Government of South Australia

Northern Adelaide Local Health Network

2018-19 Annual Report

Northern Adelaide Local Health Network

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To:

The Hon Stephen Wade MLC

Minister for Health and Wellbeing

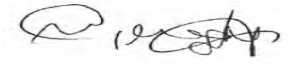
This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009,* the *Public Finance and Audit Act 1982,* and the *Health Care Act 2008* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

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 30 September 2019 Signature 

From the Chief Executive

It is with great pleasure that I deliver my first Northern Adelaide Local Health Network (NALHN) Annual Report since commencing as Chief Executive Officer on 8 January 2019. My first few months in the role was a busy time filled with meeting new people, learning about our award-winning and world class services and working with NALHN's leadership team to look to the future.

In 2018-19, we celebrated the 60th Anniversary of the Lyell McEwin Hospital. The growth over the past 60 years has been exponential; from a small community hospital built in a paddock, to today the premier hospital of the northern metropolitan area servicing more than 400,000 people and recognised as a leading teaching institution for health care professionals.

As we reflect on the past, we also look to the future. The northern area of Adelaide is currently the highest population growth area in South Australia, and by 2026 it is expected a quarter of the state's population will live in the northern metropolitan catchment area. Now and into the future, ensuring our community has access to appropriate health services is something we cannot do alone and we need to continue to partner with General Practitioners, non-government agencies, universities, Local Government and more.

During 2018-19 the State Government made significant progress in implementing a new governance and accountability framework for the public health system that will devolve decision making in the public health system through the establishment of metropolitan and regional governing boards. 2018-19 was a year of transition for NALHN, as we prepared for this transition to board governance from 2019-20 onwards.

The announcement of the appointments of NALHN's transitional board chair in August 2018 and board members in March 2019 was welcomed throughout the organisation and the community. In the months leading up to 1 July 2019, we developed a positive and productive working relationship with our transition board which set the organisation up for a smooth transition to board governance.

During this transitional period NALHN continued to deliver high quality and safe public health services to over 400,000 people in the northern and north-eastern suburbs of Adelaide. This was demonstrated through NALHN's successful periodic review for accreditation in October 2018, during which we received seven merit awards. 2018-19 also saw the announcement of major infrastructure upgrades across the network and our continued performance in achieving targets, such as

zero overdue elective surgery patients as at 30 June for the second year running. NALHN continued to achieve excellence in service delivery, showcased through four SA Health Awards in 2018, including:

- Allied Health, Corporate and Outpatients Services, who won the Minister's Innovation Award for the Allied Health Orthopaedic Substitution Clinic Program.
- The Drug & Therapeutics Committee, who won the Excellence in Non-Clinical Services Award for the Pocket DTC Smartphone App.
- Watto Purrunna Aboriginal Health Service, who won the Excellence and Innovation in Aboriginal Health Award for the Integrating Care – Closing the Gap on Diabetes program.
- NALHN's Statewide Older Persons' Mental Health Service, who won the Improving Safety and Quality Award for Northgate House.

I would like to take the opportunity to thank my predecessor, Ms Debbie Chin, who led the organisation as interim Chief Executive Officer during the first part of 2018-19. Most of all, I would like to thank all the staff of NALHN, who are our greatest asset and who provide compassionate care every day to the communities in the northern and north-eastern suburbs of Adelaide. Our staff truly are exceptional.

Maree Geraghty

Chief Executive Officer

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

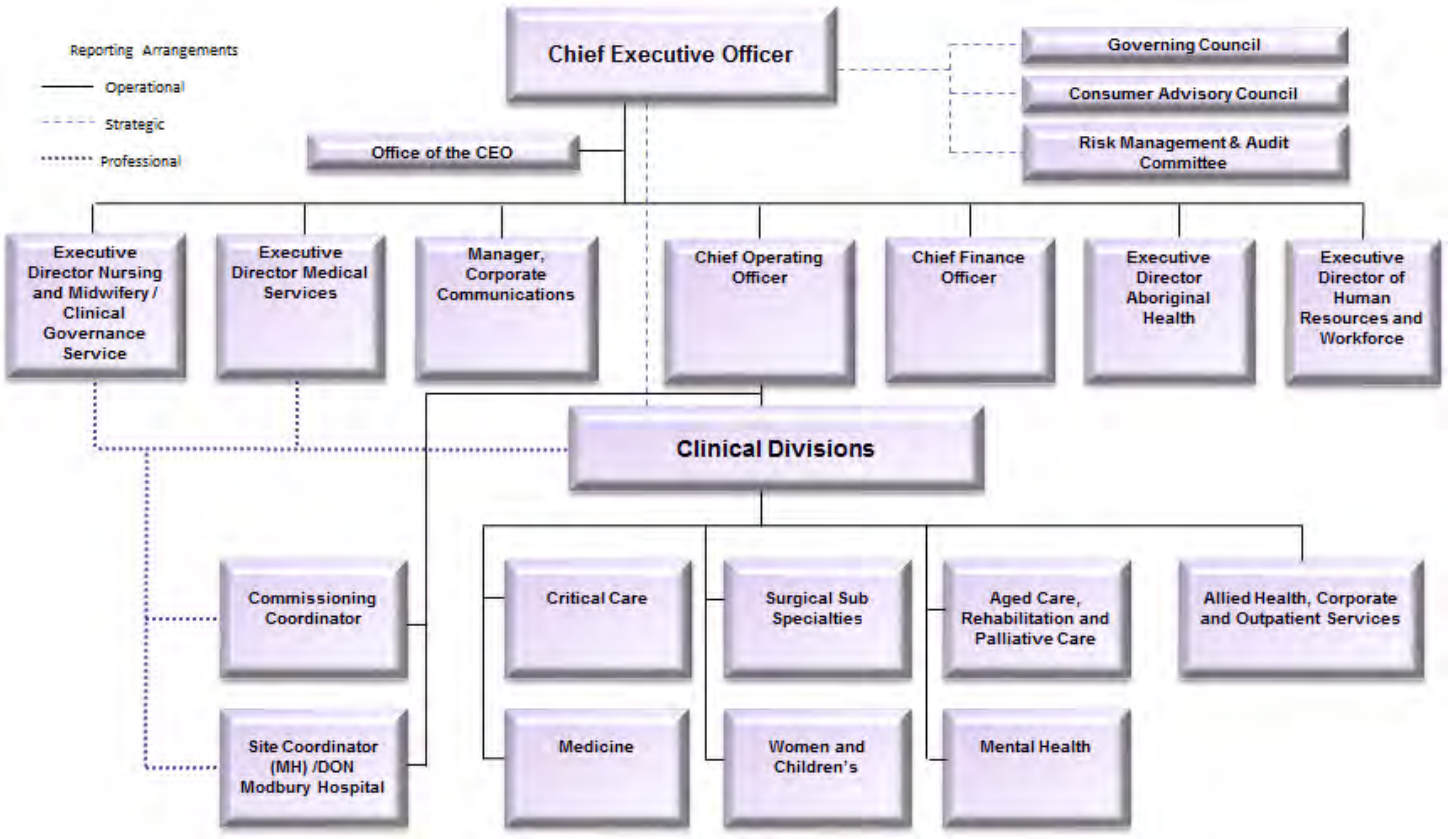
Contents

Overview: about the agency

Our strategic focus

Our Purpose	The Northern Adelaide Local Health Network (NALHN), an incorporated hospital under the *Health Care Act 2008,* provides acute, non-acute and community health services for over 400,000 people living in the northern and north-eastern metropolitan area of Adelaide as well as providing health services to a wider catchment area.
Our Vision	Together with our community and staff we will deliver exceptional care through innovative practice. Compassionate Care, Exceptional People.
Our Values	Patient and Family Centred Care Accessible, Integrated and Coordinated Care Working as a Team Acting on Feedback Safe and Reliable Care
Our functions, objectives and deliverables	NALHN comprises two hospital sites: Lyell McEwin Hospital, a major adult tertiary hospital, and Modbury Hospital, a centre for elective surgery and subacute services including rehabilitation, palliative care and older people's services; with an emergency department and short stay general medicine unit on site. Other specialty services provided by NALHN include GP Plus Health Care Centres and a GP Plus Super Clinic, four dedicated Aboriginal healthcare sites, and a satellite dialysis centre. Mental health services are provided across community and hospital settings in NALHN, including adult, older persons and forensic services. Objectives • To expand services to provide an increased level of health and wellbeing for residents in the north and north east. • Continued development of NALHN's highly skilled and valued workforce. • Continued commitment to patient safety and quality improvement activity across NALHN. • A strong commitment to high quality research acknowledging the valuable contribution to improving patient care and attracting leaders in their respective fields.

Our organisational structure



Changes to the agency

To support progression of the Government's priority to reform governance of the health system through devolving accountability for local service delivery to LHN Governing Boards, the *Health Care (Governance) Amendment Act 2018* was passed by Parliament on 29 July 2018.

The Act included provisions to allow the Minister to appoint Governing Board Chairpersons, and a range of other provisions in relation to board members, and board operations. Governing Board Chairpersons and members were appointed to act in an advisory capacity until LHN Governing Boards become operational from 1 July 2019.

