Government of South Australia

LIMESTONE COAST LOCAL HEALTH NETWORK

2020-21 Annual Report

LIMESTONE COAST LOCAL HEALTH NETWORK
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To:

Hon Stephen Wade MLC

Minister for Health and Wellbeing

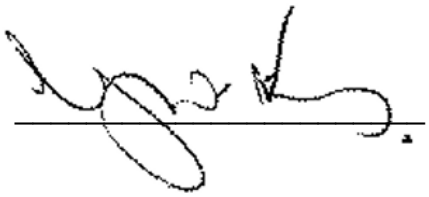
This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009,* the *Public Finance and Audit Act 1987* and the *Health Care Act 2008*, and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

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

Submitted on behalf of the Limestone Coast Local Health Network Inc. by:

Grant King
Governing Board Chair

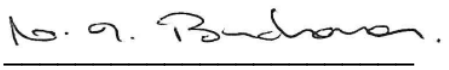
Limestone Coast Local Health Network

Date 22/09/2021 Signature 

Ngaire Buchanan

Chief Executive Officer

Limestone Coast Local Health Network

Date 22/09/2021 Signature 

Acknowledgement to Traditional Custodians

Limestone Coast Local Health Network acknowledges Traditional Custodians of Country throughout the region and recognises the continuing connection to lands, waters and communities. We pay our respects to Aboriginal and Torres Strait Islander cultures; and Elders past and present.

From the Governing Board Chair

I am pleased to present the Limestone Coast Local Health Network 2020-2021 Annual Report which follows completion of the second year of regional governance of our public health system.

Reform of the Health Care Act provides the opportunity for regions to be more directly responsible for health care service delivery and planning for the future.

This Annual Report provides statistical details of the health services provided across the Limestone Coast Region and is a reflection of the achievements of our entire frontline and administrative teams, in meeting the health care needs of our community. I commend the report to you.

We have faced a number of challenges this past year, not the least being the ongoing COVID-19 pandemic. Uncertainty around cross-border access has from time to time, made it very difficult for a number of our staff who reside in Western Victoria. That challenge and the higher order issue of workforce availability and attraction across a range of disciplines, continues to be a high priority for our region and many others across Australia.

Increasing demand for health services drives activity numbers and that drives the need for strong, experienced management and strategic thinking right across the organisation. Mental Health and Aged Care are two examples of areas in our health system that require extra planning and effort to meet community expectations.

It is pleasing to report that our Strategic Plan 2021-2025 has been developed and contains a number of high-level objectives which will drive much of our work over the next two to three years. Challenges mentioned above will be addressed and we will continue to innovate our health care services to maximise opportunities for growth and the introduction of new models of care across the region.

The Board is also committed to implementing our Consumer, Carer & Community and our Clinician & Staff engagement strategies, with both plans seeking to engage and

consult in a way that will support, refine and add value to the way we deliver services into the future.

We will also continue to collaborate more broadly with the other Local Health Networks across South Australia and with the Rural Support Service, to focus on system wide improvements, particularly in areas of new technology and the phasing out of inherited systems and associated risks.

I take this opportunity to thank my fellow Board Members and acknowledge the contribution that they have made to our governance responsibilities and planning towards achieving our strategic objectives. I also want to thank each and every one of our Limestone Coast Local Health Network employees and contracted personnel, for the commitment and dedication shown towards providing our community with a high level of health care service.

I would also like to acknowledge the support of Minister Stephen Wade and the Department for Health and Wellbeing, during the past twelve months.

Grant King

Governing Board Chair

Limestone Coast Local Health Network

From the Chief Executive

This year we have continued to deliver high quality and person-centred health services that meet the needs of our community, despite the immense challenges presented to our Local Health Network due to the COVID-19 pandemic.

Our performance highlights include our work to achieve timely admissions for elective surgery and the continued achievement and improvement in Emergency Department 'Seen on Time' triage categories. We continue work to provide services as close to home as safely possible, with the COVID-19 pandemic seeing an increased uptake in the use of telehealth services across the region and with our regional model supporting the delivery of specialist care in the community including specialist surgery and cancer care services.

We continue to monitor key population trends in our region, including an ageing population, areas of socio-economic disadvantage, complex chronic healthcare needs and mental health. This has been supported by the implementation of the Service Plan in Millicent and the development of our Service Plan for Mount Gambier and the surrounding district. The commitment to providing care for the unique needs of those accessing healthcare across the Limestone Coast will be further supported by the commencement of Service Planning for Bordertown, Keith, Kingston and Naracoorte in 2021-22.

Supporting our commitment to the delivery of services as close to home as safely possible for the Limestone Coast community, the LCLHN has engaged consultants to commence design options for an Ambulatory Care centre in Mount Gambier. This centre is designed to deliver a range of care from preventative and primary care, through to specialist services and tertiary level care in an outpatient setting. We look forward to progressing this important work to reduce hospital presentations.

This year we formalised our partnership with the Pangula Mannamurna Aboriginal Corporation, signing a Memorandum of Understanding (MoU) in November 2020, held our first Cultural Immersion training for the executive team and implemented our Reconciliation Action Plan (RAP), demonstrating our commitment to ensuring our services meet the needs of our local Aboriginal populations.

The continued efforts of the LCLHN Incident Management Team (IMT) in response to the COVID-19 pandemic and the activation of the Vaccination Program in March 2021, has ensured the safety of the Limestone Coast community and the highest vaccination uptake in the State of South Australia.

These and other achievements listed throughout this report have only been possible through the hard work and commitment of our people, who are undoubtedly our greatest asset.

I would like to take this opportunity to thank our dedicated employees across acute, residential aged care, community health and mental health services. I remain ever confident that the Limestone Coast community is in safe hands.

Ngaire Buchanan
Chief Executive
Limestone Coast Local Health Network

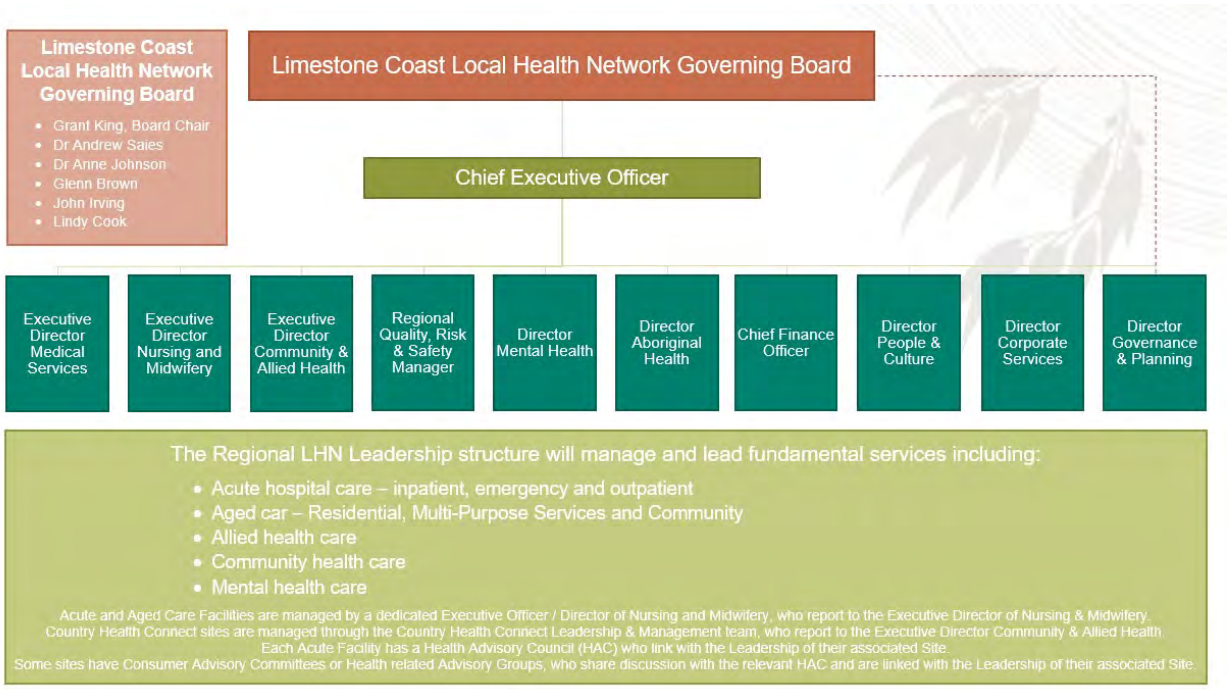
Contents

Overview: about the agency

Our strategic focus

Our Purpose	Limestone Coast Local Health Network (LCLHN) delivers a comprehensive range of public acute, residential aged care, community health and mental health services, throughout 10 public hospitals/health services in regional South Australia, according to population needs, focusing on integrating its service delivery with metropolitan hospitals and other service providers in regional locations.
Our Vision	To be the best rural health service
Our Values	Customer Focus Collaboration Caring Creativity Courage
Our functions, objectives and deliverables	Limestone Coast Local Health Network provided a wide range of public acute, residential aged care, community health and mental health services to country communities. Limestone Coast Local Health Network's key objectives were to: • build innovative and high-performing health service models that deliver outstanding consumer experience and health outcomes • pursue excellence in all that we do • create a vibrant, values-based place to work and learn • harness the power of partnerships to improve the effectiveness of services • elevate and enhance the level of health in country communities. Limestone Coast Local Health Network's key deliverables were to: • provide safe, high-quality health and aged care services • engage with the local community and local clinicians • ensure patient care respects the ethnic, cultural and religious rights, views, values and expectations of all peoples • ensure the health needs of Aboriginal people are considered in all health plans, programs and models of care • meet all legislation, regulations, Department for Health and Wellbeing policies, and agreements

Our organisational structure



Changes to the agency

During 2020-21 there were no changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

Our Minister

Hon Stephen Wade MLC is the Minister for Health and Wellbeing in South Australia.

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

Our Executive team

As at 30 June 2020 the Executive team consisted of:

- Chief Executive Officer – Ngaire Buchanan
- Executive Director of Medical Services – Dr Elaine Pretorius
- Executive Director of Nursing and Midwifery – Paul Bullen
- Executive Director of Community and Allied Health – Marcy Lopriore
- Chief Finance Officer – Kristen Capewell
- Director of Aboriginal Health – Kathryn Edwards
- Director of Corporate Services – Ravinder Singh
- Director of Governance and Planning – Angela Miller
- Director of Mental Health – Pauline Beach
- Director of People and Culture – Peta-Maree France
- Regional Quality, Risk and Safety Manager – Hannah Morrison

Legislation administered by the agency

None.

