parent 2020	
	No.	\$'000	No.	\$'000
Executive	1	233	1	233
Nursing	4	658	4	658
Total	5	891	5	891

2.5 Targeted voluntary separation packages

	Consolidated 2020	Parent 2020
	\$'000	\$'000
Amount paid/Payable to separated staff:		
Targeted voluntary separation packages	96	96
Leave paid/payable to separated employees	51	51
Net cost to the Hospital	147	147

The number of staff who received a TVSP during the reporting period	2	2
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YORKE AND NORTHERN LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

3. Supplies and services

	Consolidated 2020 \$'000	Parent 2020 \$'000
Administration	233	233
Advertising	29	29
Communication	850	850
Computing	2,077	2,077
Consultants	273	273
Contract of services	264	264
Contractors	29	29
Contractors - agency staff	2,106	2,106
Drug supplies	1,724	1,724
Electricity, gas and fuel	2,226	2,226
Fee for service *	17,117	17,117
Food supplies	1,998	1,998
Housekeeping	1,624	1,624
Insurance	1,807	1,807
Internal SA Health SLA payments	6,216	6,216
Legal	7	7
Medical, surgical and laboratory supplies	9,873	9,873
Minor equipment	986	986
Motor vehicle expenses	635	635
Occupancy rent and rates	533	533
Patient transport	2,287	2,287
Postage	263	263
Printing and stationery	598	598
Repairs and maintenance	5,707	5,707
Security	100	100
Services from Shared Services SA	1,464	1,464
Short term lease expense	44	44
Training and development	271	271
Travel expenses	170	170
Other supplies and services	1,365	1,365
Total supplies and services	62,876	62,876

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

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

Consultants

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

	Consolidated 2020		Parent 2020	
	No.	\$'000	No.	\$'000
Below \$10,000	2	10	2	10
Above \$10,000	3	263	3	263
Total	5	273	5	273

YORKE AND NORTHERN LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

4. Other expenses

	Consolidated	Parent
	2020	2020
	\$'000	\$'000
Debts written off	41	41
Bank fees and charges	4	4
Donated assets expense	43	95
Other*	250	250
Total other expenses	338	390

Donated assets expense (\$0.043 million) relates to plant and equipment and is recorded as expenditure at their fair value. The Parent Entity donated building improvements of \$0.052 million to HACs, which is eliminated on consolidation.

* Includes Audit fees paid or payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act* of \$0.153 million. No other services were provided by the Auditor-General's Department. Also includes fees paid or payable to Galpins Accountants Auditors and Business Consultants of \$0.042 million for HAC and aged care audit services.

5. Fees and charges

	Consolidated	Parent
	2020	2020
	\$'000	\$'000
Patient and client fees	5,563	5,563
Recoveries	2,498	2,498
Residential and other aged care charges	4,716	4,716
Sale of goods - medical supplies	115	115
Other user charges and fees	1,000	1,000
Total fees and charges	13,892	13,892

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.

The Hospital recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities (refer to note 22).

The Hospital recognises revenue (contract from customers) at a point in time primarily from external customers including from the following major sources:

Patient and Client Fees

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

Residential and other aged care charges

Long stay nursing home fees include daily care fees and daily accommodation fees. Residents pay fortnightly in arrears for services rendered and accommodation supplied. Revenue from these services and accommodation is recognised on a time basis as provided. Customers are invoiced fortnightly in arrears as services and accommodation are provided. Any amounts remaining unpaid or unbilled at the end of the reporting period are treated as an accounts receivable.

Recoveries

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

YORKE AND NORTHERN LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

6. Grants and contributions

	Consolidated	Parent
	2020	2020
	\$'000	\$'000
Commonwealth grants	14,420	14,420
Commonwealth aged care subsidies	11,422	11,422
SA Government capital contributions	-	7
Other SA Government grants and contributions	924	1,138
Private sector capital contributions	67	67
Private sector grants and contributions	793	793
Total grants and contributions	27,626	27,847

The grants received are usually subject to terms and conditions set out in the contract, correspondence, or by legislation. All grants and contributions received were provided for specific purposes such as aged care, community health services and other related health services.