NALHN's transition Governing Board membership comprised:

- Ray Blight (Chair)
- Michael Forwood (Deputy Chair)
- Anne Burgess
- Frank Lampard OAM
- Robin Moore
- Mary Patetsos
- Dr Carolyn Roesler
- Linda South

Our Minister

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

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

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

Department for Health and Wellbeing

Central Adelaide Local Health Network

Southern Adelaide Local Health Network

Country Health SA Local Health Network

Women's and Children's Health Network

South Australian Ambulance Service

Our Executive team

Ms M. Geraghty	Chief Executive Officer
Ms K. Delguste (acting)	Chief Operating Officer
Mr T. Pamminger	Chief Finance Officer
Mr K. Towers	Executive Director, Aboriginal Health
Ms S. Parr	Executive Director, Allied Health
Ms H. Stevens	Executive Director, Human Resources and Workforce
Dr M. Cusack	Executive Director, Medical Services
Mr A. McGill (acting)	Executive Director, Nursing and Midwifery
Mr S. McMullen	Executive Director, Special Projects
Mr P. Mullen	Director, Corporate Operations
Dr J. Maddison	Divisional Director (Medical) Aged Care, Rehabilitation and Palliative Care
Ms A. Every (acting)	Divisional Director (Nursing) Aged Care, Rehabilitation and Palliative Care

Dr S. Jenkins	Divisional Director (Medical) Critical Care
Ms N. Hartzenberg	Divisional Director (Nursing) Critical Care
Dr T. Elias	Divisional Director (Medical) Medicine
Mr D. Heffernan	Divisional Director (Nursing) Medicine
Dr S. Sujeeve	Divisional Director (Medical) Mental Health
Ms D. Callahan	Divisional Director (Nursing) Mental Health
Dr M. Cusack (acting)	Divisional Director (Medical) Surgical Sub-Specialties and Anaesthesia
Ms H. Saunders	Divisional Director (Nursing) Surgical Sub-Specialties and Anaesthesia
Dr M. Ritossa	Divisional Director (Medical) Women and Children's
Ms M. Hobbs	Divisional Director (Nursing and Midwifery) Women and Children's

Legislation administered by the agency

None

The agency's performance

Agency contribution to whole of Government objectives

Key objectives
More jobs
Lower costs
Better Services
Agency's contribution
Commencing a $96 million upgrade of the Modbury Hospital, including: • Expansion of the surgical floor to allow for more surgeries • Eight additional beds created in an Extended Emergency Care Unit • Co-locating the EECU with an upgraded 26 bed Short Stay General Medical Unit • A new purpose-built 20-bed Palliative Care Unit to ensure patients are cared for in a suitable environment • Relocating the Outpatients Department to allow more streamlined access in a more efficient location • Development of a four-bed High Dependency Unit • Updating the façade to modern standards.
Establishing an interim Mental Health Short Stay Unit at the Lyell McEwin Hospital, ahead of the construction and commissioning of a brand new $5.5 million facility.
Decentralising the public health system through the establishment of NALHN Governing Board.
Planning for the establishment of a 4-bed High Dependency Unit at Modbury Hospital that will: • reduce the risk to patients with more than one condition, making more procedures possible at the hospital • provide a base for a medical emergency team within the hospital • ease the pressure on the Modbury Hospital Emergency Department • reduce the need for ambulance transfers to other hospitals • ease the pressure on Lyell McEwin Hospital
Providing more colonoscopies in the public system, through engaging with the private sector and improving referral systems.

Providing more information to patients and doctors to enable them to make informed choices about treatment through the release of outpatient clinic waiting times by speciality and hospital on a quarterly basis from 1 July 2018.
Reducing the number of patients overdue for an elective surgery procedure through strategies such as increasing the range, volume and complexity of surgical procedures performed at Modbury Hospital, and exploring partnering with private providers.

Agency specific objectives and performance

Agency objectives	Performance
The provision of safe, high quality health care services.	• Implementing the 'Valuing Patients Time' initiative to improve patient outcomes, patient experience and staff experience by developing integrated services across the continuum of care, supporting multi-disciplinary teams and coordinating and connecting services for patients. Improvement projects include: o Standardising ED floor management. o Increasing throughput into the 'See and Treat' model. o Improving turnaround times for diagnostic services. o Direct Admission pathways for orthopaedic and gynaecology patients. • NALHN commenced a co-designed pilot project with Pop-Up Community care to promote ED avoidance for patients who could receive care in the community. The service includes at home assessment within 24 hours, and the development of a Home Management Plan inclusive of mental health strategies. • The Adult Community Mental Health Model of Care was developed through consultation within the NALHN service, with individuals, carers and partnering agencies through a number of forums, workshops and focus groups. • NALHN's Geriatrics in the Home (GITH) program delivers specialised, multi-disciplinary Geriatric evaluation and

	management to consumers in their home and is a true hospital substitution for older people, the first of its kind in South Australia. Receiving care in a familiar and comfortable surrounding benefits the consumer's overall wellbeing and improves treatment outcomes, as well as avoiding the risk of hospital acquired infection and delirium. • Implemented a partnership between NALHN and the Attorney-General's Department for the metropolitan Court Diversion Service for the Magistrates Court. The Court Diversion Service was established to reduce the need for court ordered forensic mental health reports; reduce recidivism among participants; improve mental health outcomes for forensic patients; and reduce the length of incarceration for forensic patients. • NALHN has implemented a successful strategy for patients waiting to see an orthopaedic surgeon, which has reduced the waiting list. Fifty-five percent of NALHN patients waiting to see an orthopaedic surgeon were unlikely to require surgery. New clinics have been established for this patient cohort that are led by senior orthopaedic physiotherapists and senior orthopaedic podiatrists and occur at the same time as our clinics led by orthopaedic surgeons. • Breathe. Connect. Play. (BCP) is a service for children with chronic asthma, including those with psychosocial vulnerability. Children and families are supported in understanding their asthma management and creating strong connections between GP's, community providers and acute care to avoid ED presentations and prevent admission to hospital.
Implementing the National Safety and Quality Health Service Standards and ensuring that NALHN's hospitals are accredited under the Australian Health Service Safety and Quality Accreditation Scheme.	• Regular accreditation against the NSQHSS to ensure delivery of safe, high quality health care based on standards and processes devised and developed for health care services. • Successful periodic review for accreditation in October 2018, in line with the NSQHSS and received seven merit awards (two for

	partnering with consumers; one for radiation safety; four for antimicrobial stewardship). • Fully accredited against the NSQHSS until 2021, at which time NALHN will undergo assessment against Version 2 of the NSQHSS. • Implementing Version 2 of the NSQHSS and ensuring that all organisational documentation and committees are aligned with the new standards.
Engaging with the local community and considering their views into the day-to-day operational planning of health services, particularly in the areas of safety and quality of patient care.	• The NALHN Consumer Advisory Council (CAC) brings the voices of the community and consumers into the decision-making processes of NALHN. The CAC assists in the development of services that are responsive to the needs of the diverse catchment population serviced by NALHN. • Commenced implementing the interim Consumer & Community Engagement Strategy; developed by working closely with NALHN consumers and the community and the Health Consumers Alliance of SA. • Increasing the number of complaint resolution meetings involving patients and their families with senior clinicians and Consumer Engagement Consultants to provide person-centred care and strengthen consumer engagement. • Development of a plan to increase integration of consumer and community engagement with the Divisions through the information gained through consumer feedback mechanisms, both directly to NALHN and through state-wide systems and processes • Inpatient experience of meals was evaluated with over 1,000 surveys from LMH inpatients creating change to the LMH inpatient menu, implementation of a customer service training program for food service staff and incorporation of food satisfaction into the ongoing monitoring of monthly patient satisfaction surveys.
Ensuring the environment and patterns of patient care respect the ethnic, cultural and religious	• NALHN is working towards its 2nd year of White Ribbon Workplace Accreditation demonstrating a whole of NALHN

rights, views, values and expectation of all peoples.	commitment to stop violence against women. • In support of the Aboriginal Cultural Learning Framework, on-line training is mandatory for all staff and all managers must also attend face-to-face training. • Access is available for all staff to a number of resources to guide staff on the various cultural and religious beliefs of its patients and consumers. • NALHN provided an Exceptional Care Education Program for clinicians designed to ensure consistent and coordinated care with a focus on patient and family centred care. • NALHN celebrated Harmony Day and the United Nations International Day for the Elimination of Racial Discrimination on March 21 with performances by the Burmese Youth Choir, a staff barbecue and other activities. • Participation in and celebration of National Reconciliation Week through hosting a range of events.
Developing effective and working partnerships with Aboriginal Health Community and ensuring health needs of Aboriginal people are considered in all health plans, programs and models of care developed by NALHN.	• Aboriginal traditional healing services (Ngangkari) are essential for physical, social, emotional and cultural health and well-being. Ngangkari clinics have been delivered from all four Watto Purrunna sites, and Ngangkari services have also been incorporated in the acute setting to support a culturally responsive and respectful health system that contributes to improved health outcomes for Aboriginal people. • The Northern Aboriginal Birthing Program aims to support mothers, partners and their families to improve outcomes of Aboriginal babies from pre-conception through to two years of age, including building and supporting a sustainable Aboriginal maternal and infant care (AMIC) workforce. • Improving the delivery of Allied Health and Early Intervention, including a Chronic Disease Management service and engagement of Aboriginal Staff enrolled to complete an Allied Health Assistant traineeship, and an Allied Health cultural appropriateness program.

	• Ongoing delivery of the Aboriginal Under 8s Ear Health and Hearing Program • Establishment of an Aboriginal Workforce committee to lead the development of strategies to increase the number, representation and retention of the NALHN Aboriginal workforce. • Establishing the SACA Aboriginal Cricket Blast Cup to encourage participation from Aboriginal children aged 5-13 years in the sport of cricket. As part of the registration process children were scheduled a free Aboriginal Well Health Check and were also provided health and wellbeing education during the event. • Establishing the Care Opportunities team, to focus on improving Aboriginal identification and supporting early identification of risk factors and disease through opportunistic screening for chronic diseases, blood-borne viruses, and facilitation of cancer screening. The current focus is on Aboriginal patients admitted to the Divisions of Medicine and Surgery. The program prioritises screening for chronic diseases, creates links to follow-up new diagnoses, encourages self-management through targeted health education and increases community awareness, engagement and health literacy.
Ensuring collaboration with Primary Health Networks to provide innovative and cost-effective approaches to meeting population need and to avoid unnecessary hospital activity.	• NALHN holds regular meetings with the Adelaide Primary Health Network to collaborate on new programs and projects. • The Northern Adelaide General Practice Liaison Unit has been established to provide a link between the NALHN and local GPs in the northern area. The aim of the unit is to encourage and improve the exchange of information, co-operation, efficiency, and quality of communication between hospitals and general practice in relation to patients and services provided by NALHN. • The Paediatric Partnership Program is a 12 month pilot project to conduct multidisciplinary speciality assessments for children with complex developmental delay and or autism spectrum disorders.

