

OFFICIAL



**Government
of South Australia**

**YORKE AND NORTHERN LOCAL HEALTH
NETWORK
2021-2022 Annual Report**

YORKE AND NORTHERN LOCAL HEALTH NETWORK

The Terrace (PO Box 546), Port Pirie, South Australia 5540

[Yorke and Northern Local Health Network](#)

Contact phone number: 08 8638 4500

Contact email: Health.YNLHNCEOCorrespondence@sa.gov.au

ISSN: 2652-6700

Date approved by the Board: 28 September 2022

Date presented to Minister: 29 September 2022

OFFICIAL

To:

Hon Chris Picton MP

Minister for Health and Wellbeing

This annual report will be presented to Parliament to meet the statutory reporting requirements of Health Act 2008 and the Health Care (Governance) Amendment Act 2021 and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

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

Submitted on behalf of the YORKE AND NORTHERN LOCAL HEALTH NETWORK INC. by:


Roger Kirchner

Chief Executive Officer

Yorke and Northern Local Health Network

Date 28 September 2022

Signature

 _____


John Voumard

Chair

Yorke and Northern Local Health Network Governing Board

Date 28 September 2022

Signature

 _____

Acknowledgement to Traditional Custodians

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

From the Governing Board Chair



The Yorke and Northern Local Health Network (YNLHN) Governing Board are immensely proud of the 2021-2022 organisational achievements during another challenging year of the COVID-19 pandemic.

During such challenges, you would expect organisational performance and quality of care to suffer. Yet, in the YNLHN, we, the Board, have witnessed remarkable resilience, camaraderie, and collaboration from all who work, volunteer and partner in our Local Health Network.

In line with our commitment to deliver on the requirements of the Health Care (Governance) Amendment Act 2018, we have made significant headway on our five-year YNLHN Strategic Plan, Consumer and Community Engagement Strategy and Clinician Engagement Strategy.

We have seen new initiatives, programs, and service plans advance across the YNLHN, ensuring we continue growing our services to meet future local health needs.

2021-2022 achievements include.

- Pricewaterhouse Coopers (PwC) was engaged to partner with the YNLHN to develop an Aged Care Operational Business Model. This plan will ensure the sustainability of our YNLHN aged care services whilst aligning with Commonwealth reforms.
- Implementation of YNLHN Consumer and Community Engagement Strategy priorities, further embedding a culture that values consumer and community engagement.
- Development of a YNLHN Rehabilitation Model of Care to provide flexible and responsive rehabilitation services across the YNLHN. The establishment of the new YNLHN Rehabilitation Service is underway.
- Development of overarching 5–10-year health service plans for Mid North Health Services and Balaklava Soldiers' Memorial District Hospital.
- Implementation of health service plans in Wallaroo, Port Pirie, Clare, and Community & Allied Health services.
- Establishment of a formal partnership with the Northern Adelaide Local Health Network (NALHN), resulting in access to surgical and geriatrics services for people in Port Pirie and surrounding communities.

Additionally, considerable work is underway embedding an effective YNLHN Quality Framework and enhancing Nursing Safety & Quality Clinical Outcome Improvements.

A substantial challenge across the YNLHN and broadly in regional South Australia is the provision of rural GPs in our rural communities. The YNLHN Governing Board continues to work with leadership to support the development of a long-term solution. In 2022, we were pleased to announce a new contract with Goyder's Line Medical Peterborough, which will continue to provide general practice and hospital-based service in Peterborough Soldiers Memorial Hospital. In addition, the Governing Board and leadership continue identifying alternative medical models, such as the Wallaroo Medical Model, to enable communities access to GPs in the region.

As a Board, we strive to deliver effective governance and oversight and empower the leadership team and staff to have the best possible impact on the health outcomes for Yorke and Northern communities. Therefore, I thank YNLHN Board members; Glenise Coulthard AM, Liz Malcolm, Julianne Badenoch, John O'Connor, and David Banham for their incredible leadership, dedication, and commitment to supporting the success of the YNLHN.

