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**Government
of South Australia**

**NORTHERN ADELAIDE LOCAL HEALTH NETWORK
2023-24 Annual Report**

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

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ISSN: 2201-0092
Date approved by the Board: 24 September 2024
Date presented to Minister: 27 September 2024

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2023-24 ANNUAL REPORT for the Northern Adelaide Local Health Network

To: The Hon Chris Picton MP
Minister for Health and Wellbeing

This annual report will be presented to Parliament to meet the statutory reporting requirements of *(insert relevant acts and regulations)* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the NORTHERN ADELAIDE LOCAL HEALTH NETWORK
by:

Karen Puvogel
Chief Executive Officer

Date 25 / 09 / 2024

Signature





Acknowledgement of Country

Northern Adelaide Local Health Networkrlu tampintheta Kurna miyurna yaitya yarta-mathanya Kurna yartarna-arra ngadlu warpulayintheta.

Ngadlu tampintheta purkarna pukinangku, yalaka, tarrkaritya.

Ngadlu tampintheta yaitya mathanya kuma parnaku tuwila yartangka.

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

We also honour Kurna Elders past, present and emerging.

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

From the Chair, Governing Board and Chief Executive Officer

It is with pleasure that the Northern Adelaide Local Health Network (NALHN) Governing Board and Executive Team present the 2023-24 NALHN Annual Report.

The 2023-24 financial year has again been busy for our network. NALHN has continued to prove itself as a leader in healthcare and has risen to the challenges faced by the increased demand on our services. This year we saw 117,627 patients arriving at NALHN's Emergency Departments: an increase of 1,746 patients from the last financial year. Our staff have worked tirelessly during periods of high demand to support all patients in our care.

A key initiative that NALHN implemented this year in a national first, was our Supportive Weekend Interprofessional Flow Team (SWIFT) initiative. SWIFT progresses care seven days a week and boosts the number of patients discharged on weekends, getting them home sooner. The initiative uses artificial intelligence to support the clinical decisions to enable patients to get home sooner. This frees up beds for new patients.

The redevelopment of the 48-bed unit at Lyell McEwin Hospital has begun, with an anticipated completion date of August 2024. This is fantastic news for NALHN, as it will enable us to continue delivering exceptional care in state-of-the-art facilities. The project will create over 100 full-time equivalent (FTE) positions within NALHN's Division of Medicine, including roles for 12 medical officers, 85 nurses, 12 allied health and pharmacy staff, and 4 administrative positions. Additionally, the new beds will generate employment opportunities in the medical emergency team, medical and nursing education, and hospital catering services.

The northern area population is growing, and we are working hard to ensure we can provide the best services to support the health needs of our community. People in Adelaide's North will be able to get better and more timely mental health care thanks to the new Mental Health Crisis Stabilisation Centre located adjacent to the Lyell McEwin Hospital.

The two-storey centre is designed to accommodate the Northern Adelaide Head to Health service on the ground level, partnered with an additional service on the upper level where people experiencing distress can stay overnight and for up to three days for care and connection to needed supports.

Our People and Culture Team have implemented new Health and Safety Representative Forums across NALHN and established new Positive Workplace Contact Officer positions to support staff psychological safety at work. This is testament to invest in our staff to ensure we make NALHN a great place to work. We have reviewed and enhanced our Network Operations Centre and launched real time information with 12 dashboards and performance data to help drive efficient patient flow and demand management. This has improved our monitoring capabilities across the organisation so we can better support our patients. NALHN is the first Local Health Network in South Australia to have an endorsed Environmental Sustainability Strategy 2023- 2025. This strategy is guiding sustainability initiatives at NALHN to decrease our carbon footprint and carbon emissions. Over the next two years, NALHN will implement programs to reduce its use of single-use plastics, as well as composting schemes to reduce the amount of food going to landfill. The reduction of carbon emissions across the healthcare sector is a collective effort and NALHN is proud to be leading this work in South Australia.

NALHN's 47 Consumer Community representatives continue to help inform our planning, design, delivery, and evaluation of all healthcare services. They represent the diversity of the northern suburbs and include culturally diverse, LGBTIQ+ and Aboriginal/Torres Strait Islander communities. The consumer voice continues to be at the centre of all health-related decisions. NALHN Consumer Representatives have also been involved in several co-design projects, research initiatives and working groups across the organisation and have participated in 33 projects in the last 12 months. All consumer facing collateral are now reviewed by the Consumer Community Health Literacy Working Group to ensure the content is easy to understand by our patients and their families.

Lastly, we would like to take this opportunity to formally acknowledge NALHN's outgoing members of the Governing Board, Michael Forwood and Anne Burgess for their dedicated leadership and service to NALHN.

Together with the Governing Board, the Executive team and staff, we will continue to uphold NALHN's values and its vision to deliver high-quality, safe health care for our community.



Judy Searle

Judy Searle

Chair, Governing Board



Karen Puvogel

Karen Puvogel

Chief Executive Officer

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

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Overview: about the agency

Our strategic focus

Our Purpose	To deliver exceptional health and wellbeing services that enhances the quality of life for our community.
Our Vision	Our community has the best possible health and wellbeing across their life.
Our Values	<p>Values are at the heart of our organisation and inform our culture and how we work. At NALHN we believe that:</p> <p><i>Everyone has a story.</i> <i>Everyone matters.</i> <i>Everyone contributes.</i> <i>Everyone grows.</i></p> <p>Our six ‘strategic imperatives’ that we use to measure our success:</p> <ol style="list-style-type: none"> 1. <i>Inclusive culture</i> 2. <i>Service design</i> 3. <i>Digitally smart</i> 4. <i>Sustainability</i> 5. <i>Exceptional people</i> 6. <i>Partnering</i>
Our functions, objectives and deliverables	<p>The NALHN Governing Board is responsible for the overall governance, leadership and oversight for local health service delivery by the Local Health Network, including governance of performance and budget, clinical governance, safety and quality, risk management and achievement of the board functions and responsibilities.</p> <p>NALHN is comprised of two hospital sites.</p> <ul style="list-style-type: none"> • Lyell McEwin Hospital, a major adult tertiary hospital, provides emergency care, complex and multi day surgery, medicine, obstetrics, paediatric and outpatient services. • Modbury Hospital provides emergency care, elective surgery, medicine, outpatient and sub-acute services, rehabilitation, geriatric and palliative care. <p>Other specialty services provided by NALHN include.</p> <ul style="list-style-type: none"> • GP Plus Health Care Centres and a GP Plus Super Clinic. • Four Watto Purrunga Aboriginal Health sites located at Elizabeth Vale (Muna Paiendi), Hillcrest (Maringga Turtpandi), Port Adelaide (Wonggangga Turtpandi) and Dudley Park (Kanggawodli), as well as a satellite dialysis centre.

NALHN Governing Board

Member Name	Position	Term Dates
Prof. Judy Searle	Chair	01/07/2023 to 30/06/2026
Michael Forwood	Deputy Chair	01/07/2019 to 30/06/2021 01/07/2021 to 30/06/2024
Frank Lampard OAM	Member	01/07/2019 to 30/06/2022 01/07/2022 to 30/06/2023 01/07/2023 to 30/06/2025
Dr Carolyn Roesler	Member	01/07/2019 to 30/06/2022 01/07/2022 to 30/06/2023 01/07/2023 to 30/06/2025
Mary Patetsos AM	Member	01/07/2019 to 30/06/2021 01/07/2021 to 30/06/2024
Anne Burgess AM	Member	01/07/2019 to 30/06/2021 01/07/2021 to 30/06/2024
David Swan	Member	01/07/2023 to 30/06/2025
Andrew Culley	Member	01/09/2023 to 30/06/2026

Changes to the agency

During 2023-24 there were no changes to the agency’s structure and objectives as a result of internal reviews or machinery of government changes.

Our Minister



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

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

Our Executive team

Executive name	Position Title	Key Responsibilities
Maree Geraghty	Chief Executive Officer	
Karen Puvogel	Chief Executive Officer	
Karen Puvogel	Chief Operating Officer	
Andrew McGill	Acting Chief Operating Officer	
Damien Heffernan	Acting Chief Operating Officer	
Natalia Hubczenko	Chief Finance Officer	Finance
Kay Butler	Acting Chief Finance Officer	Finance
Kurt Towers	Executive Director	Aboriginal Health
Wade Allen	Acting Executive Director	Aboriginal Health
Toni Shearing	Acting Executive Director	Aboriginal Health
Sharon Bilney	Acting Executive Director	Aboriginal Health
Sandra Parr	Executive Director	Allied Health and Outpatients
Kym Shreeve	Executive Director	People and Culture
Sandra Wilkinson	Interim Executive Director	People and Culture
Mandy Palumbo	Executive Director	People and Culture
Dr John Maddison	Executive Director	Medical Services
Adj. Ass. Prof. Vanessa Owen	Executive Director	Nursing and Midwifery
Meredith Hobbs	Acting Executive Director	Nursing and Midwifery
Venu Kochiyil	Interim Executive Director	Clinical Governance Services
Roslyn Agate	Executive Director	Corporate Governance and Communications
Dylan Slape	Interim Executive Director	Corporate Governance and Communications

Arindam Chaudhuri	Executive Director	Digital Health
Peter Mullen	Executive Director	Corporate Services

Legislation administered by the agency

None

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

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

The agency’s performance

Performance at a glance

- NALHN saw 117,627 patients arriving at NALHN’s Emergency Departments, which is 1,746 more patients than in 2022-23.
- Of the patients presenting to NALHN Emergency Departments, there were more triage Category 4 and 5 patients, and fewer triage Category 1, 2 and 3 patients.
- NALHN undertook a total of 8005 elective and 5825 emergency procedures in 2023-24.
- NALHN birthed 3,694 women who had 3,743 babies. There were 168 birthing women who identified as Aboriginal and Torres Strait Islander, with 253 Aboriginal babies born to 250 women.
- NALHN provided 372,459 Outpatient episodes of care, including 86,264 new appointments. This number has increased on the 325,374 provided in 2022-23.
- NALHN’s Watto Purrunga Aboriginal Health Service delivered 46,351 primary health care services to 5,514 active clients.