	• The Integrated Practice Unit provides services for young people (16-25yrs) experiencing/or at risk of experiencing severe/complex mental illness, who are deemed too complex for other primary services and who do not meet the criteria for state-based tertiary mental health services. • The Self-presentation Assessment and Referral Service will offer free mental health services in the after-hours period on a 'no appointment necessary' basis and will also act as a referral gateway relevant to the presenting mental health condition.

Employment opportunity programs

Program name	Performance
Flexibility for the Future	Increase the opportunity for existing and future public sector employees to access flexible workplace arrangements and invest in the creation of additional new positions for trainees and graduates. Result of the program: New positions for trainees and graduates as well as the promotion of flexible workplace arrangements.
Aboriginal Employment Program	NALHN is working to increase the employment of Aboriginal people in the South Australian Public Sector. Result of the program: The development of strategies to increase the number, representation and retention of the Northern Adelaide Local Health Network Aboriginal and Torres Strait Islander workforce towards the target of 4%.

Agency performance management and development systems

Performance management and development system	Performance
Documented Review of Individual Performance Management	As at 30 June 2019: • Formal Review of Individual Performance Management within 6 months – 48% • Formal Review of Individual Performance Management older than 6 months – 52%

Leading Health Transformation Program	In 2018-19, 14 participants from NALHN undertook the program that provides clinical and non-clinical participants with the opportunity to engage in an executive learning and development program to strengthen their individual and organisation's leadership capability, build their networks across SA Health and leverage the opportunities that exist across the system to build a culture of high performance.

Work health, safety and return to work programs

Program name	**Performance**
Financial Recovery of Worker's Compensation Expenditure	A savings target of $20,000 was set for worker's compensation expenditure across NALHN. In 2018-19, NALHN expenditure was $821,434 above the savings target. This was attributed to a higher number of new income and medical costs derived from time lost injury claims caused by challenging behaviours and psychological injuries. A wellbeing strategy is under development in NALHN with the aim of assisting with the reducing the impact of psychological incidents.

Workplace injury claims	2018-19	2017-18	% Change (+ / -)
Total new workplace injury claims	112	114	-1.8%
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)	13.95	10.48	+33.1%

**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	2018-19	2017-18	% Change (+ / -)
Number of notifiable incidents (*Work Health and Safety Act 2012, Part 3)*	6	12	-50.0%

Number of provisional improvement, improvement and prohibition notices (*Work Health and Safety Act 2012 Sections 90, 191 and 195*)	2	5	-60.0%

Return to work costs**	2018-19	2017-18	% Change (+ / -)
Total gross workers compensation expenditure ($)	$2,774,055	$1,979,633	+40.1%
Income support payments – gross ($)	$1,321,667	$562,689	+134.9%

***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 agency

Executive classification	**Number of executives**
EXEC0A	1
EXEC0B	1
SAES1	3
SAES2	1

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.

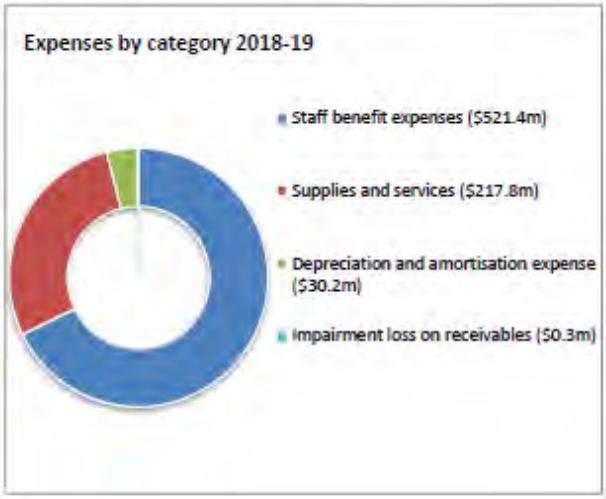
Financial performance

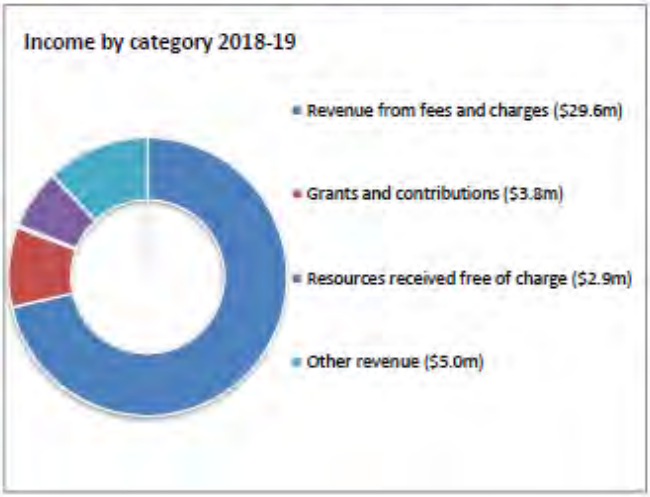
Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2018-19 are attached to this report.

NALHN three-year financial summary

Three-year financial summary ($000)	2018-19	% ↑↓	2017-18	% ↑↓	2016–17	% ↑↓
Total expenses	770 569	12.6%	684 553	11.1%	616 144	1.3%
Total income	41 366	11.4%	37 133	10.0%	33 770	5.4%
Net cost of providing services	729 203	12.6%	647 420	11.2%	582 374	1.1%
Revenues from/Payments to SA Government	665 924	6.1%	627 371	9.8%	571 630	1.4%
Net result for the period	(63 279)	-215.6%	(20 049)	-86.6%	(10 744)	16.3%
Net cash provided by operating activities	(4 943)	-132.7%	15 095	678.1%	1 940	-51.3%
Total assets	442 057	-7.1%	475 887	1.3%	469 774	-1.3%
Total liabilities	186 043	18.8%	156 548	6.8%	146 540	4.3%
Net assets	256 014	-19.8%	319 339	-1.2%	323 234	-3.6%





Consultants disclosure

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

Consultancies with a contract value below $10,000 each

Consultancies	Purpose	$ Actual payment
All consultancies below $10,000 each - combined	Various	$14,410

Consultancies with a contract value above $10,000 each

Consultancies	Purpose	$ Actual payment
Francis Group Consultants Aust Pty Ltd	Diagnostic assessment of the Northern Adelaide Local Health Assessment Emergency Department.	$13,572
Health Consumers Alliance of South Australia Incorporated	Consumer and Community Engagement Strategy and Implementation Plan.	$40,000
Ground Effects Consulting	Analyse the current NALHN patient transport services model and provide recommendations on improved service models.	$42,250
Keogh Consulting Pty Ltd	Development of a Strategic and Implementation Plan for Executive and Governing Board Members.	$46,528
Zed Consulting & Associates Pty Ltd	Define the role of the Centre for Disability Health.	$69,997
Zed Consulting & Associates Pty Ltd	Master site planning for current and future population demand on health services.	$96,500
KPMG Financial Advisory Services (Australia) Pty Ltd	Internal Audit of the use of 'Internet Communication and Technology' vulnerability in Support of quality, continuity and patient care.	$114,070
KPMG	Deliver a program of financial improvement support for NALHN, including providing support for financial sustainability, accountability and performance and savings strategies.	$333,315
Francis Group Consultants Aust Pty Ltd	Establishment of a Change Management Office at Northern Adelaide Local Health Network.	$358,308
	Total	$1,114,540

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	$45,881

Contractors with a contract value above $10,000 each

Contractors	Purpose	$ Actual payment
Maxima Training Services	Provision of Administrative Services	$10,597
NISSI Healthcare Pty Ltd	Provision of Medical Officers	$11,194
JPS Medical Recruitment	Provision of Medical Officers	$12,000
D Prideux	Review of NALHN Medical Education and Training	$14,400
Jon And Jon Medical	Provision of Medical Locum Services	$14,426
Nursing Agency Australia Pty Ltd	Provision of Nursing Agency Services	$14,565
Sterling Healthcare Resourcing	Provision of Medical Locum Services	$14,943
Dr Oncall Pty Ltd	Provision of Medical Locum Services	$21,712
Department Of Human Services (SA)	Provision of Nursing Agency Services	$25,912

Contractors	Purpose	$ Actual payment
ISS Health Services Pty Limited	Provision of Additional Theatre Staff	$25,932
Assured Home Care	Provision of Community Support Workers	$28,749
Ochre Recruitment Pty Ltd	Provision of Medical Officers	$32,775
Joy Herron	Provision of Medical Officers	$33,184
Nextt Health	Provision of Nursing Agency Services	$33,938
Locum Life Recruitment Pty Ltd	Provision of Medical Locum Services	$34,477
NSW Business Chamber Ltd	Provision of Domestic Services Agency Staff	$38,481
Anca Corbu	Provision of Medical Officers	$40,000
Adele Jackson	Provision of Medical Officers	$42,464
Robert Walters Pty Ltd	Provision of Administrative Services	$44,544
Hudson Global Resources (Aust) Pty Ltd	Provision of Administrative Services	$57,887
Medic Oncall Partnership	Provision of Medical Locum Services	$63,300
Learnem Partnership	Nursing Instructors for ACEM EMET Program	$63,724
Hays Specialist Recruitment (Australia) Pty Ltd	Provision of Agency Staff Admin Services	$70,073
Ramesh Gupta	Provision of Medical Officers	$77,334
Zed Consulting & Associates Pty Ltd	Disability Health Reform Implementation	$81,155

