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**Government
of South Australia**

Northern Adelaide Local Health Network

2021-22 Annual Report

Northern Adelaide Local Health Network

Level 5 Executive Administration
Modbury Hospital
Smart Road
MODBURY SA 5092

www.sahealth.sa.gov.au

Contact phone number:	(08) 7321 4219
Contact email:	Health.NALHN-OCEO@sa.gov.au
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2021-22 ANNUAL REPORT for the Northern Adelaide Local Health Network

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

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009*, the *Public Finance and Audit Act 1982*, and the *Health Care Act 2008* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

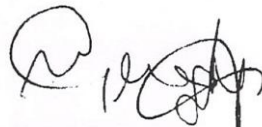
This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Northern Adelaide Local Health Network by:

Maree Geraghty
Chief Executive Officer

Date 29/09/2022

Signature

A handwritten signature in black ink, appearing to read 'M Geraghty', written over a light blue rectangular background.

Acknowledgement of Country



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

Ngadlu tampinthe purkarna pukinangku, yalaka, tarrkarritya.

Ngadlu tampinthe yaitya mathanya kuma parnaku tuwila yartangka.

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

We also honour Kurna Elders past, present and emerging.

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

From the Chair, Governing Board and Chief Executive Officer



It is with pleasure that the Northern Adelaide Local Health Network (NALHN) Governing Board and Executive team present the 2021-22 NALHN Annual Report.

This year, NALHN has continued to prove itself as a leader in healthcare and has risen to the challenge of the ongoing pandemic. We must give special thanks for the commitment of our staff and the community during this time.

COVID has provided many challenges for the entire health system and has impacted many lives. While living with COVID has become the new normal, our staff have continued to display kindness and support for each other and our consumers.

Resilience and a *can-do* approach are embedded in our culture at NALHN, and this has enabled us to respond in an agile way to the challenges presented, ensuring our community receives the best care and treatment possible.

We were proud the Australian Commission on Safety and Quality in Health Care Standards (NSQHS) awarded NALHN three-years accreditation in November 2021. Given all of the other stressors within our system, this was a particularly successful accreditation and an outstanding achievement, made possible through our staff's teamwork, expertise and commitment to high-quality and safe patient care.

The Commission was truly impressed and noted the great work undertaken across NALHN providing high quality patient-centred care and the overall proficiency of the organisation. They made particular mention of the way NALHN has embedded and supported Aboriginal Health throughout the organisation, the innovative approach to TEAM North, and the exceptional work of our Mental Health Division.

Throughout the year, we have continued to support COVID vaccination efforts to protect our community, particular those most vulnerable. The Playford mass vaccination hub saw over 269,000 vaccinations in the community while the NALHN Pooraka Pop-Up clinic at the South Australian Produce Market transitioned to the state's first and only drive-through clinic before winding down in December 2021.

The mobile vaccination program successfully reached out to our community, delivering vaccinations to those most in need by linking with community organisations and groups in the North such as the Australian Migrant Resource Centre. The Aboriginal and Torres Strait Islander communities also saw over 9,860 vaccines delivered both in the Playford clinic and within the community via mobile and pop-up clinics.

In parallel to the pressures faced across the health system, NALHN was still able to deliver major milestones in our infrastructure developments this year. The first stage of the new Emergency Department and completion of the Mental Health Short Stay Unit at Lyell McEwin Hospital and the new Palliative Care Unit and General Medical Short Stay Unit at Modbury Hospital were opened.

These projects provide state-of-the-art facilities that will meet the needs of our growing communities in the North and North-East. Further, the General Medical and Geriatric Rehabilitation units at Modbury Hospital were also opened to support additional capacity for our community.

Innovation and technology thrived across the network, along with improved digital literacy of both our consumers and staff, as our digital journey progressed this year.

The discovery and design phases for the fast-tracked Sunrise Patient Administration System (PAS) and Electronic Medical Record (EMR) implementation plan commenced in October 2021 and our partnership with Digital Health SA saw the renewal of our ICT infrastructure to the latest standards.

POPN (Pregnancy Online Platform NALHN), a digital patient engagement platform in maternity care was successfully piloted, with over 2,000 patients invited to participate. This was a state-first initiative, helping pregnant mothers navigate their antenatal care in a more efficient and timely manner.

The Virtual Care Command Centre was also established to coordinate flow across the care continuum, with the Virtual In-Home Virtual Assist (VIVA) platform, a key digital health initiative of NALHN's out of hospital virtual care program. Rehabilitation-In-The-Home was the first program to use this new platform.

NALHN's Research Strategy 2021-24 was released and will build on the foundations already established, with 118 active Research Projects approved in 2021-22.

The strategy aims to successfully grow research in the North and North-East through partnerships with key stakeholders and the university sector to improve outcomes for our community through the translation of research into practice and everyday service delivery. For example, NALHN has led the way in providing effective 'in the home' and community-based programs such as Hospital-In-The-Home and Rehabilitation-In-The-Home.

Our partnerships grew momentum throughout the year and were a particular area of focus for the organisation.

NALHN in partnership with Yorke and Northern Local Health Network and the Barossa Hills Fleurieu Local Health Network saw opportunities for NALHN to provide linked support services to their local communities. The surgical outreach service at Port Pirie Regional Health Service is one such example of this partnership where services are provided with integrated care closer to home, ensuring continuity of care the moment they are admitted to Port Pirie right through to the Lyell McEwin Hospital.

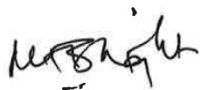
The Northern Adelaide Health and Wellbeing Partnership also formalised a Memorandum of Understanding with local councils, other health services, industries and other government agencies committing to create a flourishing and vibrant health and wellbeing community for the North and North-East.

The Northern Adelaide Childhood Alliance was also established to improve access to services and interventions for children, and the Northern Adelaide Mental Health Alliance continued to collaborate and advocate for a range of service innovations to drive reform and better integration in our catchment area.

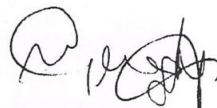
Further, NALHN's consumer community was established this year with more than 34 consumer representatives, building on the success of previous consumer engagement activities across the network.

The Governing Board and Executive team are truly proud of all our remarkable achievements this year and would like to thank all our staff for their continued efforts and support during the pandemic.

We look forward to building on the work achieved during 2021-22 and continuing to deliver the best possible health and wellbeing services for our community.



Ray Blight
Chair, Governing Board



Maree Geraghty
Chief Executive Officer

Northern Adelaide Local Health Network

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Overview: about the agency

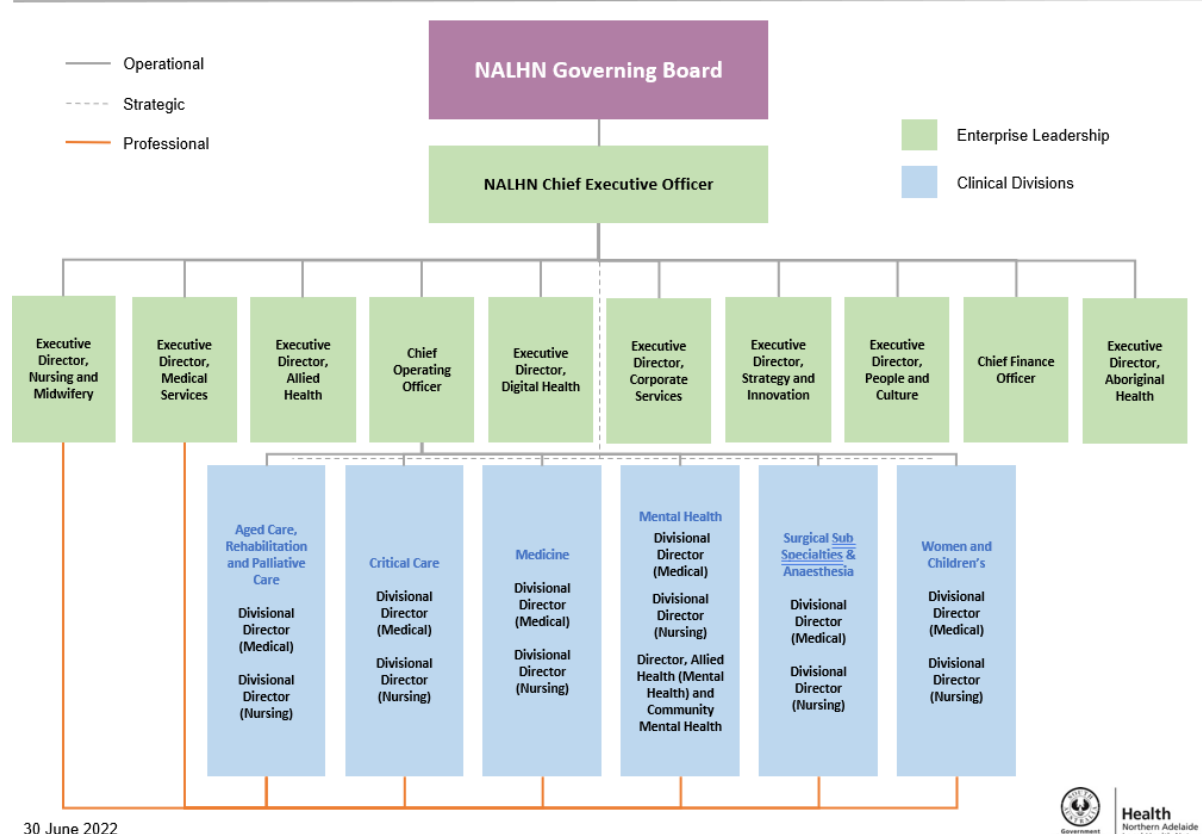
Our strategic focus

Our Purpose	The Northern Adelaide Local Health Network (NALHN), an incorporated hospital under the <i>Health Care Act 2008</i> , provides a range of hospital, community and home-based services across multiple sites in the North and North-Eastern Adelaide region.
Our Vision	Our community has the best possible health and wellbeing throughout their life.
Our Values	<p>Values are at the heart of our organisation and inform our culture and how we work. In NALHN we believe that:</p> <p><i>Everyone has a story.</i> <i>Everyone matters.</i> <i>Everyone contributes.</i> <i>Everyone grows.</i></p>
Our functions, objectives and deliverables	<p>The NALHN Governing Board is responsible for the overall governance, leadership and oversight for local health service delivery by the Local Health Network, including governance of performance and budget, clinical governance, safety and quality, risk management and achievement of the board functions and responsibilities.</p> <p>NALHN comprises two hospital sites. Lyell McEwin Hospital, a major adult tertiary hospital, provides emergency care, complex and multi day surgery, medicine, obstetrics, paediatric and outpatient services. Modbury Hospital provides emergency care, elective surgery, medicine, outpatient and sub-acute services, rehabilitation, geriatric and palliative care.</p> <p>Other specialty services provided by NALHN include GP Plus Health Care Centres and a GP Plus Super Clinic, four Watto Purrunga Aboriginal Health sites located at Elizabeth Vale (Muna Paiendi), Hillcrest (Maringga Turtpandi), Port Adelaide (Wonggangga Turtpandi) and Dudley Park (Kanggawodli); as well as a satellite dialysis centre.</p> <p>Kanggawodli consists of accommodation services for Aboriginal people from rural and remote Australia visiting Adelaide for medical treatment, dialysis treatment as well as supporting a hospital avoidance strategy.</p> <p>Mental health services are provided across community and hospital settings in NALHN, including adult, older persons and state-wide forensic services.</p>