Member Name	Governing Board Meetings Attended (11 meetings held)
Prof. Judy Searle (Chair)	11
Michael Forwood (Deputy Chair)	11
Frank Lampard OAM	11
Dr Carolyn Roesler	10
Mary Patetsos AM	8
Anne Burgess AM	10
David Swan	10
Andrew Culley	9 (of 9)

Agency specific objectives and performance

Strategic Objectives	Indicators	Performance
<p>STRATEGIC IMPERATIVE</p> <p>Inclusive culture:</p> <p><i>NALHN is committed to supporting and building our personality in line with our values and determination to provide the best care, every time, by our exceptional staff.</i></p>	<p>A value-based workforce in which all our staff know and embrace our core values.</p>	<p>NALHN's core values are articulated in our Strategic Plan 2020-25.</p> <p>These values have been incorporated into our workforce plans, professional development plans and recruitment to ensure we create a culture where:</p> <p style="text-align: center;"><i>Everyone has a story. Everyone matters. Everyone contributes. Everyone Grows.</i></p>
	<p>Psychological safety in which staff feel valued and are safe to learn, grow, speak up and achieve without any concern for negative repercussions.</p>	<p>Speaking Up for Safety Training was conducted for all employees, focused on empowering them to speak up if they had an issue or concern regarding the safety of a patient or themselves.</p> <p>NALHN continued to monitor the psychological safety of our staff through staff surveys, Work Health and Safety audits and reporting systems.</p>
	<p>Excellence in care through partnership, learning, evidence, research, and continuous improvement.</p>	<p>Continued pathways to enable opportunities and succession planning for NALHN's existing and emerging leaders to gain the experience and skills necessary to succeed and realise their potential.</p>
	<p>A state-wide reputation for our spirit of learning, growth and excellence embodied in an inclusive culture.</p>	<p>Established a new HR Business Partner model and implemented a new Organisational Capability and Learning Unit in the People and Culture Directorate.</p> <p>Developed Employee and Union Consultation and Engagement Framework which has supported improved union engagement and consultation on significant changes.</p> <p>Implemented new Health and Safety Representative Forums across NALHN and established new Positive Workplace Contact Officer positions to support staff psychological safety at work.</p> <p>The Northern Community Mental Health Transfer of Care Team GP Shared Care initiative transformed the traditional approach to mental healthcare by fostering closer collaboration between general practitioners and mental health specialists. This innovative partnership ensured that clients received</p>

		<p>comprehensive support, improved access to mental health services, enhanced continuity of care, and better health outcomes. By facilitating better ways of working together, the partnership prioritised client wellbeing and satisfaction.</p> <p>Implemented a number of key wellbeing initiatives, including the South Australian Health and Medical Research Institute (SAHMRI), Be Well Program, and new fitouts of the Lyell McEwin Hospital Qantas Lounge and Modbury basement.</p> <p>Developed NALHN’s People Experience Strategy, designed to make NALHN a truly creative place to work.</p> <p>Implemented NALHN’s Leadership Foundations Program to support improving leadership capability and support.</p> <p>NALHN have facilitated going to Medical Grand Rounds and Nursing & Midwifery Grand Rounds, which continue to provide invaluable learning opportunities for our healthcare professionals. Building on this foundation, last year we successfully launched and implemented our first NALHN Research Forum, further enhancing our commitment to fostering a culture of continuous education, collaboration, and research within our organisation.</p> <p>NALHN staff have embarked on the NALHN’s Leadership Foundations Program – Leading with Engagement, Action, and Purpose (LEAP) Leadership course, designed to empower emerging leaders by equipping them with the skills, knowledge, and support needed to excel in their roles and drive positive change within the organisation.</p>
	<p>A welcoming and safe care environment where the rights and needs of all members of our community are championed, particularly people who are at risk of poorer health outcomes, or of limitations in access and advocacy. This includes actively supporting better outcomes for Aboriginal</p>	<p>Further to delivery of the NALHN Aboriginal Health Framework and Action Plan 2021-2026, NALHN has demonstrated continued progress in relation to the Framework and Action Plan, setting our strategies to address and improve Aboriginal and Torres Strait Islander health outcomes in Adelaide’s north and north-eastern suburbs.</p> <p>Assertive strategies through the Aboriginal Health Division’s Watto Purrinna Primary Health Care Service</p>

	<p>people and responding to the needs of people from culturally and linguistically diverse backgrounds.</p>	<p>and Kumangka Padninthi Aboriginal Health and Wellbeing Unit create capacity and access to health care including General Practitioners in the primary health care setting and support for consumers in the acute setting including the Emergency Department to address Aboriginal consumers leaving before treatment complete and patients who discharge against medical advice; and hospital avoidance strategies including assertive outreach services to consumers who may be stranded in Adelaide, living houseless and/or sleeping rough or in overcrowded housing.</p> <p>NALHN's Reconciliation Champions are empowered to interact with consumers and learn about issues impacting on their health care journey ensuring Aboriginal and Torres Strait Islander consumers feel heard and valued whilst building positive relationships with staff and leading a diverse and inclusive environment while walking side-by-side with our Aboriginal workforce to identify and implement culturally responsive practices for our Aboriginal consumers and their families.</p>
<p>Service Design: <i>NALHN delivers services tailored to meet the health needs of our population in the most effective and efficient way.</i></p>	<p>Effective and innovative care from beginning to end of life.</p>	<p>Continued work aligned with the NALHN Clinical Services Plan 2020-2050 to meet the needs of NALHN's growing population and ensuring the provision of integrated, responsive, and innovated clinical services.</p>
	<p>Excellent and compassionate health services delivered to our key population groups.</p>	<p>Opened the Safe Haven at Salisbury, which is an after-hours, drop-in mental health service for those in need of support and services.</p> <p>Communicating out-of-hospital with increased staff referrals to, and patient acceptance of, a range of out-of-hospital options.</p> <p>Service availability catalogue for improved staff knowledge of service options and their availability across NALHN, with increased discharge times with supporting service engagement.</p> <p>A new Mental Health Crisis Stabilisation Centre to be located adjacent to the Lyell McEwin Hospital will include both drop-in and booked services on the ground level, together with a 16-bed service on the upper level where people experiencing distress can stay overnight</p>

		<p>and for up to three days while receiving support.</p> <p>Supportive Weekend Interprofessional Flow Team was implemented (SWIFT). SWIFT aims to progress care seven days a week and boost the number of patients appropriately discharged on weekends, getting patients home sooner. The project's objective is to deliver the best possible care to our consumers while addressing the challenge of increased demand for hospital-based and emergency services.</p> <p>Implemented the Geriatric Emergency Department Inreach (GEDI) program at Lyell McEwin Hospital. When a patient over 65 presents to Lyell McEwin Hospital's ED, a member of the team undertakes rapid assessment and screening to identify if the patient needs to be admitted to an inpatient bed or redirected to community-based services such as our Geriatrics in the Home service.</p>
	<p>Integrated health services across the continuum of care.</p>	<p>Participated in My Home Hospital and continued to work in partnership with Calvary Medibank to identify opportunities to improve My Home Hospital Services.</p>
<p>Digitally Smart: <i>NALHN develops digitally smart programs and uses the latest technology to maximise better health outcomes and reshape how our consumers, communities and partners use technology to interface with us and support staff.</i></p>	<p>Excellent care and patient safety outcomes through digital and technological innovation and uptake.</p>	<p>Implementation of the Sunrise Patient Administration Program (PAS) and Electronic Medical Records (EMR) across the network, including delivering a single Medical Record number across NALHN, the first and only health network in South Australia to achieve this.</p> <p>Statewide Interfacility Transfer Process was implemented at NALHN to provide a consistent, statewide approach to support the transfer of all patients between facilities, including return to regional hospitals and community-based care.</p> <p>New purpose-built and digitally enabled Network Operations Centre (NOC) opened fitted out with 12 dashboards with real-time information, and performance data to help drive efficient patient flow and demand management by improved monitoring, coordination and proactive management of patient arrivals, admissions, departures and surges in demand.</p>

	<p>Transparency and communication with consumers.</p>	<p>Continue to build upon the vital work of the Virtual Care Command Centre to coordinate flow across the care continuum, with the Virtual In-Home Virtual Assist (VIVA) platform, a key digital health initiative of NALHN's out of hospital virtual care program.</p> <p>The Pregnancy Online Platform NALHN (POPN) has equipped NALHN with digital pathways that provide tailored information based on a woman's stage of pregnancy and postnatal period. Additionally, POPN digitally captures and screens clinical data, enabling swift triage and identification of risks for expectant mothers.</p>
	<p>A digitally smart workplace.</p>	<p>Developed the NALHN Digital Strategy and Digital Roadmap with the goal for NALHN to be a fully digital health service.</p>
<p>Sustainability: <i>Resource efficiencies and generation through innovation, commercialisation and investment.</i></p>	<p>NALHN is the first Local Health Network in South Australia to have an endorsed Environmental Sustainability Strategy 2023- 2025. This strategy is guiding sustainability initiatives at NALHN to decrease our carbon footprint and carbon emissions.</p> <p>NALHN's innovative and pioneering strategy also aligns with the recently drafted SA Health Climate Change Framework in May 2024.</p>	<p>Development of an Environmental Sustainability Scorecard to track progress across all five values and priorities from each NALHN division and corporate area.</p> <p>An established multidisciplinary Environmental Sustainability Group addresses sustainability challenges and opportunities at NALHN and supports sustainable practices and initiatives to reduce our environmental footprint.</p> <p>Development of an "Environmental Sustainability at NALHN" intranet page including the strategy, tools and information for staff to access information on sustainability and forming green teams.</p> <p>Lyell McEwin Hospital food services are awaiting a Waste Master bio-digester machine from Eco-Green Technologies that converts food and some organic waste into compost soil to be used on landscaping and gardens around the hospital green spaces. Awaiting minor works approval for ventilation to be installed.</p>