7. Resources received free of charge

	Consolidated	Parent
	2020	2020
	\$'000	\$'000
Plant and equipment	526	526
Services	1,458	1,458
Total resources received free of charge	1,984	1,984

Resources received free of charge were plant and equipment and are recorded at their fair value.

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. The Hospital receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge, following Cabinet's approval to cease intra-government charging.

Although not recognised, the Hospital receives volunteer services from around 200 volunteers who provide patient and staff support services to individuals using the Hospital's services. The services include but are not limited to: patient liaison, transport, community activities, gardening and community advocacy.

8. Net loss from disposal of non-current and other assets

	Consolidated	Parent
	2020	2020
	\$'000	\$'000
Land and buildings:		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	(1,413)	(1,413)
Net loss from disposal of land and buildings	(1,413)	(1,413)
Plant and equipment:		
Proceeds from disposal	20	20
Less carrying amount of assets disposed	(73)	(73)
Net loss from disposal of plant and equipment	(53)	(53)
Total assets:		
Total proceeds from disposal	20	20
Less total carrying amount of assets disposed	(1,486)	(1,486)
Total net loss from disposal of assets	(1,466)	(1,466)

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

YORKE AND NORTHERN LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

9. Other revenues/income

	Consolidated	Parent
	2020	2020
	\$'000	\$'000
Donations	252	73
Other	254	251
Total other revenues/income	506	324

10. Revenues from SA Government

	Consolidated	Parent
	2020	2020
	\$'000	\$'000
Capital funding	7,379	7,379
Recurrent funding	121,469	121,469
Total revenues from SA Government	128,848	128,848

The Department provides recurrent and capital funding under a service level 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.

11. Cash and cash equivalents

	Consolidated	Parent
	2020	2020
	\$'000	\$'000
Cash at bank or on hand	2,295	1,779
Deposits with Treasurer: general operating	2,461	2,461
Total cash and cash equivalents	4,756	4,240

Cash is measured at nominal amounts. The Hospital operates through the Department's general operating account held with the Treasurer and does not earn interest on this account. Interest is earned on HAC and GFT bank accounts and accounts holding aged care funds, including refundable deposits. Of the \$4.756 million held, \$0.896 million relates to aged care refundable deposits.

12. Receivables

		Consolidated	Parent
Current	Note	2020	2020
		\$'000	\$'000
Patient/client fees: compensable		455	455
Patient/client fees: aged care		1,331	1,331
Patient/client fees: other		642	642
Debtors		703	703
Less: allowance for impairment loss on receivables	12.1	(528)	(528)
Prepayments		78	78
Interest		38	25
Workers compensation provision recoverable		253	253
Sundry receivables and accrued revenue		641	641
GST input tax recoverable		93	93
Total current receivables		3,706	3,693
Non-current			
Debtors		12	12
Workers compensation provision recoverable		422	422
Total non-current receivables		434	434
Total receivables		4,140	4,127

YORKE AND NORTHERN LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2020

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.

12.1 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 a provision matrix as a practical expedient to measure the impairment provision.

Movement in the allowance for impairment loss on receivables:

	Consolidated	Parent
	2020	2020
	\$'000	\$'000
Transferred in through administrative restructure	270	270
Increase/(Decrease) in allowance recognised in profit or loss	258	258
Carrying amount at the end of the period	528	528

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. Refer to note 29 for details regarding credit risk and the methodology for determining impairment.

13. Other financial assets

The Hospital holds term deposits of \$20.471 million (\$17.748 million parent) of which \$11.745 million relates to aged care refundable deposits, with the remaining funds primarily relating to aged care. These deposits are measured at amortised cost. There is no impairment on term deposits.