	<p>Objectives</p> <ul style="list-style-type: none"> • Expand services to provide an increased level of health and wellbeing for residents in the North and North-east. • Continue the development of NALHN's highly skilled and valued workforce. • Continue our commitment to patient safety and quality improvement activity across NALHN. • Continue our strong commitment to high quality research, acknowledging the valuable contribution to improving patient care and attracting leaders in their respective fields.
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Our organisational structure

Northern Adelaide Local Health Network Organisation Chart



NALHN Governing Board

Member Name	Position	Term Dates
Ray Blight	Chair	01/07/2019 to 30/06/2023
Michael Forwood	Deputy Chair	01/07/2021 to 30/06/2024
Frank Lampard OAM	Member	01/07/2019 to 30/06/2023
Dr Carolyn Roesler	Member	01/07/2019 to 30/06/2023
Mary Patetsos	Member	01/07/2021 to 30/06/2024
Anne Burgess AM	Member	01/07/2021 to 30/06/2024
Linda South	Member	01/07/2021 to 30/06/2023

Changes to the agency

During 2021-22 there were no changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

Our Minister



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

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

Our Executive team

Ms Maree Geraghty	Chief Executive Officer
Ms Karen Puvogel	Chief Operating Officer
Ms Natalia Hubczenko	Chief Finance Officer
Mr Kurt Towers	Executive Director, Aboriginal Health
Ms Sandra Parr	Executive Director, Allied Health
Ms Kym Shreeve	Executive Director, People and Culture (from 15/02/2022)
Ms Helen Stevens	Executive Director, Human Resources and Workforce (to 12/01/2022)
Dr John Maddison	Executive Director, Medical Services
Adj. Ass. Prof. Vanessa Owen	Executive Director, Nursing and Midwifery/Clinical Governance and Risk Services
Ms Sinead O'Brien	Executive Director, Strategy and Innovation
Mr Arindam Chaudhuri	Executive Director, Digital Health
Mr Peter Mullen	Executive Director, Corporate Services
Dr Alice Bourke	Divisional Director (Medical), Aged Care, Rehabilitation and Palliative Care (from 18/10/2021)
Dr Venu Kochiyil (Acting)	Divisional Director (Medical), Aged Care, Rehabilitation and Palliative Care (to 17/10/2021)
Ms Kirsty Delguste	Divisional Director (Nursing), Aged Care, Rehabilitation and Palliative Care
Dr Penny Conor	Divisional Director (Medical), Critical Care
Mr Damien Heffernan	Divisional Director (Nursing) Critical Care
Dr Tony Elias	Divisional Director (Medical), Medicine
Ms Trudy Smith-Sparrow	Divisional Director (Nursing), Medicine
Dr Sanmuganatham Sujeeve	Divisional Director (Medical), Mental Health
Ms Dianne Callahan	Divisional Director (Nursing), Mental Health
Mr Shaun Sweeney (Acting)	Director, Allied Health (Mental Health) and Community Mental Health (from 10/01/2022)

Ms Nicole Keller	Director, Allied Health (Mental Health) and Community Mental Health (to 28/12/2021)
Dr Elizabeth Murphy	Divisional Director (Medical), Surgical Sub-Specialties and Anaesthesia (from 07/02/2022)
Prof. Jeganath Krishnan	Divisional Director (Medical), Surgical Sub-Specialties and Anaesthesia (to 06/02/2022)
Ms Julia Strawbridge	Divisional Director (Nursing), Surgical Sub-Specialties and Anaesthesia (from 02/10/2021)
Ms Heather Saunders	Divisional Director (Nursing), Surgical Sub-Specialties and Anaesthesia (to 01/10/2021)
Dr Martin Ritossa	Divisional Director (Medical), Women and Children's
Ms Meredith Hobbs	Divisional Director (Nursing and Midwifery), Women and Children's

Legislation administered by the agency

None

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

Department for Health and Wellbeing

Wellbeing SA

Commission on Excellence and Innovation in Health

South Australian Ambulance Service

Barossa Hills Fleurieu Local Health Network

Central Adelaide Local Health Network

Eyre and Far North Local Health Network

Flinders and Upper North Local Health Network

Limestone Coast Local Health Network

Riverland Mallee Coorong Local Health Network

Southern Adelaide Local Health Network

Women's and Children's Health Network

Yorke and Northern Local Health Network

The agency's performance

Performance at a glance

- NALHN saw 113,108 patients arriving at NALHN's Emergency Departments, which is 7,174 fewer than in 2020-21.
- A higher number of priority 2 presentations arrived at NALHN Emergency Departments, when compared with previous years, with a reduction in priority 4 and 5 patients.
- NALHN birthed 3,769 women who had 3,800 babies. This is six fewer women than in the previous year. 250 Aboriginal babies were born at NALHN equating to 6.6% of all births.
- NALHN provided 248,939 outpatient episodes, including 70,109 new appointments. This number is significantly lower than for the previous year due to the reduction in outpatient appointments through the peak of COVID management.
- NALHN undertook 8,517 elective surgery procedures, providing care for 5,478 patients through the Lyell McEwin Hospital and 3,039 patients at Modbury Hospital.
- NALHN's Watto Purrunga Aboriginal Health service delivered 23,615 primary health care services to 3,704 clients.
- The NALHN Governing Board held 11 meetings from 1 July 2021 to 30 June 2022, with the following attendances recorded:

Member Name	Governing Board Meetings Attended
Ray Blight (Chair)	11
Michael Forwood (Deputy Chair)	11
Frank Lampard OAM	11
Dr Carolyn Roesler	10
Mary Patetsos	11
Anne Burgess AM	11
Linda South	10

Agency response to COVID

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

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

The NALHN COVID Program sat under the governance of the NALHN Director of Nursing (Operations) reporting through to the Chief Operating Officer and included the COVID Testing Clinic located at Lyell McEwin Hospital and the Elizabeth COVID Vaccination Clinic located at the Playford Clinic along with the Munno Para COVID Vaccination Clinics that opened in July 2021.

November 2021 saw the COVID Testing Clinics wind down with a focus on increasing vaccination rates. In May 2022 transition occurred from the Emergency Management Declaration to the *Public Health Act 2011* and paved the way for both the vaccination clinics to consolidate into one located at the GP Plus Elizabeth.

Since commencement of the COVID Vaccination program across NALHN, the following number of doses have been provided to Aboriginal and/or Torres Strait Islander people in the Elizabeth Clinic (Playford) and Watto Purrunga:

- 9,807 Aboriginal and/or Torres Strait Islander consumers were vaccinated between the Playford/Munno Para and the Watto Purrunga vaccination hubs.
- 4,519 vaccinations were administered within the Watto Purrunga sites or outreach services, including 485 children aged 5-11 years old.
- 5,298 vaccinations were administered at the Playford/Munno Para vaccination hubs.

The Watto Purrunga team initially undertook COVID vaccinations on site at the Playford Vaccination hub, providing culturally responsive vaccination in two dedicated cubicles at the centre with the support of Aboriginal Health Practitioners and Aboriginal Primary Health Care officers.

In October 2021, Watto Purrunga relocated their vaccination services from the Playford hub into the four Watto Purrunga Aboriginal Health sites. This included expansion to providing outreach vaccination clinics in partnership with the Puti on Kurna Yerta strategy in the South Parklands, the Wiltja Alternative Home Quarantine strategy, Kangawodli Dialysis project, community events and an extensive rollout across schools with high Aboriginal populations in the NALHN catchment.

In March 2022, Watto Purrunga commenced vaccinations through the COVID Vaccine Administrative System supplied vaccine and can now provide vaccinations at all Watto Purrunga Aboriginal Health sites, five days per week. Strategies remain ongoing to continue to increase vaccination uptake in the Aboriginal community which include continuation of community events, targeted vaccination campaigns across postcode areas with low vaccination uptake, particularly in the 5-11-year-old cohort.

The Aboriginal Health team won the 2022 NALHN Excellence in Aboriginal Health award for their overall Aboriginal Community COVID response.

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	<p>In line with NALHN's Strategic Plan, high priority work linking to the strategic imperatives of Exceptional People and Culture have been implemented across the Local Health Network, with a focus on employer of choice, diversity and inclusion wellbeing, staff engagement and culture.</p> <p>These activities include:</p> <ul style="list-style-type: none"> • The establishment of the Exceptional People and Inclusive Culture Strategic Framework and action plan; • Research and development of a workforce plan linking to the NALHN Clinical Services Plan 2020-2025; • The formal establishment of a Wellbeing sub-committee and action plan; and • Development of an Organisational Capability and Learning Unit. <p>NALHN's aim is to be the employer of choice for the Aboriginal and Torres Strait Islander community in the north through its Aboriginal Workforce action plan and committee.</p> <p>In addition, NALHN truly values the significant and important role our existing Aboriginal workforce plays; therefore, we have established the network's inaugural Aboriginal and Torres Strait Employee Network. This network meets four days a year and discusses and advises strategies to engage, upskill, and retain this critical workforce.</p>
Lower costs	<p>In 2021-22 NALHN continued to operate below the National Efficient Price. The latest available costing data from December 2021 reported that NALHN's cost per National Weighted Activity Unit was 5.3% below the National Efficient Price, an improvement of 3.5% compared to the 2020-21 financial year.</p> <p>This has been achieved through the implementation of a comprehensive accountability and performance framework which has resulted in the effective management of NALHN's expenditure base.</p>

Better services	<p>NALHN continues to be innovative and provide services to meet the needs of our population.</p> <p>The NALHN Clinical Services Plan 2020-2025 was released in March 2021. Developed by our clinicians, the plan outlines our service delivery priorities over this period to meet the needs of our growing population.</p> <p>A review of the Clinical Service Plan commenced in 2022 to ensure the plan remains up-to-date and is aligned to changing needs of our population, in order to provide the best clinical outcomes, at the lowest cost and as close to home as possible.</p> <p>The updated plan will assist NALHN to engage purposefully in discussions with the Department for Health and Wellbeing about how available and future funding can best be applied to service our community.</p> <p>In collaboration with SA Health Infrastructure, NALHN engaged Destravis in May 2022 to develop a network-wide Master Plan, establishing the future requirements for both physical and virtual health care across our Network.</p> <p>Aligned to the NALHN Strategic Plan, Clinical Services Plans and Digital Health Strategy, the Master Plan will support population and activity projections to serve as a guide for future infrastructure decision making that support best practice health care services to meet the requirements of our community over the next 10-15 years, including expanding the delivery of virtual and out of hospital care.</p> <p>The Master Planning process is underway with a final report and recommendations to be available by early 2023.</p>
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Agency specific objectives and performance