Lastly, thank you to Chief Executive Officer Roger Kirchner, Executive members, YNLHN employees, medical officers, volunteers, Health Advisory Councils, and our partners for your exceptional contribution and for going above and beyond to support the best health outcomes for Yorke and Northern communities.



John Voumard

Chair

Yorke and Northern Local Health Network Inc. Governing Board

From the Chief Executive



Another year has passed, and the YNLHN has continued to experience immense challenges during the COVID-19 response. However, our workforce has persevered and delivered high-quality care amidst significant staff furlough pressures and sustained community transmission in the Yorke and Northern communities.

In 2022, the organisation celebrated its third anniversary by holding its inaugural YNLHN Excellence Awards Gala Event. The event was a fantastic opportunity to recognise and celebrate our workforce and partners and showcase the achievements to date.

Significant events in the YNLHN this year include:

- The YNLHN COVID Services Team provided 51,924 COVID vaccinations and conducted 43,319 COVID-19 tests in Yorke and Northern communities.
- Endorsement of a YNLHN Rehabilitation Model of Care. The YNLHN Rehabilitation Service will be delivered in partnership with the Northern Adelaide Local Health Network (NALHN), utilising their expert knowledge and skills to support the implementation of the service. The service is expected to be available to Yorke and Northern residents in early 2023.
- Launch of a Surgical Outreach Service for anyone living in the YNLHN. The Surgical Outreach Service is due to a new partnership between the NALHN and the YNLHN.
- Implementation of a Regional Psychology Service providing clinically effective and accessible specialised therapy service for consumers who would otherwise be unable to access treatment.
- An exceptional COVID-19 response for the Point Pearce community. During a concerning community outbreak, the Aboriginal Health Team (Southern) worked with Government and non-government organisations to provide interventions that enabled Point Pearce families to stay safely in their homes and the community.
- The launch of the inaugural YNLHN 2021-2026 Clinician Engagement Strategy.
- The launch of a new Rheumatology Clinic, partnering with a team of Rheumatologists who practice at the Queen Elizabeth Hospital in Adelaide.
- An evaluation of the YNLHN Midwifery Model of Care resulted in the pilot model transitioning to a permanent model of midwifery practice within the YNLHN.
- A five-year Balaklava Service Plan was endorsed and released.

- The successful recruitment of two Aboriginal Health strategic project positions, focusing on an Aboriginal Family Birthing Program and Closing the Gap targets over the next three years.
- The completion and official opening of the Lumeah Homes residential aged care facility refurbishment in Snowtown.
- The five-year Mid-North Health Services Plan was developed.
- The YNLHN has partnered with Riverland SA Public Health to implement Medical Officer Training program in the LHN. A Trainee Registrar has been appointed to the Environmental Health Centre to begin the initiative.
- The commencement of the overarching YNLHN Clinical Service Plan. The YNLHN Clinical Services Plan will determine the key priorities and areas of focus for YNLHN clinical services and clinical service delivery as we move forward for the next five-year period.
- A new specialised software application, ShiftMatch, was implemented to streamline and coordinate the placement of Nurses, Midwives, Assistants in Nursing (AINs) and carers in the YNLHN. This application is the first of its kind in South Australia.
- A new contract was finalised with Goyder's Line Medical Peterborough, securing general practice and hospital-based services at Peterborough Soldiers' Memorial Hospital.
- Three 2022 South Australian Nursing and Midwifery Award finalists were announced, i.e., Maria Cummings and Naomi Henderson from Jamestown and YNLHN COVID Services.

The YNLHN is a relatively young organisation still building its foundations amongst unprecedented challenges. Still, our workforce has remained resilient and committed to protecting and caring for our consumers and communities.

I want to express my gratitude to the dedicated staff, YNLHN Governing Board, Health Advisory Councils, our doctors, partners and volunteers and recognise their achievements to date.

Each year we take steps to achieve our vision “to be leaders in exceptional rural health care”. We collaboratively continue to rise above the challenges and uphold our organisation's values by delivering best practice healthcare to our communities.