14. Inventories

	Consolidated	Parent
	2020	2020
	\$'000	\$'000
Drug supplies	288	288
Medical, surgical and laboratory supplies	329	329
Food and hotel supplies	151	151
Other	26	26
Total current inventories - held for distribution	794	794

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

15. Property, plant and equipment, investment property and intangible assets

15.1 Acquisition and recognition

Property, plant and equipment owned by the Hospital are initially recorded on a cost basis, and subsequently measured at fair value. Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. Where assets are acquired at no or nominal 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.

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

15.2 Depreciation and amortisation

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

Depreciation and amortisation is calculated on a straight line basis.

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

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	10 – 80
Right of use buildings	Lease term
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	2 - 25
• Computing equipment	3 - 5
• Vehicles	2 - 25
• Other plant and equipment	3 – 50
Right of use plant and equipment	Lease term
Intangibles	5 – 30

15.3 Revaluation

All non-current tangible assets owned by the Hospital 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 owned asset's fair value at the time of acquisition is greater than \$1 million and the estimated useful life exceeds three years. 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 revaluation took place.

Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair-value.

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.

15.4 Impairment

The Hospital holds its property, plant and equipment and intangible assets for their service potential (value in use). Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be closer to or greater than fair value. Where there is an indication of impairment, the recoverable amount is estimated. Fair value is assessed each year. There were no indications of impairment of property, plant and equipment or intangibles as at 30 June 2020.

15.5 Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The amortisation period and the amortisation method for intangible assets with finite useful lives are reviewed on an annual basis. The Hospital has residential aged care bed licences which have an indefinite useful life and are therefore not amortised. Thirty bed licences are recorded at their original cost of \$0.700 million. Other bed licences that were received for no consideration from the Commonwealth Government are recognised at their fair value. Having regard to recent sale activity within SA's country areas and the relaxation of ceiling limits on bed licences, the Hospital has recorded these licences at nil value.

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15.6 Land and buildings

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 using and adjustment to factors to reflect the restriction.

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

15.7 Plant and equipment

The carrying value of plant and equipment are 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.

15.8 Right-of-use assets

Right-of-use assets (including concessional arrangements) are recorded at cost and there were no indications of impairment. Additions to right-of-use assets during 2019-20 were \$0.646 million.

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16. Reconciliation of property, plant and equipment

The following table shows the movement:

Consolidated

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	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	
Acquisitions through administrative restructuring	10,313	142,900	748	186	1,541	915	942	184	157,729
Additions	-	65	-	6,689	285	-	646	142	7,827
Assets received free of charge	-	-	-	-	345	182	-	-	527
Disposals	-	(1,413)	-	-	(57)	(16)	(5)	-	(1,491)
Donated assets disposal	-	-	-	-	(43)	-	-	-	(43)
Transfers between asset classes	-	-	-	-	159	26	-	(185)	-
Subtotal:	10,313	141,552	748	6,875	2,230	1,107	1,583	141	164,549
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(8,524)	(249)	-	(617)	(182)	(643)	-	(10,215)
Subtotal:	-	(8,524)	(249)	-	(617)	(182)	(643)	-	(10,215)
Carrying amount at the end of the period	10,313	133,028	499	6,875	1,613	925	940	141	154,334
Gross carrying amount									
Gross carrying amount	10,313	145,590	748	6,875	2,830	1,106	1,473	141	169,076
Accumulated depreciation / amortisation	-	(12,562)	(249)	-	(1,217)	(181)	(533)	-	(14,742)
Carrying amount at the end of the period	10,313	133,028	499	6,875	1,613	925	940	141	154,334

All property, plant and equipment are classified in the level 3 fair value hierarchy except for capital works in progress which is not classified. Refer to note 19 for details about the lease liability for right-of-use assets.