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

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

The agency's performance

Performance at a glance

In 2020-21 the Limestone Coast Local Health Network (LCLHN) continued its strong reputation for achieving key performance areas including:

- The LCLHN effectively recovered from COVID-19 elective surgery shut downs to achieve 100% timely admissions and zero overdue patients by May 2021
- Continued achievement of Emergency Department (ED) 'Seen on time' targets for triage categories 1, 2 and 5 presentations
- Achievement of the interim National Emergency Admissions Target (NEAT) set at 70% in quarter 4
- Introduction of LCLHN Monthly Dashboard Reporting for Acute, Aged Care, Aboriginal Health, Mental Health, Infection Control, Country Health Connect and the National Disability Insurance Scheme (NDIS)
- Introduction of clinical governance reform and establishment of the Safety and Quality Clinical Effectiveness Council (SQCEC),the Clinical Governance and Leadership Committee (CGLC), and the formation of a General Practitioner (GP) Advisory Group
- Reduction of Relative Stay Index from 1.09 in July 2020 to 1.07 in June 2021
- Significant hospital avoidance and saved bed days achieved through the Better Care in the Community (BCIC) and Virtual Clinical Care (VCC) programs
- Increased stability of ED Medical Officer staffing and decreased use of locums at the Mount Gambier and Districts Health Service (MGDHS) from 13.86 FTE in July 2021 to 10.41 FTE in June 2021, with troughs as low as 7.79 FTE
- Increased use of Health Roundtable data to guide performance and quality improvement activities

Agency response to COVID-19

To reduce the spread of COVID-19 within South Australia, on 22 March 2020 the State Coordinator made a Declaration of a Major Emergency under the Emergency Management Act 2004 and was ongoing at the time of this report.

The LCLHN activated an all-region response through the Incident Management Team (IMT), with the Operations Room located at the MGDHS. The team consisted of: Incident Controller, Clinical and Technical Advisory, Communications, Planning and Intelligence, Logistics and Operations.

In March 2020, the LCLHN IMT made the decision to close the Penola War Memorial Hospital Emergency Department (ED) to protect Aged Care residents, as the risk to those residents was considered to be significant due to the proximity of the ED to the Aged Care facilities. The Penola War Memorial Hospital ED remained closed from July 2020 until February 2021.

On 29 July 2020, Victorian travellers returning to South Australia were directed to quarantine for 14 days in accordance with the Emergency Management (Cross Border Travel No. 10) (COVID-19) Direction 2020, and the LCLHN IMT opened a Medi-Hotel in Mount Gambier on 21 August 2020 to facilitate directed quarantine requirements for returned travellers, which had approximately 201 guests stay until the closure of the facility in November 2020.

In March 2021, COVID-19 vaccination clinics were activated at all sites across the LCLHN as the LHN commenced its COVID-19 vaccination program. The Mount Gambier clinic was transferred offsite to Mount Gambier Central Shopping Centre in May 2021. Up to 30 June 2021, LCLHN clinics had administered 9,714 doses of vaccine as a part of the program.

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	Roles created in LCLHN within Governance and Planning, Finance, Corporate Services and clinical roles including the Hospital Bed Manager at the MGDHS. Surge workforce recruited to support the Medi Hotel and COVID-19 Vaccination program. Creation of a Medical Administration Registrar role to support the Executive Director of Medical Services (EDMS) and further strengthen clinical governance. Under the Rural Health Workforce Strategy, the LCLHN has: • Worked with the Rural Generalist Coordination Unit to profile the LCLHN Rural generalist pathway. The pathway has been incorporated at Naracoorte Health Service with two Medical Practitioner Trainees in a Local GP practice. • Engaged an Orthopaedic Surgeon, providing services across the LCLHN. • Commenced the Allied Health Rural Trainee Program support allied health professionals to work towards aa Graduate Diploma in Rural Generalist Practice. • Employed an additional 2.7 FTE Nurse Practitioner/Nurse Practitioner Candidate roles to support the MGDHS ED.

Lower costs	Costs for consumers were reduced through delivering programs such as: • the Patient Assistance Transport Scheme (PATS) • timely elective surgery in rural communities • increasing access to telehealth services • access to Virtual Clinical Care (VCC)
Better Services	Introduction of key roles of MGDHS Hospital Bed Manager to facilitate patient flow through the service. Increased Nurse Practitioner roles in MGDHS ED to assist with patient flow through the ED and timely access to treatment. Service Planning at the Millicent and Districts Hospital and Health Service (MDHHS) was completed and is currently undertaking the implementation stage. Service Planning at the MGDHS is underway to enable the service to meet the current and future needs of the community. Three (3) key quality improvement projects were undertaken over an eight (8) week period, including; a review of the General Medicine service at MGDHS, education in relation to Inpatient Diabetes Management at all acute and aged care sites, and an emphasis on Coding and Documentation. Continued work of the LCLHN Incident Management Team (IMT) to successfully manage the COVID-19 pandemic. The rollout of the LCLHN regional COVID-19 vaccination program commenced and continues to deliver vaccinations to the community. A Memorandum of Understanding (MoU) between the LCLHN and the Pangula Mannamurna Aboriginal Corporation was signed, which will allow for better continuous service between the two organisations for our consumers, and two way support with education, staff and strategic decisions. A business case has been developed for a proposed Ambulatory Care service located at the MGDHS, utilising a hub and spoke model, with services extending to sites across the region. This has been endorsed by the Governing Board to advance to the next stage. A business proposal was completed, in collaboration with the Department for Health and Wellbeing (DHW), for an interdisciplinary approach for the utilisation of Commonwealth funding for radiotherapy services.

Agency specific objectives and performance

Agency objectives	Indicators	Performance
Clinical Services Reform	IntegratedCardiovascular Clinical Network (iCCnet) Cardiology Service average response time	The average response time was 4.24 minutes, including 415 calls made by LCLHN General Practitioners and nurses.
	Stroke neurologist support for country hospitals	98 patients accessed the SA Telestroke service and 72 transfers were potentially avoided in 2020/21.
	Chemotherapy and Cancer care	There were 558 more cancer specialist medical consultations, including Telehealth, delivered across the two chemotherapy units within the LCLHN in 2020/21 compared to the previous financial year. There were 166 less chemotherapy treatments and 203 less cancer-related nurse activities than 2019/20.
Improving access to services	Care in the community	Approximately 209,380 occasions of service were delivered by Country Health Connect to 9135 individual clients in 2020/21.
	Hospital avoidance program activity: Better Care in the Community (BCIC)	The BCIC program serviced 611 clients with chronic conditions who received community-based support, which has avoided 740 hospital admissions, avoided 70 ED presentations, and saved 12 occupied bed days.
		There has been an increase of 209 referrals from 2019/20 to 2020/21.
	Rapid Intensive Brokerage Service (RIBS)	The RIBS assisted 61 clients, which has avoided 147 hospital admissions, avoided 25 ED presentations and saved 532 occupied bed days.

	Virtual Clinical Care (VCC)	Use of VCC has resulted in the avoidance of 21 hospital admissions and the avoidance of 6 ED presentations. There were 10 clients in the VCC program.
		Overall, there were 7192 occasions of service in 2020/21 in LCLHN hospital avoidance programs.
	Country Access to Cardiac Health (CATCH) telephone cardiac rehabilitation program referrals and completion rates	The CATCH program had 263 referrals with 177 completed to give a completion rate of 67% in 2020/21.
	National Disability Insurance Scheme (NDIS) program activity	The NDIS program delivered , 4914 occasions of services to 152 children under 12 and 12,970 occasions of service to 159 clients over the age of 12 in 2020/21.
	Outpatient Activity	There were 55,529 outpatient service events in 2020/21, an increase from 42,632 in 2019/20.
Hospital Services	ED Activity	LCLHN EDs 32,495 in 2020/21, an increase from 30,941 in 2019/20. Please note Penola ED was closed July 2020 to February 2021 due to COVID-19 as it is co-located with an aged care facility.
	Elective Surgery Timely Admissions	The LCLHN was impacted by the COVID-19 pandemic, however recovered to meet Elective Surgery Timely Admission targets from May 2021.

	Inpatient Activity	There were 17,641 inpatient separations, of which 9317 were overnight and 8324 were same day separations.
Safety and Quality	SAC 1 and SAC2	There were 19 SAC 1 and 2 incidents in 2020/21, compared to 21 last year, which is a decrease of 9.5%.
		Overall, there was a 1.3% increase in reported patient incidents, with SAC 1 and 2 incidents accounting for 0.72% of all incidents reported in 2020/21.
Aboriginal Health	The number of people attending ED identifying as Aboriginal and/or Torres Strait Islander	Steady upward trend in the number of Aboriginal people identifying in EDs from 80 in July, peaking at 127 in May 2021.
	Progression of targets under Reconciliation	Implementation of LCLHN Innovate Reconciliation Action Plan (RAP).
	Strengthening health partnerships	Signing of Memorandum of Understanding (MoU) with Pangula Mannamurna Aboriginal Corporation.
	Aboriginal and/or Torres Strait Islander access to Country Health Connect services	There were 4541 service events provided to 277 individual Aboriginal and/or Torres Strait Islander consumers.
Aged Care	Commonwealth Mandatory Aged Care Reporting	Use of Moving on Audits as a tool to capture results and report Mandatory Quality Indicators to the Commonwealth.
	Monitoring of KPI data	Reform of LCLHN Aged Care Governance Committee.
		LCLHN Operational and Board Reporting compliance.
		Aged Care Dashboard implemented in 2020/21.

		Aged Care Diversity Action Plan for the LHN implemented.
	Access to community based aged care services	There were 603 Aged Care Assessment Program (ACAP) assessments undertaken in 2020/21.
		There has been an increase in the number of active Home Care Packages (HCP) from 208 in July 2020 to 237 in June 2021.
Mental Health	Service Activity	There has been an increase in Mental Health ED Presentations in the LCLHN from 962 in 2019/20 to 1138 in 2020/21.
		There has been an increase in Mental Health admissions to hospital with 381 in 2020/21 compared to 324 in 2019/20. Of these, there were 278 Integrated Mental Health Inpatient Unit (IMHIU) admissions and 103 Mental Health outliers in general wards in 2020/21 compared to 250 IMHIU admissions and 74 outliers in general wards in 2019/20.
		The number of admissions to the Intensive Community Program (ICP) has increased from 123 in 2019/20 to 138 in 2020/21.
		There was a reduction in Community Mental Health Team admissions, with 627 in 2019/20 and 477 in 2020/21.

Corporate performance summary

- 30 Employees completed the LCLHN Growing Leaders Program and two (2) employees commenced the TIER (Transform, Inspire, Engage & Redesign) Leadership Program.
- Health Roundtable membership for Mount Gambier and Districts Health Service (MGDHS), Millicent and District Hospital and Health Service (MDHHS) and Naracoorte Health Service (NHS) to drive performance improvement.
- The LCLHN Diversity and Inclusion Plan 2020-2023 was endorsed.
- The LCLHN Disability Action and Inclusion Plan 2020-2023 was endorsed and published.
- Several Major and Minor Capital Projects were completed across the LCLHN, including:
    - Bathrooms upgraded at Bordertown Memorial Hospital (BMH)
    - Corporate WIFI installation at Penola Multi-Purpose Service (MPS)
    - Fire system upgrades at Kingston MPS and at NHS
    - Free public WIFI access at the MGDHS
    - Front entrance upgrade at NHS
    - Roof repairs at MDHHS
    - Staff car park expansion at the MGDHS
- A variety of dashboard and scorecard style reports were created and implemented, providing a comprehensive summary of performance and activity across the LCLHN on a monthly basis.
- MGDHS Service Planning activities continued in 2020/21 and will shape future service delivery.
- The LCLHN Risk Management Procedure and flowchart were implemented.
- New electronic Risk Management software ‘Risk Console’ was implemented.
- ‘Moving on Audits’, a consistent electronic web-based auditing software was implemented across the LCLHN.
- Improvements were made to the LCLHN Intranet hosted by Microsoft 365 application SharePoint, to increase the ease of access to LCLHN specific information for all staff.
- LCLHN corporate branding was introduced and the LCLHN website presence was improvedThe LCLHN Consumer, Carer & Community Engagement Strategy 2021-2024 was endorsed.
- The LCLHN Strategic Plan 2021-2025 was developed.