Roger Kirchner

Chief Executive Officer

Yorke and Northern Local Health Network

Contents

Overview: about the agency **10**

 Our strategic focus 10

 Our organisational structure 11

 Changes to the agency 11

 Our Minister 12

 Our Executive team 12

 Legislation administered by the agency 14

 Other related agencies (within the Minister’s area/s of responsibility)..... 14

The agency’s performance **15**

 Performance at a glance 15

 Agency response to COVID-19 16

 Agency contribution to whole of Government objectives 18

 Agency specific objectives and performance 19

 Corporate performance summary 21

 Employment opportunity programs 21

 Agency performance management and development systems 22

 Work health, safety and return to work programs 22

 Executive employment in the agency 24

Financial performance **25**

 Financial performance at a glance 25

 Consultants disclosure 25

 Contractors disclosure 26

Risk management..... **28**

 Risk and audit at a glance 28

 Fraud detected in the agency 28

 Strategies implemented to control and prevent fraud 28

 Public interest disclosure 29

Reporting required under any other act or regulation **30**

Public complaints..... **31**

 Number of public complaints reported 31

 Additional Metrics 32

 Service Improvements 33

Compliance Statement..... 34

Appendix: Audited financial statements 2021-22..... 35

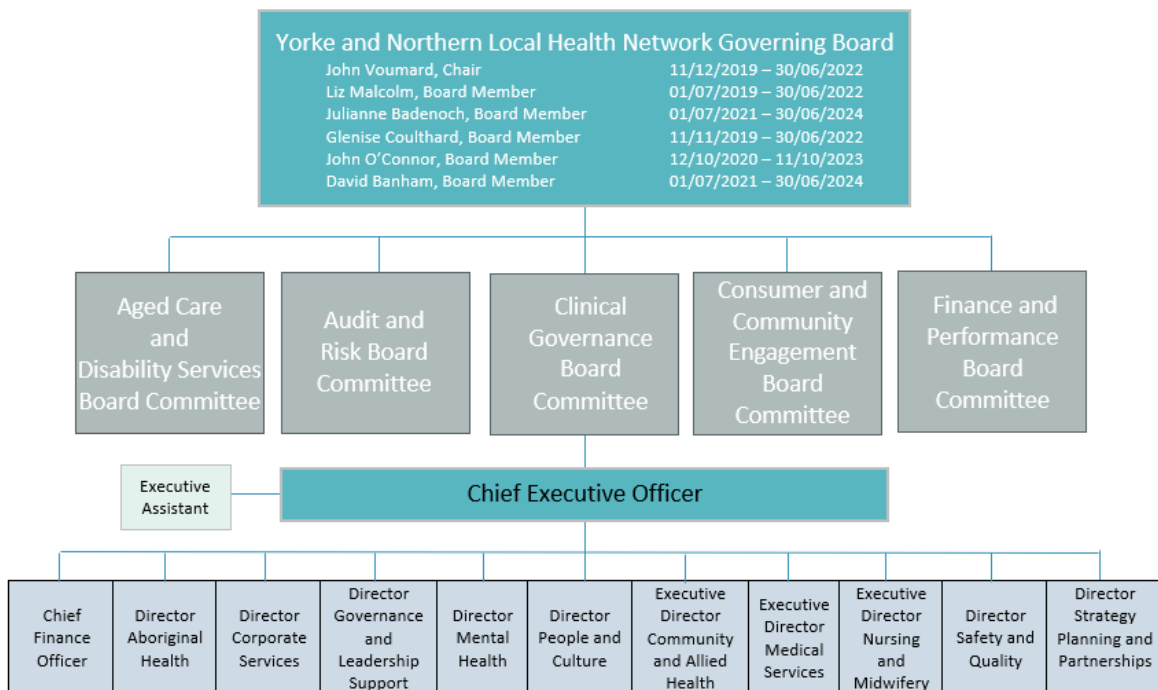
Overview: about the agency

Our strategic focus

<p>Our Purpose</p>	<p>To deliver safe, high-quality, holistic services that improve the health and wellbeing for all in the Yorke and Northern communities.</p>
<p>Our Vision</p>	<p>Leaders in exceptional rural healthcare.</p>
<p>Our Values</p>	<p>Equity: <i>We are passionate about fairness in our communities and respect cultural diversity.</i></p> <p>Integrity: <i>We own our actions and are true to others and ourselves.</i></p> <p>Care: <i>We treat people with respect and dignity.</i></p> <p>Excellence: <i>We strive for excellence in the delivery of our services.</i></p> <p>Engagement: <i>We genuinely listen to each other and involve our communities to shape our network.</i></p> <p>Innovation: <i>We actively seek new ways of doing things and make them happen.</i></p>
<p>Our functions, objectives and deliverables</p>	<p>The YNLHN provides a range of acute, non-admitted, residential aged care, community, allied health and mental health services to the residents and communities of the Yorke and Northern region of South Australia.</p> <p>We design and deliver our services based on population needs, with a strong focus on integrating our service delivery with metropolitan hospitals and other service providers in regional locations.</p> <p>YNLHN’s strategic priorities are to:</p> <ul style="list-style-type: none"> • Provide care responsive to the needs of our communities. • Creatively design quality services. • Have a skilled, engaged, collaborative workforce. • Develop partnerships for healthier communities. • Optimise digital technology and innovation. <p>YNLHN’s key deliverables are to:</p> <ul style="list-style-type: none"> • Strive for a high-quality, integrated network through sound governance and continuous improvement. • Collaborate and co-design our services and models of care to deliver culturally safe, innovative, effective