Agency objectives	Indicators	Performance
STRATEGIC IMPERATIVE Inclusive culture: <i>NALHN is committed to supporting and building our personality in line with our values and determination to provide the best care, every time, by our exceptional staff.</i>	A values-based workforce in which all our staff know and embrace our core values.	<ul style="list-style-type: none"> NALHN's core values are articulated in our Strategic Plan 2020-25. <p>These values have been incorporated into our workforce plans, professional development plans and recruitment to ensure we create a culture where:</p> <p><i>Everyone has a story. Everyone matters. Everyone contributes. Everyone grows.</i></p>
	Psychological safety in which staff feel valued and are safe to learn, grow, speak up and achieve without any concern for negative repercussions.	<ul style="list-style-type: none"> Speaking Up For Safety training was conducted for all employees, focused on empowering them to speak up if they had an issue or concern regarding patient or their own safety. NALHN continued to monitor the psychological safety of our staff through staff surveys, Work Health and Safety audits and reporting systems. A Staff Wellness Project was introduced in the Division of Medicine (with broader application across the network) providing a dedicated time and space for nurses to actively focus on their own wellbeing, decrease stress levels and promote mindfulness.
	Excellence in care through partnership, learning, evidence, research, and continuous improvement.	<ul style="list-style-type: none"> The <i>Northern Adelaide Health and Wellbeing Partnership Steering Committee</i> was established to strengthen partnerships across the north, local councils and other government agencies. Released <i>NALHN Research Strategy 2021-24</i>, aimed at successfully growing research in the north to improve outcomes of our community through the translation of research into everyday service delivery.

	<p>A state-wide reputation for our spirit of learning, growth and excellence embodied in an inclusive culture.</p>	<ul style="list-style-type: none"> Continued pathways to enable current and future leaders to gain the experience and skills necessary to succeed and realise their potential, including the NALHN Leadership Ways of Working (WOW) forums. Revitalised community and consumer activities to support the implementation of the NALHN Consumer and Community Engagement Strategy 2020-25. Lyell McEwin Hospital Intensive Care Unit were required to increase bed and workforce capacity during the COVID pandemic and recruited in excess of 60 staff within three months to support increased admissions of the critically unwell and to support the COVID response.
	<p>A welcoming and safe care environment where the rights and needs of all members of our community are championed, particularly people who are at risk of poorer health outcomes, or of limitations in access and advocacy. This includes actively supporting better outcomes for Aboriginal people and responding to the needs of people from culturally and linguistically diverse backgrounds.</p>	<ul style="list-style-type: none"> Launched <i>NALHN Aboriginal Health Framework and Action Plan 2021-2026</i>, setting our strategies to address and improve Aboriginal and/or Torres Strait Islander health outcomes in the North, North-Eastern and North-Western suburbs of Adelaide. The successes have included: Achievements include: <ul style="list-style-type: none"> Developed Aboriginal Child and Maternal Health Continuity of Care Protocol. Established the Kumangka Padninthi Aboriginal Health and Wellbeing Unit at Modbury Hospital. Continued progress in relation to <i>NALHN Aboriginal Workforce Action Plan 2019-22</i> with the establishment of the Deadly Team. Deadly Communities. Aboriginal Employee Network, Aboriginal Peer Support Program and Aboriginal Nursing and Midwifery Cadetship Program.

		<ul style="list-style-type: none"> Launched <i>NALHN's Stretch Reconciliation Action Plan 2021-2024</i>, marking a significant milestone in NALHN's reconciliation journey. NALHN is the first Local Health Network to achieve the third level of reconciliation, known as 'Stretch', and the 11th organisation in South Australia. Watto Purrinna held a NALHN Careers Day at Muna Paiendi to showcase education and career pathways in the health sector along with our community partners to support Aboriginal workforce participation initiatives.
Service Design: <i>NALHN delivers services tailored to meet the health needs of our population in the most effective and efficient way.</i>	<p>Effective and innovative care from beginning to end of life.</p>	<ul style="list-style-type: none"> Continued work aligned with the <i>NALHN Clinical Services Plan 2020-2025</i>. Services continued to be developed with our clinicians and consumers to meet the needs of our population, for example: following a 12-month trial, a new surgery technique that significantly improves the recovery time, and halves time spent in hospital for women requiring hysterectomies has been established. Launched a surgical outreach service at Port Pirie Regional Health Service in partnership with Yorke and Northern Local Health Network. The service provides residents and surrounding communities with integrated care closer to home, ensuring consumers from the Port Pirie region have continuity of care the moment they are admitted to Port Pirie right through to Lyell McEwin Hospital.

	<p>Excellent and compassionate health services delivered to our key population groups.</p>	<ul style="list-style-type: none"> • Lyell McEwin Hospital became the receiving hospital for COVID patients. • The following initiatives were set up in response to COVID: <ul style="list-style-type: none"> ○ The Playford mass vaccination hub opened on 31 May 2021. ○ It has delivered over 269,000 vaccinations to the community, including 212,050 adult Pfizer / 11,715 AstraZeneca / 800 Novovax / over 8,000 Kids Pfizer and approximately 36,000 to the community and hospital setting. ○ NALHN Pooraka Pop-Up clinic at the South Australian Produce Market commenced in September 2021 as a walk-in clinic and supported over 13,000 vaccinations. <p>In November it transitioned to the state's first and only Drive-thru clinic before it ceased operation in December 2021.</p> <p>Munno Para Pop-up clinic commenced operation late 2021 and has offered over 19,000 vaccines to the community for both adults and children.</p> ○ The Aboriginal and Torres Strait Islander data provided specifically from Playford (but aligned to Watto Purrinna) shows over 9,860 vaccines have been delivered both in the Playford clinic and within the community via Mobile and pop-up clinic. ○ Mobile vaccination program successfully commenced reaching out to our communities, such as the Australian Migrant Resource Centre, Drakes store and distribution centre, Mitolo Farms, African Women's Federation of SA.
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		<ul style="list-style-type: none"> Developed a mental health rehabilitation and recovery program that offered 224 opportunities for activity, movement, and socialisation over a period of 56 days. The results were shared learning and skills development. The Practical Pain Recovery area in the Division of Aged Care, Rehabilitation and Palliative Care facilitated a comprehensive group program that allows clients to access foundation pain self-management skills from a range of disciplines. The program was created to be sustainable and adapts an interdisciplinary model so that the program is reproducible with potential to be used via telehealth and rural outreach services in the future.
	Integrated health services across the continuum of care.	<ul style="list-style-type: none"> NALHN's Outpatient Department continued to work on the waitlist to ensure access to treatment for patients requiring an appointment and reduce the waitlist times where appropriate.
Digitally Smart: <i>NALHN develops digitally smart programs and use the latest technology to maximise better health outcomes and reshape how our consumers, communities and partners use technology to interface with us and support staff.</i>	Excellent care and patient safety outcomes through digital and technological innovation and uptake.	<ul style="list-style-type: none"> Partnered with Digital Health SA to renew our ICT infrastructure across the network to the latest standards. Fast-tracked the discovery phase in preparations for the implementation of <i>Sunrise Patient Administration System (PAS) and Electronic Medical Records (EMR)</i> across the network in 2022-23, which will enable NALHN to become a <i>Digitally Smart</i> network that provides digitally optimised health care to our community. The solution is planned for implementation in three phases with completion in late 2022.

	Transparency and communication with consumers.	<ul style="list-style-type: none"> • Piloted the digital patient engagement platform in maternity care (POPN: <i>Pregnancy Online Platform NALHN</i>) an SA first helping pregnant mothers navigate their antenatal care in a more efficient and timely manner. Over 2,000 patients have been invited to participate, with a 93 percent adoption rate. NALHN welcomed its first POPN baby born in May 2022. The platform is under review for wider adoption across the NALHN. • Co-developed with a SA digital start-up <i>Total Recall</i> a digital solution for real-time tracking, tracing, inventory, billing and recall of prosthetics and implantable devices. The solution has reduced five forms to a single electronic form with no manual gathering and data entry required. • Commenced a two-year real-time research project with Flinders University to examine if remote monitoring can reduce repeated Emergency Department presentations and admission of chronic disease patients. The research will assist to develop a sustainable and validated out of hospital care model, to inform consumers and empower clinicians.
	A digitally smart workforce.	<ul style="list-style-type: none"> • Established the <i>Virtual Care Command Centre</i> to coordinate flow across the care continuum, with the Virtual In-Home Virtual Assist (VIVA) platform, a key digital health initiative of NALHN's out of hospital virtual care program.

<p>Sustainability:</p> <p><i>NALHN embraces sustainability by innovating, improving our efficiency, recognising and managing risk, and continually aligning, optimising and growing our resources and living within our means.</i></p>	<p>Resource efficiencies and generation through innovation, commercialisation and investment.</p>	<ul style="list-style-type: none"> • NALHN has worked with our partners in providing efficient and quality services. For example, we have continued to use private hospitals under SA Health approved panel contracts to deliver elective surgery procedures such as colonoscopies, ENT procedures, urology procedures and orthopaedic services at an efficient price to increase throughput and reduce wait times. • The first stage of the new Emergency Department and completion of the Mental Health Short Stay Unit at Lyell McEwin Hospital, and new Palliative Care Unit and General Medical Short Stay Unit at Modbury Hospital were opened, including refurbishment of the main tower lift lobby.
	<p>Efficient processes and administration to support safe and appropriate health services.</p>	<ul style="list-style-type: none"> • Progressed the implementation of TEAM North, an integrated multi-disciplinary team huddle approach to enable staff to engage in meaningful ways with the NALHN purpose to deliver exceptional health and wellbeing services that enhances the quality of life for our community. TEAM North connects from 'Floor to Board' and 'Board to Floor', as well as across the organisation and with our consumers. • NALHN's Acute Allied Health team successfully reduced waiting times for inpatients referred to their services, while reducing the risk of hospital acquired deconditioning and improving patient flow. Over two years, weekday referral response rates were improved by 33 per cent, while weekend response rates improved by approximately 50 per cent. The initiative demonstrates how 'valuing patient time' and 'lean' principles were used in parallel to improve the efficient use of resources and maximise service delivery.