<p>Sustainability: <i>Care for the environment.</i></p>	<p>NALHN is committed to reducing its carbon footprint and emissions to make sustainable improvements for future generations.</p>	<p>Initiatives undertaken this year to date are:</p> <p>Installation of</p> <ul style="list-style-type: none"> • 24 Electric Vehicle (EV) stations at Lyell McEwin Hospital located in the multi-deck carpark basement. • 8 EV charging stations at Modbury Hospital. • 2 EV charging stations at Northern Mental Health, Salisbury. <p>Introduction of a battery recycling program resulting in the recycling of 563.30 kgs batteries to date.</p> <p>Implementing the use of reusable Personal Protective gowns in place of disposable single-use gowns to decrease waste to landfill by mitigating the use of single-use products. Modbury Hospital is nearing completion of rollout and Lyell McEwin Hospital is steadily progressing.</p> <p>A network Waste Management Plan continues which segregates waste streams at the workplace, supporting a more sustainable approach to waste management.</p> <p>NALHN is currently diverting 59% of waste by volume from landfill (June 2024).</p> <p>Decommissioning of piped Nitrous Oxide at Modbury Hospital, being the first hospital in the Pacific region to do so. The aim is to transition Lyell McEwin Hospital in the future.</p> <p>Development of a Green Team Program to encourage staff to facilitate sustainable changes in their own work area.</p> <p>Introduction of a food and organic waste program in kitchens across NALHN.</p> <p>NALHN is a member of the Global Green Healthy Hospitals which brings together hospitals and health organisations around the world under a shared goal of reducing the environmental footprint of the health sector and contributing to improved public and environmental health.</p> <p>Introduction across NALHN sites of biodegradable food receptacles and cutlery, stopping the use of plastic consumables.</p>
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		<p>Promotion of “Plastic Free July” 2023 at Lyell McEwin Hospital encouraging staff to use reusable cups, resulted in 1,000 single use cups diverted from landfill.</p> <p>Changeover of single-use oxygen saturation probes and electrocardiogram leads to reusables in the Lyell McEwin Emergency Department had a cost saving of approximately \$400,000 from the previous financial year. Modbury Hospital Emergency Department has also changed over to these reusable items.</p> <p>Changeover of general waste bins to green bins for handtowel waste in Lyell McEwin and some Modbury Hospital staff bathrooms. Further rollout of these bins to continue.</p> <p>Redistribution of surplus furniture and equipment around Lyell McEwin Hospital had a cost saving of approximately \$8,583.</p> <p>Use of unused and obsolete nursing and midwifery uniforms repurposed and used to line the inside of hand sewn tote bags for “Things We Remember” Project. These handmade bags are for deceased consumers’ belongings to be given to relatives in place of blue plastic bags.</p> <p>Donation of expired consumable stock to Roseworthy Veterinary Hospital.</p> <p>Investigating processes to donate expired, but fit for purpose, consumables to non-profit charities for use in third world countries.</p> <p>Ecologically Sustainable Developments include:</p> <p>At Lyell McEwin Hospital a 760 kW Solar Panel System provides 5% of the sites electricity demand annually.</p> <p>Light-emitting diode (LED) lighting replacement program. Existing fluorescent light fittings are upgraded to more energy efficient LED fittings.</p> <p>Lyell McEwin and Modbury Hospital redevelopments designed to meet 5-star Greenstar rating and Department for Health and Wellbeing IGRAT (In-house Green Rating Tool) design principles.</p>
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		Lyell McEwin Hospital Carbon Reduction Electrification Study Stage 2 (following on from feasibility study) to reduce the sites dependence on natural gas.
<p>Exceptional people: <i>We strive to be a workplace of choice that attracts and retains exceptional employees by fostering an inclusive work culture and environment where they feel empowered to grow, contribute and everyone matters.</i></p>	<p>A welcoming culture that values and empowers all staff and supports a world-class workforce known for its expertise and compassion.</p>	<p>Imbedding of attraction, retention and professional development strategies for NALHN's Aboriginal workforce include the 'Deadly Team. Deadly Communities.' Aboriginal Employee Network; the Aboriginal Peer Support Program; Aboriginal Scholarship Program and Reconciliation Champion Program.</p>
<p>Partnering: <i>We create strategic collaborative partnerships to maximise and leverage opportunities to support our growing community.</i></p>	<p>The health and wellbeing of our community are strengthened through our partnerships across the NALHN region.</p>	<p>Raised the profile of the Northern Adelaide Health and Wellbeing Partnership and Precinct with relevant State Government authorities, including the Department of the Premier and Cabinet.</p>

	<p>NALHN meaningfully engages with and responds to consumers, their carers and the community.</p>	<p>The 2023-24 financial year saw further growth in NALHN’s Consumer Community to 47 individuals, each of whom are representative of the diversity in the northern area. Consumer Representatives have been further embedded to committees across NALHN, ensuring that consumers are partners in the planning, design, delivery, and evaluation of all health care services so the consumer voice is centre of all health-related decisions.</p> <p>NALHN Consumer Representatives have also been involved in several co-design projects, research initiatives and working groups across the organisation and externally, including: the Older Persons Emergency Review and Assessment. The Aged Care Rehabilitation and Palliative Care codesign research into caregiver and clinician perspectives of caregiver information needs, Registered Nurse Transition to Professional Practice Program, Mental Health Rehabilitation Bed Consultation Forum, Virtual Care in Emergency Department, Complex Behaviour Working Group, Care Link Nurse Program, and participated in statewide reviews of Consumer, Carer and Community Feedback and Complaints Management Framework and Consumer and Community Strategic Framework.</p> <p>NALHN continues to engage with consumers through quarterly Consumer Community Workshops in 2023-24, and the Consumer Community Cofacilitator presented at the Annual Public Meeting. The overwhelming response is that the Consumer Representatives are beneficial and are adding value across all facets of the organisation.</p> <p>The NALHN Aboriginal Consumer Reference Group comprises 12 consumers who reside within the NALHN catchment and access NALHN services. This committees comes together bi-monthly as well as ad-hoc for special projects, to provide cultural advice and guidance in relation to all service planning, resources, staffing needs and capital developments.</p>
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	<p>NALHN is at the forefront of research, education and training that contributes to community health and wellbeing.</p>	<p>Continued strong partnerships with The Hospital Research Foundation and university sector to build capacity and culture, including opportunities to build workforce pipelines, and SAHMRI to support Aboriginal and Torres Strait Islander communities.</p> <p>Partnership between NALHN and Flinders University saw medical students placed for the very first time in NALHN, with Flinders University engaging in an expanded multi-year program, resulting in an increased number of Flinders University students applying for internships at NALHN.</p> <p>NALHN has led a proof of concept model for Clinical Placement Collaborative enabling nursing students who live in the north get access to clinical placement in the north – decreasing the need for them to travel and provide accommodation often significant distances from home. This has been in collaboration with University South Australia, Nursing & Midwifery Office, Yorke & Northern and Barossa Hills Fleurieu and Better Placed.</p>
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Corporate performance summary

NALHN achieved key corporate performance outcomes, including:

Continued planning and implementation of significant capital investments at the Lyell McEwin Hospital and Modbury Hospital.

Completion of the Lyell McEwin Hospital Emergency Department Redevelopment in October 2023.

Commencement of the 48-bed redevelopment works at Lyell McEwin Hospital with completion in August 2024.

Employment opportunity programs

Program name	Performance
Traineeship programs	5 registered
Transition to Professional Practice Program (Nursing)	140
Aboriginal Cadet program	7 participants
Medical Intern program	71
Allied Health Graduate Programs	3 programs with 37 registered

Agency performance management and development systems

Performance management and development system	Performance
Number of employees who undertook a Performance Review and Development (PR&D)	7492
% of workforce who undertook a PR&D	64%

Work health, safety and return to work programs

Program name	Performance
Worksite Safety Inspection Program	NALHN undertook 173 Worksite Safety Inspections across all sites (including contractors) as part of the NALHN Hazard Management Program with a 100% completion rate for identified areas.

Workplace injury claims	Current year 2023-24	Past year 2022-23	% Change (+ / -)
Total new workplace injury claims	126	78	+61.5%
Fatalities	0	0	0%
Seriously injured workers*	1	0	+100%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	9.52	8.19	+16.2%

**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 2023-24	Past year 2022-23	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	3	4	-25%
Number of provisional, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	3	0	+300%

Return to work costs**	Current year 2023-24	Past year 2022-23	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$4,619,367.00	\$4,921,284.00	-6.1%
Income support payments – gross (\$)	\$1,400,089.00	\$1,025,131.00	+36.6%

**before third party recovery

Data for previous years is available at: [Northern Adelaide Local Health Network \(NALHN\) - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/nalhn)

Executive employment in the agency

Executive classification	Number of executives
EXEC0E	1
SAES1	6

Data for previous years is available at: [Northern Adelaide Local Health Network \(NALHN\) - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/nalhn)

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

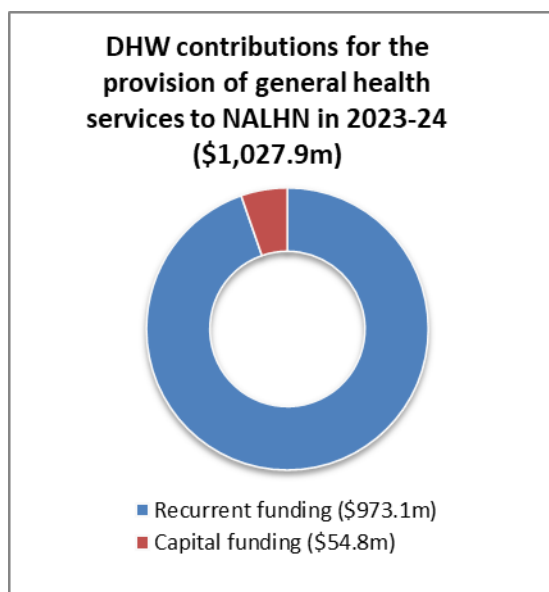
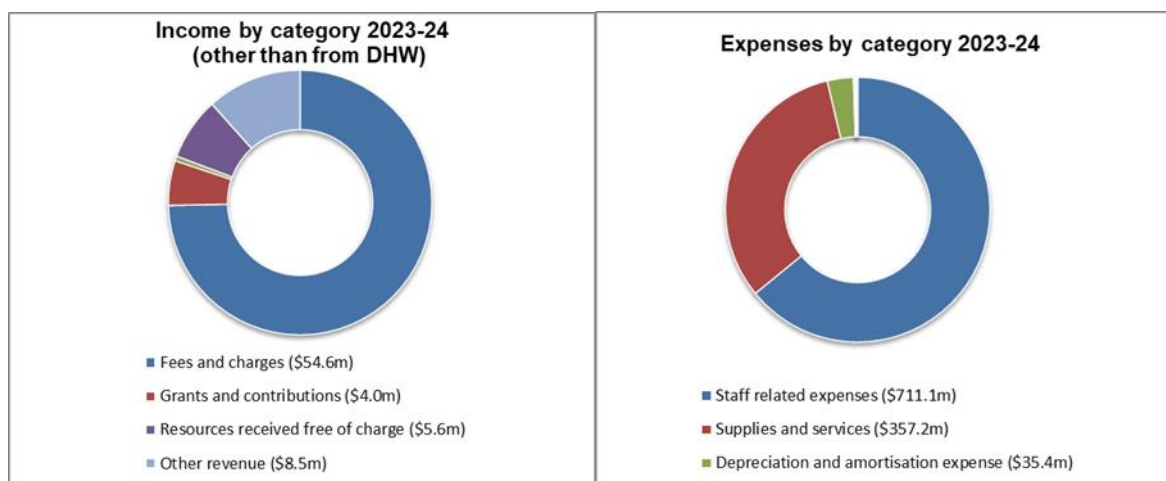
Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited.

Full audited financial statements for 2023-2024 are attached to this report.