	<p>and best practice care for our communities.</p> <ul style="list-style-type: none"> • Have a vibrant and collaborative workforce underpinned by common goals and a cohesive service offering fulfilling career pathways. • Foster partnerships to support the interconnected delivery of health and wellness services across our communities. • Embrace and maximise the use of digital technology to enhance our ability to deliver the best possible health care.
--	--

Our organisational structure



Changes to the agency

During 2021-22 the following changes to the agency’s structure and objectives were implemented as a result of internal reviews or machinery of government changes.

- New Director Strategy Planning and Partnerships appointed.
- New Director Safety and Quality appointed.

Our Minister



The Hon. Chris Picton MP is the Minister for Health and Wellbeing in South Australia. The Minister oversees health, wellbeing, mental health, ageing well, substance abuse and suicide prevention.

Our Executive team

Chief Executive Officer

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

Chief Finance Officer

Vincent Bellifemini is responsible for providing comprehensive financial management, analysis, reporting and debt management function across YNLHN.

Director Aboriginal Health

Patrick Kinnear is responsible for providing high-level strategic leadership for Aboriginal Health Services across the YNLHN. This includes supporting the development and implementation of strategies to increase the Aboriginal workforce, providing direction and support to enhance the delivery of services to Aboriginal people, and developing strategies to ensure our services' cultural competence.

NB: Patrick resigned from YNLHN effective 16 June 2022.

Director Corporate Services

Robert Large is responsible for managing a broad range of high-level, critical corporate and business functions that support the effective operation of all sites in the YNLHN. This includes capital works, asset management, business continuity planning and emergency management.

Director Governance and Leadership Support

Kim Maurits is responsible for providing high-quality and timely support to the Chief Executive Officer, the Governing Board and the board standing committees. The role strongly focusses on performance, effectiveness, and relevant legislative compliance. In addition, it is responsible for the functions of the Office of the Chief Executive Officer, Freedom of Information, and Communications.

NB: Kim undertook this role from 27 October 2021 to 17 June 2022.

Director Mental Health

Judy O'Sullivan leads mental health services across the YNLHN, with teams based in Clare, Port Pirie and Kadina. The role is responsible for delivering mental health services and complex mental health reform projects in line with state-wide directions in collaboration with the Rural and Remote Mental Health Service.

NB: Judy undertook this role from 27 September 2021 to 31 August 2022.

Director People and Culture

Michael Davis manages the People and Culture Directorate, which encompasses the Human Resource and Work Health and Safety functions.

These teams are responsible for providing expert advice and practical support to managers and staff and providing a range of reports to support the delivery of YNLHN strategic and operational objectives.