Accreditation Status

- National Safety and Quality Health Service (NSQHS) Standards

  The Limestone Coast Local Health Network underwent NSQHS Standards Accreditation. All sites were assessed against the 8 Standards and 6 Aboriginal Actions within this process: Clinical Governance, Partnering with Consumers, Preventing and Controlling Healthcare-associated Infection, Medication Safety, Comprehensive Care, Communicating for Safety, Blood Management and Recognising and Responding to Acute Deterioration. LCLHN were successfully awarded full accreditation status up to 4 January 2024.

  The LCLHN Attestation Statement, and the Mount Gambier Private Hospital Attestation Statement, were submitted on 24 September 2020.

- Aged Care Quality Standards

Residential Aged Care Site	Code	Accreditation Expiry Date
Bordertown	6027	26/9/2021
Millicent	6510	13/1/2022 (pending accreditation outcome from survey July 2021)
Naracoorte	6926	14/4/2022
Kingston MPS		In-line with NSQHS accreditation
Penola MPS		In-line with NSQHS accreditation

- National Disability Insurance Scheme (NDIS) Practice Standards

  Limestone Coast Local Health Network underwent assessment against the NDIS Practice Standards in May 2021. LCLHN (Country Health Connect Disability Services plus Residential Care Facilities) retained status as a registered NDIS provider through to 20 January 2023.

Employment opportunity programs

Program name	Performance
Skilling SA	Under the Skilling SA Program six (6) existing employees have been identified for enrolment and upskilling in Certificate IV and Diploma level qualifications.
Enrolled Nurse Cadetship Program	Commencement of two (2) Aboriginal Enrolled Nurse Cadetships.

Agency performance management and development systems

Performance management and development system	Performance
Performance Review and Development is a process for supporting continuous improvement of the work performance of employees to assist them to meet the organisation's values and objectives	85.92% of employees had a performance review and development discussion.

Work health, safety and return to work programs

Program name	Performance
Management of work-related injury	The following has been achieved: 5% ($32,122) reduction in cost of open claims 25% reduction in the number of long-term claims (ie > 1 year old) LCLHN has a collaborative approach between injury management practitioners, human resources practitioners, the work health & safety practitioner and LHN Managers to support early intervention and proactive return to work. This is particularly important given the significant increase in new claims across the LHN and SA Health in general.

Workplace injury claims	2020-21	2019-20	% Change (+ / -)
Total new workplace injury claims	56	30	+86.7%
Fatalities	0	0	0.0%
Seriously injured workers*	0	0	0.0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	30.41	9.89	+207.5%

**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	2020-21	2019-20	% Change (+ / -)
Number of notifiable incidents (*Work Health and Safety Act 2012, Part 3)*	0	1	-100%
Number of provisional improvement, improvement and prohibition notices (*Work Health and Safety Act 2012 Sections 90, 191 and 195*)	0	1	-100%

Return to work costs**	2020-21	2019-20	% Change (+ / -)
Total gross workers compensation expenditure ($)	$1,706,679	$532,345	+220.6%
Income support payments – gross ($)	$364,041	$190,161	+91.4%

***before third party recovery*

Data for previous years is available at: https://data.sa.gov.au/data/dataset/limestone-coast-local-health-network-lclhn

Executive employment in the agency

Executive classification	**Number of executives**
SAES1	1

Data for previous years is available at: https://data.sa.gov.au/data/dataset/limestone-coast-local-health-network-lclhn

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 2020-2021 are attached to this report.

Statement of Comprehensive Income	2020-21 Budget $000s	2020-21 Actual $000s	Variation $000s	2019-20 Actual $000s
Total Income	172,639	180,763	8,124	164,222
Total Expenses	169,250	175,578	(6,328)	163,516
Net Result	**3,389**	**5,185**	**1,796**	**706**
Total Comprehensive Result	**3,389**	**5,185**	**1,796**	**706**

Statement of Financial Position	2020-21 Budget $000s	2020-21 Actual $000s	Variation $000s	2019-20 Actual $000s
Current assets	N/A	34,177	N/A	28,941
Non-current assets	N/A	127,197	N/A	128,427
Total assets	N/A	**161,374**	N/A	**157,368**
Current liabilities	N/A	38,610	N/A	36,574
Non-current liabilities	N/A	57,157	N/A	60,372
Total liabilities	N/A	**95,767**	N/A	**96,946**
Net assets	N/A	**65,607**	N/A	**60,422**
Equity	N/A	**65,607**	N/A	**60,422**

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
	Total	**Nil**

Consultancies with a contract value above $10,000 each

Consultancies	Purpose	$ Actual payment
N/A	N/A	Nil
	Total	**Nil**

Data for previous years is available at: https://data.sa.gov.au/data/dataset/limestone-coast-local-health-network-lclhn

See also the Consolidated Financial Report of the Department of Treasury and Finance for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

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

Contractors with a contract value below $10,000

Contractors	Purpose	$ Actual payment
All contractors below $10,000 each - combined	Various	$16,308
	Total	**$16,308**

Contractors with a contract value above $10,000 each

Contractors	Purpose	$ Actual payment
Health Care Australia	Agency	$498,481
Your Nursing Agency Pty Ltd	Agency	$275,824
Allied Employment Group Pty Ltd	Agency	$45,112

Contractors	Purpose	$ Actual payment
HAYS Specialist Recruitment (Australia) Pty Ltd	Agency	$28,054
Homecare Plus	Personal Care and Domestic Assistance	$22,953
Careers Connection International Pty Ltd	Agency	$17,460
J Day Con Pty Ltd	Fitting of light	$14,020
	Total	**$901,904**

Data for previous years is available at: https://data.sa.gov.au/data/dataset/limestone-coast-local-health-network-lclhn

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

Not Applicable

Risk management

Risk and audit at a glance

The Limestone Coast Local Health Network (LCLHN) has an established Audit and Risk Committee (ARC) who report directly to the Governing Board. The purpose of the ARC is to assist the LCLHN Governing Board (the Board) in fulfilling its oversight responsibilities for the:

- Integrity of the financial statements,
- Compliance with legal and regulatory requirements,
- Independent auditor's qualification and independence,
- Performance of the internal audit function, and
- Efficient and effective management of all aspects of risk.

The Committee consists of at least two (2), but no more than three (3) members of the Board, and one (1) external qualified member. All Committee members are appointed by the Board. Standing Invitees include selected LCLHN Executive, the Risk Management Consultant, Rural Support Service, the Group Director, Risk and Assurance Services from the Department for Health and Wellbeing (as an independent observer); and a representative from the Auditor-General's Department.

The Committee meetings are held quarterly. The ARC has approved an annual reporting calendar to ensure that all requirements are overseen as required across the year. These topics are categorised under the following areas of risk: Risk Management, Internal Control, Financial Statements, Compliance Requirements, Internal Audit, External Audit, Audit Reporting Matters, Corruption Control, and Other.

LCLHN have developed and implemented a local Risk Management Procedure which is consistent with the System-Wide Risk Management Policy Directive, providing staff with specific guidance on context, identification, analysis, evaluation, treatment, monitoring and communication of risk.

A consistent Audit Charter has been developed by the RSS and implemented in LCLHN enabling the internal audit function to be delivered by the RSS. The Charter provides guidance and authority for audit activities.

Fraud detected in the agency

Category/nature of fraud	Number of instances
Nil	0

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

Strategies implemented to control and prevent fraud

The Limestone Coast Local Health Network (LCLHN) Governing Board has an established Audit and Risk Committee and a Finance and Performance Committee to ensure oversight of operational process relating to the risk of fraud. These Committees meet on a regular basis and review reports regarding financial management, breaches and risk management. The Chair of the LCLHN Audit and Risk Committee is a Governing Board member who liaises closely with SA Health's Group Director Risk & Assurance Services and a representative from the Auditor Generals Department. The Audit and Risk Committee additionally has an external (independent) member as part of the membership and who is a Certified Fraud Examiner.

The SA Health Corruption Control Policy and Public Interest Disclosure Policy Directives are followed relating to risk of fraud. Any allegations of fraud, including financial delegation breaches, are reported to the Board by Management. Shared Services SA provide a report to the LCLHN Chief Finance Officer providing details of any expenditure that has occurred outside of procurement and approved delegations. These breaches are reviewed and reported to the Governing Board. The Audit and Risk Committee's reporting calendar ensures compliance with Fraud & Corruption policy and procedure and are reviewed on a regular basis.

All Board members and senior management are required to declare any actual, potential or perceived conflict of interest and the register of interest is reviewed regularly.

The Audit and Risk Committee Terms of Reference define the Scope and Function as below:

The Committee will:

- Advise on the adequacy of the financial statements, having regard to the following:
    - the appropriateness of the accounting practices used;
    - compliance with prescribed accounting standards under the Public Finance and Audit Act 1987;
    - external audits of the financial statements; and
- Information provided by LCLHN about the accuracy and completeness of the financial statements.
- Monitor LCLHN's compliance with its obligation to establish and maintain an internal control structure and systems of risk management, including whether the LCLHN has appropriate policies and procedures in place and is complying with them
- To monitor and advise the Governing Board on the internal audit function in line with the requirements of relevant legislation
- Oversee LCLHN's liaison with the South Australian Auditor-General's Department in relation to LCLHN's proposed audit strategies and plans including compliance to any performance management audits undertaken

- Assess external audit reports of LCLHN and the adequacy of actions taken by LCLHN as a result of the reports
- Monitor the adequacy of LCLHN's management of legal and compliance risks and internal compliance systems, including the effectiveness of the systems in monitoring compliance by LCLHN with relevant laws and government policies
- Undertake any other function given to the Committee by the Governing Board, if the function is not inconsistent with the above

Data for previous years is available at: https://data.sa.gov.au/data/dataset/limestone-coast-local-health-network-lclhn

Public interest disclosure

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

Nil disclosures

Data for previous years is available at: https://data.sa.gov.au/data/dataset/limestone-coast-local-health-network-lclhn

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	Not Applicable

Reporting required under the *Carers' Recognition Act* 2005

Limestone Coast Local Health Network actively encourages consumer and carer engagement in health services and actively seeks feedback from consumers and carers about the services that we provide.

Limestone Coast Local Health Network has a staff orientation and induction program and a mandatory staff training program to ensure that staff are educated about the Carers Charter.