	Best-practice financial management and business acumen.	<ul style="list-style-type: none"> NALHN has implemented a comprehensive performance and accountability framework where Divisions achieve Earned Autonomy when they achieve a number of key performance indicators. <p>This has enabled successful financial performance by NALHN while exceeding budget activity targets.</p>
	Care for the environment.	<ul style="list-style-type: none"> A network waste management plan has continued which segregates waste streams at the workplace, supporting a more sustainable approach to waste management. A formal contracted partnership has been established with recycle partner (suez) in the management of the waste streams reducing waste to landfill. Ecological Sustainable Developments includes: <ul style="list-style-type: none"> Lyell McEwin Hospital 760kW Solar Panel upgrade commissioned and verified. The system provides 5% of the sites electricity demand annually. Lyell McEwin Hospital Electrical Vehicle Charging Stations in the multideck carpark. LED lighting replacement program - existing fluorescent light fittings are upgraded to more energy efficient fittings. Waste Management recycling program – diversion to landfill by volume – 27% diversion to landfill. Lyell McEwin Hospital and Modbury Hospital redevelopments designed to meet 5 star rating Greenstar and Department for Health and Wellbeing IGRAT (In-House Green Rating Tool) design principles.

<p>Exceptional people:</p> <p><i>We strive to be a workplace of choice that attracts and retains exceptional employees by fostering an inclusive work culture and environment where they feel empowered to grow, contribute and everyone matters.</i></p>	<p>A welcoming culture that values and empowers all staff and supports a world-class workforce known for its expertise and compassion.</p>	<ul style="list-style-type: none"> • Awarded three-years accreditation by the Australian Commission on Safety and Quality in Health Care Standards (NSQHS). The surveyors lauded NALHN on our embedding of Aboriginal Health throughout the organisation, innovative approach to TEAM North, exceptional work of our Mental Health Division; incredible demonstration of our patient-centred care and proficiency of the overall organisation. • Held its second NALHN Staff Awards to formally recognise the commitment and achievements of staff and provide a pathway to the SA Health Awards. • Developed the Exceptional People Inclusive Culture Strategic Framework focussed on attraction, engagement, performance and retention of our most valuable asset, our staff. • Launched the NALHN Staff Wellbeing and Resilience Framework and action plan, taking key actions during COVID surges and continuing to focus on our staff's wellbeing as a priority. • PR&D progressed and strategies to improve compliance, including regular communication with staff, a standing item on key agenda, development of a Team Based Review fact sheet and form for six-monthly reviews, development of a NALHN procedure and review and update of supporting materials, such as fact sheet and PR&D form. • Launched NALHN's first Facebook and Instagram accounts to better engage with external stakeholders in our catchment area and the wider community, including Instagram. • Released NALHN Brand Identity across the network. • Admitted 15 Transition to Professional Practice Registered Midwives and collaborated with Yorke and Northern Local Health Network to support two midwives through a 'country collaborative' program.
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		<ul style="list-style-type: none"> • Employed an extra 70 nursing and midwifery graduates for 2022 to provide care to the North and North-Eastern community. This represents an increase from 84 to 154, supporting graduates and assisting to increase the number of nurses and midwives. • Australia Day Honours recipients Prof. Greg Crawford AM for service to palliative care and Prof. Cherrie Galletly OAM service to medicine as a psychiatrist. • Increased access to Aboriginal cultural awareness level 2 face to face training to support NALHN our staff meeting the needs of our Aboriginal community. NALHN achieved 71% of all managers participating in the Level 2 Face to Face Aboriginal Cultural Learning training.
	A visionary, capable, sustainable and supportive leadership.	<ul style="list-style-type: none"> • Developed leadership programs and support staff to engage in leadership programs outside of our Local Health Network to support continued development and exceptional people.
Partnering: <i>We create strategic collaborative partnerships to maximise and leverage opportunities to support our growing community.</i>	The health and wellbeing of our community are strengthened through our partnerships across the NALHN region.	<ul style="list-style-type: none"> • Formalised a Memorandum of Understanding between key partners in the north as part of the Northern Adelaide Health and Wellbeing Partnership. A collaboration with a strong mission to create a flourishing and vibrant health and wellbeing community for the north. • Appointed a co-funded Director, Northern Adelaide Health and Wellbeing Partnership based at Modbury Hospital working with NALHN and partner sites. • Established the Childhood Alliance, a collaboration between government agencies, partners and community groups with the aim to remove the systemic barriers which prevent many children in the north from accessing the right early interventional care when needed.

		<ul style="list-style-type: none"> • <i>Living Well in the North 2021</i> was well received with more than 100 people in-attendance at the Golden Grove Arts Centre in November 2021. The event provided an opportunity for our Governing Board, Chief Executive Officer and many staff to meet our community and celebrate our many achievements as an organisation. • Northern Adelaide Mental Health Alliance has advocated for a range of service innovations to drive system reform and integration in the north. One initiative is the co-commissioning between NALHN and the Adelaide Primary Health Network of Adelaide's first Safe Haven Café. The Café once opened will provide a non-clinical alternative to the Emergency Department for people experiencing psychological distress. • Developed strong partnerships with The Hospital Research Foundation and university sector to build research capacity and culture, including opportunities to build workforce pipelines, and SAHMRI to support Aboriginal and/or Torres Strait Islander communities. • Formalised partnerships with Yorke and Northern Local Health Network and Barossa Hills Fleurieu Local Health Network for opportunities to support services (e.g. Palliative Care Services, Surgical Outreach Services), placements for intern and nursing and midwifery graduates, nurse practitioners and discussions to form staff specialist, medical and educational links between networks.
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	<p>NALHN meaningfully engages with and responds to consumers, their carers and the community.</p>	<ul style="list-style-type: none"> NALHN Consumer Community established with more than 34 consumer representatives from a broad spectrum of lived experience and professional backgrounds. Aligned consumer representation on committees and working groups across NALHN. The City to Bay Well Health Check program re-launched this year as <i>Ninku Purrunna-itya Yakarri</i>, a Karuna name meaning 'Run For Your Life', with 107 participants who all undertook a Well Health Check and participated in either 3, 6 or 12km walk/run.
	<p>NALHN is at the forefront of research, education and training that contributes to community health and wellbeing.</p>	<ul style="list-style-type: none"> In early 2020 a partnership between NALHN and Flinders University saw medical students placed for the very first time in NALHN. The program has been a huge success, with Flinders University engaging in an expanded multi-year program. This has resulted in an increased number of Flinders University students applying for internships at NALHN in 2022. Established industry-sponsored clinical trials in oncology, endocrinology, cardiology, gastroenterology and mental health. Children's University School Holiday Program at Lyell McEwin Hospital over three days in the September 2021 school holidays. Series of workshops to develop valuable hands-on skills: basic skills and hand hygiene and simulation ward activity. Introduced the Aboriginal Diabetic Eye Health project in partnership with the Aboriginal Primary healthcare Service. The project aims to increase screening rates and treatment coverage of diabetic retinopathy in Aboriginal and Torres Strait Islander people by co-designing and implementing eye healthcare strategies specific to their needs.

Corporate performance summary

NALHN achieved key corporate performance outcomes, including:

- Involvement in the delivery of the COVID vaccination hubs.
- Development of Strategic Asset Management Plan and Asset Management Plan.
- Environmental Management – Ecological Sustainable Developments.
- Delivery of Capital Minor Works Program.
- Continued planning and implementation of significant capital investments at the Lyell McEwin Hospital and Modbury Hospital.
- Implemented 'follow-me' printing at Lyell McEwin Hospital.

Employment opportunity programs

Program name	Performance
Skilling SA Public Sector Project	The Skilling SA Public Sector Project builds workforce capability by providing education and career opportunities for South Australians. The project supports training and skills development, and addresses skills shortages across the private and public sectors.
South Australian Leadership Academy (SALA) Manager Essential	<p>The Manager Essentials Program develops the confidence and skills of new and experienced managers so they can lead themselves, their team and the business with greater clarity and conviction.</p> <p>Over four months, leadership experts will equip participants with the tools required to become confident managers who shape a future focused workforce.</p> <p>The program focuses on three essential areas: Manage Self, Manage the Team and Manage the Business</p>
South Australian Leadership Academy (SALA) The Next Exec Program	<p>The Next Exec Program advances current managers on their leadership journey so they can confidently lead other managers toward great outcomes for the sector.</p> <p>Over the course of six months, participants will embark on integrated learning experiences designed to build the fundamental qualities required of a flexible, inclusive and responsive leader.</p> <p>The Next Exec Program provides cross-department networking opportunities and enriching sector specific content delivered by highly respected industry experts.</p>
Nursing and Midwifery Aboriginal Cadetship program	Program in place over 10 years encouraging the Aboriginal community to consider nursing and midwifery as a sustainable career. Students have returned to NALHN to continue studies (i.e. enrolled nurses becoming registered nurses; registered nurses becoming midwives).
Aboriginal Health employment	<p>NALHN's Aboriginal employment participation is 1.5%.</p> <p>Appointments of employment are made using the Aboriginal Employment or Disabilities Register.</p> <p>The NALHN 'Deadly Team. Deadly Communities' Aboriginal Employee Network Forum continues to meet quarterly providing a platform for Aboriginal and Torres Strait Islander attraction and retention strategies.</p>

Agency performance management and development systems

Performance management and development system	Performance
Number of employees who undertook a PR&D	4,697
% of workforce who undertook a PR&D	87%

Work health, safety and return to work programs

Program name	Performance
Worksite Safety Inspection Program	164 worksite safety inspections were scheduled in August 2021 and February 2022 and undertaken across all NALHN sites (including contractors) as part of the rolling hazard management program.
Healthcare Worker Immunisation Program	4,331 healthcare workers received their influenza vaccinations (79% of eligible HCW). 5,683 NALHN staff have received three doses of an approved COVID vaccinations with staff now presenting voluntarily for the fourth 'winter dose'.
Fit Testing Program	All NALHN clinicians are fit tested with non-clinicians able to be fit tested to ensure we can meet the close contact and post COVID Return to Work regulations.