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Parent
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	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	
Acquisitions through administrative restructuring	5,675	80,043	748	186	1,541	915	942	184	90,234
Additions	-	65	-	6,689	285	-	646	142	7,827
Assets received free of charge	-	-	-	-	345	182	-	-	527
Disposals	-	(1,413)	-	-	(57)	(16)	(5)	-	(1,491)
Donated assets disposal	-	(52)	-	-	(43)	-	-	-	(95)
Transfers between asset classes	-	-	-	-	159	26	-	(185)	-
Subtotal:	5,675	78,643	748	6,875	2,230	1,107	1,583	141	97,002
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(4,795)	(249)	-	(617)	(182)	(643)	-	(6,486)
Subtotal:	-	(4,795)	(249)	-	(617)	(182)	(643)	-	(6,486)
Carrying amount at the end of the period	5,675	73,848	499	6,875	1,613	925	940	141	90,516
Gross carrying amount									
Gross carrying amount	5,675	78,643	748	6,875	2,830	1,106	1,473	141	97,491
Accumulated depreciation / amortisation	-	(4,795)	(249)	-	(1,217)	(181)	(533)	-	(6,975)
Carrying amount at the end of the period	5,675	73,848	499	6,875	1,613	925	940	141	90,516

All property, plant and equipment are classified in the level 3 fair value hierarchy except for capital works in progress which is not classified. Refer to note 19 for details about the lease liability for right-of-use assets.

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17. 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 owned 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 15 and 17.2 and for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

17.1 Fair value hierarchy

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

The Hospital's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. During 2020, the Hospital had no valuations categorised into level 1 or 2.

17.2 Valuation techniques and inputs

Due to the predominantly specialised nature of health service assets, the majority of land and building 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.

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.

18. Payables

	Consolidated	Parent
	2020	2020
	\$'000	\$'000
Current		
Creditors and accrued expenses	4,032	4,032
Paid Parental Leave Scheme	23	23
Staff on-costs*	1,278	1,278
Other payables	62	62
Total current payables	5,395	5,395
Non-current		
Staff on-costs*	720	720
Total non-current payables	720	720
Total payables	6,115	6,115

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

*Staff on-costs include Return to Work SA levies and superannuation contributions. 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 the DTF, the portion of long service leave taken as leave is 38%, and the average factor for the calculation of employer superannuation on-costs is 9.80%. These rates are used in the employment on-cost calculation.

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 29 for information on risk management.

19. Financial liabilities

The Hospital has lease liabilities of \$1.458 million, which 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 these lease liabilities was \$0.029 million.

Refer to note 29 for information on risk management.

19.1 Leasing activities

The Hospital has a number of lease agreements including concessional. Lease terms vary in length from 2 to 13 years.

Major lease activities include the use of:

- Properties – accommodation for some community health offices and medical centres are leased from the private sector or local government and staff residential accommodation at Kadina is leased from Housing SA. Generally property leases are non-cancellable with many having the right of renewal. Rent is payable in arrears, with increases generally linked to CPI increases. Prior to renewal, most lease arrangements undergo a formal rent review linked to market appraisals or independent valuers.
- Motor vehicles – leased from the South Australian Government Financing Authority (SAFA) through their agent LeasePlan Australia. The leases are non-cancellable and the vehicles are leased for a specified time period (usually 3 years) or a specified number of kilometres, whichever occurs first.

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

Refer note 15 and 16 for details about the right of use assets (including depreciation).

19.2 Concessional lease arrangements

The Hospital has one concessional lease arrangement as lessee with a local council. This lease has not been brought to account.

Right of use asset	Nature of arrangements	Details
Buildings and improvements	Term is for 13 years Payments are \$1 per annum	Concessional building arrangement is for the use of premises at Clare for community health services

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19.3 Maturity analysis

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

	Consolidated	Parent
	2020	2020
Lease Liabilities	\$'000	\$'000
1 to 3 years	663	663
3 to 5 years	75	75
Total lease liabilities (undiscounted)	738	738

20. Staff benefits

	Consolidated	Parent
	2020	2020
Current	\$'000	\$'000
Accrued salaries and wages	3,128	3,128
Annual leave	8,259	8,259
Long service leave	1,694	1,694
Skills and experience retention leave	784	784
Other	16	16
Total current staff benefits	13,881	13,881
Non-current		
Long service leave	18,719	18,719
Total non-current staff benefits	18,719	18,719
Total staff benefits	32,600	32,600

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. Refer to note 1.6 for details of staff transferred to the Hospital.