Limestone Coast Local Health Network has a comprehensive consumer engagement strategy and regularly consults with health advisory councils, community network members, members of experts by experience and other representative groups when developing policies and programs that affect consumers or carers when undertaking strategic or operational planning.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2020-21
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	37
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	24
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	3
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	8
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	7
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0

Complaint categories	Sub-categories	Example	Number of Complaints 2020-21
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	22
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	10
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	46
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0

Complaint categories	Sub-categories	Example	Number of Complaints 2020-21
Treatment	Treatment	Inadequate treatment, coordination of treatment, mediation, infection control, diagnosis, rough/painful treatment, adverse outcome, wrong/inappropriate treatment	59
Costs	Costs		0
Administration	Administration	Lost property, Administration services	6
		Total	222

Additional Metrics	Total
Number of positive feedback comments	330
Number of negative feedback comments	222
Total number of feedback comments	552
% complaints resolved within policy timeframes	86.86%

Data for previous years is available at: https://data.sa.gov.au/data/dataset/limestone-coast-local-health-network-lclhn

Service Improvements

Service Improvements resulting from complaints or consumer suggestions over 2020-2021:

- LCLHN consumer experience survey tools were reviewed with improvements made to questions relating to Acute, Community and Aged Care. Surveys are available at each Health Unit in both printed and electronic formats
- Facilitation of regular resident and relative meetings at each Residential Aged Care (RAC) facility to improve communication flow and capture improvement ideas
- Implementation of an NDIS service specific consumer experience survey
- Increased usage of infographics presented within safety & quality documentation for consumers
- The kitchen area at Moreton Bay House (Naracoorte) RAC facility was upgraded, with input from residents in relation to the design, including; the island bench, cooking area and seating to allow activities to be observed
- Strengthened review of feedback across the LCLHN through the implementation of Dashboards and Scorecards, which summarise feedback trends and inform quality improvements
- Transparency of consumer feedback and management described within the Consumer Engagement Strategy
- Memorandum of Understanding (MOU) between LCLHN and Pangula Mannamurna Aboriginal Corporation Inc. has been signed and improves the patient journey for our Aboriginal consumers
- Strengthened Goals of Care at the bedside in Acute facilities, improving patient centered goal planning and experience
- Implementation of Comprehensive Care of the Older Person Model of Care
- The Consumer Story initiative was implemented at Naracoorte in response to Palliative Care and family engagement
- Development and implementation of the Aged Care Diversity Action Plan
- Installation of a wind break blind in Bordertown RAC site, following suggestion from residents, to reduce cold air coming into the facility
- Building of an outdoor shed area, including areas for gardening, hobbies, and a workshop, for use by Aged Care residents at Penola MPS
- Engagement with consumers and families informed the upgrade of the central dining/kitchen area in Sheoak Lodge (Millicent)
- Implementation of Palliative Care family trolleys (inclusive of; information, tea and coffee making facilities, a Bluetooth speaker, activities and cards) at MGDHS to enable family members to stay within the room – an identified improvement through consumer feedback

- The driveway at Sheoak Lodge (Millicent) was upgraded following consumer feedback
- Charla Lodge (Bordertown) replaced the bus used for Aged Care resident transport following feedback received
- Creation of a quiet reading area in the Nook at Bordertown RAC facility following suggestion from residents
- Implementation of flow coordinator at MGDHS informed by consumer feedback trends
- Identified through feedback, the Pavy Bathroom in Naracoorte Aged Care has been upgraded and modernised
- Through resident feedback, shift times have been amended for additional staff at Sheoak Lodge (Millicent), to enable consumers to continue engaging in activities later into the evenings
- Following consumer feedback, the Aged Care Admission Packs at Bordertown and Kingston have been updated to include Advanced Care Directive information
- Residents and relative feedback informed the redesign and upgrade of the Lounge area in Francis House (Bordertown) to create a more home-like environment
- Through consultation with consumers, the texture modified menu has improved, providing a wider variety of foods and snacks
- At Sheoak Lodge (Millicent), breakfast is now served from the dining rooms with resident's choice of breakfast each morning
- A 'hairdressing box' is now available in Bordertown RAC facility for use when the hairdresser is unable to attend the site – this has been implemented in response to feedback from consumers
- Implementation of a la carte menu every Friday at Sheoak Lodge (Millicent) - served from Bain Marie to increase resident's choice. The menu is selected at the regular Resident and Relative meetings

Compliance Statement

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

Appendix: Audited financial statements 2020-21

Government of South Australia
Auditor-General's Department

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

Our ref: A21/039

24 September 2021

Mr G King
Board Chair
Limestone Coast Local Health Network Incorporated
PO Box 267
MOUNT GAMBIER SA 5290

Dear Mr King

Audit of Limestone Coast Local Health Network Incorporated for the year to 30 June 2021

We have completed the audit of your accounts for the year ended 30 June 2021. Two key outcomes from the audit are the:

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

1 Independent Auditor's Report

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

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

2 Audit management letter

During the year, we sent you an audit management letter detailing the weaknesses we noted and improvements we considered you need to make.

Significant matters related to:

- invoices were paid without purchase orders
- ineffective follow up of longstanding patient debtors
- revenue system access restrictions were insufficient
- no contract management plan for significant contract
- procurement requirements were not followed

- contracts not established for some regular services.

We have received responses to our letter and will follow these up in the 2021-22 audit.

I have also included summary comments about these matters in my annual report. These identify areas we assessed as not meeting a sufficient standard of financial management, accounting and control.

What the audit covered

Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

Our audit covered the principal areas of the agency's financial operations and included test reviews of systems, processes, internal controls and financial transactions. Some notable areas were:

- payroll
- accounts payable
- procurement and contract management
- patient revenue, including accounts receivable
- fee for service
- property, plant and equipment
- cash
- general ledger.

I would like to thank the staff and management of your agency for their assistance during this year's audit.

Yours sincerely

Andrew Richardson
Auditor-General

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INDEPENDENT AUDITOR'S REPORT

Government of South Australia
Auditor-General's Department

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State Administration Centre
200 Victoria Square
Adelaide SA 5000

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To the Board Chair
Limestone Coast Local Health Network Incorporated

Opinion

I have audited the financial report of the Limestone Coast Local Health Network Incorporated and the consolidated entity comprising the Limestone Coast Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Limestone Coast Local Health Network Incorporated and its controlled entities as at 30 June 2021, their financial performance and their 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 consolidated financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Board Chair, the Chief Executive Officer and the Chief Finance Officer.

Basis for opinion

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

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

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

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 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 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 Limestone Coast Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2021.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Limestone Coast Local Health Network Incorporated's and its controlled entities' internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Andrew Richardson
Auditor-General
24 September 2021

Certification of the financial statements
Limestone Coast Local Health Network

We certify that the:

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

Grant King	Ngaire Buchanan	Kristen Capewell
Board Chair	Chief Executive Officer	Chief Finance Officer

Date 14/09/2021

LIMESTONE COAST LOCAL HEALTH NETWORK
STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2021

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Income					
Revenues from SA Government	2	137,481	123,702	137,481	123,702
Fees and charges	3	17,172	16,398	17,172	16,398
Grants and contributions	4	22,096	20,684	22,526	20,814
Interest		144	375	136	352
Resources received free of charge	5	1,758	1,427	1,758	1,427
Net gain from disposal of non-current and other assets	6	2	-	2	-
Other revenues/income	7	2,110	1,636	1,776	1,517
Total income		**180,763**	**164,222**	**180,851**	**164,210**
Expenses					
Staff benefits expenses	8	103,450	96,493	103,450	96,493
Supplies and services	9	62,736	57,972	62,734	57,972
Depreciation and amortisation	17,18	6,130	6,136	4,747	4,755
Grants and subsidies	10	1,330	1,310	1,330	1,310
Borrowing costs	11	813	863	813	863
Net loss from disposal of non-current and other assets	6	-	29	-	29
Impairment loss on receivables	14.1	882	373	882	373
Other expenses	12	237	340	1,272	355
Total expenses		**175,578**	**163,516**	**175,228**	**162,150**
Net result		**5,185**	**706**	**5,623**	**2,060**
Total comprehensive result		**5,185**	**706**	**5,623**	**2,060**

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

LIMESTONE COAST LOCAL HEALTH NETWORK
STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Current assets					
Cash and cash equivalents	13	10,726	5,431	9,766	4,533
Receivables	14	3,655	3,468	3,665	3,466
Other financial assets	15	18,944	19,354	17,893	18,164
Inventories	16	852	688	852	688
Total current assets		**34,177**	**28,941**	**32,176**	**26,851**
Non-current assets					
Receivables	14	402	402	402	402
Property, plant and equipment	17,18	126,795	128,025	97,790	98,671
Total non-current assets		**127,197**	**128,427**	**98,192**	**99,073**
Total assets		**161,374**	**157,368**	**130,368**	**125,924**
Current liabilities					
Payables	20	5,067	4,696	5,067	4,696
Financial liabilities	21	3,050	3,137	3,050	3,137
Staff benefits	22	13,867	13,136	13,867	13,136
Provisions	23	808	708	808	708
Contract liabilities and other liabilities	24	15,818	14,897	15,818	14,897
Total current liabilities		**38,610**	**36,574**	**38,610**	**36,574**
Non-current liabilities					
Payables	20	636	636	636	636
Financial liabilities	21	39,409	42,280	39,409	42,280
Staff benefits	22	16,046	16,513	16,046	16,513
Provisions	23	1,066	943	1,066	943
Total non-current liabilities		**57,157**	**60,372**	**57,157**	**60,372**
Total liabilities		**95,767**	**96,946**	**95,767**	**96,946**
Net assets		**65,607**	**60,422**	**34,601**	**28,978**
Equity					
Retained earnings		57,677	52,492	34,601	28,978
Asset revaluation surplus		7,930	7,930	-	-
Total equity		**65,607**	**60,422**	**34,601**	**28,978**

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

LIMESTONE COAST LOCAL HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2021

CONSOLIDATED

	Note	Asset revaluation surplus $ '000	Retained earnings $ '000	Total equity $ '000
Balance at 30 June 2019		-	-	-
Net assets received from an administrative restructure	1.6	-	54,058	54,058
Net assets received on first time consolidation	1.6	7,930	24,868	32,798
Adjustments on initial adoption of Accounting Standards		-	(27,140)	(27,140)
Adjusted balance at 1 July 2019		**7,930**	**51,786**	**59,716**
Net result for 2019-20		**-**	**706**	**706**
Total comprehensive result for 2019-20		**-**	**706**	**706**
Balance at 30 June 2020		**7,930**	**52,492**	**60,422**
Net result for 2020-21		**-**	**5,185**	**5,185**
Total comprehensive result for 2020-21		**-**	**5,185**	**5,185**
Balance at 30 June 2021		**7,930**	**57,677**	**65,607**

PARENT

	Note	Asset revaluation surplus $ '000	Retained earnings $ '000	Total equity $ '000
Balance at 30 June 2019		-	-	-
Net assets received from an administrative restructure	1.6	-	54,058	54,058
Adjustments on initial adoption of Accounting Standards		-	(27,140)	(27,140)
Adjusted balance at 1 July 2019		-	**26,918**	**26,918**
Net result for 2019-20		-	**2,060**	**2,060**
Total comprehensive result for 2019-20		-	**2,060**	**2,060**
Balance at 30 June 2020		-	**28,978**	**28,978**
Net result for 2020-21		-	**5,623**	**5,623**
Total comprehensive result for 2020-21		-	**5,623**	**5,623**
Balance at 30 June 2021		-	**34,601**	**34,601**