Executive Director Community and Allied Health

Melissa Koch is responsible for efficiently and effectively managing a range of community and hospital-based Community and Allied Health services across the YNLHN. This includes the Environmental Health Centre, Aboriginal Health and Country Health Connect.

Executive Director Medical Services

Dr Viney K. Joshi is responsible for ensuring the delivery of safe, high-quality medical, surgical and specialist services to sites in the YNLHN.

Executive Director Nursing and Midwifery

Michael Eades is responsible for delivering a range of services across the YNLHN, including Nursing and Midwifery, Acute Care Services, Residential Aged Care services, Quality Risk and Safety and management of the YNLHN COVID-19 response.

Michael also leads the Executive Officers/Directors of Nursing from 16 health services sites, including Residential Aged Care facilities across the YNLHN, along with the Midwifery Model of Care and nursing and midwifery corporate functions of education and staff management.

Director Safety and Quality

Fiona Murray is responsible for the Safety and Quality Strategy across the YNLHN, including leading the Safety and Quality team, which monitors the safety and quality systems, and framework and supports sites in implementing safety and quality initiatives. In addition, Fiona provides strategic direction to the YNLHN to meet all accreditation requirements for Aged Care, Community, NDIS and the National Standard accreditation processes.

NB: Fiona began this role on 26 May 2022.

Director Strategy Planning and Partnerships

Brett Humphrys is responsible for leading strategic oversight and directions for Yorke and Northern Local Health Network, ensuring that strategies are innovative, effective and vision based. The role leads the organisation's capability for change and continuous improvement through strategic and health service planning oversight.

Legislation administered by the agency

Nil.

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

Department for Health and Wellbeing

Barossa Hills Fleurieu Local Health Network

Central Adelaide Local Health Network

Commission on Excellence and Innovation in Health

Controlled Substances Advisory Council

Country Health Gift Fund Health Advisory Council Inc.

Regional Health Advisory Councils (39 across South Australia)

Eyre and Far North Local Health Network

Flinders and Upper North Local Health Network

Health and Community Services Complaints Commissioner

Health Performance Council

Health Services Charitable Gifts Board

Limestone Coast Local Health Network

Northern Adelaide Local Health Network

Pharmacy Regulation Authority of South Australia

Riverland Mallee Coorong Local Health Network

SA Ambulance Service

SA Ambulance Service Volunteers' Health Advisory Council

SA Medical Education and Training Health Advisory Council

South Australian Public Health Council

Southern Adelaide Local Health Network

Wellbeing SA

Women's and Children's Health Network

Veterans' Health Advisory Council

The agency’s performance

Performance at a glance

In 2021-22 the YNLHN achieved the following key performance areas:

- Meeting targets for the following Tier 1 and Tier 2 SA Health Service Level Agreement Key Performance Indicators:
 - Elective Surgery Overdue Patients – Category 1
 - Healthcare Associated SAB Infection Rate
 - Hospital Acquired Complication Rate
 - Consumer Experience: Feeling Cared About by Staff
 - Maternity – HAC Rate 3rd and 4th Degree Perineal Tears
 - Elective Surgery Timely Admissions Category 2 and 3
 - Excess Annual Leave
 - Healthcare Associated MRSA Infection Rate
 - Unplanned/Unexpected Hospital Readmissions for Selected Elective Procedures within 28 days.
- Delivering investment on capital upgrades and equipment in country hospitals and health services.
- Increased Home Care Packages
- Increased Chemotherapy services
- Increased Renal Dialysis services.

The YNLHN Governing Board held 11 sessional meetings during the reporting period. Member attendance was as follows:

Board Member	Meetings attended
John Voumard (Chair)	11
Liz Malcolm	11
Julianne Badenoch	11
Glenise Coulthard	9
John O’Connor	11
David Banham	11

Agency response to COVID-19

The YNLHN, in conjunction with the Department for Health and Wellbeing, coordinated the COVID-19 response for the network. The response included the development of an Incident Management Team (IMT) led by the Chief Executive Officer (CEO). The Executive Director of Nursing and Midwifery (EDNM) was appointed as the Executive Lead for the LHN's COVID-19 response, and the remaining YNLHN Executive members formed the IMT. Each member of the IMT further coordinated aspects of the overall response. These included responses for acute care, aged care, primary and community care, logistics, workforce, communications, COVID Services, recovery and Aboriginal Health.