Contractors	Purpose	$ Actual payment
McArthur Management Services (SA) Pty Ltd	Provision of Nursing Agency Services	$82,888
Kathryn May Rohan	Provision of Medical Officers	$88,940
Dr Fiona Hawker	Provision of Medical Locum Services	$100,190
Charterhouse Medical	Provision of Medical Locum Services	$118,793
Litmus Solutions Pty Ltd	Monthly Management fee per agreement for brokering of Medical Agency	$121,500
WJE Bourke Pty Ltd	Provision of Medical Officers	$143,837
Skilled Medical Pty Ltd	Provision of Medical Locum Services	$158,815
ZEEP Medical Pty Ltd	Provision of Medical Locum Services	$215,884
Powerhealth Solutions	Service Fee and Costing Services for Casemix	$225,578
Wavelength International Pty Limited	Provision of Medical Locum Services	$249,048
Medrecruit Pty Ltd	Provision of Medical Officers	$294,013
Global Medics Pty Ltd	Provision of Medical Locum Services	$473,917
Your Nursing Agency Pty Ltd	Provision of Nursing Agency Services	$624,018
Australian Medical Placements Pty Ltd	Provision of Medical Locum Services	$885,043
Medstaff (Division McArthur (SA) Pty Ltd)	Provision of Nursing Agency Services	$1,166,835
The University Of Adelaide	Provision of Medical Specialists and Clinical Academics	$1,172,233

Contractors	Purpose	$ Actual payment
Mediserve Nursing Agency	Provision of Nursing Agency Services	$1,186,968
Medical Locum Services Pty Ltd	Provision of Medical Locum and Nursing Agency Services	$1,275,835
Maxima Training Services	Provision of Medical Locum and Nursing Agency Services	$5,215,691
	Total	$14,707,793

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

Fraud detected in the agency

Category/nature of fraud	Number of instances
Alleged fraudulent use of corporate credit card	4
Alleged fraudulent use of salary packaging arrangements	1
Alleged fraudulent use of prescription pad	1
Alleged fraudulent documents presented in support of employee leave	1

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

Strategies implemented to control and prevent fraud

The SA Health Fraud and Corruption Control Policy Directive and Plan 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 January 2016.

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

Whistle-blowers disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistleblowers Protection Act 1993:*

0

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

Reporting required under any other act or regulation

Nil required

Reporting required under the *Carers' Recognition Act 2005*

Nil required

Public complaints

Number of public complaints reported

A whole of SA Health response will be provided in the 2018-19 Department for Health and Wellbeing Annual Report, which can be accessed on the SA Health website.

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

Service improvements for period

A whole of SA Health response will be provided in the 2018-19 Department for Health and Wellbeing Annual Report, which can be accessed on the SA Health website.

Appendix: Audited financial statements 2018-19

INDEPENDENT AUDITOR'S REPORT

Government of South Australia
Auditor-General's Department

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To the Chief Executive Officer
Northern Adelaide Local Health Network Incorporated

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 2019.

Opinion

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 2019, its financial performance and its cash flows for the year then ended in accordance with the 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 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from 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* have been met.

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

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

Auditor's responsibilities for the audit of the financial report

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

- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Andrew Richardson
Auditor-General
17 September 2019

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.

Maree Geraghty
Chief Executive Officer

Jamin Woolcock
Chief Finance Officer

Date 12/09/2019

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2019

	Note	2019	2018
		$'000	$'000
Expenses			
Staff benefits expenses	3	521,407	463,349
Supplies and services	4	217,756	193,092
Depreciation and amortisation expense	17,18	30,175	27,890
Grants and subsidies	5	55	-
Net loss from disposal of non-current and other assets	11	34	33
Impairment loss on receivables	15	287	(450)
Other expenses	6	855	639
Total expenses		770,569	684,553
Income			
Revenues from fees and charges	7	29,565	26,762
Grants and contributions	8	3,841	3,139
Interest revenues	9	116	88
Resources received free of charge	10	2,882	2,708
Other revenues/income	12	4,962	4,436
Total income		41,366	37,133
Net cost of providing services		729,203	647,420
Revenues from SA Government			
Revenues from SA Government	13	665,924	627,371
Total revenues from SA Government		665,924	627,371
Net result		(63,279)	(20,049)
Other Comprehensive Income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus		-	16,244
Total other comprehensive income		-	16,244
Total comprehensive result		(63,279)	(3,805)

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
For the year ended 30 June 2019

	Note	2019	2018
		$'000	$'000
Current assets			
Cash and cash equivalents	14	11,007	28,350
Receivables	15	8,584	7,839
Inventories	16	1,972	1,951
Total current assets		21,563	38,140
Non-current assets			
Receivables	15	1,457	1,678
Property, plant and equipment	17	418,992	435,997
Intangible assets	18	45	72
Total non-current assets		420,494	437,747
Total assets		442,057	475,887
Current liabilities			
Payables	20	18,671	20,488
Staff benefits	21	68,549	57,195
Provisions	22	2,248	2,156
Other liabilities	23	187	93
Total current liabilities		89,655	79,932
Non-current liabilities			
Payables	20	2,717	2,410
Staff benefits	21	90,983	70,720
Provisions	22	2,688	3,486
Total non-current liabilities		96,388	76,616
Total liabilities		186,043	156,548
Net assets		256,014	319,339
Equity			
Asset revaluation surplus		21,878	21,878
Retained earnings		234,136	297,461
Total equity		256,014	319,339

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 2019

	Note	Asset revaluation surplus $ '000	Retained earnings $ '000	Total equity $ '000
Balance at 30 June 2017		5,796	317,438	323,234
Net result for 2017-18		-	(20,049)	(20,049)
Gain/(loss) on revaluation of land and buildings		16,135	-	16,135
Gain/(loss) on revaluation of plant and equipment		109	-	109
Total comprehensive result for 2017-18		16,244	(20,049)	(3,805)
Transfer between equity components		(162)	162	-
Transactions with SA Government as owner				
Net assets received from an administrative restructure		-	(90)	(90)
Balance at 30 June 2018		21,878	297,461	319,339
Adjustments on initial adoption of Accounting Standards		-	(46)	(46)
Adjusted balance at 1 July 2018		21,878	297,415	319,293
Net result for 2018-19		-	(63,279)	(63,279)
Total comprehensive result for 2018-19		-	(63,279)	(63,279)
Balance at 30 June 2019		21,878	234,136	256,014

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 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Cash outflows			
Staff benefits payments		(489,324)	(451,337)
Payments for supplies and services		(158,542)	(137,482)
Payments of grants and subsidies		(57)	-
Other payments		(726)	(522)
Cash used in operations		(648,649)	(589,341)
Cash inflows			
Fees and charges		24,962	23,080
Grants and contributions		4,129	3,428
Interest received		116	88
GST recovered from ATO		12,345	10,801
Other receipts		5,199	4,549
Cash generated from operations		46,751	41,946
Cash flows from SA Government			
Receipts from SA Government		596,955	562,490
Cash generated from SA Government		596,955	562,490
Net cash provided by operating activities		(4,943)	15,095
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(12,400)	(5,168)
Purchase of intangibles		-	(12)
Cash used in investing activities		(12,400)	(5,180)
Net cash provided by/(used in) investing activities		(12,400)	(5,180)
Net increase/(decrease) in cash and cash equivalents		(17,343)	9,915
Cash and cash equivalents at the beginning of the period		28,350	18,435
Cash and cash equivalents at the end of the period	24	11,007	28,350
Non-cash transactions	24		

The accompanying notes form part of these financial statements.

1. Basis of financial statements

1.1 Reporting entity

The Northern Adelaide Local Health Network Incorporated (the Hospital) is a not-for-profit entity incorporated under the *Health Care Act 2008* (the Act). The financial statements and accompanying notes include all controlled entities 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 the Schedule of Administered Financial Statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for the Hospital transactions.

1.2 Statement of compliance

These financial statements are prepared in compliance 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.

1.3 Basis of preparation

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 on a different basis.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out below or in the notes.

1.4 Taxation

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

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

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

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

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

1.5 Continuity of Operations

As at 30 June 2019, the Hospital had a working capital deficiency of $68.092 million (30 June 2018 $41.792 million deficiency). The Government is committed and has consistently demonstrated a commitment to the ongoing funding of the Hospital to enable it to perform its functions.

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 Change in accounting policy

On 22 March 2019, pursuant to the *Public Finance and Audit Act 1987*, the Treasurer issued *Treasurer's Instructions (Accounting Policy Statements)* and revoked all previously issued Accounting Policy Statements (APS). The new Accounting Policy Statements have largely been prepared on a no-policy change basis. The changes below do not impact the amounts reported in the financial statements:

- Removal of the requirement to report transactions with the SA Government.
- Removal of the requirement to report a statement of equity for administered items.
- Increase in bands from $10,000 to $20,000 for employee, board and committee member reporting.

1.8 AASB 9 *Financial Instruments*

The adoption of AASB 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

AASB 9 replaces the provisions of AASB 139 *Financial Instruments: Recognition and Measurement* that relate to recognition, classification, impairment and measurement of the Hospital's financial assets.

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL). The classification is based on two criteria; the Hospital's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' (SPPI) on the principal amount outstanding.

As part of the adoption of AASB 9, the Hospital adopted consequential amendments to other accounting standards and the *Treasurer's Instructions (Accounting Policy Statements)* arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. In prior years, this information was presented as part of other expenses.
- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, these disclosures have been included in the financial statements.
- APS requires adoption of AASB 9 without restating comparative information for classification and measurement requirements (i.e. continues to be reported under AASB 139). All adjustments are recognised in retained earnings at 1 July 2018.

The total impact on the Hospital's retained earnings as at 1 July 2018 is as follows:

	$'000
Closing retained earnings 30 June 2018 – AASB 139	297,461
Increase in provision for trade receivables (Increase in impairment allowance for receivables) *	(46)
Opening retained earnings 1 July 2018 – AASB 9	297,415

*this relates to applying the new expected credit loss (ECL) model rather than incurred loss model.

The assessment of the Hospital's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on the financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

In summary, the impact of adoption of AASB 9 on the carrying amount was an decrease in the carrying amount of receivables under AASB 139 as a result of increase in impairment allowance at 1 July 2018. Refer to note 15 for information on impairment of receivables.

The following are the changes in the classification and measurement of financial assets:

- Trade receivables and loans, being debt instruments, remain measured at amortised costs, similar to the previous classification of loans and receivables under AASB 139.
- Term deposits are now classified as SPPI and remain measured at amortised cost, similar to the previous classification of 'held to maturity'.