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

LIMESTONE COAST LOCAL HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the period ended 30 June 2021

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Cash flows from operating activities					
Cash inflows					
Receipts from SA Government		112,014	120,661	112,014	120,661
Fees and charges		17,142	17,113	17,133	17,113
Grants and contributions		22,436	20,146	22,866	20,274
Interest received		78	232	76	232
Residential aged care bonds received		4,353	4,245	4,353	4,245
GST recovered from ATO		3,415	3,562	3,415	3,562
Other receipts		710	661	376	542
Cash generated from operations		**160,148**	**166,620**	**160,233**	**166,629**
Cash outflows					
Staff benefits payments		(102,832)	(94,408)	(102,832)	(94,408)
Payments for supplies and services		(40,986)	(58,705)	(40,985)	(58,705)
Payments of grants and subsidies		(1,454)	(1,429)	(1,454)	(1,429)
Interest paid		(813)	(863)	(813)	(863)
Residential aged care bonds refunded		(4,329)	(3,098)	(4,329)	(3,098)
Other payments		(313)	(402)	(313)	(402)
Cash used in operations		**(150,727)**	**(158,905)**	**(150,726)**	**(158,905)**
Net cash provided by operating activities		**9,421**	**7,715**	**9,507**	**7,724**
Cash flows from investing activities					
Cash inflows					
Proceeds from sale of property, plant and equipment		5	-	5	-
Proceeds from sale/maturities of investments		768	32	620	-
Cash generated from investing activities		**773**	**32**	**625**	**-**
Cash outflows					
Purchase of property, plant and equipment		(1,406)	(1,957)	(1,406)	(1,957)
Purchase of investments		(300)	(50)	(300)	(50)
Cash used in investing activities		**(1,706)**	**(2,007)**	**(1,706)**	**(2,007)**
Net cash provided by/(used in) investing activities		**(933)**	**(1,975)**	**(1,081)**	**(2,007)**
Cash flows from financing activities					
Cash inflows					
Cash received from restructuring activities		-	2,961	-	2,086
Cash generated from financing activities		**-**	**2,961**	**-**	**2,086**
Cash outflows					
Repayment of borrowings		(81)	(124)	(81)	(124)
Repayment of lease liabilities		(3,112)	(3,146)	(3,112)	(3,146)
Cash used in financing activities		**(3,193)**	**(3,270)**	**(3,193)**	**(3,270)**
Net cash provided by/(used in) financing activities		**(3,193)**	**(309)**	**(3,193)**	**(1,184)**
Net increase/(decrease) in cash and cash equivalents		**5,295**	**5,431**	**5,233**	**4,533**
Cash and cash equivalents at the beginning of the period		5,431	-	4,533	-
Cash and cash equivalents at the end of the period	13	**10,726**	**5,431**	**9,766**	**4,533**
Non-cash transactions	25				

The accompanying notes form part of these financial statements.

1. About Limestone Coast Local Health Network

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

Parent Entity

The Parent Entity consists of the following:

- Bordertown Memorial Hospital
- Bordertown Charla Lodge
- Integrated Mental Health Inpatient Unit
- Kingston Soldiers Memorial Hospital Multi-Purpose Service
- Limestone Coast Country Health Connect
- Mental Health Intensive Community Program
- Millicent and Districts Hospital and Health Service
- Millicent Sheoak Lodge
- Mount Gambier and Districts Health Service
- Naracoorte Health Service
- Naracoorte Moreton Bay House
- Penola War Memorial Hospital Multi-Purpose Service

Consolidated Entity

The consolidated entity includes the Parent entity, the Incorporated Health Advisory Councils (HACs) and the Incorporated HAC Gift Fund Trusts (GFTs) as listed in note 33.

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

The consolidated financial statements have been prepared in accordance with AASB 10 *Consolidated Financial Statements*. Consistent accounting policies have been applied and all inter-entity balances and transactions arising within the consolidated entity have been eliminated in full. Information on the consolidated entity's interests in other entities is at note 33.

1.1 Objectives and activities

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

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

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

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

1.2 Basis of preparation

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

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

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

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

Significant accounting policies are set out throughout the notes.

Prior year comparative values will follow current year values in brackets 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 2021, the Hospital had working capital deficiency of $4.433 million ($7.633 million). The SA Government is committed to continuing the delivery of hospital services to country and regional SA and accordingly it has demonstrated a commitment to the ongoing funding of the Hospital.

1.5 Equity

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

1.6 Changes to reporting entity

2020-21

There were no administrative restructures during the current reporting period.

2019-20

CHSALHN was dissolved on 1 July 2019. Six new entities were established to provide hospital, health and aged care services to country and regional SA. As per the *Health Care (Local Health Networks) Proclamation 2019* contained in the South Australian Government Gazette No 30, dated 27th June 2019, assets, rights and liabilities were transferred to the relevant entity, effective 1 July 2019. This resulted in the transfer of 1,773 employees, and net assets of $86.856 million to be received by the Hospital as detailed below.

Assets and liabilities transferred in were:

	Consolidated 2020 $'000	Parent 2020 $'000
Assets		
Cash	2,961	2,086
Receivables	3,994	3,989
Property, plant and equipment	112,375	81,657
Other assets	19,862	18,662
Total assets	**139,192**	**106,394**
Liabilities		
Payables	4,553	4,554
Staff benefits	28,164	28,164
Provisions	1,390	1,389
Other liabilities	18,229	18,229
Total liabilities	**52,336**	**52,336**
Total net assets transferred in	**86,856**	**54,058**

1.7 Impact of COVID-19 pandemic

The COVID-19 pandemic continues to have an impact on the Hospital's operations. This includes an increase in costs associated with COVID-19 capacity and preparation, the readiness of COVID-19 testing clinics, establishment of vaccine clinics, increased demand for personal protective equipment, increased staffing costs (including agency) to ensure necessary compliance measures are followed. The net COVID-19 specific costs for the Hospital were $2.109 million ($.821 million).

1.8 Changes in accounting policy

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

2. Revenues from SA Government

	Consolidated		Parent	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Capital projects funding	4,282	4,831	4,282	4,831
Operational funding	133,199	118,871	133,199	118,871
Total revenues from SA Government	**137,481**	**123,702**	**137,481**	**123,702**

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

	Consolidated		Parent	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Patient and client fees	7,004	6,051	7,004	6,051
Private practice fees	613	556	613	556
Fees for health services	4,512	4,890	4,512	4,890
Residential and other aged care charges	4,194	4,104	4,194	4,104
Sale of goods - medical supplies	642	584	642	584
Other user charges and fees	207	213	207	213
Total fees and charges	**17,172**	**16,398**	**17,172**	**16,398**

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 at a point in time, when the Hospital satisfies performance obligations by transferring the promised goods or services to its customers.

The Hospital recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities (refer to note 24). 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 14).

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

Patient and Client Fees

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

Private practice fees

SA Health grants SA Health employed salaried medical consultants the ability to provide billable medical services relating to the assessment, treatment and care of privately referred outpatients or private inpatients in SA Health sites. Fees derived from undertaking private practice is income derived in the hands of the specialist. The specialist appoints the Hospital as an agent in the rendering and recovery of accounts of the specialist's private practice. SA Health disburses amounts 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.

Residential and other aged care charges

Long stay nursing home fees include daily care fee and daily accommodation fees. Residents pay fortnightly in arrears for services rendered and accommodation supplied. Residents are invoiced fortnightly in arrears as services and accommodations are provided. Any amounts remaining unpaid or unbilled at the end of the reporting period are treated as an accounts receivable.

Fees for health services

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

4. Grants and contributions

	Consolidated		Parent	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Commonwealth grants and donations	13,515	12,085	13,515	12,085
Commonwealth aged care subsidies	7,925	7,796	7,925	7,796
SA Government capital contributions	-	-	240	16
Other SA Government grants and contributions	656	705	846	819
Private sector grants and contributions	-	98	-	98
Total grants and contributions	**22,096**	**20,684**	**22,526**	**20,814**

The grants received are usually subject to terms and conditions set out in the contract, correspondence, or by legislation. Of the $22.096 million ($20.684 million) grants provided for the reporting period, $22.096 million ($20.684 million) was provided for specific purposes such as aged care, community health services and other related health services.

5. Resources received free of charge

	Consolidated		Parent	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Plant and equipment	152	166	152	166
Services	1,606	1,261	1,606	1,261
Total resources received free of charge	**1,758**	**1,427**	**1,758**	**1,427**

Resources received free of charge include property, plant and equipment and are recorded at their fair value.

Contribution of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been donated. The Hospital receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at $1.310 million ($1.261 million) and Information and Communication Technologies (ICT) services from Department of the Premier and Cabinet (DPC) valued at $0.296 million ($nil) following Cabinet's approval to cease intra-government charging.

In addition, although not recognised, Limestone Coast Local Health Network receives volunteer services from around 350 volunteers across the Limestone Coast whom provide patient and staff support services to individuals using the Hospitals services, and also support clients and staff for Country Health Connect and Mental Health directorates. The volunteer services include but are not limited to: patient guides, social support groups, Meals on Wheels, allied health services, and administrative assistance and patient visitations in the acute ward settings.

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

	Consolidated		Parent	
	2021	2020	2021	2020
Plant and equipment	$'000	$'000	$'000	$'000
Proceeds from disposal	5	-	5	-
Less carrying amount of assets disposed	(3)	(29)	(3)	(29)
Net gain/(loss) from disposal of plant and equipment	**2**	**(29)**	**2**	**(29)**

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

7. Other revenues/income

	Consolidated		Parent	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Donations	423	182	96	66
Health recoveries	1,533	1,374	1,533	1,374
Insurance recoveries	43	16	43	16
Other	111	64	104	61
Total other revenues/income	**2,110**	**1,636**	**1,776**	**1,517**

8. Staff benefits expenses

	Consolidated		Parent	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Salaries and wages	83,947	78,117	83,947	78,117
Targeted voluntary separation packages (refer below)	-	49	-	49
Long service leave	902	1,624	902	1,624
Annual leave	7,417	7,139	7,417	7,139
Skills and experience retention leave	347	360	347	360
Staff on-costs - superannuation*	8,665	8,174	8,665	8,174
Workers compensation	1,971	787	1,971	787
Board and committee fees	162	171	162	171
Other staff related expenses	39	72	39	72
Total staff benefits expenses	**103,450**	**96,493**	**103,450**	**96,493**

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

8.1 Key Management Personnel

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

The compensation detailed below excludes salaries and other benefits:

- 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.

	2021	2020
Compensation	**$'000**	**$'000**
Salaries and other short term employee benefits	1,676	1,508
Post-employment benefits	296	251
Total	**1,972**	**1,759**

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

8.2 Remuneration of Boards and Committees

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

	2021 No. of Members	2020 No. of Members
$0	-	1
$1 - $20,000	1	-
$20,001 - $40,000	5	5
$40,001 - $60,000	1	1
Total	**7**	**7**

The total remuneration received or receivable by members was $0.186 million ($0.186 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and related fringe benefits tax. In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year unless so exempted by the Minister.