20.1 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.

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 employees is estimated to be less than the annual entitlement for sick leave.

20.2 Long service leave

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

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

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds is 0.75%, which is used as the rate to discount future long service leave cash flows. The actuarial assessment performed by the DTF determined the salary inflation rate to be 2.5% for long service leave liability and 2.0% for annual leave and skills, experience and retention leave liability.

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21. Provisions

Provisions represent workers compensation.

Reconciliation of workers compensation (statutory and non-statutory)

	Consolidated	Parent
	2020	2020
	\$'000	\$'000
Transferred in through administrative restructure	1,486	1,486
Increase in provisions recognised	296	296
Carrying amount at the end of the period	1,782	1,782

Workers compensation statutory provision

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

Although the Department provides funds to the Hospital for the settlement of lump sum and redemption payments, the cost of these claims, together with other claim costs, are met directly by the Hospital, and are thus reflected as an expense from ordinary activities in the Statement of Comprehensive Income.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2020 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to staff as required under current legislation. There is a high level of uncertainty as to the valuation of the liability (including future claim costs). The liability covers claims incurred but not yet paid, incurred but not reported and the anticipated direct and indirect costs of settling these claims. The liability for outstanding claims is measured as the present value of the expected future payments reflecting the fact that all claims do not have to be paid in the immediate future.

Workers compensation non-statutory provision

Additional insurance/compensation for certain work related injuries has been introduced for most public sector employees through various enterprise bargaining agreements and industrial awards. This insurance/compensation is intended to provide continuing benefits to non-seriously injured 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 workers compensation non-statutory provision is an actuarial assessment of the outstanding claims liability, provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. There is a high level of uncertainty as to the valuation of the liability (including future claim costs), this is largely due to the enterprise bargaining agreements and industrial awards being in place for a short period of time and the emerging experience is unstable. The average claim size has been estimated based on applications to date and this may change as more applications are made. As at 30 June 2020 the Hospital recognised a workers compensation non-statutory provision of \$0.082 million.

22. Contract liabilities and other liabilities

	Consolidated	Parent
	2020	2020
	\$'000	\$'000
Current		
Contract liabilities	1,602	1,602
Residential aged care bonds	12,989	12,989
Other	15	15
Total contract liabilities and other liabilities	14,606	14,606

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

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23. Cash flow reconciliation

Reconciliation of cash and cash equivalents at the end of the reporting period	Consolidated 2020	Parent 2020
	\$'000	\$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	4,756	4,240
Cash as per Statement of Financial Position	4,756	4,240
Balance as per Statement of Cash Flows	4,756	4,240
Reconciliation of net cash provided by operating activities to net result:		
Net cash provided by (used in) operating activities	4,431	4,449
Add/less non-cash items		
Asset donated free of charge	(43)	(95)
Capital revenues	5,993	5,993
Depreciation and amortisation expense of non-current assets	(10,215)	(6,486)
Gain/(loss) on sale or disposal of non-current assets	(1,466)	(1,466)
Interest credited directly to investments	212	150
Resources received free of charge	526	526
Movement in assets/liabilities		
Increase/(decrease) in inventories	75	75
Increase/(decrease) in receivables	236	246
(Increase)/decrease in other liabilities	(1,632)	(1,632)
(Increase)/decrease in payables and provisions	(1,075)	(1,075)
(Increase)/decrease in staff benefits	(2,019)	(2,019)
Net result	(4,977)	(1,334)

Total cash outflows for leases is \$0.904 million.