Three-year financial summary (\$000)	2023-24	% ↑↓	2022-23	% ↑↓	2021-22	% ↑↓
Total income	1 100 997	↑9.9%	1 001 378	↑8.4%	923 734	↑3.9%
Total expenses	1 109 846	↑9.9%	1 009 605	↑9.3%	923 779	↑7.3%
Net result for the period	(8 849)	↓-7.6%	(8 227)	↓-18182.2%	(45)	↓-100.2%
Other comprehensive income	118 250	↑100.0%	-	-	-	-
Total comprehensive result	109 401	↑1429.8%	(8 227)	↓-18182.2%	(45)	↓-100.2%
Net cash provided by operating activities	5 166	↓-55.5%	11 604	↑303.7%	(5 697)	↓-133.0%
Total assets	686 340	↑25.7%	546 139	↑1.3%	538 886	↑1.6%
Total liabilities	307 200	↑11.1%	276 400	↑5.9%	260 920	↑3.3%
Net assets	379 140	↑40.6%	269 739	↓-3.0%	277 966	↑0.1%



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	n/a	nil

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

Consultancies	Purpose	\$ Actual payment
Steam Consulting Pty Ltd	Review of reprocessing activities within NALHN facilities	\$13,636
	Total	\$13,636

Data for previous years is available at: [Northern Adelaide Local Health Network \(NALHN\) - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/northern-adelaide-local-health-network-nalhn)

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 expense
All contractors below \$10,000 each - combined	Various including prior year accrual adjustments	(\$80,353)

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

Contractors	Purpose	\$ Actual payment
Scyne Advisory Pty Ltd	Internal Audit Services	\$533,864
ZED Management Consulting	Patient Quality and Safety Performance Reporting	\$326,792
PowerHealth Solutions	Casemix and Costing Services	\$127,712
First Line Software Pty Ltd	Interface Development Support	\$119,952
Murray Pest Control	Pest Control	\$105,868
PricewaterhouseCoopers	Risk Management Services	\$91,403
The Health Roundtable Ltd	Health Service Innovations and Improvements	\$82,388
Martin Philip Moyse	Patient Administration Analyst Support	\$76,491
Kevin J Fjeldsoe	Forensic Clinical Consultancy Services	\$70,533
PricewaterhouseCoopers	Business Intelligence Services	\$65,260
Expose Data Pty Ltd	Data Analytics Consultant	\$44,200
Battleground Group Pty Ltd	Business Impact Analysis	\$42,650
Destravis Australia Pty Ltd	Bed-rest Options Analysis	\$35,025
Fiona Whitecross	Forensic Mental Health Independent Review	\$33,500
Jacqueline Short	Forensic Mental Health Independent Review	\$33,344
GE Healthcare Australia Pty Limited	NALHN Senior Executive Leadership Program	\$32,248
Claassen Group Pty Ltd	Forensic Mental Health Independent Review	\$29,800

Contractors	Purpose	\$ Actual payment
AHT Group Pty Ltd	Provision of Electrical Services	\$27,341
Kevin J Fjeldsoe	Forensic Mental Health Independent Review	\$26,500
Trident Advisory Service Pty Ltd	Review of Security Measures related to parking issues at Modbury Hospital	\$19,950
Scyne Advisory Pty Ltd	Procedural Framework Review	\$18,744
Bakjac Consulting	Training - Becoming a Resilient Team	\$18,500
The Social Policy Group	Multicultural Consultation Project	\$15,000
Cheesman Architects	Architectural Fees	\$13,502
Comprii Pty Ltd	Forensic Mental Health Independent Review	\$10,000
Savills Valuations Pty Ltd	Building Valuations	\$10,000
	Total	\$2,010,567

Data for previous years is available at: [Northern Adelaide Local Health Network \(NALHN\) - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/nalhn)

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

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

Other information

N/A

Risk management

Risk and audit at a glance

NALHN follows the SA Health Risk Management, Integrated Compliance and Internal Audit Policy, and has established an Enterprise Risk Management (ERM) Framework for NALHN. The ERM Framework outlines the processes NALHN follows for risk identification, assessing, treating, monitoring, and reporting.

The NALHN Audit and Risk Committee (ARC) to the Governing Board conducted meetings on a quarterly basis on the following dates: 21 August 2023, 27 November 2023, 25 March 2024 and 24 June 2024.

The ARC operates according to its Terms of Reference which define the purpose, scope, functions and authority of the Committee. The ARC assists the Governing Board to fulfill its oversight responsibility for:

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

The ARC provides advice and comment to the Governing Board in the following areas:

- Risk Management Activities (Strategic, Operational, Clinical and Corporate).
- Serious and/or systemic risks which may require escalation to the Department for Health and Wellbeing.
- NALHN’s Risk Appetite Statement,
- internal controls,
- draft annual financial statements,
- legislative compliance requirements,
- Internal and External audits,
- NALHN’s response to audit reports and implementation of improvement actions,
- Corruption control; and
- other matters.

Fraud detected in the agency

Category/nature of fraud	Number of instances
Use of Government/Public Resources	0
Criminal Charges	3
Fraud	9
Other	6

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

Strategies implemented to control and prevent fraud

SA Health Corruption Control Policy Directive sets out mandatory requirements that apply across SA Health in relation to the management of corruption, misconduct, and maladministration, through SA Health's adoption of the Office of the Commissioner for Public Sector Employment's Fraud and Corruption Control Policy – South Australian Public Sector. This policy applies to all SA Health staff including NALHN and staff have access to this Policy Directive and relevant procedures on the NALHN Policies Procedures and Guidelines.

NALHN has established a 'Fraud and Corruption Control Framework', to ensure appropriate structures and systems are in place for detecting, preventing and controlling fraud and corruption risks in NALHN, and outlines the behaviour expected of employees in relation to any suspicion or detection of fraud or corrupt conduct. Further, NALHN has established a Fraud and Corruption Disclosure and Assessment Procedure to support the reporting of fraud, corruption and criminal conduct, misconduct, and maladministration, in line with public interest disclosure guidelines issued by the Independent Commission Against Corruption (ICAC) under section 14 of the *Public Interest Disclosure Act 2018*.

All breaches (fraud, corruption and privacy) are managed through the Employee Misconduct module on the Safety Learning System which includes incident investigation, and ICAC reports.

The NALHN internal audit function follows the SA Health Risk Management, Integrated Compliance and Internal Audit Policy to identify and respond to the risk of fraud through:

- The annual risk based Internal Audit Plan which is developed in consultation with the Executive Leadership Team, endorsed by the Audit and Risk Committee to the Board, and approved by the Governing Board,
- Risk based internal audits and reviews,
- Liaison with the Department for Health and Wellbeing (DHW), meetings with other LHN Internal Audit heads, and the Auditor General's department to assess commonalities and shared learnings across all LHN's where possible; and
- Quarterly reporting to the ARC.

NALHN internal audit has included a Fraud and Investigation Audit on its 3-year Internal Audit Plan FY24-26.

Data for previous years is available at: [Northern Adelaide Local Health Network \(NALHN\) - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/nalhn)

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: [Northern Adelaide Local Health Network \(NALHN\) - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/nalhn)

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

Reporting required under any other act or regulation

Act or Regulation	Requirement
NIL	

Reporting required under the *Carers’ Recognition Act 2005*

NALHN values the critical role of carers as partners in the delivery of health services. During 2022-23, NALHN’s staff have worked at the service level to partner with carers who provide care for patients and know them best. Carers are able to provide relevant information to assist NALHN health services to understand a person’s health, wellbeing, living situation and interests. NALHN is committed to listening to carers’ experiences when accessing health care for our consumers.

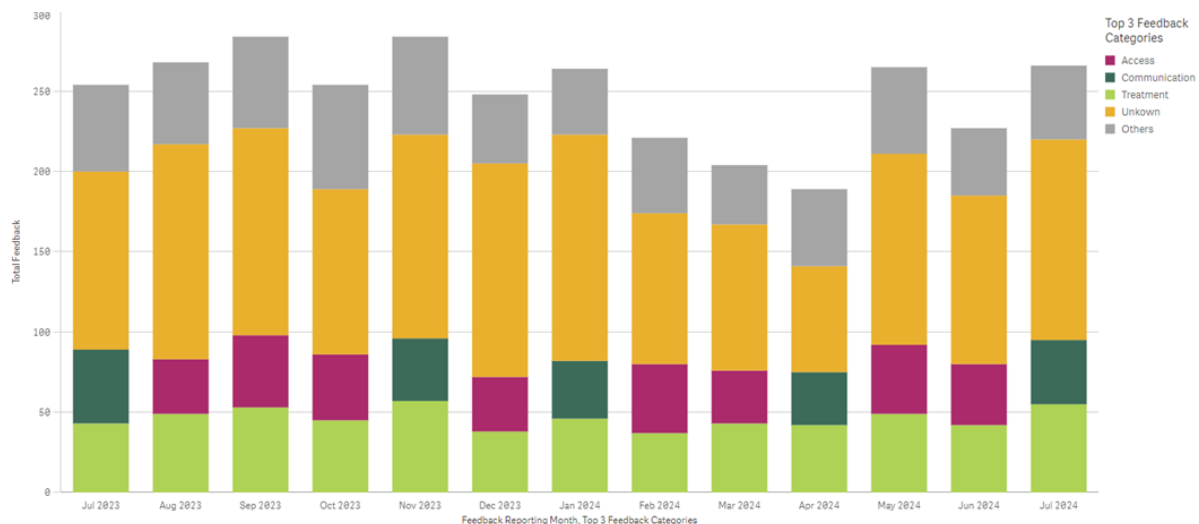
In 2023-2024 consumer feedback, NALHN noted that 1.2% of people providing feedback specifically identified themselves as carers for the person involved in the feedback. NALHN staff considered this an under-estimate of feedback received from carers, with over a third of feedback (29.6%) provided by a third party, most usually a family member. This is consistent from 2022-2023, which recorded the feedback from a third party.

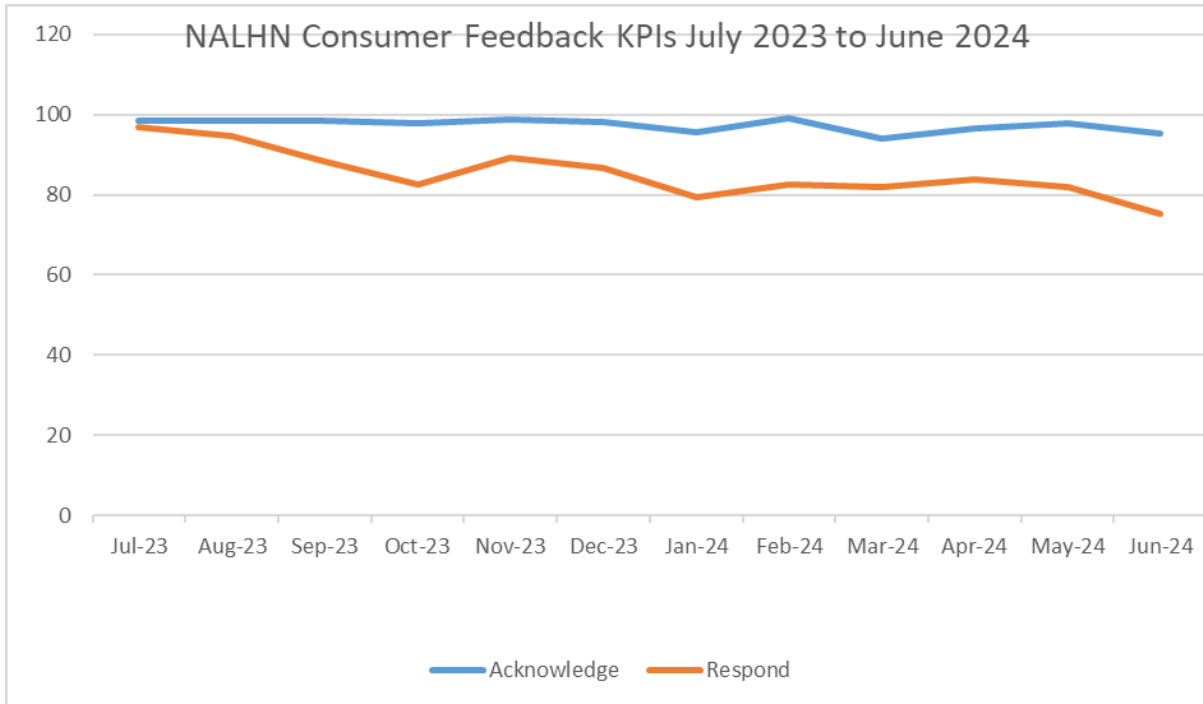
NALHN actively promotes SA Health initiatives recognising carers and the *Carers’ Recognition Act 2005*.