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 34 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.

8.3 Remuneration of staff

The number of staff whose remuneration received or receivable fall within the following bands:

	Consolidated		Parent	
	2021	2020	2021	2020
	Number	Number	Number	Number
$154,678 - $175,000	10	10	10	10
$175,001 - $195,000	9	4	9	4
$195,001 - $215,000	1	1	1	1
$215,001 - $235,000	2	2	2	2
$235,001 - $255,000	4	-	4	-
$255,001 - $275,000	1	-	1	-
$275,001 - $295,000	-	3	-	3
$295,001 - $315,000	1	1	1	1
$335,001 - $355,000	1	2	1	2
$395,001 - $415,000	1	1	1	1
$415,001 - $435,000	2	2	2	2
$435,001 - $455,000	1	-	1	-
$455,001 - $475,000	-	1	-	1
$475,001 - $495,000	1	1	1	1
$495,001 - $515,000	1	-	1	-
$515,001 - $535,000	1	-	1	-
$535,001 - $555,000	-	1	-	1
$555,001 - $575,000	1	-	1	-
$575,001 - $595,000	1	-	1	-
$595,001 - $615,000	1	-	1	-
$615,001 - $635,000	-	1	-	1
$635,001 - $655,000	1	2	1	2
Total number of staff	**40**	**32**	**40**	**32**

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

8.4 Remuneration of staff by classification

The total remuneration received by staff included above:

	Consolidated				Parent			
	2021		2020		2021		2020	
	No.	$'000	No.	$'000	No.	$'000	No.	$'000
Executive	1	237	1	235	1	237	1	235
Medical (excluding Nursing)	24	8,565	21	7,625	24	8,565	21	7,625
Nursing	15	2,642	10	1,719	15	2,642	10	1,719
Total	**40**	**11,444**	**32**	**9,579**	**40**	**11,444**	**32**	**9,579**

8.5 Targeted voluntary separation packages

	Consolidated		Parent	
	2021	2020	2021	2020
Amount paid/Payable to separated staff:	$'000	$'000	$'000	$'000
Targeted voluntary separation packages	-	49	-	49
Leave paid/payable to separated employees	-	57	-	57
Total	**-**	**106**	**-**	**106**
The number of staff who received a TVSP during the reporting period	**-**	**2**	**-**	**2**

9. Supplies and services

	Consolidated		Parent	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Administration	156	96	156	96
Advertising	11	20	11	20
Communication	698	411	698	411
Computing	1,805	1,956	1,805	1,956
Consultants	-	55	-	55
Contract of services	176	173	176	173
Contractors	52	45	52	45
Contractors - agency staff	2,622	2,449	2,622	2,449
Drug supplies	2,368	2,312	2,368	2,312
Electricity, gas and fuel	1,579	1,693	1,579	1,693
Fee for service*	16,130	15,325	16,130	15,325
Food supplies	1,871	1,770	1,871	1,770
Housekeeping	1,338	1,310	1,338	1,310
Insurance	1,611	1,274	1,611	1,274
Internal SA Health SLA payments	6,053	6,544	6,053	6,544
Legal	44	48	44	48
Medical, surgical and laboratory supplies	13,643	11,171	13,643	11,171
Minor equipment	1,256	569	1,256	569
Motor vehicle expenses	341	367	341	367
Occupancy rent and rates	299	281	299	281
Patient transport	1,486	1,304	1,486	1,304
Postage	246	188	246	188
Printing and stationery	491	489	491	489
Repairs and maintenance	4,567	4,382	4,567	4,382
Security	248	89	248	89
Services from Shared Services SA	1,317	1,273	1,317	1,273
Short term lease expense	350	82	350	82
Training and development	491	472	491	472
Travel expenses	215	360	215	360
Other supplies and services	1,272	1,464	1,270	1,464
Total supplies and services	**62,736**	**57,972**	**62,734**	**57,972**

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

The Hospital recognises lease payments associated with short term leases (12 months or less) and leases for which the underlying asset is low value (less than $15,000) as an expense on a straight line basis over the lease term. Lease commitments for short term leases is similar to short term lease expenses disclosed.

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

	Consolidated				Parent			
	2021		2020		2021		2020	
	No.	$'000	No.	$'000	No.	$'000	No.	$'000
Above $10,000	-	-	2	55	-	-	2	55
Total	**-**	**-**	**2**	**55**	**-**	**-**	**2**	**55**

10. Grants and subsidies

	Consolidated		Parent	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Funding to non-government organisations	1,330	1,310	1,330	1,310
Total grants and subsidies	**1,330**	**1,310**	**1,330**	**1,310**

The Hospital provided $1.330 million ($1.310 million) in funding to non-government organisations to assist in maintaining vital health services in the Limestone Coast region.

11. Borrowing costs

The Hospital does not capitalise borrowing costs. The total borrowing costs from financial liabilities not at fair value through the profit and loss was $0.813 million ($0.863 million).

12. Other expenses

	Consolidated		Parent	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Debts written off	84	124	84	124
Bank fees and charges	4	3	4	3
Donated assets expense	-	-	1035	15
Other*	149	213	149	213
Total other expenses	**237**	**340**	**1,272**	**355**

Donated assets expense includes transfer of buildings and improvements and is recorded as expenditure at their fair value.

* Includes Audit fees paid/ payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act* of $0.100 million ($0.148 million). No other services were provided by the Auditor-General's Department. Payments to Galpins Accountants Auditors and Business Consultants were $0.024 million ($0.030 million) for HAC and aged care audit services.

13. Cash and cash equivalents

	Consolidated		Parent	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Cash at bank or on hand	3,022	2,613	2,062	1,715
Deposits with Treasurer: general operating	7,350	2,477	7,350	2,477
Deposits with Treasurer: special purpose funds	354	341	354	341
Total cash	**10,726**	**5,431**	**9,766**	**4,533**

Cash is measured at nominal amounts. The Hospital operates through the Department's general operating account held with the Treasurer and does not earn interest on this account. Interest is earned on HAC and GFT bank accounts and accounts holding aged care funds, including refundable deposits. Of the $10.726 million ($5.431 million) held, $1.911 million ($1.591 million) relates to aged care refundable deposits.

14. Receivables

	Consolidated		Parent	
	2021	2020	2021	2020
Current	$'000	$'000	$'000	$'000
Patient/client fees: compensable	729	902	729	902
Patient/client fees: aged care	452	273	452	273
Patient/client fees: other	749	891	749	891
Debtors	1,000	887	998	887
Less: allowance for impairment loss on receivables	(1,362)	(480)	(1,362)	(480)
Prepayments	78	6	78	6
Interest	42	34	43	32
Workers compensation provision recoverable	236	234	236	234
Sundry receivables and accrued revenue	1,550	622	1,561	622
GST input tax recoverable	181	99	181	99

	Consolidated		Parent	
	2021	2020	2021	2020
Current	$'000	$'000	$'000	$'000
Total current receivables	**3,655**	**3,468**	**3,665**	**3,466**
Non-current				
Debtors	21	11	21	11
Workers compensation provision recoverable	381	391	381	391
Total non-current receivables	**402**	**402**	**402**	**402**
Total receivables	**4,057**	**3,870**	**4,067**	**3,868**

Receivables arise in the normal course of selling goods and services to other agencies and to the public. The Hospitals 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.

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

Movement in the allowance for impairment loss on receivables:

	Consolidated		Parent	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Transfer through administrative restructure	**-**	**107**	**-**	**107**
Carrying amount at the beginning of the period	**480**	**-**	**480**	**-**
Increase/(Decrease) in allowance recognised in profit or loss	882	373	882	373
Carrying amount at the end of the period	**1,362**	**480**	**1,362**	**480**

Impairment losses related to receivables arising from contracts with customers that are external to the SA Government Refer to note 31 for details regarding credit risk and the methodology for determining impairment.

15. Other financial assets

The consolidated and parent entity, hold term deposits of $18.944 million ($19.354 million) and $17.893 million ($18.164 million) respectively. Of these deposits $11.229 million ($11.549 million) relates to aged care refundable deposits, with the remaining funds primarily relating to aged care. These deposits are measured at amortised cost. There is no impairment on term deposits.

16. Inventories

	Consolidated		Parent	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Drug supplies	162	152	162	152
Medical, surgical and laboratory supplies	559	411	559	411
Food and hotel supplies	100	87	100	87
Engineering supplies	11	11	11	11
Other	20	27	20	27
Total current inventories - held for distribution	**852**	**688**	**852**	**688**

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

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

17.1 Acquisition and recognition

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

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

17.2 Depreciation and amortisation

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

Depreciation and amortisation is calculated on a straight line basis.

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

Class of asset	Useful life (years)
Buildings and improvements	10-80
Right-of-use-buildings	Lease term
Leasehold improvements	Lease term
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	2-20
• Computing equipment	3-5
• Vehicles	2-20
• Other plant and equipment	3-30
Right-of-use-plant and equipment	Lease term

17.3 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 million and the estimated useful life exceeds three years. Revaluations are undertaken on a regular cycle. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair-value If at any time management considers that the carrying amount of an asset greater than $1 million materially differs from its fair value, then the asset will be revalued regardless of when the last revaluation 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.

17.4 Impairment

The Hospital holds its property, plant and equipment for their service potential (value in use). Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be closer to or greater than fair value. Where there is an indication of impairment, the recoverable amount is estimated. Fair value is assessed each year.

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

17.5 Land and building

Fair value of unrestricted land was determined using the market approach. The valuation was based on recent market transactions for similar land and buildings (non-specialised) in the area and includes adjustment for factors specific to the land and buildings being valued such as size, location and current use. For land classified as restricted in use, fair value was determined by applying an adjustment to reflect the restriction.

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

17.6 Plant and equipment

The value of plant and equipment has not been revalued and in accordance with APS 116D 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.

17.7 Leased property, plant and equipment

Right-of-use assets (including concessional arrangements) leased by the Hospital as lessee are measured at cost and there were no indications of impairment. Additions to right-of-use assets during 2020-21 were $0.272 million ($0.877 million). Short-term leases of 12 months or less and low value leases, where the underlying asset value is less than $15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and disclosed in note 9.

The Hospital has a number of lease agreements. Lease terms vary in length from 2 to 25 years.

Major lease activities include the use of:

- Properties – buildings are mainly leased from the private sector for office space or accommodation for clients, locums and students. Generally property leases are non-cancellable with many having the right of renewal. Rent is payable in arrears, with increases generally linked to CPI increases. Prior to renewal, most lease arrangements undergo a formal rent review linked to market appraisals or independent valuers.
- Health Facilities – Mount Gambier Hospital lease commenced in June 1997 and is for 25 years, with an option to renew for 10 years. After 35 years the land and building revert to the Hospital. The base rental for the 25 year term increases according to CPI each quarter. For the 10 year renewal the rental is set out as part of the new lease agreement.
- Motor vehicles – leased from the South Australian Government Financing Authority (SAFA) through their agent LeasePlan Australia. The leases are non-cancellable and the vehicles are leased for a specified time period (usually 3 years) or a specified number of kilometers, whichever occurs first.