24. Unrecognised contractual commitments

Expenditure commitments	Consolidated 2020	Parent 2020
	\$'000	\$'000
Within one year	1,298	1,298
Later than one year but not longer than five years	363	363
Total other expenditure commitments	1,661	1,661

The Hospital's expenditure commitments are for agreements for goods and services ordered but not received and are disclosed at nominal amounts. The Hospital also has commitments to provide funding to various non-government organisations in accordance with negotiated service agreements. The value of these commitments as at 30 June 2020 has not been quantified.

25. Trust funds

The Hospital holds money in trust on behalf of consumers who reside in its facilities whilst the consumer is receiving residential aged care services. As the Hospital only performs a custodial role in respect of trust monies, they are excluded from the financial statements as the consolidated entity cannot use these funds to achieve its objectives.

	2020
	\$'000
Transfer in through administrative restructure	69
Client trust receipts	270
Client trust payments	(281)
Carrying amount at the end of the period	58

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26. Contingent assets and liabilities

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

27. Events after balance date

Prior to 30 June, members of the Australian Nurses and Midwifery Federation supported a new public sector Nursing and Midwifery (SA Public Sector) Enterprise Agreement (EA), and accordingly an application for a new EA was submitted to the South Australian Employment Tribunal (SAET) (also prior to 30 June). The SAET approved the application on 16 July 2020. Amongst other matters, the new EA provides for a 2% increase in salary and wages (and certain allowances) from 1 January 2020. The financial statements have been adjusted for this event as the condition that triggered the liability existed at or before 30 June.

Following a recommendation of a Parliamentary Select Committee Inquiry into Regional Health Services, and through the Governance Reform process, the Minister asked the unincorporated HACs whether they wished to become incorporated, and thus manage their own Gift Fund Trusts and real property, currently held for them by the Country Health Gift Fund HAC Inc. It is anticipated that these incorporations will occur during the 2020-21 financial year, resulting in net assets for these entities being transferred from Barossa Hills Fleurieu Local Health Network Inc to the Hospital.

28. 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 Standards AASB 2018-6 and AASB 2018-7 will apply from 1 July 2020 and AASB 2014-10, AASB 2015-10, AASB 2017-5 will apply from 1 July 2022. Although applicable to the Hospital, these amending standards are not expected to have an impact on the Hospital's financial statements. SA Health will update its policies, procedures and work instructions, where required, to reflect changes to the definition of a business, definition of materiality, and the additional clarification of requirements for a sale or contribution of assets between an investor and its associate or joint venture.

29. Financial instruments/financial risk management

29.1 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 from appropriation by the SA Government via the Department. The Hospital works with DTF to determine the cash flows associated with the SA Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows. Refer to notes 1.4, 18 and 19 for further information.

Credit risk

The Hospital has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Hospital has minimal concentration of credit risk. No collateral is held as security and no credit enhancements relate to financial assets held by the Hospital. Refer to notes 12 and 13 for further information.

Market risk

The Hospital does not engage in high risk hedging for its financial assets. Exposure to interest rate risk may arise through interest bearing liabilities, including borrowings. The Hospital's residential aged care refundable deposits become interest bearing once a refunding event occurs as per Note 22. There is no exposure to foreign currency or other price risks.

29.2 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.

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Financial assets and financial liabilities are measured at amortised cost. Amounts relating to statutory receivables and payables (e.g. Commonwealth taxes; Auditor-General's Department audit fees etc.) and prepayments are excluded as they are not financial assets or liabilities. Receivables and Payables at amortised cost are \$3.279 million and \$3.948 million respectively.

29.3 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.

A provision matrix is used to measure the expected credit loss (ECL) of receivables from non-government debtors. The ECL of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties. Impairment losses are presented as net impairment losses within net result.

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 Department.