Adoption of AASB 9 has not had an impact on the recognition, measurement and classification on the Hospital's financial liabilities.

2. 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, and is responsible to the Minister for Health and Wellbeing.

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, breast screening and other community health services to veterans and other persons living within the northern Adelaide metropolitan area.

The Chief Executive Officer administers and manages the Hospital under delegation from the Chief Executive of the Department for Health and Wellbeing (the Department) and is accountable to the Chief Executive of the Department.

The Northern Adelaide Local Health Network Advisory Council Incorporated was established pursuant to the *Health Care Act 2008* (the Act). The Council's functions include advising, monitoring, providing strategic oversight, conferring and making recommendations to the Chief Executive of the Department and Chief Executive Officer of the Hospital. The Council has no powers to direct or make decisions with respect to the management and administration of the Hospital.

From 1 July 2019, the Hospital will be governed by a Board. The Board 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 or the Chief Executive of the Department.

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

2.1 Changes to reporting entity

Administrative Restructure – Transferred in

2018-19

- There were no transfers during this period.

2017-18

- In December 2017, the Chief Executives of CALHN, NALHN, SALHN and WCHN agreed that clinical services associated with an LHN be transferred from SA Pathology (a part of CALHN) to that respective LHN. This included 1 employee for NALHN ($0.090 million in staff benefits) and budget funding of $0.350 million over five years. The activities and functions transferred include the governance and control of clinical services by SA Pathology staff. Laboratory services will continue to be managed via an SLA between SA Pathology and the respective LHN. The effective date of transfer was 1 February 2018.

Net assets assumed by the Hospital as a result of the administrative restructure are at the carrying amount of those assets in the transferor's Statement of Financial Position immediately prior to the transfer. The net assets transferred were treated as a contribution by the Government as owner.

Administrative Restructure – Transferred out

2018-19

- There were no transfers during this period.

2017-18

- There were no transfers during this period.

The net assets transferred were treated as a distribution to the Government as owner.

3. Staff benefits expenses

	2019 $'000	2018 $'000
Salaries and wages	402,235	372,152
Targeted Voluntary Separation Packages (refer below)	355	269
Long Service Leave	30,946	14,445
Annual leave	41,482	36,072
Skills and Experience Retention Leave	1,400	1,368
Staff on-costs - superannuation*	41,525	37,944
Staff on-costs - other	2	1
Workers compensation	1,925	(458)
Board and committee fees	155	65
Other staff related expenses	1,382	1,491
Total staff benefits expenses	**521,407**	**463,349**

* 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.

3.1 Key Management Personnel

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

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

- The Minister 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 the 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.

	2019 $'000	2018 $'000
Compensation		
Salaries and other short term employee benefits	1,485	1,293
Post-employment benefits	144	117
Total	**1,629**	**1,410**

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.

3.2 Remuneration of Board and Committee members

	2019 No. of Members	2018 No. of Members
$0	13	7
$1 - $19,999	20	19
$60,001 - $79,999	1	-
Total	**34**	**26**

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was $0.163 million ($0.070 million).

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 31 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.

3.3 Remuneration of staff

The number of staff whose remuneration received or receivable falls within the following bands:	2019 No.	2018 No.
$149,000 - $151,000*	n/a	14
$151,001 - $171,000	103	77
$171,001 - $191,000	53	46
$191,001 - $211,000	35	25
$211,001 - $231,000	20	26
$231,001 - $251,000	18	10
$251,001 - $271,000	17	17
$271,001 - $291,000	11	12
$291,001 - $311,000	19	20
$311,001 - $331,000	14	9
$331,001 - $351,000	13	13
$351,001 - $371,000	13	16
$371,001 - $391,000	13	15
$391,001 - $411,000	13	16
$411,001 - $431,000	20	11
$431,001 - $451,000	10	7
$451,001 - $471,000	3	4
$471,001 - $491,000	5	8
$491,001 - $511,000	6	2
$511,001 - $531,000	10	9
$531,001 - $551,000	8	5
$551,001 - $571,000	2	5
$571,001 - $591,000	1	-
$611,001 - $631,000	1	2
$651,001 - $671,000	-	3
$671,001 - $691,000	2	1
$691,001 - $711,000	4	4
$711,001 - $731,000	3	1
$731,001 - $751,000	2	2
$751,001 - $771,000	1	-
Total number of staff	**420**	**380**

*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration for 2017-18.

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

3.4 Remuneration of staff by classification

The total remuneration received by these staff included above:

	2019		2018	
	No.	$'000	No.	$'000
Medical (excluding Nursing)	365	109,540	338	101,044
Executive	7	1,419	6	1,387
Nursing	46	7,735	34	5,471
Non-medical (i.e. administration)	2	320	2	344
Total	**420**	**119,014**	**380**	**108,246**

3.5 Targeted voluntary separation packages

Amount paid/payable to separated staff:	2019 $'000	2018 $'000
Targeted Voluntary Separation Packages	355	269
Leave paid/payable to those employees	120	73
Net cost to the Hospital	**475**	**342**

The number of staff who received a TVSP during the reporting period	8	5

2019 TVSPs include separations resulting from the Registered Nurse/Midwife Workforce Renewal Program.

4. Supplies and services

	2019 $'000	2018 $'000
Administration	638	796
Advertising	255	111
Communication	1,014	828
Computing	5,669	4,916
Consultants	1,129	169
Contract of services	973	696
Contractors	507	354
Contractors - agency staff	18,848	17,740
Drug supplies	8,037	7,853
Electricity, gas and fuel	6,581	6,635
Fee for service	8,710	7,163
Food supplies	3,768	3,726
Housekeeping	23,976	23,519
Insurance	5,793	5,568
Internal SA Health SLA payments	4,163	3,960
Legal	305	193
Medical, surgical and laboratory supplies	65,680	57,907
Minor equipment	894	773
Motor vehicle expenses	179	133
Occupancy rent and rates	6,082	5,707
Patient transport	7,143	6,483
Services from Shared Services SA	2,882	2,644
Postage	990	961
Printing and stationery	2,855	2,643
Rental expense on operating lease	764	781
Repairs and maintenance	12,246	9,489
Security	13,510	8,350
Staff training and development	7,038	6,387
Staff travel expenses	188	139
Other supplies and services	6,939	6,468
Total supplies and services	**217,756**	**193,092**

Operating Leases
Operating lease payments are recognised as an expense on a straight-line basis over the lease term as it is representative of the pattern of benefits derived from the leased assets.

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

	No.	2019 $'000	No.	2018 $'000
Below $10,000	3	14	5	34
Above $10,000	9	1,115	3	135
Total paid/payable to consultancies engaged	**12**	**1,129**	**8**	**169**

5. Grants and subsidies

	2019 $'000	2018 $'000
Other	55	-
Total grants and subsidies	**55**	**-**

The grants given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation. Contributions payable will be recognised as a liability and an expense when the Hospital has a present obligation to pay the contribution and the expense recognition criteria are met.

6. Other expenses

	2019 $'000	2018 $'000
Debts written off	382	219
Bank fees and charges	30	21
Other*	443	399
Total other expenses	**855**	**639**

* Includes audit fees paid or payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* of $0.282 million ($0.253 million). No other services were provided by the Auditor-General's Department.

7. Revenues from fees and charges

	2019 $'000	2018 $'000
Fines, fees and penalties	56	48
Insurance recoveries	44	25
Patient and client fees	19,203	17,398
Private practice fees	2,675	2,315
Recoveries	5,109	5,082
Residential and other aged care charges	95	54
Other user charges and fees	2,383	1,840
Total revenues from fees and charges	**29,565**	**26,762**

8. Grants and contributions

	2019 $'000	2018 $'000
Commonwealth grants and donations	190	259
Commonwealth aged care subsidies	-	60
Other SA Government grants and contributions	178	105
Private sector capital contributions	306	-
Private sector grants and contributions	3,167	2,715
Total Grants and contributions	**3,841**	**3,139**

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

Of the $3.841 million ($3.139 million) received in 2018-19 for grants and contributions, $2.155 million ($2.370 million) was provided for specific purposes, such as research and associated activities.

9. Interest revenues

	2019 $'000	2018 $'000
Interest on Special Purpose Funds	116	88
Total interest revenues	**116**	**88**

10. Resources received free of charge

	2019 $'000	2018 $'000
Plant and equipment	-	74
Services	2,882	2,634
Total resources received free of charge	**2,882**	**2,708**

Resources received free of charge includes property, plant and equipment recorded at its fair value. In 2017-18, Audiometric Booths and Audiometers Visual Reinforcement were donated to LMH ($0.060 million) in addition to Flexible Ureter scopes ($0.014 million).

The Hospital receives Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge, following Cabinet's approval to cease intra-government charging. Contribution of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

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

	2019	2018
Plant and equipment:	$'000	$'000
Proceeds from disposal	-	-
Less net book value of assets disposed	(34)	(33)
Net gain/(loss) from disposal of plant and equipment	(34)	(33)
Total assets:		
Total proceeds from disposal	-	-
Less total value of assets disposed	(34)	(33)
Total net gain/(loss) from disposal of non- current and other assets	(34)	(33)

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

12. Other revenues/income

	2019 $'000	2018 $'000
Commissions revenue	5	7
Training revenue	2	2
Donations	-	5
Car parking revenue	2,479	2,408
Rent revenue	1,939	1,736
Other	537	278
Total other revenues/income	4,962	4,436

13. Revenues from SA Government

	2019 $'000	2018 $'000
Capital funding	13,504	8,090
Recurrent funding	652,420	619,281
Total revenues from Department for Health and Wellbeing	665,924	627,371

The Department provides recurrent and capital funding under a service level agreement to the Hospital for the provision of general health services. Contributions from the Department are recognised as revenues upon receipt.