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

The lease liabilities related to the right-of-use assets (and the maturity analysis) are disclosed at note 21. Expenses related to right-of-use assets including depreciation and interest expense are disclosed at note 18 and 11. Cash outflows related to right-of-use assets are disclosed at note 25.

18. Reconciliation of property, plant and equipment

The following table shows the movement:

Consolidated 2020-21	Land and buildings:				Plant and equipment:					
	Land $'000	Buildings $'000	Right-of-use buildings $'000	Capital works in progress land and buildings $'000	Accommodation and Leasehold improve-ments $'000	Medical/ surgical/ dental/ biomedical $'000	Other plant and equipment $'000	Right-of-use plant and equipment $'000	Capital works in progress plant and equipment $'000	Total $'000
Carrying amount at the beginning of the period	**4,154**	**54,049**	**45,663**	**5,297**	**15,880**	**1,403**	**974**	**589**	**16**	**128,025**
Additions	-	36	-	3,578	-	566	190	272	145	**4,787**
Assets received free of charge	-	-	-	-	-	-	-	-	152	**152**
Disposals	-	-	-	-	-	-	(3)	(25)	-	**(28)**
Transfers between asset classes	-	3,346	-	(5,510)	2,164	168	-	-	(168)	-
Other movements	-	-	(11)	-	-	-	-	-	-	**(11)**
Subtotal:	**4,154**	**57,431**	**45,652**	**3,365**	**18,044**	**2,137**	**1,161**	**836**	**145**	**132,925**
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(2,900)	(1,759)	-	(420)	(553)	(155)	(343)	-	**(6,130)**
Subtotal:	**-**	**(2,900)**	**(1,759)**	**-**	**(420)**	**(553)**	**(155)**	**(343)**	**-**	**(6,130)**
Carrying amount at the end of the period*	**4,154**	**54,531**	**43,893**	**3,365**	**17,624**	**1,584**	**1,006**	**493**	**145**	**126,795**
Gross carrying amount										
Gross carrying amount	4,154	61,756	47,481	3,365	18,464	3,019	1,302	923	145	**140,609**
Accumulated depreciation / amortisation	-	(7,225)	(3,588)	-	(840)	(1,435)	(296)	(430)	-	**(13,814)**
Carrying amount at the end of the period	**4,154**	**54,531**	**43,893**	**3,365**	**17,624**	**1,584**	**1,006**	**493**	**145**	**126,795**

All property, plant and equipment are classified in the level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 21 for details about the lease liability for right-of-use assets.

Consolidated

2019-20	Land and buildings:				Plant and equipment:					
	Land $'000	Buildings $'000	Right-of-use buildings $'000	Capital works in progress land and buildings $'000	Accommodation and Leasehold improve-ments $'000	Medical/ surgical/ dental/ biomedical $'000	Other plant and equipment $'000	Right-of-use plant and equipment $'000	Capital works in progress plant and equipment $'000	Total $'000
Carrying amount at the beginning of the period	**4,154**	**56,679**	**47,200**	**926**	**16,277**	**1,592**	**1,013**	**430**	**-**	**128,271**
Additions	-	207	373	4,371	23	236	47	504	16	**5,777**
Assets received free of charge	-	-	-	-	-	76	90	-	-	**166**
Disposals	-	-	-	-	-	-	(29)	(24)	-	**(53)**
Transfers between asset classes	-	-	-	-	-	-	-	-	-	**-**
Subtotal:	**4,154**	**56,886**	**47,573**	**5,297**	**16,300**	**1,904**	**1,121**	**910**	**16**	**134,161**
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(2,837)	(1,910)	-	(420)	(501)	(147)	(321)	-	**(6,136)**
Subtotal:	**-**	**(2,837)**	**(1,910)**	**-**	**(420)**	**(501)**	**(147)**	**(321)**	**-**	**(6,136)**
Carrying amount at the end of the period*	**4,154**	**54,049**	**45,663**	**5,297**	**15,880**	**1,403**	**974**	**589**	**16**	**128,025**
Gross carrying amount										
Gross carrying amount	4,154	58,374	47,492	5,297	16,300	2,285	1,121	839	16	**135,878**
Accumulated depreciation / amortisation	-	(4,325)	(1,829)	-	(420)	(882)	(147)	(250)	-	**(7,853)**
Carrying amount at the end of the period	**4,154**	**54,049**	**45,663**	**5,297**	**15,880**	**1,403**	**974**	**589**	**16**	**128,025**

All property, plant and equipment are classified in the level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 21 for details about the lease liability for right-of-use assets.

Parent

2020-21	Land and buildings:				Plant and equipment:					
	Land $'000	Buildings $'000	Right-of-use buildings $'000	Capital works in progress land and buildings $'000	Accommodation and Leasehold improve-ments $'000	Medical/ surgical/ dental/ biomedical $'000	Other plant and equipment $'000	Right-of-use plant and equipment $'000	Capital works in progress plant and equipment $'000	Total $'000
Carrying amount at the beginning of the period	**2,517**	**26,332**	**45,663**	**5,297**	**15,880**	**1,403**	**974**	**589**	**16**	**98,671**
Additions	-	36	-	3,578	-	566	190	272	145	**4,787**
Assets received free of charge	-	-	-	-	-	-	-	-	152	**152**
Disposals	-	-	-	-	-	-	(3)	(25)	-	**(28)**
Donated assets disposal	-	(36)	-	(999)	-	-	-	-	-	**(1,035)**
Transfers between asset classes	-	2,347	-	(4,510)	2,164	168	-	-	(168)	**1**
Other movements	-	-	(11)	-	-	-	-	-	-	**(11)**
Subtotal:	**2,517**	**28,679**	**45,652**	**3,366**	**18,044**	**2,137**	**1,161**	**836**	**145**	**102,537**
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(1,517)	(1,759)	-	(420)	(553)	(155)	(343)	-	**(4,747)**
Subtotal:	**-**	**(1,517)**	**(1,759)**	**-**	**(420)**	**(553)**	**(155)**	**(343)**	**-**	**(4,747)**
Carrying amount at the end of the period*	**2,517**	**27,162**	**43,893**	**3,366**	**17,624**	**1,584**	**1,006**	**493**	**145**	**97,790**
Gross carrying amount										
Gross carrying amount	2,517	30,135	47,481	3,366	18,464	3,019	1,302	923	145	**107,352**
Accumulated depreciation / amortisation	-	(2,973)	(3,588)	-	(840)	(1,435)	(296)	(430)	-	**(9,562)**
Carrying amount at the end of the period	**2,517**	**27,162**	**43,893**	**3,366**	**17,624**	**1,584**	**1,006**	**493**	**145**	**97,790**

All property, plant and equipment are classified in the level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 21 for details about the lease liability for right-of-use assets.

Parent

2019-20	**Land and buildings:**				**Plant and equipment:**					
	Land $'000	**Buildings $'000**	**Right-of-use buildings $'000**	**Capital works in progress land and buildings $'000**	**Accommodation and Leasehold improve-ments $'000**	**Medical/ surgical/ dental/ biomedical $'000**	**Other plant and equipment $'000**	**Right-of-use plant and equipment $'000**	**Capital works in progress plant and equipment $'000**	**Total $'000**
Carrying amount at the beginning of the period	**2,517**	**27,596**	**47,200**	**926**	**16,277**	**1,592**	**1,013**	**430**	**-**	**97,551**
Additions	-	207	373	4,371	23	236	47	504	16	**5,777**
Assets received free of charge	-	-	-	-	-	76	90	-	-	**166**
Disposals	-	-	-	-	-	-	(29)	(24)	-	**(53)**
Donated assets disposal	-	(15)	-	-	-	-	-	-	-	**(15)**
Transfers between asset classes	-	-	-	-	-	-	-	-	-	-
Subtotal:	**2,517**	**27,788**	**47,573**	**5,297**	**16,300**	**1,904**	**1,121**	**910**	**16**	**103,426**
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(1,456)	(1,910)	-	(420)	(501)	(147)	(321)	-	**(4,755)**
Subtotal:	**-**	**(1,456)**	**(1,910)**	**-**	**(420)**	**(501)**	**(147)**	**(321)**	**-**	**(4,755)**
Carrying amount at the end of the period*	**2,517**	**26,332**	**45,663**	**5,297**	**15,880**	**1,403**	**974**	**589**	**16**	**98,671**
Gross carrying amount										
Gross carrying amount	2,517	27,788	47,492	5,297	16,300	2,285	1,121	839	16	**103,655**
Accumulated depreciation / amortisation	-	(1,456)	(1,829)	-	(420)	(882)	(147)	(250)	-	**(4,984)**
Carrying amount at the end of the period	**2,517**	**26,332**	**45,663**	**5,297**	**15,880**	**1,403**	**974**	**589**	**16**	**98,671**

All property, plant and equipment are classified in the level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 21 for details about the lease liability for right-of-use assets.

19. Fair value measurement

The Hospital classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 – traded in active markets, and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market, and are derived from inputs (inputs other than quoted prices included within Level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market, and are derived from unobservable inputs.

The Hospital's current use is the highest and best use of the asset unless other factors suggest an alternative use. As the Hospital did not identify any factors to suggest an alternative use, fair value measurement was based on current use. The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than $1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to notes 17 and 19.2 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

19.1 Fair value hierarchy

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

The Hospital's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. During 2020 and 2021, the Hospital had no valuations categorised into level 1 or level 2.

19.2 Valuation techniques and inputs

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

Unobservable inputs used to arrive at final valuation figures included:

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

20. Payables

	Consolidated		Parent	
	2021	2020	2021	2020
Current	$'000	$'000	$'000	$'000
Creditors and accrued expenses	3,631	3,379	3,631	3,379
Paid Parental Leave Scheme	17	38	17	38
Staff on-costs*	1,321	1,205	1,321	1,205
Other payables	98	74	98	74
Total current payables	**5,067**	**4,696**	**5,067**	**4,696**
Non-current				
Staff on-costs*	636	636	636	636
Total non-current payables	**636**	**636**	**636**	**636**
Total payables	**5,703**	**5,332**	**5,703**	**5,332**

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owed and unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received. Staff on-costs are settled when the respective staff benefits

that they relate to are discharged. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to their short term nature.

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

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave is unchanged at 38% and the average factor for the calculation of employer superannuation on-costs has increased from the 2020 rate (9.8%) to 10.1% to reflect the increase in super guarantee. These rates are used in the staff on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the staff on-cost liability and staff benefits expenses of $0.048 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

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

Refer to note 31 for information on risk management.

21. Financial liabilities

	Consolidated		Parent	
	2021	2020	2021	2020
Current	$'000	$'000	$'000	$'000
Borrowings from SA Government	-	81	-	81
Lease liabilities	3,050	3,056	3,050	3,056
Total current financial liabilities	**3,050**	**3,137**	**3,050**	**3,137**
Non-current	$'000	$'000	$'000	$'000
Lease liabilities	39,409	42,280	39,409	42,280
Total non-current financial liabilities	**39,409**	**42,280**	**39,409**	**42,280**
Total financial liabilities	**42,459**	**45,417**	**42,459**	**45,417**

The Hospital measures financial liabilities including borrowings at amortised cost. Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. There were no defaults or breaches on any of the above liabilities throughout the year.