To measure the ECL, receivables are grouped based on days past due and debtor types that have similar risk characteristics and loss patterns (i.e. by patient and sundry, compensable and aged care), including any changes in the forward-looking estimates are analysed. The Hospital considers reasonable and supportable information that is relevant and available without undue cost or effort; about past events, current conditions and forecasts of future economic conditions.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Hospital's historical credit loss experience and forecast of economic conditions may also 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 ECL for non-government debtors:

CONSOLIDATED and PARENT

	30 June 2020		
	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000
Days past due			
Current	0.3 - 3.4 %	1,070	14
<30 days	0.8 - 4.3 %	219	7
31-60 days	2.1 - 6.6%	107	5
61-90 days	3.2 - 12.7 %	96	9
91-120 days	4.1 - 17.0 %	133	16
121-180 days	5.4 - 22.9 %	75	12
181-360 days	7.5 - 38.8 %	285	57
361-540 days	19.3 - 74.3%	251	91
>540 days	23.2 - 89.2%	848	317
Total		3,084	528

30. Significant transactions with government related entities

The Hospital is controlled by the SA Government.

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

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

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The Hospital received funding from the SA Government via the Department (note 10), and incurred significant expenditure via the Department for medical, surgical and laboratory supplies, computing and insurance (note 3). The Department transferred capital works in progress of \$5.993 million to the Hospital. The Hospital incurred significant expenditure with the Department of Planning, Transport and Infrastructure (DPTI) for property repairs and maintenance of \$4.812 million (note 3). As at 30 June the outstanding balance payable to DPTI was \$0.773 million.

31. Interests in other entities

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

Controlled Entities

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

By proclamation dated 26 June 2008, the following assets, rights and liabilities were vested in the Incorporated HACs:

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

The above assets, rights and liabilities of the former Hospitals whose HAC elected not to be incorporated were vested in the Country Health SA Board Health Advisory Council Inc, which from 1 July 2019 was renamed to Country Health Gift Fund Health Advisory Council Inc, and is reported as part of Barossa Hills Fleurieu Local Health Network Inc.

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

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

The net assets of the GFTs associated with unincorporated HACs are vested in the Country Health Gift Fund Health Advisory Council Inc Gift Fund Trust, and are reported as part of Barossa Hills Fleurieu Local Health Network Inc.

Health Advisory Councils and associated Gift Fund Trusts		
Incorporated HACs and GFTs		
Balaklava Riverton Health Advisory Council Inc	Lower North Health Advisory Council Inc	Mid North Health Advisory Council Inc
Northern Yorke Peninsula Health Advisory Council Inc	Port Broughton District Hospital and Health Services Health Advisory Council Inc	Yorke Peninsula Health Advisory Council Inc
Balaklava Riverton Health Advisory Council Inc Gift Fund Trust	Lower North Health Advisory Council Inc Gift Fund Trust	Mid North Health Advisory Council Inc Gift Fund Trust
Northern Yorke Peninsula Health Advisory Council Inc Gift Fund Trust	Port Broughton District Hospital and Health Services Health Advisory Council Inc Gift Fund Trust	Yorke Peninsula Health Advisory Council Inc Gift Fund Trust
Unincorporated HACs and GFTs		
Port Pirie Health Service Health Advisory Council	Southern Flinders Health Advisory Council	
Port Pirie Health Service Health Advisory Council Gift Fund Trust	Southern Flinders Health Advisory Council Gift Fund Trust	

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32. Administered Items

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

	2020
	\$'000
Revenue from fees and charges	780
Other expenses	(780)
Net result	-
<hr/>	
Cash at bank	33
Payables	(33)
Net administered assets/equity	-
<hr/>	
Cash at bank at the beginning of period	-
Medical Centre cash inflows	780
Medical Centre cash outflows	(747)
Cash at bank at the end of the period	33

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33. Board and committee members

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

Board/Committee name:	Government employee members	Other members
Yorke and Northern Local Health Network Governing Board	-	Badenoch J, Bouilly V (Chair) (resigned 11/12/2019), Coulthard G (appointed 11/11/2019), Malcolm E, Mohor S (resigned 01/11/2019), Voumard J (chair from 11/12/2019), Warncken Y
Yorke and Northern Local Health Network Audit and Risk Committee	-	Traeger E (appointed 17/12/2019)

Refer to note 2.2 for remuneration of board and committee members