Public complaints

Number of public complaints reported

Complaint Category	Number of Complaints 2023-24
Access	543
Communication	655
Consent	10
Corporate Services	126
Cost	53
Grievances	59
Privacy/Discrimination	35
Professional Conduct	8
Treatment	951
Total	2440





NALHN encourages patients, consumers, families, carers and members of the community to provide feedback about the care they receive, which provides an opportunity for NALHN to reflect on and improve the quality of health care.

Consumer feedback enables the organisation to understand the perspective of patients, consumers, families, carers and the community who receive care and plan improvements in the quality of those services.

NALHN uses consumer feedback to inform its decision-making and to drive service improvements. Examples of these improvements are provided below.

- NALHN uses trends identified in consumer feedback to highlight the training needs of its staff, and target education programs to address these trends.
- Staff education in response to specific complaints has been undertaken with staff involved encouraged to use feedback to reflect on current practice and areas for improvement.
- Detailed consumer feedback reports are prepared and provided to meetings across the organisation.
- NALHN has developed a Consumer Feedback Dashboard in the Safety Learning System. This allows staff with access to view a snapshot of Consumer Feedback information and trends in their area.
- Results from the South Australian Consumer Experience Surveillance Survey (SACCESS) are provided to Divisions, action plans are developed to address specific issues or areas of concern.
- In 2024, SACCESS discontinued its annual phone survey of 4,000 consumers. This will be replaced by the state-based Patient Reported Measures program administered by the Commission on Excellence and Innovation in Health, expected to be rolled out mid-2025. However, NALHN is not included in the initial scope, and no funding is allocated beyond 2025.

- Patient stories are used to inform wards, services, divisions, and governance meetings about care provided and opportunities for improvement.

In 2023-24 there were 15 quality improvement projects linked to consumer feedback including the trial of a digital patient experience questionnaire trialled in the Emergency Department at Lyell McEwin Hospital.

Data for previous years is available at: [Northern Adelaide Local Health Network \(NALHN\) - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/nalhn)

Service Improvements

In 2024, South Australian Consumer Experience Surveillance System discontinued its annual phone survey of 4,000 consumers. It is anticipated this will be replaced by the state-based Patient Reported Measures (PRM) program currently being developed by the Commission on Excellence and Innovation in Health on behalf of SA Health. In the interim, NALHN has developed its own digital PRM that was trialled successfully in the Emergency Department at Lyell McEwin Hospital in 2024. This will be rolled out NALHN wide from August 2024.

The Own Motion External Review initiated by the Health and Community Services Complaints Commissioner identified that NALHN receives a large volume of complaints to the HCSCC. NALHN was also not consistently delivering responses to complaints in a timely manner that at times provided information presented in a way that was not meaningful to consumers. Following the review, the Consumer Engagement Service has engaged in a series of workshops and improvement activities to increase visibility and efficiencies. Key improvements have included:

- Implementation of a tracking register to increase transparency. Register identifies and categorises all complaints due, communicates with the Office of the Chief Executive Officer, assists with workload allocation if required and escalating concerns.
- Implementation of team huddles to monitor complaints, provide quick escalation access and workload levelling.
- Providing education to staff on reducing complex and defensive language within letters.
- Designing standard responses for common complaints such as Emergency Department waiting times, elective surgery cancellations and Outpatient appointment waiting times.
- Patient Reported Experience Measures (PREMs) and Patient Reported Outcome Measures (PROMs) commencement August 2024.

Compliance Statement

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

Appendix: Audited financial statements 2023-24



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www.audit.sa.gov.au

To the Governing Board Chair Northern Adelaide Local Health Network Incorporated

Qualified opinion

I have audited the financial report of the Northern Adelaide Local Health Network Incorporated for the financial year ended 30 June 2024.

In my opinion, except for the possible effects of the matter described in the 'Basis for qualified opinion' section of my report, the accompanying financial report gives a true and fair view of the financial position of the Northern Adelaide Local Health Network Incorporated as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Governing Board Chair, the Chief Executive Officer and the Chief Finance Officer.

Basis for qualified opinion

Procurement reporting disclosure

The Northern Adelaide Local Health Network Incorporated was required by the Treasurer's Instructions (Accounting Policy Statements) to include a disclosure reporting the value of procurement with South Australian and non-South Australian businesses for 2023-24.

The requirement uses a framework established by the Treasurer's Instructions (Accounting Policy Statements) and definitions within Treasurer's Instruction 18 Procurement.

The Northern Adelaide Local Health Network Incorporated included that disclosure in note 8.1 to the financial report.

My review of the processes used by the Northern Adelaide Local Health Network Incorporated identified that it did not have an effective process to meet the requirements of the framework which has been established for procurement reporting under the Treasurer's Instructions.

As such, I am not able to obtain sufficient appropriate audit evidence for the amounts disclosed in note 8.1.

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

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

Responsibilities of the Chief Executive Officer and the Governing Board for the financial report

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

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 36(2) of the *Health Care Act 2008*, I have audited the financial report of the Northern Adelaide Local Health Network Incorporated for the financial year ended 30 June 2024.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Northern Adelaide Local Health Network Incorporated's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

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

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

A handwritten signature in blue ink, appearing to read 'Andrew Blaskett', with a stylized flourish at the end.

Andrew Blaskett
Auditor-General

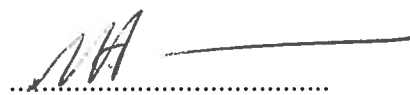
23 September 2024


Certification of the financial statements

We certify that the:

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


.....
Karen Puvogel
Chief Executive Officer


.....
Natalia Hubczenko
Chief Finance Officer


.....
Prof Judy Searle
Governing Board Chair

Date 11/9/2024

**NORTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2024**

	Note	2024 \$'000	2023 \$'000
Income			
Revenues from SA Government	2	1,027,889	939,678
Fees and charges	3	54,578	41,469
Grants and contributions	4	4,000	3,982
Interest	11	416	238
Resources received free of charge	5	5,591	4,806
Other revenues/income	6	8,523	11,205
Total income		1,100,997	1,001,378
Expenses			
Staff related expenses	7	711,396	642,791
Supplies and services	8	357,042	330,895
Depreciation and amortisation	14,15	35,803	32,051
Grants and subsidies		483	243
Borrowing costs	18	1,172	1,073
Net loss from disposal of non-current and other assets	10	104	1,021
Impairment loss on receivables	12.1	1,910	(94)
Other expenses	9	1,936	1,625
Total expenses		1,109,846	1,009,605
Net result		(8,849)	(8,227)
Other Comprehensive Income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus		118,250	-
Total other comprehensive income		118,250	-
Total comprehensive result		109,401	(8,227)

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

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	11	16,254	17,921
Receivables	12	15,327	15,114
Inventories	13	3,140	3,186
Total current assets		34,721	36,221
Non-current assets			
Receivables	12	3,705	2,679
Property, plant and equipment	14,15	647,827	507,152
Intangible assets	14.5	87	87
Total non-current assets		651,619	509,918
Total assets		686,340	546,139
Current liabilities			
Payables	17	29,375	28,044
Financial liabilities	18	3,790	3,746
Staff related liabilities	19	113,340	102,268
Provisions	20	4,140	3,607
Contract liabilities and other liabilities	21	58	418
Total current liabilities		150,703	138,083
Non-current liabilities			
Financial liabilities	18	43,379	44,034
Staff related liabilities	19	100,424	86,059
Provisions	20	12,694	8,224
Total non-current liabilities		156,497	138,317
Total liabilities		307,200	276,400
Net assets		379,140	269,739
Equity			
Retained earnings		248,242	257,091
Asset revaluation surplus		130,898	12,648
Total equity		379,140	269,739

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

**NORTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2024**

	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2022	13,104	264,862	277,966
Net result for 2022-23	-	(8,227)	(8,227)
Total comprehensive result for 2022-23	-	(8,227)	(8,227)
Transfer between equity components	(456)	456	-
Balance at 30 June 2023	12,648	257,091	269,739
Net result for 2023-24	-	(8,849)	(8,849)
Gain on revaluation of land and buildings	118,250	-	118,250
Total comprehensive result for 2023-24	118,250	(8,849)	109,401
Balance at 30 June 2024	130,898	248,242	379,140

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

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2024

	Note	2024	2023
		\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Receipts from SA Government		853,643	815,230
Fees and charges		51,670	40,271
Grants and contributions		4,337	4,315
Interest received		416	238
GST recovered from ATO		19,419	18,831
Other receipts		816	598
Cash generated from operations		930,301	879,483
Cash outflows			
Staff benefits payments		(679,690)	(626,660)
Payments for supplies and services		(242,677)	(238,084)
Payments of grants and subsidies		(510)	(254)
Interest paid		(1,172)	(1,073)
Other payments		(1,086)	(1,808)
Cash used in operations		(925,135)	(867,879)
Net cash provided by /(used in) operating activities		5,166	11,604
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(2,756)	(4,852)
Purchase of intangible assets		-	(87)
Cash used in investing activities		(2,756)	(4,939)
Net cash used in investing activities		(2,756)	(4,939)
Cash flows from financing activities			
Cash outflows			
Repayment of lease liabilities		(4,077)	(3,570)
Cash used in financing activities		(4,077)	(3,570)
Net cash used in financing activities		(4,077)	(3,570)
Net increase/(decrease) in cash and cash equivalents		(1,667)	3,095
Cash and cash equivalents at the beginning of the period		17,921	14,826
Cash and cash equivalents at the end of the period	11	16,254	17,921
Non-cash transactions	22		

The accompanying notes form part of these financial statements.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

1. About Northern Adelaide Local Health Network

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

Administered items

The Hospital has administered activities and resources. Transactions and balances relating to administered resources are presented separately and are disclosed in Trust funds at Note 24 and Administered items at Note 31. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for the Hospital transactions.