Refer to note 31 for information on risk management.

Refer note 18 for details about the right-of-use assets (including depreciation) and note 11 for financing costs associated with these leasing activities.

21.1 Concessional lease arrangements

The Hospital has no concessional lease arrangements.

21.2 Maturity analysis

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

	Consolidated		Parent	
	2021	2020	2021	2020
Lease Liabilities	$'000	$'000	$'000	$'000
1 to 3 years	7,566	7,577	7,566	7,577
3 to 5 years	8,069	7,877	8,069	7,877
5 to 10 years	22,777	22,007	22,777	22,007
More than 10 years	5,045	9,919	5,045	9,919
Total lease liabilities (undiscounted)	**43,457**	**47,380**	**43,457**	**47,380**

22. Staff benefits

	Consolidated		Parent	
	2021	2020	2021	2020
Current	$'000	$'000	$'000	$'000
Accrued salaries and wages	3,087	2,977	3,087	2,977
Annual leave	8,798	8,100	8,798	8,100
Long service leave	1,411	1,495	1,411	1,495
Skills and experience retention leave	571	564	571	564
Total current staff benefits	**13,867**	**13,136**	**13,867**	**13,136**
Non-current				
Long service leave	16,046	16,513	16,046	16,513
Total non-current staff benefits	**16,046**	**16,513**	**16,046**	**16,513**
Total staff benefits	**29,913**	**29,649**	**29,913**	**29,649**

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

22.1 Salaries and wages, annual leave, skills and experience retention leave and sick leave
The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

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

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

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

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

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

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

The net financial effect of the changes to actuarial assumptions is a decrease in the long service leave liability of $1.059 million, payables (staff on-costs) of $0.041 million and staff benefits expense of $1.100 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption being the long-term discount rate.

23. Provisions

Provisions represent workers compensation.

Reconciliation of workers compensation (statutory and non-statutory):

	Consolidated		Parent	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Transfer through administrative restructuring	-	1,390	-	1,390
Carrying amount at the beginning of the period	1,651	-	1,651	-

	Consolidated		Parent	
Increase in provisions recognised	1,239	400	1,239	400
Reductions arising from payments/other sacrifices of future economic benefits	(1,016)	(139)	(1,016)	(139)
Carrying amount at the end of the period	**1,874**	**1,651**	**1,874**	**1,651**

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

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

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

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

Additional compensation for certain work-related injuries or illnesses (additional compensation)
The Hospital has recognised an additional compensation provision which provides continuing benefits to non-seriously injured workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are non-serious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

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

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

24. Contract liabilities and other liabilities

	Consolidated		Parent	
	2021	2020	2021	2020
Current	**$'000**	**$'000**	**$'000**	**$'000**
Contract liabilities	2,511	1,751	2,511	1,751
Residential aged care bonds	13,295	13,137	13,295	13,137
Other	12	9	12	9
Total contract liabilities and other liabilities	**15,818**	**14,897**	**15,818**	**14,897**

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

A contract liability is recognised for revenue relating to home care packages, training programs and other health programs received in advance and is realised as agreed milestones have been achieved. All performance obligations from these existing contracts (deferred service income) will be satisfied during the next reporting period and accordingly all amounts will be recognised as revenue.

25. Cash flow reconciliation

Reconciliation of cash and cash equivalents at the end of the reporting period:

	Consolidated		Parent	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	10,726	5,431	9,766	4,533
Cash as per Statement of Financial Position	**10,726**	**5,431**	**9,766**	**4,533**
Balance as per Statement of Cash Flows	**10,726**	**5,431**	**9,766**	**4,533**
Reconciliation of net cash provided by operating activities to net result:				
Net cash provided by (used in) operating activities	9,421	7,715	9,507	7,724
Add/less non-cash items				
Asset donated free of charge	-	-	(1,035)	(15)
Capital revenues	3,477	3,043	3,477	3,043
Depreciation and amortisation expense of non-current assets	(6,130)	(6,136)	(4,747)	(4,755)
Gain/(loss) on sale or disposal of non-current assets	2	(29)	2	(29)
Interest credited directly to investments	58	179	49	161
Resources received free of charge	152	166	152	166
Movement in assets/liabilities				
Increase/(decrease) in inventories	164	(17)	164	(17)
Increase/(decrease) in receivables	187	(125)	199	(128)
(Increase)/decrease in other liabilities	(893)	(1,928)	(893)	(1,928)
(Increase)/decrease in payables and provisions	(989)	(677)	(988)	(677)
(Increase)/decrease in staff benefits	(264)	(1,485)	(264)	(1,485)
Net result	**5,185**	**706**	**5,623**	**2,060**

Total cash outflows for leases is $3.926 million ($4.006 million).

26. Unrecognised contractual commitments

	Consolidated		Parent	
	2021	2020	2021	2020
Expenditure commitments	**$'000**	**$'000**	**$'000**	**$'000**
Within one year	3,913	2,057	3,913	2,057
Later than one year but not longer than five years	8,43	1,124	8,43	1,124
Total other expenditure commitments	**4,756**	**3,181**	**4,756**	**3,181**

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

The Hospital also has commitments to provide funding to various non-government organisations in accordance with negotiated service agreements. The value of these commitments as at 30 June 2021 has not been quantified.

27. Trust funds

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

	Consolidated		Parent	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Carry amount at the beginning of period	**35**	**25**	**35**	**25**
Client trust receipts	10	21	10	21
Client trust payments	(8)	(12)	(8)	(12)
Carrying amount at the end of the period	**37**	**34**	**37**	**34**

28. 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.

28.1 Contingent Assets

The Hospital is not aware of any contingent assets.

28.2 Contingent Liabilities

Under the Act, all real property except for property associated with Crown Land of the former Hospitals and Health Centre entities was to be transferred to the associated Health Advisory Council. To date a limited number of real properties have not transferred to the Health Advisory Councils as the vesting instruments have not been finalised or there is a requirement to seek clarification from Crown Law regarding encumbrances on some properties and whether a Health Advisory Council can hold property that is encumbered. Given the uncertainty of the outcome of the advice sought from Crown Law it is not possible to reliably measure the value of the real property that could transfer to the Health Advisory Councils in the future. Similarly, it is not possible to determine when the vesting instruments will be finalised or to reliably measure the value of the real property that will transfer to the Health Advisory Councils at that time.

28.3 Guarantees

The Hospital has made no guarantees.

29. Events after balance date

Mount Gambier Private Hospital Incorporated (MGPH) entered into a Voluntary Administration process on 16th of July 2021, managed by Meertens Chartered Accounts. Circular to creditors and notice of meeting was received on 20th July 2021, with the first meeting of creditors held on Wednesday 28th of July 2021. Outstanding invoices from the Limestone Coast Local Health Network to MGPH relating to the period up to 15th of July 2021 totaled $885,851.86, consisting of May charges of $350,978.04, June charges of $361,867.33 and charges for 1st to 15th of July of $173,006.49. Effective from 16th of July, services will be charged to the appointed administrator, with the first invoice for the charges relating to the period 16th to 31st of July being for $184,540,26. All amounts listed are inclusive of GST. The second creditor meeting was held on Monday 9th of August 2021, with the creditors resolving that the MGPH execute a proposed Deed of Association Arrangement (DOAA). The Mount Gambier Private Hospital Board have advised they intend to cease trading as an entity on 20th of August 2021.

30. Impact of Standards not yet implemented

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

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

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

31. Financial instruments/financial risk management

31. 1 Financial risk management

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

Liquidity risk

The Hospital is funded principally from appropriation by the SA Government. The Hospital works with DTF to determine the cash flows associated with the SA Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows. Refer to note 1.4, 20 and 21 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 13, 14 and 15 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.

31.2 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.

Financial assets and financial liabilities are measured at amortised cost. Amounts relating to statutory receivables and payables (e.g. Commonwealth taxes; Auditor-General's Department audit fees etc.) and prepayments are excluded as they are not financial assets or liabilities. Receivables and Payables at amortised costs are $3.158 million ($3.140 million) and $3.931 million ($3.323 million) respectively.

31.3 Credit risk exposure and impairment of financial assets

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

The Hospital uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors. The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties. Impairment losses are presented as net impairment losses within net result, subsequent recoveries of 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.

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.

Consolidated

	30 June 2021			30 June 2020		
	Expected credit loss rate(s) %	**Gross carrying amount $'000**	**Expected credit losses $'000**	**Expected credit loss rate(s) %**	**Gross carrying amount $'000**	**Expected credit losses $'000**
Days past due						
Current	0.1-100%	1,461	699	0.2-3.5%	1025	23
<30 days	0.3-5%	285	9	0.4-5%	283	9
31-60 days	1.9-11.2%	207	12	2.2-11.1%	201	12
61-90 days	3.1-13.2%	68	6	3.8-13.1%	149	11
91-120 days	3.7-17.3%	85	10	4.4-17.3%	178	26
121-180 days	5-22.5%	217	38	6-22.4%	229	43
181-360 days	7.1-42.4%	265	87	8.3-39.1%	379	120
361-540 days	28.1-100%	224	223	29.8-42%	183	84
>540 days	33.7-100%	332	278	35.7-45.2%	241	152
Total		**3,144**	**1,362**		**2,868**	**480**

32. Significant transactions with government related entities

The Hospital is controlled by the SA Government.

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

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

The Hospital received funding from the SA Government via the Department (refer to note 2), and incurred significant expenditure via the Department for medical, surgical and laboratory supplies, computing and insurance (refer to note 9). The Department transferred capital works in progress of $3.476 million ($3.043 million) to the Hospital. The Hospital incurred significant expenditure with the Department for Infrastructure and Transport (DIT) for property repairs and maintenance of $2.035 million ($2.048 million) (refer to note 9).

33. Interests in other entities

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

Controlled Entities

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

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

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

The HAC have no powers to direct or make decisions with respect to the management and administration of Limestone Coast Local Health Network.

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

Health Advisory Council		
Incorporated HACs and GFTs		
Bordertown and District Health Advisory Council Inc	Kingston/Robe Health Advisory Council Inc	Millicent and Districts Health Advisory Council Inc
Mount Gambier and Districts Health Advisory Council Inc	Naracoorte Area Health Advisory Council Inc	Penola and Districts Health Advisory Council Inc
Bordertown and District Health Advisory Council Inc Gift Fund Trust	Kingston/Robe Health Advisory Council Inc Gift Fund Trust	Millicent and Districts Health Advisory Council Inc Gift Fund Trust
Mount Gambier and Districts Health Advisory Council Inc Gift Fund Trust	Naracoorte Area Health Advisory Council Inc Gift Fund Trust	Penola and Districts Health Advisory Council Inc Gift Fund Trust

34. 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 APS124.B were:

Board/Committee name:	Government employee members	Other members
Limestone Coast Local Health Network Governing Board	-	King G (Chair), Brown G, Cook L, Irving J, Johnson A, Saies A
Limestone Coast Local Health Network Audit and Risk Management Committee	-	Kortum D (appointed 27/07/2020)

Refer to note 8.2 for remuneration of board and committee members