Workplace injury claims	2021-22	2020-21	% Change (+ / -)
Total new workplace injury claims	106	114	-7.0%
Fatalities	0	0	0.0%
Seriously injured workers*	0	0	0.0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	9.23	11.02	-16.2%

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

Work health and safety regulations	2021-22	2020-21	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	4	3	+33.3%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	18	-100.0%

Return to work costs**	2021-22	2020-21	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$3,335,363	\$3,387,825	-1.5%
Income support payments – gross (\$)	\$1,290,377	\$1,162,366	+11.0%

**before third party recovery

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

Executive employment in the agencies

Executive classification	Number of executives
EXEC0E	1
SAES1	8

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

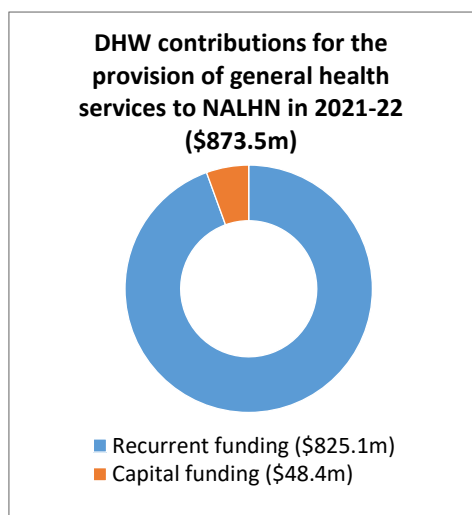
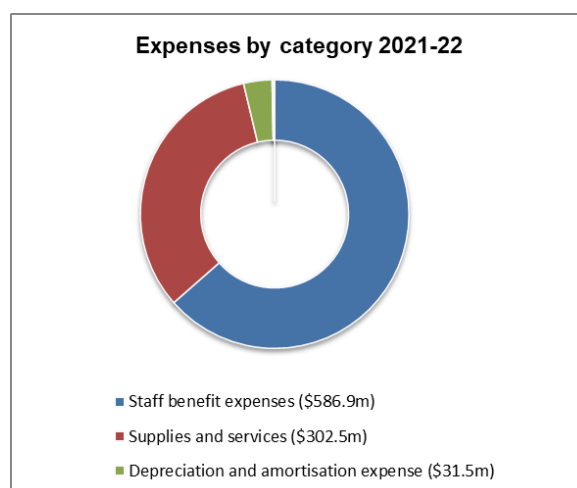
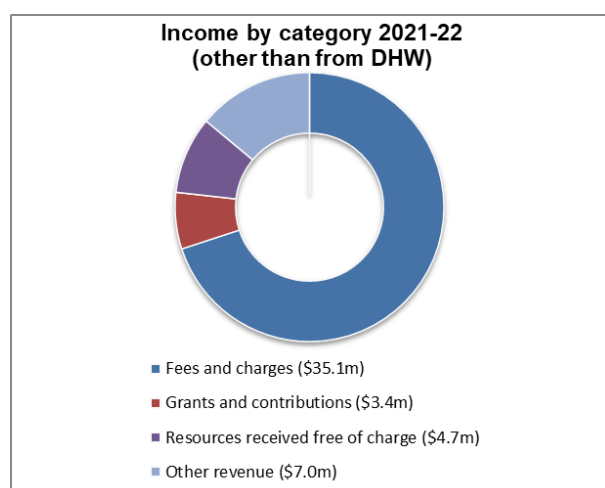
The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2021-22 are attached to this report.

NALHN three-year financial summary							
Three-year financial summary (\$000)		2021-22	%	2020-21	%	2019-20	%
			↑↓		↑↓		↑↓
Total income		923 734	↑3.9%	888 768	↑6.7%	833 207	↑17.8%
Total expenses		923 779	↑7.3%	861 328	↑3.7%	830 802	↑7.8%
Net result for the period		(45)	↓-100.2%	27 440	↑1041.0%	2 405	↑103.8%
Net cash provided by operating activities		(5 697)	↓-133.0%	17 243	↓-22.6%	22 272	↑279.7%
Total assets		538 886	↑1.6%	530 431	↑4.0%	510 225	↑15.4%
Total liabilities		260 920	↑3.3%	252 649	↑0.2%	252 223	↑35.6%
Net assets		277 966	↑0.1%	277 782	↑7.7%	258 002	↑0.8%



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.

There was nil expenditure in 2021-22 for external consultants.

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

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	nil	\$0

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

Consultancies	Purpose	\$ Actual payment
Nil	n/a	\$0
	Total	\$0

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

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

Contractors disclosure

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

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	(\$3,518)

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

Contractors	Purpose	\$ Actual payment
Pricewaterhouse Coopers	Internal audit services and planning	\$666,874
PowerHealth Solutions	Casemix and Costing Services for LMH	\$244,161
The Health Roundtable Ltd	Health service innovations and improvements	\$198,475
Pricewaterhouse Coopers	Business Intelligence services	\$118,652
Martin Philip Moyse	Analyst and systems management support for the Modbury Patient Administration System	\$106,500
The University of Adelaide	Hospitals at Night: Junior Doctor after hours workload project	\$80,423
ZED Management Consulting	Desktop analysis to establish a single anaesthetics service	\$75,620
3M Australia Pty Ltd	Transcription services to reduce a backlog of referral letters	\$65,448
Expose Data Pty Ltd	Technical consultants for IMS Platform	\$29,738
Chamonix IT Consulting	IMS Digitisation	\$28,125
Studio 9 Architects Pty Ltd	Architectural fee for refurbishment of Torrens Valley International Residence basement fit-out	\$17,700
Penelope Gale	Communication and engagement advisory services	\$12,000
	Total	\$1,640,198

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

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

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

Risk management

Risk and audit at a glance

The NALHN Audit and Risk Committee (ARC) to the Governing Board conducted meetings on a quarterly basis on the following dates: 24 August 2021, 16 December 2021, 3 March 2022 and 19 May 2022.

The ARC meetings operate according to the Terms of Reference which define the purpose, scope, functions and authority of the Committee. The ARC assists the Governing Board in fulfilling its oversight responsibilities for:

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

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

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

Fraud detected in the agency

Category/nature of fraud	Number of instances
Use of Government/Public Resources	1
Criminal Charges	1
Fraud	4

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

Strategies implemented to control and prevent fraud

The SA health System-wide Corruption Control Policy Directive aligns procedures for the identification and reporting of fraud and corruption with the South Australian Public Sector Fraud and Corruption Control Policy which was released in 2016 and updated in February 2021.

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

Public interest disclosure

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

Nil.

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

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

Reporting required under any other act or regulation

Nil required

Reporting required under the *Carers' Recognition Act 2005*

NALHN values carers for our patients, acknowledging their critical role as partners in the delivery of health services for those who live in the NALHN catchment. During 2021-22 NALHN's staff have worked at the service level to partner with carers who provide care for patients and know them best. Carers are able to provide relevant information to assist NALHN health services to understand a person's health, wellbeing, living situation and interests.

NALHN acknowledges the additional challenges with high levels of COVID in the community and hospitals. In order to keep staff and patients safe, there have been necessary limitations on the number of visitors. NALHN has worked with carers to ensure they are able to access information about the person for whom they care, and exemptions to allow additional visitors when it is in the best interest of patients.

NALHN is committed to listening to carers' experiences when accessing health care for our consumers. In 2020-21 consumer feedback NALHN noted that 3.15% of people providing feedback identified as carers for the person involved in the feedback. NALHN staff considered this an underestimate and have been more proactive in recording this data. The 2021-22 data has shown an increase to 5.03% of all feedback (135/2683) which increases to 17.3% when considering third-party feedback specifically (99/571).

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

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2021-22
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	161
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	2
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	157
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	21
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	74
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	34
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	21

Complaint categories	Sub-categories	Example	Number of Complaints 2021-22
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	2
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	2
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	317
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	26
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	89
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
Treatment	Treatment	Inadequate, wrong, inappropriate, rough, painful, negligent treatment; withdrawal/denial of treatment; adverse outcome; diagnosis; infection control; medication	405

Complaint categories	Sub-categories	Example	Number of Complaints 2021-22
Cost	Cost	Billing practices; Information on costs, overcharging	19
Corporate Services	Corporate Services	Lost property; administrative services	32
Complaints	Other	Other classifications	53
		Total	1,415

Additional Metrics	Total
Number of positive feedback comments	1,085
Number of negative feedback comments	1,415
Total number of feedback comments	2,685
% complaints resolved within policy timeframes	94.6%

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

Service Improvements

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

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

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

- A Consumer Community has been formed and consumers are members of a range of meetings across the organisation.
- The NALHN Aboriginal Consumer Reference Group continues to meet bi-monthly providing community advocacy, advice and leadership on all matters relating to services and planning within NALHN.

- The Consumer Community have formed four working groups to review current practices in the following areas: wayfinding, design principles, digital communications and health literacy, and to report on recommendations.
- Consumer fact and information sheets are reviewed by consumers.
- Patient stories are used to inform wards, services, divisions and governance meetings about care provided and opportunities for improvement.
- Consumers are included in the recruitment process for senior level positions across the organisation.
- Consumers have been included in the design of patient surveys in specific areas.
- Staff education in response to specific complaints has been undertaken with staff involved encouraged to use feedback to reflect on current practice and areas for improvement.
- Quarterly detailed consumer feedback reports are prepared and provided to meetings across the organisation.
- Results from Department consumer surveys are provided to Divisions quarterly and action plans developed to address specific issues or areas of concern.
- Information is provided to consumers on services and seeking feedback through a variety of mediums including the patient TVs and meal trays.
- The NALHN Shared Decision-Making Guideline has been rolled out across the organisation including staff education.

Compliance Statement

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

Appendix: Audited financial statements 2021-22

INDEPENDENT AUDITOR'S REPORT



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

To the Governing Board Chair Northern Adelaide Local Health Network Incorporated

Opinion

I have audited the financial report of the Northern Adelaide Local Health Network Incorporated for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Northern Adelaide Local Health Network Incorporated as at 30 June 2022, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Governing 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 Northern Adelaide Local Health Network Incorporated. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 36(2) of the *Health Care Act 2008*, I have audited the financial report of the Northern Adelaide Local Health Network Incorporated for the financial year ended 30 June 2022.