14. Cash and cash equivalents

	2019 $'000	2018 $'000
Cash at bank or on hand	865	712
Deposits with Treasurer	10,142	27,638
Total cash	11,007	28,350

Cash is measured at nominal amounts. Government policy ensures that the Hospital will have adequate cash to meet approved expenditure requirements eg staff benefit expenses, capital works etc.

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

Deposits with the Treasurer
The Hospital operates through the Department's two deposit accounts held with the Treasurer, one general operating account and one special purpose deposit account. The Hospital earns interest on the special deposit account and does not earn interest on the general operating account held with the Treasurer.

15. Receivables

	Note	2019 $'000	2018 $'000
Current			
Patient/client fees: compensable		534	435
Patient/client fees: other		5,426	4,930
Debtors		1,246	950
Less: allowance for impairment of receivables	15.1	(1,109)	(776)
Prepayments		493	399
Workers compensation provision recoverable		793	799
Sundry receivables and accrued revenue		938	656
GST input tax recoverable		263	446
Total current receivables		**8,584**	**7,839**
Non-current			
Debtors		22	58
Workers compensation provision recoverable		1,435	1,620
Total non-current receivables		**1,457**	**1,678**
Total receivables		**10,041**	**9,517**

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 of 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.

15.1 Impairment of receivables

AASB 9 replaces the incurred loss model in AASB 139 with an expected credit loss model. The new impairment requirements result in a provision being applied to all receivables (expected loss) rather than only on those receivables that are credit impaired (incurred loss). The Department has adopted the simplified impairment approach under AASB 9 and measured lifetime expected credit losses on all trade receivables using a provision matrix as a practical expedient to measure the impairment provision. This results in an increase of the loss allowance on 1 July 2018 for trade receivables external to State, Territory or Commonwealth Government (due to the Governments' high quality credit rating).

In the comparative period, the impairment of receivables was assessed based on the incurred loss model. The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

Movement in the allowance for impairment of receivables:

	2019 $'000	2018 $'000
Balance at 30 June under AASB 139	**776**	**1,227**
Adjustments on initial adoption of AASB 9	46	-
Carrying amount at the beginning of the period	**822**	**1,227**
Increase/(Decrease) in allowance recognised in profit or loss	287	(450)
Carrying amount at the end of the period	**1,109**	**776**

Refer to note 29 for details regarding credit risk and the methodology for determining impairment.

16. Inventories

Current	2019 $'000	2018 $'000
Inventory imprest stock	1,972	1,951
Total current inventories - held for distribution	**1,972**	**1,951**

Inventories held for distribution at no or nominal consideration, are measured at the lower of average weighted cost and replacement cost. All other inventories are measured at the lower of average weighted cost or their net realisable value.

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

17. Property, plant and equipment

17.1 Acquisition and recognition of non-current assets

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation. 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 all non-current tangible property, plant and equipment and intangible assets that it controls valued at or greater than $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.

17.2 Depreciation and amortisation of non-current assets

All non-current assets, that have a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

The useful lives, depreciation and amortisation methods of all major assets held by the Hospital are reassessed on an annual basis. Changes in expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

Land and non-current assets held for sale are not depreciated.

Depreciation/amortisation is calculated on a straight line basis over the estimated or revised remaining useful life of the following classes of assets as follows:

Class of asset	Useful life (years)
Buildings and improvements	40 - 80
Leasehold improvements	Life of Lease
Plant and equipment:	
Medical, surgical, dental and biomedical equipment and furniture	5 - 15
Computing equipment and software	3 - 5
Other plant and equipment	3 - 25
Intangibles	5 - 10

17.3 Revaluation

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

The Hospital revalues all land, buildings and site improvements on a regular cycle via a Certified Practicing Valuer. The revaluation of non-current assets by a Certified Practicing Valuer is only performed when the assets fair value at the time of acquisition is greater than $1 million, and the estimated useful life exceeds three years.

If at any time, management considers that the carrying amount of an asset greater than $1 million materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

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

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Upon disposal or derecognition, any asset revaluation surplus relating to that asset is transferred to retained earnings.

17.4 Impairment

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

There were no indications of impairment of property, plant and equipment as at 30 June 2019.

17.5 Intangible assets

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

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

The acquisition of, or internal development of, software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured), 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.

17.6 Valuation of land and buildings

An independent valuation of land and buildings, including site improvements, was performed in March and April 2018 by a Certified Practicing Valuer from Jones Lang Lasalle (SA) Pty Ltd, as at 1 June 2018.

The valuer arrived at the fair value of unrestricted land 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.

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

17.7 Valuation of plant and equipment

All items of plant and equipment that had a fair value at the time of acquisition less than $1 million have not been revalued in accordance with Accounting Policy Statements. The carrying value of these items are deemed to approximate fair value. These assets are classified in Level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the asset condition and remaining useful life.

The Hospital's plant and equipment assets with a fair value greater than $1 million 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.

17. Reconciliation of property,plant and equipment

The following table shows the movement :

2018-19	Land and buildings:			Plant and equipment:				
	Land $'000	Buildings $'000	Capital works in progress land and buildings $'000	Leasehold improve-ments $'000	Medical/ surgical/ dental/ biomedical $'000	Other plant and equipment $'000	Capital works in progress plant and equipment $'000	Total $'000
Carrying amount at the beginning of the period	**43,000**	**374,192**	**1,683**	**5,071**	**10,772**	**1,238**	**41**	**435,997**
Additions	-	-	9,985	-	2,187	310	695	**13,177**
Disposals	-	-	-	-	(34)	-	-	**(34)**
Transfers between asset classes	-	3,109	(3,331)	-	254	-	(32)	-
Subtotal:	**43,000**	**377,301**	**8,337**	**5,071**	**13,179**	**1,548**	**704**	**449,140**
Gains/(losses) for the period recognised in net result:								
Depreciation and amortisation	-	(26,030)	-	(661)	(3,217)	(240)	-	**(30,148)**
Subtotal:	-	**(26,030)**	-	**(661)**	**(3,217)**	**(240)**	-	**(30,148)**
Carrying amount at the end of the period	**43,000**	**351,271**	**8,337**	**4,410**	**9,962**	**1,308**	**704**	**418,992**
Gross carrying amount								
Gross carrying amount	43,000	380,012	8,337	7,547	32,099	5,870	704	**477,569**
Accumulated depreciation / amortisation	-	(28,741)	-	(3,137)	(22,137)	(4,562)	-	**(58,577)**
Carrying amount at the end of the period	**43,000**	**351,271**	**8,337**	**4,410**	**9,962**	**1,308**	**704**	**418,992**

All property, plant and equipment are classified in the level 3 fair value hierarchy except for capital works in progress (not classified).

2017-18

	Land and buildings:			Plant and equipment:				
	Land $'000	Buildings $'000	Capital works in progress land and buildings $'000	Leasehold improve-ments $'000	Medical/ surgical/ dental/ biomedical $'000	Other plant and equipment $'000	Capital works in progress plant and equipment $'000	Total $'000
Carrying amount at the beginning of the period	38,240	380,982	2,534	5,009	10,552	1,132	1,452	439,901
Additions	-	-	4,543	-	2,641	178	307	7,669
Assets received free of charge	-	-	-	-	74	-	-	74
Disposals	-	-	-	-	(27)	(6)	-	(33)
Transfers between asset classes	-	5,112	(5,394)	493	1,340	167	(1,718)	-
Subtotal:	38,240	386,094	1,683	5,502	14,580	1,471	41	447,611
Gains/(losses) for the period recognised in net result:								
Depreciation and amortisation	-	(23,277)	-	(431)	(3,917)	(233)	-	(27,858)
Subtotal:	-	(23,277)	-	(431)	(3,917)	(233)	-	(27,858)
Gains/(losses) for the period recognised in other comprehensive income:								
Revaluation increment / (decrement)	4,760	11,375	-	-	109	-	-	16,244
Subtotal:	4,760	11,375	-	-	109	-	-	16,244
Carrying amount at the end of the period	43,000	374,192	1,683	5,071	10,772	1,238	41	435,997
Gross carrying amount								
Gross carrying amount	43,000	376,903	1,683	7,609	31,840	5,629	41	466,705
Accumulated depreciation / amortisation	-	(2,711)	-	(2,538)	(21,068)	(4,391)	-	(30,708)
Carrying amount at the end of the period	43,000	374,192	1,683	5,071	10,772	1,238	41	435,997

All property, plant and equipment are classified in the level 3 fair value hierarchy except for capital works in progress (not classified).

18. Reconciliation of intangible assets

The following table shows the movement :

	2018-19		2017-18	
	Computer software $'000	Total $'000	$'000	Total $'000
Carrying amount at the beginning of the period	72	72	92	92
Additions	-	-	12	12
Amortisation	(27)	(27)	(32)	(32)
Carrying amount at the end of the period	45	45	72	72
Gross carrying amount				
Gross carrying amount	166	166	166	166
Accumulated amortisation	(121)	(121)	(94)	(94)
Carrying amount at the end of the period	45	45	72	72

19. Fair Value Measurement

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

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.

In determining fair value, the Hospital has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible and financially feasible).

The Hospital's current use is the highest and best use of the asset unless other factors suggest an alternative use. As the Hospital did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than $1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to notes 17.6 and 19.2 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

19.1 Fair value hierarchy

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

Fair value measurements at 30 June 2019

	Level 2 $'000	Level 3 $'000	Total $'000
Recurring fair value measurements (Note 17)			
Land	-	43,000	43,000
Buildings and improvements	-	351,271	351,271
Leasehold improvements	-	4,410	4,410
Plant and equipment	-	11,270	11,270
Total recurring fair value measurements	-	409,951	409,951

Fair value measurements at 30 June 2018

	Level 2 $'000	Level 3 $'000	Total $'000
Recurring fair value measurements (Note 17)			
Land	-	43,000	43,000
Buildings and improvements	-	374,192	374,192
Leasehold improvements	-	5,071	5,071
Plant and equipment	-	12,010	12,010
Total recurring fair value measurements	-	434,273	434,273

There are no non-recurring fair value measurements.