1.1 Objectives and activities

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

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

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

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

1.2 Basis of preparation

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

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

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

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

Material accounting policie information is set out throughout the notes.

1.3 Taxation

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

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

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

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

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

1.4 Continuity of Operations

As at 30 June 2024, the Hospital had a working capital deficiency of \$115.982 million (\$101.862 million). The SA Government is committed and has consistently demonstrated a commitment to the ongoing funding of the Hospital to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annually produced and published State Budget Papers which presents the SA Government's current and estimated future economic performance, including forward estimates of revenue, expenses and performance by Agency.

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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.

2. Revenues from SA Government

	2024 \$'000	2023 \$'000
Capital projects funding	54,780	31,002
Operational funding	973,109	908,676
Total revenues from SA Government	1,027,889	939,678

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

3. Fees and charges

	2024 \$'000	2023 \$'000
Car parking revenue	2,980	1,340
Fines, fees and penalties	56	90
Patient and client fees	39,885	29,956
Private practice fees	3,259	2,358
Fees for health services	3,212	2,795
Rent revenue	2,362	2,249
Residential and other aged care charges	120	75
Training revenue	26	15
Other user charges and fees	2,678	2,591
Total fees and charges	54,578	41,469

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

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

Contracts with Customers disaggregated by pattern of revenue recognition and type of customer	2024	2024	2023	2023
	Goods/Services transferred at a point in time	Goods/Services transferred over a period of time	Goods/Services transferred at a point in time	Goods/Services transferred over a period of time
Car parking revenue	739	2,241	722	618
Patient and client fees	37,462	-	28,238	-
Private practice fees	3,259	-	2,358	-
Fees for health services	3,156	-	2,762	-
Residential and other aged care charges	120	-	75	-
Training revenue	23	-	9	-
Other user charges and fees	2,523	-	2,051	-
Total contracts with external customers	47,282	2,241	36,215	618
Patient and client fees	2,423	-	1,718	-
Fees for health services	56	-	33	-
Training revenue	3	-	6	-
Other user charges and fees	155	-	540	-
Total contracts with SA Government customers	2,637	-	2,297	-
Total contracts with customers	49,919	2,241	38,512	618

The Hospital recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities (refer to note 21). Similarly, if the Hospital satisfies a performance obligation before it receives the consideration, the Hospital recognises either a contract asset or a receivable, depending on whether something other than the passage of time is required before the consideration is due (refer to note 12).

The Hospital recognises revenue (contract from customers) from the following major sources:

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Patient and client fees

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

Private practice fees

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

4. Grants and contributions

	2024 \$'000	2023 \$'000
Commonwealth grants and donations	-	82
Other SA Government grants and contributions	194	267
Private sector grants and contributions	3,806	3,633
Total grants and contributions	4,000	3,982

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

Of the \$4.000 million (\$3.982 million) total grants and contributions, \$3.366 million (\$3.169 million) was provided for specific purposes, such as research and associated activities.

5. Resources received free of charge

	2024 \$'000	2023 \$'000
Buildings and improvements	-	31
Plant and equipment	175	-
Services	5,416	4,775
Total resources received free of charge	5,591	4,806

Contribution of services are recognised only when the fair value can be determined reliably and the services would be purchased if they had not been donated. The Hospital receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$3.967 million (\$3.775 million) and ICT (information and communication technology) services from Department of the Premier and Cabinet valued at \$1.449 million (\$1.000 million).

In addition, although not recognised, the Hospital receives volunteer services from the Northern Healthcare Volunteer Association. There are several hundred volunteers who provide patient and employee support services to individuals using the Hospital's services. The services include but not limited to: childcare, respite care, transport, therapeutic activities, patient liaison, gift shop and café support.

6. Other revenues/income

	2024 \$'000	2023 \$'000
Health recoveries	7,670	10,564
Insurance recoveries	137	172
Other	716	469
Total other revenues/income	8,523	11,205

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7. Staff related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	550,779	512,248
Long service leave	23,325	10,093
Annual leave	57,225	52,660
Skills and experience retention leave	2,287	1,933
Staff on-costs - superannuation*	66,097	58,311
Workers compensation	9,541	5,771
Board and committee fees	354	294
Other staff related expenses	1,788	1,481
Total employee related expenses	711,396	642,791

* The superannuation employment on-cost charge represents the Hospital's contribution to superannuation plans in respect of current services of staff.

7.1 Key Management Personnel

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

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

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

	2024	2023
	\$'000	\$'000
Compensation		
Salaries and other short term staff benefits	3,449	2,320
Post-employment benefits	803	662
Other long-term employment benefits	115	-
Total	4,367	2,982

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

7.2 Remuneration of Board and Committees

	2024	2023
	No. of	No. of
	Members	Members
\$0	32	28
\$1 - \$20,000	14	19
\$20,001 - \$40,000	6	3
\$40,001 - \$60,000	1	2
\$60,001 - \$80,000	1	1
Total	54	53

The total remuneration received or receivable by members was \$0.392 million (\$0.322 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and any related fringe benefits and related fringe benefits tax. In accordance with the *Department of the Premier and Cabinet Circular No. 016*, government employees did not receive any remuneration for board/committee duties during the financial year.

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

Refer to note 30 for members of boards/committees that served for all or part of the financial year and were entitled to receive income from membership in accordance with APS 124.B.

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7.3 Employee remuneration

	2024	2023
The number of staff whose remuneration received or receivable falls within the following bands:	No.	No.
\$160,001 - \$166,000*	n/a	44
\$166,001 - \$186,000	137	108
\$186,001 - \$206,000	74	65
\$206,001 - \$226,000	45	34
\$226,001 - \$246,000	23	25
\$246,001 - \$266,000	35	25
\$266,001 - \$286,000	19	15
\$286,001 - \$306,000	17	25
\$306,001 - \$326,000	21	12
\$326,001 - \$346,000	13	6
\$346,001 - \$366,000	9	11
\$366,001 - \$386,000	17	23
\$386,001 - \$406,000	9	19
\$406,001 - \$426,000	18	6
\$426,001 - \$446,000	10	13
\$446,001 - \$466,000	17	17
\$466,001 - \$486,000	10	17
\$486,001 - \$506,000	14	11
\$506,001 - \$526,000	7	3
\$526,001 - \$546,000	6	3
\$546,001 - \$566,000	7	7
\$566,001 - \$586,000	6	8
\$586,001 - \$606,000	5	6
\$606,001 - \$626,000	6	2
\$626,001 - \$646,000	3	-
\$646,001 - \$666,000	3	3
\$666,001 - \$686,000	2	2
\$686,001 - \$706,000	2	1
\$706,001 - \$726,000	2	-
\$726,001 - \$746,000	2	1
\$746,001 - \$766,000	3	2
\$766,001 - \$786,000	2	3
\$786,001 - \$806,000	-	2
\$806,001 - \$826,000	1	1
\$826,001 - \$846,000	1	1
Total number of staff	546	521

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2022-23.

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

7.4 Employee remuneration by classification

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

	2024		2023	
	No.	\$'000	No.	\$'000
Medical (excluding Nursing)	450	145,860	427	136,338
Executive	7	2,195	9	2,295
Nursing	86	15,502	82	14,370
Non-medical (i.e. administration)	3	528	3	514
Total	546	164,085	521	153,517

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8. Supplies and services

	2024	2023
	\$'000	\$'000
Administration	673	1,122
Advertising	226	341
Communication	2,704	2,368
Computing	15,251	10,746
Consultants	14	118
Contract of services	161	49
Contractors	1,930	1,304
Contractors - agency staff	33,694	28,862
Drug supplies	16,101	15,454
Electricity, gas and fuel	6,253	6,356
Fee for service	31,053	28,185
Food supplies	10,750	9,771
Housekeeping	30,005	28,473
Insurance	7,833	7,564
Internal SA Health SLA payments	9,029	8,754
Legal	113	152
Medical, surgical and laboratory supplies	104,896	99,577
Minor equipment	6,278	4,899
Motor vehicle expenses	733	507
Occupancy rent and rates	2,781	2,402
Patient transport	8,913	6,392
Postage	1,288	1,171
Printing and stationery	2,217	2,757
Repairs and maintenance	20,722	20,787
Security	17,371	18,922
Services from Shared Services SA	3,978	3,775
Training and development	8,079	7,681
Travel expenses	3,702	2,895
Other supplies and services	10,294	9,511
Total supplies and services	357,042	330,895

8.1 Expenditure – SA business and non-SA business

The following table includes all expenditure in relation to arrangements above \$55,000 (GST inclusive) resulting from a procurement as defined in *Treasurer's Instructions 18 – Procurement* (TI18). Arrangements between public authorities and other governments are not included:

	2024	Proportion
	\$,000	%
Total expenditure with South Australian businesses	142,524	69%
Total expenditure with non-South Australian businesses	64,079	31%
Total expenditure in relation to contracts above \$55,000	206,603	100%

Classification as SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to the Hospital, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI18.

TI18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI18 definition and in some instances includes the cost of goods sourced from outside South Australia.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

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9. Other expenses

	2024	2023
	\$'000	\$'000
Debts written off	185	977
Bank fees and charges	39	33
Other*	1,712	615
Total other expenses	1,936	1,625

* Includes audit fees paid/payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* of \$0.309 million (\$0.301 million). No other services were provided by the Audit Office of South Australia.

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

	2024	2023
	\$'000	\$'000
Land and buildings:		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	-	(651)
Net gain/(loss) from disposal of land and buildings	-	(651)
Plant and equipment:		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	(104)	(370)
Net gain/(loss) from disposal of plant and equipment	(104)	(370)
Total assets:		
Total proceeds from disposal	-	-
Less total carrying amount of assets disposed	(104)	(1,021)
Total net gain/(loss) from disposal of non-current and other assets	(104)	(1,021)

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

11. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Cash at bank or on hand	824	931
Deposits with Treasurer: general operating	4,552	7,286
Deposits with Treasurer: special purpose funds	10,878	9,704
Total cash and cash equivalents in the Statement of Financial Position	16,254	17,921
Total cash and cash equivalents in the Statement of Cash Flows	16,254	17,921

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

The Hospital receives specific purpose funds from various sources including government, private sector and individuals. These amounts are controlled by the Hospital, and are used to help achieve the Hospital's objectives, notwithstanding that specific uses can be determined by the grantor or donor.

The Hospital earned interest on the special purpose funds deposit account of \$0.416 million (\$0.238 million).