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

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

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

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

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

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



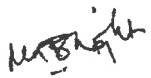
Andrew Richardson
Auditor-General

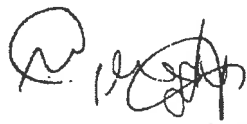
23 September 2022

Certification of the financial statements

We certify that the:

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


.....
Ray Blight
Governing Board Chair


Maree Geraghty
Chief Executive Officer


Natalia Hubczenko
Chief Finance Officer

Date 14 September 2022

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Revenues from SA Government	2	873,508	839,430
Fees and charges	3	35,142	32,896
Grants and contributions	4	3,412	3,676
Interest		-	4
Resources received free of charge	5	4,663	6,210
Other revenues/income	6	7,009	6,552
Total income		923,734	888,768
Expenses			
Staff benefits expenses	7	586,864	557,069
Supplies and services	8	302,542	263,744
Depreciation and amortisation	13,14	31,509	33,280
Grants and subsidies		270	50
Borrowing costs	17	1,096	1,069
Net loss from disposal of non-current and other assets		-	276
Impairment loss on receivables	11.1	716	509
Other expenses	9	782	5,331
Total expenses		923,779	861,328
Net result		(45)	27,440
Other Comprehensive Income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus		-	(7,431)
Total other comprehensive income		-	(7,431)
Total comprehensive result		(45)	20,009

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

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	10	14,826	29,539
Receivables	11	12,460	10,525
Inventories	12	3,186	2,996
Total current assets		30,472	43,060
Non-current assets			
Receivables	11	1,829	1,419
Property, plant and equipment	13,14	506,394	485,924
Intangible assets	13.5	191	198
Total non-current assets		508,414	487,541
Total assets		538,886	530,601
Current liabilities			
Payables	16	34,733	22,057
Financial liabilities	17	3,522	3,207
Staff benefits	18	81,956	80,734
Provisions	19	3,144	2,856
Contract liabilities and other liabilities	20	298	135
Total current liabilities		123,653	108,989
Non-current liabilities			
Payables	16	3,364	3,707
Financial liabilities	17	45,160	42,598
Staff benefits	18	81,017	93,532
Provisions	19	7,726	3,764
Total non-current liabilities		137,267	143,601
Total liabilities		260,920	252,590
Net assets		277,966	278,011
Equity			
Retained earnings		264,862	264,907
Asset revaluation surplus		13,104	13,104
Total equity		277,966	278,011

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

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2022

	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2020	21,878	236,124	258,002
Net result for 2020-21	-	27,440	27,440
Impairment loss on land and buildings	(7,431)	-	(7,431)
Total comprehensive result for 2020-21	(7,431)	27,440	20,009
Transfer between equity components	(1,343)	1,343	-
Balance at 30 June 2021	13,104	264,907	278,011
Net result for 2021-22	-	(45)	(45)
Total comprehensive result for 2021-22	-	(45)	(45)
Balance at 30 June 2022	13,104	264,862	277,966

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

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from SA Government		726,089	689,493
Fees and charges		33,428	31,448
Grants and contributions		3,708	3,892
Interest received		-	4
GST recovered from ATO		15,374	13,519
Other receipts		1,094	708
Cash generated from operations		779,693	739,064
Cash outflows			
Staff benefits payments		(592,668)	(553,874)
Payments for supplies and services		(190,295)	(166,193)
Payments of grants and subsidies		(296)	(53)
Interest paid		(1,096)	(1,069)
Other payments		(1,035)	(632)
Cash used in operations		(785,390)	(721,821)
Net cash provided by /(used in) operating activities		(5,697)	17,243
Cash flows from investing activities			
Cash inflows			
Proceeds from sale of property, plant and equipment		-	5
Cash generated from investing activities		-	5
Cash outflows			
Purchase of property, plant and equipment		(5,596)	(6,870)
Purchase of intangible assets		-	(191)
Cash used in investing activities		(5,596)	(7,061)
Net cash used in investing activities		(5,596)	(7,056)
Cash flows from financing activities			
Cash outflows			
Repayment of lease liabilities		(3,420)	(3,573)
Cash used in financing activities		(3,420)	(3,573)
Net cash used in financing activities		(3,420)	(3,573)
Net increase/(decrease) in cash and cash equivalents		(14,713)	6,614
Cash and cash equivalents at the beginning of the period		29,539	22,925
Cash and cash equivalents at the end of the period	10	14,826	29,539
Non-cash transactions	21		

The accompanying notes form part of these financial statements.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

1. About Northern Adelaide Local Health Network

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

Administered items

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

1.1 Objectives and activities

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

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

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

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

1.2 Basis of preparation

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

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

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

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

Significant accounting policies are set out throughout the notes.

The Hospital has early adopted AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* which clarifies the requirements for disclosure of material accounting policy information and clarifies the distinction between accounting policies and accounting estimates. There has been no impact on the Hospital's financial statements.

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.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

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 2022, the Hospital had a working capital deficiency of \$93.181 million (\$65.929 million). The SA Government is committed and has consistently demonstrated a commitment to the ongoing funding of the Hospital to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annually produced and published State Budget Papers which presents the SA Government's current and estimated future economic performance, including forward estimates of revenue, expenses and performance by Agency.

1.5 Changes to reporting entity

There were no transfers during 2021-22 or 2020-21

1.6 Equity

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

1.7 Impact of COVID-19 pandemic

The COVID-19 pandemic continues to have an impact on the Hospital's operations. This includes an increase in costs associated with COVID capacity and preparation, increased demand for personal protective equipment and increased staffing costs (including agency) to ensure that demand can be managed across South Australia and that necessary compliance measures are followed. Net COVID-19 specific costs for the Hospital were \$28.035 million (\$13.205 million).

1.8 Change in accounting policy

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

2. Revenues from SA Government

	2022	2021
	\$'000	\$'000
Capital projects funding	48,384	57,301
Operational funding	825,124	782,129
Total revenues from SA Government	873,508	839,430

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.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

3. Fees and charges

	2022 \$'000	2021 \$'000
Car parking revenue	621	709
Fines, fees and penalties	84	84
Patient and client fees	23,785	23,572
Private practice fees	2,930	2,647
Fees for health services	2,303	1,813
Rent revenue	2,183	1,978
Residential and other aged care charges	99	123
Sale of goods - medical supplies	-	30
Training revenue	280	41
Other user charges and fees	2,857	1,899
Total fees and charges	35,142	32,896

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

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

Contracts with Customers disaggregated by pattern of revenue recognition and type of customer	2022 Goods/Services transferred at a point in time	2022 Goods/Services transferred over a period of time	2021 Goods/Services transferred at a point in time	2021 Goods/Services transferred over a period of time
Car parking revenue	602	19	683	26
Patient and client fees	23,785	-	21,459	-
Private practice fees	2,930	-	2,647	-
Fees for health services	2,199	-	1,681	-
Residential and other aged care charges	99	-	123	-
Sale of goods - medical supplies	-	-	2	-
Training revenue	278	-	40	-
Other user charges and fees	1,924	-	1,784	-
Total contracts with external customers	31,817	19	28,419	26
Patient and client fees	-	-	2,113	-
Fees for health services	104	-	132	-
Sale of goods - medical supplies	-	-	28	-
Training revenue	2	-	1	-
Other user charges and fees	933	-	115	-
Total contracts with SA Government customers	1,039	-	2,389	-
Total contracts with customers	32,856	19	30,808	26

The Hospital recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities (refer to note 20). Similarly, if the Hospital satisfies a performance obligation before it receives the consideration, the Hospital recognises either a contract asset or a receivable, depending on whether something other than the passage of time is required before the consideration is due (refer to note 11).

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

Patient and client fees

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

Private practice fees

SA Health grants 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.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

4. Grants and contributions

	2022	2021
	\$'000	\$'000
Commonwealth grants and donations	48	261
Other SA Government grants and contributions	176	805
Private sector capital contributions	27	136
Private sector grants and contributions	3,161	2,474
Total grants and contributions	3,412	3,676

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

Specific purpose grants and contributions of \$2.668 million (\$1.990 million) were provided for research and associated activities.

5. Resources received free of charge

	2022	2021
	\$'000	\$'000
Buildings and improvements	-	1,552
Services	4,663	4,658
Total resources received free of charge	4,663	6,210

Contribution of services are recognised only when the fair value can be determined reliably and the services would be purchased if they had not been donated. The Hospital receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$3.545 million (\$3.567 million) and ICT (information and communication technology) services from Department of the Premier and Cabinet valued at \$1.118 million (\$1.091 million), following Cabinet's approval to cease intra-government charging.

In addition, although not recognised, the Hospital receives volunteer services from the Northern Healthcare Volunteer Association. There are over 550 volunteers who provide patient and staff support services to individuals using the Hospital's services. The services include but not limited to: childcare, respite care, transport, therapeutic activities, patient liaison, gift shop and café support.

6. Other revenues/income

	2022	2021
	\$'000	\$'000
Donations	-	3
Health recoveries	5,677	5,889
Insurance recoveries	190	114
Other	1,142	546
Total other revenues/income	7,009	6,552

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

7. Staff benefits expenses

	2022	2021
	\$'000	\$'000
Salaries and wages	480,771	451,153
Targeted voluntary separation packages	-	2,115
Long service leave	(5,505)	5,197
Annual leave	49,332	44,748
Skills and experience retention leave	1,801	1,686
Staff on-costs - superannuation*	51,657	46,466
Staff on-costs - other	6	3
Workers compensation	7,461	4,057
Board and committee fees	285	311
Other staff related expenses	1,056	1,333
Total staff benefits expenses	586,864	557,069

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

7.1 Key Management Personnel

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

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

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

	2022	2021
	\$'000	\$'000
Compensation		
Salaries and other short term staff benefits	870	1,000
Post-employment benefits	372	195
Total	1,242	1,195

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

7.2 Remuneration of Board and Committees

	2022	2021
	No. of	No. of
	Members	Members
\$0	23	5
\$1 - \$20,000	22	20
\$20,001 - \$40,000	-	5
\$40,001 - \$60,000	4	1
\$60,001 - \$80,000	1	1
\$80,001 - \$100,000	1	-
Total	51	32

The total remuneration received or receivable by members was \$0.323 million (\$0.340 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax. In accordance with the *Department of the Premier and Cabinet Circular No. 016*, government employees did not receive any remuneration for board/committee duties during the financial year.

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

Refer to note 29 for members of boards/committees that served for all or part of the financial year and were entitled to receive income from membership in accordance with APS 124.B.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

7.3 Remuneration of staff

	2022	2021
The number of staff whose remuneration received or receivable falls within the following bands:	No.	No.
\$154,001 - \$157,000*	n/a	12
\$157,001 - \$177,000	114	144
\$177,001 - \$197,000	70	48
\$197,001 - \$217,000	44	26
\$217,001 - \$237,000	27	28
\$237,001 - \$257,000	24	18
\$257,001 - \$277,000	27	16
\$277,001 - \$297,000	16	16
\$297,001 - \$317,000	14	15
\$317,001 - \$337,000	14	21
\$337,001 - \$357,000	12	15
\$357,001 - \$377,000	14	10
\$377,001 - \$397,000	15	12
\$397,001 - \$417,000	15	16
\$417,001 - \$437,000	9	22
\$437,001 - \$457,000	14	6
\$457,001 - \$477,000	10	8
\$477,001 - \$497,000	12	10
\$497,001 - \$517,000	13	8
\$517,001 - \$537,000	5	10
\$537,001 - \$557,000	5	3
\$557,001 - \$577,000	6	10
\$577,001 - \$597,000	4	4
\$597,001 - \$617,000	6	3
\$617,001 - \$637,000	2	1
\$637,001 - \$657,000	2	2
\$657,001 - \$677,000	2	-
\$677,001 - \$697,000	2	2
\$697,001 - \$717,000	-	1
\$717,001 - \$737,000	1	1
\$737,001 - \$757,000	2	4
\$757,001 - \$777,000	2	2
\$777,001 - \$797,000	6	1
\$797,001 - \$817,000	1	1
\$817,001 - \$837,000	2	-
Total number of staff	512	496

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2021.