During 2019 and 2018, the Hospital had no valuations categorised into Level 1; there were no transfers of assets between Level 1, 2 and 3 fair value hierarchy levels in 2018-19.

19.2 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, and then adjusted with a discount factor. For this reason they 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. The extent of unobservable inputs and professional judgement required in valuing these assets is significant, and as such they are deemed to have been valued using Level 3 valuation inputs.

Unobservable inputs used to arrive at final valuation figures included:

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

Although there were some land and buildings valued using Level 2 inputs, the fair value of these was immaterial in comparison to the whole class, therefore all land and buildings have been classified as Level 3.

20. Payables

	2019 $'000	2018 $'000
Current		
Creditors and accrued expenses	10,650	12,256
Paid Parental Leave Scheme	50	68
Staff on-costs*	6,125	6,471
Other payables	1,846	1,693
Total current payables	**18,671**	**20,488**
Non-current		
Staff on-costs*	2,717	2,410
Total non-current payables	**2,717**	**2,410**
Total payables	**21,388**	**22,898**

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. Employee on-costs are settled when the respective employee benefits that they relate to are discharged. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due their short term nature.

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

As a result of an actuarial assessment performed by the DTF the percentage of the portion of long service leave taken as leave has decreased from the 2018 rate of 35% to 29%. The average factors for the calculation of employer superannuation cost on-costs has increased from the 2018 rate of 9.71% to 9.80%. These rates are used in the employment on-cost calculation. The net financial effect of the above changes in the current financial year is a decrease in the employment on-cost of $0.554 million and employee benefits expense of $0.554 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

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

Refer to note 29 for information on risk management.

21. Staff benefits

	2019	2018
Current	**$'000**	**$'000**
Annual leave	43,935	38,959
Long service leave	8,397	4,697
Accrued salaries and wages	13,215	10,528
Skills and experience retention leave	2,995	2,994
Other	7	17
Total current staff benefits	**68,549**	**57,195**
Non-current		
Long service leave	90,983	70,720
Total non-current staff benefits	**90,983**	**70,720**
Total staff benefits	**159,532**	**127,915**

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.

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

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

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

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.

21.2 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 DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of staff departures and periods of service. These assumptions are based on staff data over SA Government entities and the health sector across government.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 2018 (2.79%) to 2019 (1.25%). This decrease of the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of $15.146 million, payables (employee on-costs) of $0.452 million and staff benefits expense of $15.598 million. The impact on the 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.

The actuarial assessment performed by the DTF left the salary inflation rate at 4.00% for long service leave and decreased the salary inflation rate from 3.00% to 2.20% for annual leave and skills, experience and retention leave liability. The net financial effect of the change in the salary inflation rate in the current financial year is a decrease in the annual leave liability of $0.344 million, skills and experience retention leave liability of $0.023 million, payables (employee on-costs) of $0.037 million and staff benefits expense of $0.404 million.

22. Provisions

	Note	2019 $'000	2018 $'000
Current			
Workers compensation	22.1	2,248	2,156
Total current provisions		2,248	2,156
Non-current			
Workers compensation	22.1	2,688	3,486
Total non-current provisions		2,688	3,486
Total provisions		4,936	5,642

22.1 Workers Compensation

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

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

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2019 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment . The provision is for the estimated cost of ongoing payments to staff as required under current legislation. There is a high level of uncertainty as to the valuation of the liability (including future claim costs). The liability covers claims incurred but not yet paid, incurred but not reported and the anticipated direct and indirect costs of settling these claims. The liability for outstanding claims is measured as the present value of the expected future payments reflecting the fact that all claims do not have to be paid in the immediate future.

Workers compensation non-statutory provision
Additional insurance/compensation arrangements for certain work related injuries have been introduced for most public sector employees through various enterprise bargaining agreements and industrial awards. This insurance/compensation is intended to provide continuing benefits to non-seriously injured workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme.

The workers compensation non-statutory provision is an actuarial assessment of the outstanding claims liability, provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. There is a high level of uncertainty as to the valuation of the liability (including future claim costs), this is largely due to the enterprise bargaining agreements and industrial awards being in place for a short period of time and the emerging experience is unstable. The average claim size has been estimated based on applications to date and this may change as more applications are made. As at 30 June 2019, the Hospital recognised a workers compensation non-statutory provision of $0.320 million ($0.236 million).

Reconciliation of workers compensation(statutory and non-statutory)

	2019 $'000	2018 $'000
Carrying amount at the beginning of the period	5,642	8,165
Increase / (Decrease) in provisions recognised	(84)	(1,795)
Reductions arising from payments/other sacrifices of future economic benefits	(622)	(728)
Carrying amount at the end of the period	4,936	5,642

23. Other liabilities

	2019 $'000	2018 $'000
Current		
Unearned revenue	181	85
Other	6	8
Total current other liabilities	187	93
Total other liabilities	187	93

24. Cash flow reconciliation

Reconciliation of cash and cash equivalents at the end of the reporting period	2019 $'000	2018 $'000
Cash and cash equivalents disclosed in the Statement of Financial Position	11,007	28,350
Cash as per Statement of Financial Position	**11,007**	**28,350**
Balance as per Statement of Cash Flows	**11,007**	**28,350**
Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash provided by (used in) operating activities	(4,943)	15,095
Revenues from SA Government	(665,924)	(627,371)
Add/less non-cash items		
Capital revenues	-	3,043
Depreciation and amortisation expense of non-current assets	(30,175)	(27,890)
Gain/(loss) on sale or disposal of non-current assets	(34)	(33)
Net effect of the adoption of new Accounting Standard	46	-
Resources received free of charge	-	74
Movement in assets and liabilities		
Increase/(decrease) in receivables	524	78
Increase/(decrease) in inventories	21	44
(Increase)/decrease in staff benefits	(31,617)	(11,801)
(Increase)/decrease in payables and provisions	2,993	1,431
(Increase)/decrease in other liabilities	(94)	(90)
Net cost of providing service	**(729,203)**	**(647,420)**

Cash and cash equivalents in the Statement of Cash Flows consist of cash and cash equivalents as per the Statement of Financial Position.

25. Unrecognised contractual commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources, and are disclosed at their nominal value. Unrecognised contractual commitments are disclosed net of the amount of GST recoverable or payable. If GST is not recoverable or payable, the commitments are disclosed on a gross basis.

25.1 Operating lease expenditure commitments

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:	2019 $'000	2018 $'000
Within one year	4,688	4,569
Later than one year but not longer than five years	15,878	16,411
Later than five years	42,632	46,352
Total operating lease commitments	**63,198**	**67,332**
Representing:		
Non-cancellable operating leases	63,198	67,332
Total operating lease commitments	**63,198**	**67,332**

The Hospital has a number of lease agreements. Lease terms vary in length. Each lease agreement has renewal options for a determined period, exercisable by both the lessor and lessee. The majority of the operating lease arrangements are for the use of properties.

25.2 Expenditure commitments

Expenditure commitments	2019 $'000	2018 $'000
Within one year	4,831	4,780
Later than one year but not longer than five years	1,379	572
Total expenditure commitments	**6,210**	**5,352**

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

26. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed within this note and, if quantifiable, are measured at nominal value.

26.1 Contingent Assets
The Hospital is not aware of any contingent assets.

26.2 Contingent Liabilities
The Hospital is not aware of any contingent liabilities.

26.3 Guarantees
The Hospital has made no guarantees.

27. Events after balance date

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue, where the events relate to a condition which arose after 30 June, and which may have a material impact on the results of subsequent years.

As discussed in Note 2, the Hospital's Governing Board commenced 1 July 2019. The Hospital is not aware of any material events occurring between the end of the reporting period and when the financial statements were authorised.

28. Impact of Standards not yet implemented

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

28.1 AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-For- Profit Entities*

The Hospital will adopt these standards from 1 July 2019.

AASB 15 establishes a comprehensive framework for determining the nature, amount and timing of revenue arising from contracts with customers. The objective of AASB 15 is for revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods and services. This standard replaces AASB 111 Construction Contracts and AASB 118 Revenue.

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit entities, in conjunction with AASB 15. This standard replaces parts of AASB 1004 Contributions.

Adopting AASB 15 and AASB 1058 is expected to have an immaterial impact on the timing and recognition of revenue of the Hospital.

The Hospital has completed an extensive review of all revenue streams to ensure compliance with AASB 15 and AASB 1058, and assessed the impact on the nature, amount and timing of revenue recognition as:

- Revenues from SA Government (94.2%) will continue to be recognised as income when the Hospital obtains control of the funds (i.e. upon receipt).
- Interest income will continue to be recognised via AASB 9.
- Resources received free of charge (0.4%) relates to contributed services and contributed assets. Material contributed services will continue to be recognised where they would have been purchased if they were not donated via AASB 1058 (previously AASB 1004). Where contributed assets do not have sufficiently specific performance obligations these will continue to be accounted for as a donation via AASB 1058 (previously AASB 1004) e.g. donated inventory.
- All material Commonwealth revenues and other grants (0.5%) have been assessed, and will continue to be recognised as service/performance obligations are satisfied, or alternatively where there are no service obligations upon receipt. There are no material changes to the timing of grant income recognition.
- All material Fees and Charges (4.2%) have been assessed and revenue will continue to be recognised as the service/performance obligations are satisfied.
- Taxes, rates and fines will continue to be recognised as income when the taxable event occurs.
- Peppercorn lease arrangements will continue to be recognised at nominal amounts until the AASB develops valuation guidance.

Revenue earned in prior periods but not yet receivable will be recorded as a contract asset (currently recorded as an accrual) in the Statement of Financial Position. Revenue received in prior periods but not yet earned will be is recorded as a contract liability (currently recorded as unearned revenue) in the Statement of Financial Position. It is expected that adoption of AASB 15 and AASB 1058 will have an immaterial impact on the Statement of Financial Position.

As per the Accounting Policy Statements, the Hospital will apply AASB 15 and AASB 1058 retrospectively with the cumulative effect of initially applying the standard recognised at 1 July 2019 (comparatives will not be restated); not apply the completed contract expedient; and not recognise volunteer services when the services would not have been purchased if they had not been donated.