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12. Receivables

	Note	2024 \$'000	2023 \$'000
Current			
Patient/client fees: compensable		1,275	696
Patient/client fees: other		12,433	9,797
Debtors		1,543	1,823
Less: allowance for impairment loss on receivables	12.1	(4,311)	(2,401)
Prepayments		1,090	934
Workers compensation provision recoverable		937	1,233
Sundry receivables and accrued revenue		1,976	2,094
GST input tax recoverable		384	938
Total current receivables		15,327	15,114
Non-current			
Debtors		328	145
Workers compensation provision recoverable		3,377	2,534
Total non-current receivables		3,705	2,679
Total receivables		19,032	17,793

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 *Financial Instruments* and measured lifetime expected credit losses on all trade receivables using an allowance matrix as a practical expedient to measure the impairment allowance.

Movement in the allowance for impairment loss on receivables:

	2024 \$'000	2023 \$'000
Carrying amount at the beginning of the period	2,401	2,495
Increase/(Decrease) in allowance recognised in profit or loss	1,910	(94)
Carrying amount at the end of the period	4,311	2,401

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

Refer to note 28 for details regarding credit risk and the methodology for determining impairment.

13. Inventories

Inventories of \$3.140 million (\$3.186 million) are held for distribution at no or nominal consideration and are measured at the lower of cost and replacement cost.

The amount of inventory write-down to net realisable value/replacement cost or inventory losses are recognised as an expense in the period the write-down or loss occurred. Any write-down reversals are also recognised as an expense reduction.

14. Property, plant and equipment and intangible assets

14.1 Acquisition and recognition of non-current assets

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

The Hospital capitalises owned property, plant and equipment at a value equal to or in excess of \$10,000. Assets recorded as works in progress represent projects physically incomplete as at the reporting date. Componentisation of complex assets is generally performed when the complex asset's fair value at the time of acquisition is equal to or greater than \$5.000 million for infrastructure assets and \$1.000 million for other assets.

14.2 Depreciation and amortisation of non-current assets

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

Depreciation/amortisation is calculated on a straight line basis. Property, plant and equipment are depreciated over the estimated useful life as follows:

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	15 - 60
Right-of-use buildings	Lease term
Accommodation and leasehold improvements	Lease term
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	2 - 25
• Computing equipment	3 - 5
• Other plant and equipment	2 - 25
Right-of-use plant and equipment	2 - 3
Intangibles	1 - 5

14.3 Revaluation

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

Revaluation of non-current assets or a group of assets is only performed when the asset's fair value at the time of acquisition is greater than \$1.500 million and the estimated useful life exceeds three years. Revaluations are undertaken on a six year cycle. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair-value. If at any time management considers that the carrying amount of an asset greater than \$1.500 million materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset. Upon disposal or derecognition, any asset revaluation surplus relating to that asset is transferred to retained earnings.

14.4 Impairment

The Hospital holds its property, plant and equipment and intangible assets for their service potential (value in use). Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be closer to or greater than fair value and therefore these assets have not been tested for impairment. Where there is an indication of impairment, the recoverable amount is estimated. For revalued assets, an impairment loss is offset against the revaluation surplus for that class of assets, to the extent that the impairment loss does not exceed the amount in the respective asset revaluation surplus.

There were no indications of impairment for property, plant and equipment or intangibles as at reporting date.

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14.5 Intangible assets

The carrying amount of intangible assets (software) at beginning of the reporting period was \$0.087 million (\$0.191 million), additions of nil (\$0.087 million), transfer out of work in progress to plant and equipment was nil (\$0.191 million) resulting in a carrying amount at the end of the reporting period of \$0.087 million (\$0.087 million).

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

The amortisation period and the amortisation method for intangible assets with finite useful lives is reviewed on an annual basis.

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

14.6 Land and buildings

An independent valuation of owned land and buildings, including site improvements, was performed from March to June 2024 by Certified Practising Valuers from Marsh Pty Ltd as at 1 June 2024, within the regular valuation cycle.

Fair value of unrestricted land was determined using the market approach by way of direct comparison. The valuation was based on an analysis of sales evidence and comparisons with the subject land, taking into account matters such as whether an active market can be established and there are no unreasonable restrictions as to use and/or sale, area, location and other general site characteristics. For land classified as restricted in use, fair value was determined by applying an adjustment to reflect the restriction.

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

14.7 Plant and equipment

The value of plant and equipment has not been revalued, this is in accordance with APS116.D, as the carrying value is deemed to approximate fair value. These assets are classified in Level 3 as there have been no subsequent adjustments to their value, except for management assumptions about the asset condition and remaining useful life.

14.8 Leased, property, plant and equipment

Right-of-use assets leased by the Hospital as lessee are measured at cost and there were no indications of impairment. Additions to the right-of-use assets during the period were \$1.167 million of motor vehicles (\$0.287 million including property and motor vehicles). Short-term leases of 12 months or less and low value leases, where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets.

The lease liabilities related to the right-of-use assets (and the maturity analysis) are disclosed at note 18. Expenses related to right-of-use assets including depreciation and interest expense are disclosed at note 15 and 18. Cash flows related to right-of-use assets are disclosed at note 22.

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15. Reconciliation of property, plant and equipment

The following table shows the movement:

2023-24	Land and buildings:		Plant and equipment:					Total \$'000		
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommod- ation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000		Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000
Carrying amount at the beginning of the period	41,815	391,646	44,902	12,448	1,680	9,560	2,224	472	2,405	507,152
Additions	7	-	586	53,050	-	1,073	-	581	561	55,858
Assets received free of charge	-	-	-	-	-	175	-	-	-	175
Disposals	-	-	-	-	-	(35)	(69)	-	-	(104)
Transfers between asset classes	-	8,000	-	(7,824)	38	1,800	-	-	(2,014)	-
Remeasurement	-	-	2,299	-	-	-	-	-	-	2,299
Subtotal:	41,822	399,646	47,787	57,674	1,718	12,573	2,155	1,053	952	565,380
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(26,990)	(3,859)	-	(533)	(3,753)	(309)	(359)	-	(35,803)
Subtotal:	-	(26,990)	(3,859)	-	(533)	(3,753)	(309)	(359)	-	(35,803)
Gains/(losses) for the period recognised in other comprehensive income:										
Revaluation increment / (decrement)	15,867	102,383	-	-	-	-	-	-	-	118,250
Subtotal:	15,867	102,383	-	-	-	-	-	-	-	118,250
Carrying amount at the end of the period	57,689	475,039	43,928	57,674	1,185	8,820	1,846	694	952	647,827
Gross carrying amount										
Gross carrying amount	57,689	478,946	62,046	57,674	7,585	44,405	6,399	1,209	952	716,905
Accumulated depreciation / amortisation	-	(3,907)	(18,118)	-	(6,400)	(35,585)	(4,553)	(515)	-	(69,078)
Carrying amount at the end of the period	57,689	475,039	43,928	57,674	1,185	8,820	1,846	694	952	647,827

All property, plant and equipment (excluding capital works in progress which is not classified), is classified as level 3 in the fair value hierarchy, except for \$46.540 million in land and \$9.720 million buildings which is classified as level 2 – refer note 16. Refer to note 14.8 for details about the right-of-use assets, and note 18 for details about the lease liability for right-of-use assets.

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2022-23	Land and buildings:									
	Land \$'000	Buildings \$'000	Right-of-use buildings \$'000	Capital works in progress land and buildings \$'000	Accommodation and Leaschold improvements \$'000	Medical/surgical/dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of-use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	34,000	404,163	46,377	4,033	2,289	9,377	1,774	541	3,840	506,394
Additions	7,815	-	-	19,672	-	1,014	85	287	2,354	31,227
Assets received free of charge	-	-	-	31	-	-	-	-	-	31
Disposals	-	(651)	-	-	-	(351)	(19)	-	-	(1,021)
Transfers between asset classes	-	11,289	-	(11,288)	-	3,228	751	-	(3,789)	191
Remeasurement	-	-	2,381	-	-	-	-	-	-	2,381
Subtotal:	41,815	414,801	48,758	12,448	2,289	13,268	2,591	828	2,405	539,203
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(23,155)	(3,856)	-	(609)	(3,708)	(367)	(356)	-	(32,051)
Subtotal:	-	(23,155)	(3,856)	-	(609)	(3,708)	(367)	(356)	-	(32,051)
Carrying amount at the end of the period	41,815	391,646	44,902	12,448	1,680	9,560	2,224	472	2,405	507,152
Gross carrying amount										
Gross carrying amount	41,815	515,245	59,161	12,448	7,548	42,607	6,949	1,113	2,405	689,291
Accumulated depreciation / amortisation	-	(123,599)	(14,259)	-	(5,868)	(33,047)	(4,725)	(641)	-	(182,139)
Carrying amount at the end of the period	41,815	391,646	44,902	12,448	1,680	9,560	2,224	472	2,405	507,152

All property, plant and equipment (excluding capital works in progress which is not classified) is classified as level 3 in the fair value hierarchy, except for \$1.150 million land which is classified as level 2.

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16. 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 assets are valued on the basis that the entity intends to retain the assets for a continuous use for the purposes of the entity and for the foreseeable future. The Hospital's current use is the highest and best use of the asset unless other factors suggest an alternative use. As the Hospital did not identify any factors to suggest an alternative use, fair value measurement was based on current use. The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1.500 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to notes 14 and 16.2 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

16.1 Fair value hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The Hospital categorises non-financial assets measured at fair value into a hierarchy based on the level of inputs used in measurement as follows:

Fair value measurements at 30 June 2024

	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements (Note 15)			
Land	46,540	11,149	57,689
Buildings and improvements	9,720	465,319	475,039
Leasehold improvements	-	1,185	1,185
Plant and equipment	-	10,666	10,666
Total recurring fair value measurements	56,260	488,319	544,579

Fair value measurements at 30 June 2023

	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements (Note 15)			
Land	1,150	40,665	41,815
Buildings and improvements	-	391,646	391,646
Leasehold improvements	-	1,680	1,680
Plant and equipment	-	11,784	11,784
Total recurring fair value measurements	1,150	445,775	446,925

The Hospital's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Valuation techniques and inputs used to derive level 2 and 3 fair values are at notes 14 and 16.2.

The hospital had no valuations categorised into level 1. There are no non-recurring fair value measurements.

16.2 Valuation techniques and inputs

Land fair values were derived by using the market approach, being recent sales transactions of other similar land holdings within the region, adjusted for differences in key attributes such as property size, zoning and any restrictions on use. To the extent that land has had any restrictions on use and been adjusted with a discount factor these assets are classified as level 3. All other land has been classified as level 2.

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

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Unobservable inputs used to arrive at final valuation figures included:

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

17. Payables

	2024	2023
	\$'000	\$'000
Current		
Creditors and accrued expenses	28,311	26,963
Paid Parental Leave Scheme	198	152
Other payables	866	929
Total current payables	29,375	28,044
Total payables	29,375	28,044

Payables are measured at nominal amounts. Creditors and accruals are recognised for all amounts owed and unpaid. Contractual payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to their short-term nature.