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

7.4 Remuneration of staff by classification

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

	2022		2021	
	No.	\$'000	No.	\$'000
Medical (excluding Nursing)	436	139,025	429	131,708
Executive	9	2,379	7	1,674
Nursing	62	10,711	56	9,422
Non-medical (i.e. administration)	5	840	4	805
Total	512	152,955	496	143,609

7.5 Targeted voluntary separation packages

	2022	2021
	\$'000	\$'000
Amount paid/payable to separated staff:		
Leave paid/payable to separated staff	-	1,061
Targeted voluntary separation packages	-	2,115
Net cost to the Hospital	-	3,176

The number of staff who received a TVSP during the reporting period	-	22
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NORTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

8. Supplies and services

	2022	2021
	\$'000	\$'000
Administration	869	885
Advertising	204	178
Communication	2,815	2,362
Computing	8,780	6,704
Consultants	-	154
Contract of services	35	84
Contractors	1,641	700
Contractors - agency staff	19,812	14,217
Drug supplies	14,137	13,762
Electricity, gas and fuel	5,528	5,608
Fee for service	23,288	19,975
Food supplies	8,310	7,580
Housekeeping	26,491	23,585
Insurance	6,103	5,753
Internal SA Health SLA payments	8,196	7,996
Legal	299	236
Medical, surgical and laboratory supplies	100,108	92,097
Minor equipment	9,266	3,281
Motor vehicle expenses	460	418
Occupancy rent and rates	2,412	1,767
Patient transport	6,120	6,800
Postage	1,365	1,029
Printing and stationery	2,984	2,815
Repairs and maintenance	18,886	12,520
Security	14,857	16,070
Services from Shared Services SA	3,545	3,569
Training and development	7,169	6,327
Travel expenses	545	302
Other supplies and services	8,317	6,970
Total supplies and services	302,542	263,744

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:

	2022		2021	
	No.	\$'000	No.	\$'000
Below \$10,000	-	-	1	4
Above \$10,000	-	-	3	150
Total paid/payable to consultancies engaged	-	-	4	154

9. Other expenses

	2022	2021
	\$'000	\$'000
Assets transferred to the Department	-	4,550
Debts written off	144	156
Bank fees and charges	27	27
Other*	611	598
Total other expenses	782	5,331

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

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

10. Cash and cash equivalents

	2022	2021
	\$'000	\$'000
Cash at bank or on hand	1,252	772
Deposits with Treasurer: general operating	4,714	19,429
Deposits with Treasurer: special purpose funds	8,860	9,338
Total cash and cash equivalents	14,826	29,539

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

The Hospital receives specific purpose funds from various sources including government, private sector and individuals. These amounts are controlled by the Hospital, and are used to help achieve the Hospital's objectives, notwithstanding that specific uses can be determined by the grantor or donor. Accordingly, these amounts are treated as revenue at the time they are earned or at the time control passes to the Hospital.

The Hospital only earns interest on the special deposit account of nil (\$0.004 million).

11. Receivables

	Note	2022	2021
		\$'000	\$'000
Current			
Patient/client fees: compensable		810	666
Patient/client fees: other		7,594	5,974
Debtors		2,981	2,272
Less: allowance for impairment loss on receivables	11.1	(2,495)	(1,779)
Prepayments		1,104	812
Workers compensation provision recoverable		1,019	834
Sundry receivables and accrued revenue		1,183	1,216
GST input tax recoverable		264	530
Total current receivables		12,460	10,525

Non-current

Debtors	180	73
Workers compensation provision recoverable	1,649	1,346
Total non-current receivables	1,829	1,419

Total receivables	14,289	11,944
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Receivables arise in the normal course of selling goods and services to other agencies and to the public. The Hospital's trading terms for receivables are generally 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

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

11.1 Impairment of receivables

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

Movement in the allowance for impairment loss on receivables:

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	1,779	1,270
Increase/(Decrease) in allowance recognised in profit or loss	716	509
Carrying amount at the end of the period	2,495	1,779

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. Refer to note 27 for details regarding credit risk and the methodology for determining impairment.

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12. Inventories

Inventories of \$3.186 million (\$2.996 million) are held for distribution at no or nominal consideration and are measured at the lower of cost and replacement cost.

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

13. Property, plant and equipment and intangible assets

13.1 Acquisition and recognition of non-current assets

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

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

13.2 Depreciation and amortisation of non-current assets

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

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

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	40 - 80
Right-of-use buildings	Lease Term
Accommodation and leasehold improvements	Lease Term
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	5 - 15
• Computing equipment	3 - 5
• Other plant and equipment	3 - 25
Right-of-use plant and equipment	Lease Term
Intangibles	5 - 10

13.3 Revaluation

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

Revaluation of non-current assets or a group of assets is only performed when the asset's fair value at the time of acquisition is greater than \$1.500 million and the estimated useful life exceeds three years. Revaluations are undertaken on a 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 \$1.500 million materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

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

13.4 Impairment

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

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There were no indications of impairment for property, plant and equipment or intangibles as at 30 June 2022.

13.5 Intangible assets

The carrying amount of intangible assets (software) at beginning of the reporting period was \$0.198 million (\$0.024 million), amortisation during the financial year was \$0.007 million (\$0.017 million) resulting in a carrying amount at the end of the reporting period of \$0.191 million (\$0.198 million), including work in progress of \$0.191 million (\$0.191 million).

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

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

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

13.6 Land and buildings

An independent valuation of owned land and buildings, including site improvements, was performed in March and April 2018, within the regular valuation cycle, by a Certified Practising Valuer from Jones Lang Lasalle (SA) Pty Ltd, as at 1 June 2018. Consistent with Treasurer's Instructions, a public authority must at least every 6 years obtain a valuation appraisal from a qualified valuer, the timing and process of which will be considered in the 2022-23 financial year.

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

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

13.7 Plant and equipment

The Hospital's plant and equipment assets with a fair value greater than \$1.500 million or an estimated useful life of greater than three years were revalued using the fair value methodology, as at 1 June 2018, based on independent valuations performed by Simon O'Leary, AAPI, C.P.V., Australian Valuation Solutions Pty Ltd. The value of all other plant and equipment has not been revalued, this is in accordance with APS 116.D, the carrying value of these items is deemed to approximate fair value. These assets are classified in level 3 as there have been no subsequent adjustments to their value, except for management assumptions about the asset condition and remaining useful life.

13.8 Leased, property, plant and equipment

Right-of-use assets (including concessional arrangements) leased by the Hospital as lessee are measured at cost and there were no indications of impairment. Additions to the right-of-use assets during the period were \$4.844 million (\$0.473 million), including the lease of a multi-deck car park at Elizabeth Vale and motor vehicles. Short-term leases of 12 months or less and low value leases, where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets.

The lease liabilities related to the right-of-use assets (and the maturity analysis) are disclosed at note 17. Expenses related to right-of-use assets including depreciation and interest expense are disclosed at note 14 and 17. Cash flows related to right-of-use assets are disclosed at note 21.

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14. Reconciliation of property, plant and equipment

The following table shows the movement:

2021-22	Land and buildings:				Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommod- ation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	34,000	305,765	44,109	85,651	2,996	11,601	1,070	573	159	485,924
Additions	-	-	4,508	40,446	-	1,426	34	336	3,770	50,520
Disposals	-	-	-	-	-	-	-	(1)	-	(1)
Transfers between asset classes	-	121,179	-	(122,064)	-	44	930	-	(89)	-
Remeasurement	-	-	1,453	-	-	-	-	-	-	1,453
Subtotal:	34,000	426,944	50,070	4,033	2,996	13,071	2,034	908	3,840	537,896
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(22,781)	(3,693)	-	(707)	(3,694)	(260)	(367)	-	(31,502)
Subtotal:	-	(22,781)	(3,693)	-	(707)	(3,694)	(260)	(367)	-	(31,502)
Carrying amount at the end of the period	34,000	404,163	46,377	4,033	2,289	9,377	1,774	541	3,840	506,394
Gross carrying amount										
Gross carrying amount	34,000	504,677	56,780	4,033	7,547	39,719	6,901	1,064	3,840	658,561
Accumulated depreciation / amortisation	-	(100,514)	(10,403)	-	(5,258)	(30,342)	(5,127)	(523)	-	(152,167)
Carrying amount at the end of the period	34,000	404,163	46,377	4,033	2,289	9,377	1,774	541	3,840	506,394

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

Capital works in progress land and buildings addition of \$40.446 million includes the Lyell McEwin Hospital Emergency Department expansion (\$23.440 million) and Modbury Hospital upgrade (\$15.718 million).

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2020-21	Land and buildings:				Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommoda- tion and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	43,000	330,523	47,705	37,362	3,703	9,479	1,224	566	784	474,346
Additions	-	6	-	49,895	-	4,998	-	473	164	55,536
Assets received free of charge	-	-	-	1,552	-	-	-	-	-	1,552
Disposals	-	-	-	(23)	-	(258)	-	(14)	-	(295)
Donated assets disposal	(4,550)	-	-	-	-	-	-	-	-	(4,550)
Transfers between asset classes	-	3,241	-	(3,135)	-	624	59	-	(789)	-
Remeasurement	-	-	29	-	-	-	-	-	-	29
Subtotal:	38,450	333,770	47,734	85,651	3,703	14,843	1,283	1,025	159	526,618
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(25,024)	(3,625)	-	(707)	(3,242)	(213)	(452)	-	(33,263)
Subtotal:	-	(25,024)	(3,625)	-	(707)	(3,242)	(213)	(452)	-	(33,263)
Gains/(losses) for the period recognised in other comprehensive income:										
Impairment (losses) / reversals	(4,450)	(2,981)	-	-	-	-	-	-	-	(7,431)
Subtotal:	(4,450)	(2,981)	-	-	-	-	-	-	-	(7,431)
Carrying amount at the end of the period	34,000	305,765	44,109	85,651	2,996	11,601	1,070	573	159	485,924
Gross carrying amount										
Gross carrying amount	34,000	383,498	50,819	85,651	7,547	38,416	5,937	1,185	159	607,212
Accumulated depreciation / amortisation	-	(77,733)	(6,710)	-	(4,551)	(26,815)	(4,867)	(612)	-	(121,288)
Carrying amount at the end of the period	34,000	305,765	44,109	85,651	2,996	11,601	1,070	573	159	485,924

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

Capital works in progress land and buildings addition of \$49.895 million includes the Lyell McEwin Hospital Emergency Department expansion (\$8.862 million) and Modbury Hospital upgrade (\$39.079 million).

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15. Fair Value Measurement

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

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

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

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

15.1 Fair value hierarchy

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

Fair value measurements at 30 June 2022

	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements			
Land	1,150	32,850	34,000
Buildings and improvements	-	404,163	404,163
Leasehold improvements	-	2,289	2,289
Plant and equipment	-	11,151	11,151
Total recurring fair value measurements	1,150	450,453	451,603

Fair value measurements at 30 June 2021

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

There are no non-recurring fair value measurements.