28.2 AASB 16 *Leases*

The Hospital will adopt this standard from 1 July 2019. This standard replaces AASB 117 *Leases* and Interpretations 4, 115 and 127.

AASB 16 largely retains the current lessor accounting model but introduces a single lessee accounting model. It requires a lessee to recognise assets (representing rights to use the underlying leased asset) and liabilities (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying asset value is low. In effect, the majority of leases presently classified as operating leases will be recognised in the Statement of Financial Position.

The right of use asset will initially be recognised at cost and will give rise to a depreciation expense. The lease liability will initially be recognised as the present value of the lease payments during the term of the lease. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. These payments will now reduce the recognised liability over time and the finance charge component recognised as an expense.

The Hospital has assessed the impact on the Statement of Financial Position of adopting AASB 16 with the transition requirements outlined in the APS. As per the APS, the Hospital will apply AASB 16's transition approach only to those leases already identified as a lease under AASB 117; and apply incremental borrowing rates based on SAFA's rates for principal and interest loans to SA Government agencies.

AASB 16 will have a material impact on the Statement of Financial Position. The Hospital has assessed the estimated impact of this change and the results as at 1 July 2019. The impact is set out below:

Statement of Financial Position Impact 1 July 2019	$,000
Assets	
Right of Use Assets	47,452
Liabilities	
Lease Liabilities	(47,452)
Net Impact on Equity	**-**

AASB 16 will also impact the Statement of Comprehensive Income. The impact is largely a reclassification between supplies and services expenses and depreciation and interest expenses, as set out below:

Statement of Comprehensive Income Impact 1 July 2019	$,000
Depreciation and amortisation	3,807
Supplies and services	(4,688)
Borrowing Costs	1,376
Net Impact on Net Cost of Providing Services	**495**

As per the Accounting Policy Statements, the Hospital will apply AASB 16 retrospectively with the cumulative effect of initially applying the standard recognised at 1 July 2019 (comparatives will not be restated); not apply AASB 16 to contracts that were not previously identified as containing a lease under AASB 117; not transition operating leases for which the lease term ends before 30 June 2020.

In addition, the Hospital will not apply AASB 16 to intangible assets; will adopt a $15,000 threshold for determining whether an underlying asset is a low value asset, will apply the short term lease recognition exemption; will adopt the revaluation model where permitted; will apply the relevant lessee's incremental borrowing rate published by DTF; and not record at fair value leases that have significantly below-market terms and conditions.

29. Financial instruments/financial risk management

29.1 Financial risk management

Risk management is managed by the Hospital's Risk and Assurance Services section and 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 Principles and 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 Department. The Department 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 note 1.5 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 14 and 15 for further information.

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

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

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

Classification applicable from 1 July 2018 under AASB 9
The carrying amounts of financial assets and liabilities were categorised as: financial assets measured at amortised cost; financial assets measured at fair value through profit or loss; financial assets measured at fair value through other comprehensive income; and financial liabilities measured at amortised cost are detailed below. All of the resulting fair value estimates are included in Level 2 as all significant inputs required are observable.

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

The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes 15 and 20).

Category of financial asset and financial liability	Notes	2019 Carrying amount/ Fair value $'000	2018 Carrying amount/ Fair value $'000
Financial assets			
Cash and equivalent			
Cash and cash equivalents	14,24	11,007	28,350
Amortised cost			
Receivables [1][2]	15	7,027	6,124
Total financial assets		**18,034**	**34,474**
Financial liabilities			
Financial liabilities at amortised cost			
Payables [1]	20	12,214	13,695
Other liabilities	23	6	8
Total financial liabilities		**12,220**	**13,703**

Comparative amounts shown above reflect reclassification in accordance with AASB 9, refer to note 1.8 for categories under AASB 139.

[1] Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth taxes; Auditor-General's Department audit fees etc.). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements 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 (not materially different from amortised cost).

[2] Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 15 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

29.3 Credit risk exposure and impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. A provision matrix is used to measure the ECL of receivables from non-government debtors. The ECL of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties. Impairment losses are presented as net impairment losses within net result.

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

To measure the ECL, receivables are grouped based on days past due and debtor types that have similar risk characteristics and loss patterns (i.e. by patient and sundry, compensable). The provision matrix is initially based on the Hospital's historical observed default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The Hospital considers reasonable and supportable information that is relevant and available without undue cost or effort; about past events, current conditions and forecasts of future economic conditions.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Hospital's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

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

	30 June 2019			1 July 2018 (remeasurement)		
	Expected credit loss rate(s)	Gross carrying amount	Expected credit losses	Expected credit loss rate(s)	Gross carrying amount	Expected credit losses
	%	$'000	$'000	%	$'000	$'000
Days past due						
Current	1.5-4.8%	2,064	36	1.6-6.2%	2,644	44
<30 days	2.2-7.6%	1,810	43	2.5-10.3%	1,020	31
31-60 days	4.3-10.9%	470	24	4.6-15%	687	32
61-90 days	8.2-12.3%	317	27	8.1-17%	342	30
91-120 days	12.4-14.1%	279	34	12.2-18.7%	105	14
121-180 days	16.8-17.8%	244	43	17.4-21.1%	162	29
181-360 days	31.9-35.5%	845	298	29-30.7%	339	99
361-540 days	70%	263	184	59.8-61.5%	214	131
>540 days	89.9-100%	457	420	81.4-100.0%	470	412
Total		**6,749**	**1,109**		**5,983**	**822**

30. 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 13), and incurred expenditure via the Department for medical, surgical and laboratory supplies, insurance and computing (note 4). The Department transferred capital works in progress of $7.446 million ($3.043 million) to the Hospital. The Hospital incurred significant expenditure with the Department of Planning, Transport and Infrastructure (DPTI) for property repairs and maintenance of $11.748 million ($10.642 million) and capital works of $1.002 million ($1.144 million) (note 4). As at 30 June, the outstanding balance payable to DPTI was $1.470 million ($0.741 million) (note 20).

In addition, the Hospital has lease arrangements (both as lessee and as lessor) with other SA Government controlled entities. These premises are provided/received at nil or nominal rental with outgoings such as utilities being paid by the lessee.

31. 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 124B were:

Board/Committee name:	Government employee members	Other members
Northern Adelaide Local Health Network Consumer Advisory Board	4	White A (Chair), Mossop J, Whatley G, Green L, Turner M (cessation 22/1/2019) Clark Reynolds N, (appointed 1/7/2018) Lowden H, Davies I, Putsey P, Moffatt N
Northern Adelaide Local Health Network Governing Council	1	Hains S (Presiding Member), Durrant M, Isemonger J, Lampard F, Smith J, Wilson B , Moffat N, Vinci G, Frost M
Northern Adelaide Local Health Network Transition Board (Commencing 28 March 2019 and expiring 30 June 2019) (1)	-	Blight R (Chair) (appointed 3/8/2018), Burgess A, (appointed 23/3/2019), Roesler C, (appointed 23/3/2019), Patetsos M, (appointed 23/3/2019), Forwood M, (appointed 23/3/2019), South L, (appointed 23/3/2019), Lampard F, (appointed 23/3/2019)
Northern Adelaide Local Health Network Risk Management & Audit Committee	-	Connor G (Chair), Penn G (cessation 27/2/2019), Smith J, Alison A

Refer to note 3.2 for remuneration of board and committee members.

(1) The Governing Board in its transitional advisory capacity until formal commencement as a Board on 1/7/2019.

32. Schedules of administered funds

32.1 Basis of preparation

The basis of preparation for the Schedule of administered items is the same as the basis outlined in note 1.

32.2 Categories of administered items

Private Practice Funds represents 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.

Consumer Funds represents funds held by the Hospital on behalf of consumers that reside in a Hospital facility whilst the consumer is receiving residential mental health services. The Hospital performs only a custodial role in respect of these funds.

The Hospital cannot use these administered funds for the achievement of its objectives.

Other administered items includes the Nurses Education Fund only.

32.3 Administered contingent assets and liabilities

The Hospital has no administered contingent assets and liabilities.

32.4 Schedules

Schedule of Administered Expenses and Income

	Private Practice		Consumer Funds		Other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Administered expenses								
Supplies and services	-	-	-	-	44	46	44	46
Other expenses	9,561	6,255	125	529	-	-	9,686	6,784
Total administered expenses	**9,561**	**6,255**	**125**	**529**	**44**	**46**	**9,730**	**6,830**
Administered income								
Revenue from fees and charges	10,006	7,171	-	-	-	-	10,006	7,171
Other revenue	-	-	114	421	59	55	173	476
Total administered income	**10,006**	**7,171**	**114**	**421**	**59**	**55**	**10,179**	**7,647**
Net result	**445**	**916**	**(11)**	**(108)**	**15**	**9**	**449**	**817**

Schedule of Administered Assets and Liabilities

	Private Practice		Consumer Funds		Other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Administered current assets								
Cash and cash equivalents	539	684	223	233	183	168	945	1,085
Receivables	1,563	974	-	-	-	-	1,563	974
Total Administered current assets	**2,102**	**1,658**	**223**	**233**	**183**	**168**	**2,508**	**2,059**
Total administered assets	**2,102**	**1,658**	**223**	**233**	**183**	**168**	**2,508**	**2,059**
Net administered assets	**2,102**	**1,658**	**223**	**233**	**183**	**168**	**2,508**	**2,059**

Schedule of Administered Cash Flows

	Total 2019 $'000	Total 2018 $'000
Cash flows from operating activities		
Cash inflows		
Fees and charges	9,417	6,549
Other revenue	173	506
Total Cash inflows	**9,590**	**7,055**
Cash outflows		
Supplies and services	44	46
Other payments	9,686	6,801
Total Cash outflows	**9,730**	**6,847**
Net cash inflows/cash outflows from operating activities	**(140)**	**208**
Net increase/(decrease) in cash held	**(140)**	**208**
Cash at the beginning of the reporting period	1,085	877
Cash at the end of the reporting period	**945**	**1,085**