Refer to note 28 for information on risk management.

18. Financial liabilities

	2024	2023
	\$'000	\$'000
Current		
Lease liabilities	3,790	3,746
Total current financial liabilities	3,790	3,746
Non-current		
Lease liabilities	43,379	44,034
Total non-current financial liabilities	43,379	44,034
Total financial liabilities	47,169	47,780

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

The borrowing costs associated with leasing activities is \$1.172 million (\$1.073 million).

Refer to note 28 for information on risk management.

18.1 Leasing activities

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

Major lease activities include the use of:

- Properties – the Hospital has four property leases in place:
 - 44-46 John Rice Avenue, Elizabeth Vale (multi-deck car park)
 - 7-9 Park Terrace, Salisbury (office space)
 - Elizabeth GP Plus, Elizabeth Way, Elizabeth (GP Clinic)
 - Playford Health Hub, John Rice Avenue, Elizabeth Vale
- Motor vehicles – leased from the South Australian Government Financing Authority (SAFA) through their agent LeasePlan Australia. The leases are non-cancellable and the vehicles are leased for a specific time period (usually 3 years) or a specified number of kilometres, whichever occurs first.

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

The Hospital has not committed to any lease arrangements that have not commenced.

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

18.2 Concessional lease arrangements

The Hospital has no concessional lease arrangements.

18.3 Maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flows:

	2024	2023
	\$'000	\$'000
Lease Liabilities		
Within one year	4,857	4,799
Later than one year but not longer than five years	16,965	17,294
Later than five years	33,772	34,485
Total lease liabilities (undiscounted)	55,594	56,578

19. Staff related liabilities

	2024	2023
	\$'000	\$'000
Current		
Accrued salaries and wages	20,556	16,433
Annual leave	67,638	62,386
Long service leave	8,837	7,456
Skills and experience retention leave	4,016	3,624
Staff on-costs	12,291	12,366
Other	2	3
Total current staff related liabilities	113,340	102,268
Non-current		
Long service leave	96,114	82,485
Staff on-costs	4,310	3,574
Total non-current staff related liabilities	100,424	86,059
Total staff related liabilities	213,764	188,327

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

19.1 Salaries and wages, annual leave, skills and experience retention leave and sick leave

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

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

As a result of the actuarial assessment performed by DTF, the salary inflation rate has increased from the 2023 rate (2.0%) to 2.4% for annual leave and skills and experience retention leave liability. As a result, there is an increase in staff related liabilities and staff related expenses of \$0.279 million.

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

19.2 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. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are 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.

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The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth bonds has increased from 2023 (4.00%) to 2024 (4.25%). The actuarial assessment performed by DTF increased the salary inflation rate from 2.50% to 3.50% for long service leave resulting in an increase in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$5.354 million, staff on-costs of \$0.234 million and staff related expense of \$5.588 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

19.3 Staff on-costs

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

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave is unchanged at 38% and the average factor for the calculation of employer superannuation on-costs has increased from the 2023 rate (11.1%) to 11.5% to reflect the increase in super guarantee. These rates are used in the staff on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the staff on-cost liability and staff related expenses of \$0.404 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

20. Provisions

The Hospital's provision relates to workers compensation only.

Reconciliation of workers compensation (statutory and additional compensation)

	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	11,831	10,870
Payments	(3,798)	(4,093)
Remeasurement	4,170	1,503
Additions	4,631	3,551
Carrying amount at the end of the period	16,834	11,831

20.1 Workers Compensation

The Hospital as an exempt employer is responsible for the payment of workers compensation claims and the implementation and funding of preventative programs. A liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

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

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

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21. Contract liabilities and other liabilities

	2024	2023
	\$'000	\$'000
Current		
Contract liabilities	-	372
Unclaimed monies	-	2
Unearned revenue	45	16
Other	13	28
Total current contract liabilities and other liabilities	58	418
Total contract liabilities and other liabilities	58	418

22. Cash flow reconciliation

	2024	2023
	\$'000	\$'000
Reconciliation of net cash provided by operating activities to net result:		
Net cash provided by (used in) operating activities	5,166	11,604
Add/less non-cash items		
Capital revenues	49,092	23,704
Depreciation and amortisation expense of non-current assets	(35,803)	(32,051)
Gain/(loss) on sale or disposal of non-current assets	(104)	(1,021)
Resources received free of charge	175	31
Movement in assets and liabilities		
Increase/(decrease) in receivables	1,239	3,504
Increase/(decrease) in inventories	(46)	-
(Increase)/decrease in staff benefits	(25,437)	(9,414)
(Increase)/decrease in payables and provisions	(3,491)	(4,464)
(Increase)/decrease in other liabilities	360	(120)
Net result	(8,849)	(8,227)

Total cash outflows for leases is \$5.248 million (\$4.643 million).

23. Unrecognised contractual commitments

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

	2024	2023
	\$'000	\$'000
Contractual commitments to acquire property, plant and equipment		
Within one year	878	81
Total capital contractual commitments	878	81

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

	2024	2023
	\$'000	\$'000
Other contractual commitments		
Within one year	41,230	36,472
Later than one year but not longer than five years	67,087	24,263
Later than five years	1,876	987
Total other contractual commitments	110,193	61,722

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

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24. Trust funds

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

	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of period	636	464
Client trust receipts	831	620
Client trust payments	(692)	(448)
Carrying amount at the end of the period	775	636

25. Contingent assets and liabilities

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

26. Events after balance date

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

27. Impact of Standards not yet implemented

The Hospital has assessed the impact of the new and changed Australian Accounting Standards and Interpretations not yet effective.

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* will apply from 1 July 2024. There is complexity and significant level of judgement required in applying AASB 13 and the new amending standard. The Department on behalf of the Hospital engaged a valuer to assist in determining the impact, which is not material.

No Australian Accounting Standards have been early adopted by the Hospital for the reporting period ended 30 June 2024.

28. Financial instruments/financial risk management

28.1 Financial risk management

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

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

Liquidity Risk

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

Refer to notes 1.4, 17 and 18 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 11 and 12 for further information.

Market Risk

The Hospital does not engage in high risk hedging for its financial assets. Exposure to interest rate risk may arise through interest bearing liabilities, including borrowings. The Hospital's interest bearing liabilities are managed through SAFA and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

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

28.2 Categorisation of financial instruments

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

The carrying amounts of financial assets and liabilities were categorised as: financial assets measured at amortised cost; financial assets measured at fair value through profit or loss; financial assets measured at fair value through other comprehensive income; and financial liabilities measured at amortised cost are detailed below. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable.

A financial asset is measured at amortised cost if:

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

The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes 12 and 17).

Category of financial asset and financial liability	Notes	2024 Carrying amount/ Fair value \$'000	2023 Carrying amount/ Fair value \$'000
Financial assets			
Cash and equivalent			
Cash and cash equivalents	11,22	16,254	17,921
Amortised cost			
Receivables	12	12,848	11,985
Total financial assets		29,102	29,906
Financial liabilities			
Financial liabilities at amortised cost			
Payables	17	28,868	27,591
Lease liabilities	18	47,169	47,780
Other liabilities	21	13	28
Total financial liabilities		76,050	75,399

Statutory receivables and payables are excluded from these tables because they are not financial assets and financial liabilities. In government, certain rights to receive or obligations to pay cash may not be contractual but have their source in legislation. The disclosure requirements of AASB7 Financial Instruments do not apply to statutory receivables and payables.

28.3 Credit risk exposure and impairment of financial assets

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

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

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

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

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

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

	30 June 2024			30 June 2023		
	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000
Days past due						
Current	0.2 - 1.3%	4,197	42	0.2 - 1.5%	2,969	36
<30 days	0.4 - 2.0%	1,743	22	0.5 - 2.3%	1,760	26
31-60 days	1.1 - 4.9%	1,023	26	1.3 - 5.3%	922	28
61-90 days	2.0 - 7.3%	586	24	2.4 - 7.6%	1,069	52
91-120 days	3.1 - 9.0%	610	38	3.8 - 9.1%	886	64
121-180 days	5.9 - 12.2%	891	82	7.3 - 12.4%	1,132	122
181-360 days	19.0 - 44.3%	2,678	1,167	18.9 - 44.4%	1,419	600
361-540 days	40.0 - 86.3%	1,432	1,214	39.9 - 86.5%	421	345
>540 days	45.3 - 100.0%	1,778	1,696	45.2 - 100.0%	1,187	1,128
Total		14,938	4,311		11,765	2,401

29. Significant transactions with government related entities

The Hospital is controlled by SA Government.

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

Significant transactions with the SA Government are identifiable throughout this financial report. The Hospital received funding from the SA Government via the Department (note 2), and incurred expenditure via the Department for medical, surgical and laboratory supplies, insurance and computing (note 8). The Hospital incurred significant capital expenditure with DIT of \$42.336 million (\$11.334 million).

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30. Board and committee members

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

Board/Committee name:	Government		Other members
	employee members		
Northern Adelaide Local Health Network Governing Board	-		Scarle J (Chair), Burgess A, Culley A, Forwood M, Lampard F, Patetsos M, Roesler C, Swan D
Northern Adelaide Local Health Network Clinical Governance Committee	-		Patetsos M (Chair), Dennis C, Roesler C, Burgess A, Lynch I
Northern Adelaide Local Health Network Consumer Advisory Board	-		White A (Chair), Dahal K, Mossop J, Putsey P, Spargo J
Northern Adelaide Local Health Network Consumer Community	4		Baker K, Balagengadaran C, Bonato K, Cately P, Chester M, Coleman L, Dahal K, Damgaard H, Dimitropoulos T, Foong J, Gadd R, Grinter M, Hassan R, Irvine S, MacFarlan C, Matorana B, Mossop J, Putsey P, Radic S, Radoslovich H, Raina M, Rowa J, Simpson T, Spargo J, Streiber N, Swietek W, Wegener M, White A, Whittle S
Northern Adelaide Local Health Network Risk Management & Audit Committee	-		Patetsos M (Chair), Connor G, Forwood M
Northern Adelaide Local Health Network and Department for Health and Wellbeing Aboriginal Consumer Reference Group	-		Wanganeen K (Chair), Stengle A, Wanganeen E, Chisholm K, Sinclair N, Weetra R, Varcoc E, Lamont J, O'Brien M, Turner B

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

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

31. Schedules of administered funds

The Hospital administers the following funds:

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

	2024	2023
	\$'000	\$'000
Revenue from fees and charges	13,569	10,997
Other revenue	39	43
Supplies and services	(8)	(17)
Other expenses	(13,292)	(11,465)
Net result	308	(442)
Cash and cash equivalents	1,713	1,430
Receivables	861	834
Net assets	2,574	2,264
Cash at 1 July	1,430	1,575
Cash inflows	13,583	10,940
Cash outflows	(13,300)	(11,085)
Cash at the end of the period	1,713	1,430