The Hospital's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Valuation techniques and inputs used to derive level 2 and 3 fair values are at notes 13 and 15.2.

The Hospital had no valuations categorised into level 1; \$1.150 million valuations categorised into level 2; and the balance into level 3. There were no transfers of assets between level 1, 2 and 3 fair value hierarchy levels during the reporting period.

15.2 Valuation techniques and inputs

Land fair values were derived by using the market approach, being recent sales transactions of other similar land holdings within the region, adjusted for differences in key attributes such as property size, zoning and any restrictions on use. For this reason most are deemed to have been valued using level 3 valuation inputs.

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

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Unobservable inputs used to arrive at final valuation figures included:

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

16. Payables

	2022	2021
	\$'000	\$'000
Current		
Creditors and accrued expenses	25,148	13,506
Paid Parental Leave Scheme	153	112
Staff on-costs*	8,182	7,669
Other payables	1,250	770
Total current payables	34,733	22,057
Non-current		
Staff on-costs*	3,364	3,707
Total non-current payables	3,364	3,707
Total payables	38,097	25,764

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 staff 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 2021 rate (10.1%) to 10.6% 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 \$0.472 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

Refer to note 27 for information on risk management.

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17. Financial liabilities

	2022 \$'000	2021 \$'000
Current		
Lease liabilities	3,522	3,207
Total current financial liabilities	3,522	3,207
Non-current		
Lease liabilities	45,160	42,598
Total non-current financial liabilities	45,160	42,598
Total financial liabilities	48,682	45,805

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

The borrowing costs associated with leasing activities is \$1.096 million (\$1.069 million).

Refer to note 27 for information on risk management.

17.1 Leasing activities

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

Major lease activities include the use of:

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

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

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

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

17.2 Concessional lease arrangements

The Hospital has no concessional lease arrangements.

17.3 Maturity analysis

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

	2022 \$'000	2021 \$'000
Lease Liabilities		
1 to 3 years	13,206	12,174
3 to 5 years	8,292	6,929
5 to 10 years	15,829	13,787
More than 10 years	20,830	22,542
Total lease liabilities (undiscounted)	58,157	55,432

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18. Staff benefits

	2022	2021
	\$'000	\$'000
Current		
Accrued salaries and wages	13,961	18,217
Annual leave	57,381	51,048
Long service leave	7,170	8,222
Skills and experience retention leave	3,426	3,232
Other	18	15
Total current staff benefits	81,956	80,734
Non-current		
Long service leave	81,017	93,532
Total non-current staff benefits	81,017	93,532
Total staff benefits	162,973	174,266

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

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

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

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

As a result of the actuarial assessment performed by DTF, the salary inflation rate has decreased from the 2021 rate (2.00%) to 1.50% for annual leave and skills and experience retention leave liability. As a result, there is a decrease in staff benefits liability and staff benefits expense of \$0.317 million.

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

18.2 Long service leave

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

AASB 119 *Employee Benefits* contains the calculation methodology for the long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of 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 2021 (1.50%) to 3.75%. 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 2.50% 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 \$17.817 million, payables (staff on-costs) of \$0.719 million and staff benefits expense of \$18.536 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption being the long-term discount rate.

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19. Provisions

The Hospital's provision relates to workers compensation only.

Reconciliation of workers compensation (statutory and additional compensation)

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	6,620	6,025
Increase / (Decrease) in provisions recognised	5,093	1,597
Reductions arising from payments/other sacrifices of future economic benefits	(843)	(1,002)
Carrying amount at the end of the period	10,870	6,620

19.1 Workers Compensation

The Hospital as an exempt employer is responsible for the payment of workers compensation claims and the implementation and funding of preventative programs.

A liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

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

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions. In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

Measurement of the workers compensation provision as at 30 June 2022 includes the impacts of the decision of the Full Court of the Supreme Court of South Australia in *Return to Work Corporation of South Australia vs Summerfield* (Summerfield decision). The Summerfield decision increased the liabilities of the Return to Work Scheme (the Scheme) and the workers compensation provision across government.

Legislation to reform the *Return to Work Act 2014* was proclaimed in July 2022, with the reforms expected to reduce the overall liability of the Scheme. The impacts of these reforms on the workers compensation provision will be considered when measuring the provision as at 30 June 2023.

20. Contract liabilities and other liabilities

	2022	2021
	\$'000	\$'000
Current		
Contract liabilities	285	-
Unclaimed monies	1	-
Unearned revenue	-	127
Other	12	8
Total current contract liabilities and other liabilities	298	135

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21. Cash flow reconciliation

Reconciliation of cash and cash equivalents at the end of the reporting period	2022 \$'000	2021 \$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	14,826	29,539
Cash as per Statement of Financial Position	14,826	29,539
Balance as per Statement of Cash Flows	14,826	29,534
Reconciliation of net cash provided by operating activities to net result:		
Net cash provided by (used in) operating activities	(5,697)	17,243
Add/less non-cash items		
Asset transferred to the Department	-	(4,550)
Capital revenues	38,636	48,595
Depreciation and amortisation expense of non-current assets	(31,509)	(33,280)
Gain/(loss) on sale or disposal of non-current assets	-	(276)
Resources received free of charge	-	1,552
Movement in assets and liabilities		
Increase/(decrease) in receivables	2,345	1,653
Increase/(decrease) in inventories	190	357
(Increase)/decrease in staff benefits	11,293	(518)
(Increase)/decrease in payables and provisions	(15,140)	(3,285)
(Increase)/decrease in other liabilities	(163)	(51)
Net result	(45)	27,440

Total cash outflows for leases is \$4.516 million (\$4.642 million).

22. Unrecognised contractual commitments

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

	2022 \$'000	2021 \$'000
Capital commitments		
Within one year	364	421
Total capital commitments	364	421

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

	2022 \$'000	2021 \$'000
Expenditure commitments		
Within one year	46,215	33,507
Later than one year but not longer than five years	44,692	61,367
Total expenditure commitments	90,907	94,874

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

23. Trust funds

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

	2022 \$'000	2021 \$'000
Carrying amount at the beginning of period	395	345
Client trust receipts	582	740
Client trust payments	(513)	(690)
Carrying amount at the end of the period	464	395

24. Contingent assets and liabilities

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

25. Events after balance date

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

26. Impact of Standards not yet implemented

The Hospital has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer.

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, such as long service leave, and whether or not the Hospital has a substantive right to defer settlement. Where applicable these liabilities will be classified as current. Application of this standard is not expected to have a material impact.

27. Financial instruments/financial risk management

27.1 Financial risk management

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

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

Liquidity Risk

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

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

Credit Risk

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

Refer to notes 10 and 11 for further information.

Market Risk

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

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

27.2 Categorisation of financial instruments

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

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

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A financial asset is measured at amortised cost if:

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

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

Category of financial asset and financial liability	Notes	2022 Carrying amount/ Fair value \$'000	2021 Carrying amount/ Fair value \$'000
Financial assets			
Cash and equivalent			
Cash and cash equivalents	10,21	14,826	29,539
Amortised cost			
Receivables ⁽¹⁾⁽²⁾	11	10,044	8,339
Total financial assets		24,870	37,878
Financial liabilities			
Financial liabilities at amortised cost			
Payables ⁽¹⁾	16	26,113	13,991
Lease liabilities	17	48,682	45,805
Other liabilities	20	12	8
Total financial liabilities		74,807	59,804

(1) Receivable and payable amounts disclosed exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and fees and charges; this is in addition to employment related receivables and payables such as payroll tax, fringe benefits tax etc. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the disclosure requirements of AASB 7 *Financial Instruments: Disclosures* will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

(2) Receivable amounts disclosed excludes prepayments as they are not financial assets.

27.3 Credit risk exposure and impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. Loss allowances for contract assets are measured at an amount equal to an expected credit loss method using a 12 month method. No impairment losses were recognised in relation to contract assets during the year.

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

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

To measure the expected credit loss receivables are grouped based on shared risks characteristics and the days past. When 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:

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	30 June 2022			30 June 2021		
	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	0.4-1.4%	2,520	32	0.2-2.7%	2,611	35
<30 days	0.6-1.6%	1,466	22	0.7-4.1%	1,516	24
31-60 days	1.5-5.5%	695	21	2.1-7.5%	300	10
61-90 days	2.2-9.0%	562	31	3.4-9.8%	340	21
91-120 days	2.7-13.1%	437	30	5.0-11.3%	267	24
121-180 days	3.9-21.5%	763	78	8.0-14.6%	471	67
181-360 days	12.8-43.8%	1,248	520	16.4-41.4%	964	362
361-540 days	42.3-85.9%	549	447	36.8-81.5%	456	366
>540 days	41.0-100.0%	1,437	1,314	42.1-99.0%	891	870
Total		9,677	2,495		7,816	1,779

28. Significant transactions with government related entities

The Hospital is controlled by SA Government.

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

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

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29. Board and committee members

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

Board/Committee name:	Government employee members	Other members
Northern Adelaide Local Health Network Governing Board	1	Blight R (Chair), Burgess A, Forwood M, Lampard F, Patetsos M, Roesler C
Northern Adelaide Local Health Network Clinical Governance Committee	-	Patetsos M (Chair), Dennis C, Roesler C, Burgess A
Northern Adelaide Local Health Network Consumer Advisory Board	-	White A (Chair), Dahal K, Mossop J, Putsey P, Spargo J
Northern Adelaide Local Health Network Consumer Community	5	Baker K, Bonato K, Cately P, Chester M, Coleman L, Dahal K, Damgaard H, Dimitropoulos T, Foong J, Gadd R, Grinter M, Hassan R, Irvine S, MacFarlan C, Maiorana B, Mossop J, Putsey P, Radic S, Raina M, Rowa J, Simpson T, Spargo J, Streiber N, Swietek W, Wegener M, White A, Whittle S. (All appointed 12/08/2021)
Northern Adelaide Local Health Network Risk Management & Audit Committee	-	Patetsos M (Chair), Connor G, Forwood M
Northern Adelaide Local Health Network and Department for Health and Wellbeing Aboriginal Consumer Reference Group	-	Wanganeen K (Chair), Stengle A, Wanganeen E, Chisholm K, Sinclair N, Weetra R, Varcoc E, Lamont J, O'Brien M, Turner B

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

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30. Schedules of administered funds

The Hospital administers the following funds:

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

	2022	2021
	\$'000	\$'000
Revenue from fees and charges	11,210	10,126
Other revenue	49	75
Supplies and services	(6)	(7)
Other expenses	(11,299)	(10,494)
Net result	(46)	(300)
Cash and cash equivalents	1,575	1,050
Receivables	1,132	1,711
Other current liabilities	-	(9)
Net assets	2,707	2,752
Cash at 1 July	1,050	1,111
Cash inflows	11,830	10,432
Cash outflows	(11,305)	(10,493)
Cash at 30 June	1,575	1,050