In the response, the YNLHN ensured that the local approach aligned with State and National response plans.

YNLHN assumed responsibility for all COVID-19 testing services in the network. Initially, three static services were established at Port Pirie, Maitland and Clare. These sites were managed and supported by staff from the COVID services team and local health services, where staffing was available. Furthermore, each local health service also provided COVID-19 testing services, supported by the YNLHN testing governance models. Each static and hospital service has responded to local demand as required and adjusted practice based on evolving evidence.

The YNLHN also took a lead role in providing vaccination services within the network. Initially, the YNLHN was the only provider of COVID-19 vaccinations until the primary care and pharmacy sectors commenced administering vaccines. The YNLHN Vaccination Services set up three static centres at Port Pirie, Clare and Wallaroo. The vaccination service also provided a hub and spoke model providing vaccination services to identified vulnerable communities in the first instance. As the vaccination model matured, the service commenced a structured mobile service. Working in partnership with the local Councils, the vaccination team set up a schedule to visit many communities in the network to ensure vaccination was accessible to all community members.

As part of the initial response, the vaccination team also provided a vaccination service to all consumers in the residential care services managed by the YNLHN.

Vaccination practices and vaccines change regularly, and the vaccination team are to be congratulated on maintaining contemporary knowledge to support the rapidly evolving training in vaccine administration.

Overall, the vaccination team provided 51,924 vaccinations by 30 June 2022

The YNLHN currently manages 15 residential care services defined by the Emergency Declaration. The services, led by the local Director of Nursing and Aged Care (IMT lead), introduced and maintained an outbreak management plan and robust screening and infection control practices. As a result, it is pleasing to note that the YNLHN did not have a transmission of COVID to a consumer in residential aged care until February 2022. This was a significant achievement, and the staff are to be congratulated on their diligence and response to consumer care and safety. In addition, this success enabled the services to maintain visitation and connection to family members and significant others, thereby reducing isolation.

Another notable achievement was the response to an outbreak at Point Pearce. The YNLHN COVID services team, YNLHN Aboriginal Health Services team, the Point

Pearce council and SAPOL worked in partnership to enable the community to self-manage their outbreak response and were supported to access testing and vaccination services. The strategy ensured successful management of COVID-19 in the community, resulting in a well-managed and contained the outbreak. This model continues to form the basis of the response in that community. All members of this response are to be congratulated on the outcomes achieved.

Finally, the YNLHN also set up a COVID Care centre as part of the later response. Initially based at Port Pirie, this centre provided all COVID-related inpatient services and same-day COVID treatments. This model was then extended to Wallaroo Hospital.

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	<p>Salaried Rural Generalist positions are available in Port Pirie and Wallaroo Hospitals with ongoing recruitment strategies.</p> <p>Implementation of a partnership with NALHN for intern rotations in Port Pirie Hospital Emergency Department and The Terrace GP practice in Port Pirie giving exposure to metropolitan interns to work in a country region.</p>
Lower costs	<p>Salaried positions will reduce the cost of a locum workforce.</p>
Better Services	<p>Development of a model of care and business case to provide a dedicated rehabilitation service based at the Wallaroo Hospital.</p> <p>Formal partnership with the Northern Adelaide Local Health Network to provide specialist services, including surgical services, Geriatrics and Palliative Care.</p> <p>Consumer and Community engagement implementation plan developed to implement the Consumer and Community Strategy 2020-2025. The most notable improvement has been expanding the consumer feedback mechanisms.</p> <p>Rheumatology services – Outreach Services from Queen Elizabeth Hospital.</p> <p>Introduction of the Mental Health Hospital Consultation Liaison Service in the Port Pirie and Wallaroo Hospitals to offer specialist integrated care for people presenting with mental health issues.</p> <p>Development of the Mental Health Alternative Care Service in Port Pirie to offer a co-delivered peer and clinical service as a trauma informed alternative to Emergency Department presentation for people with mental health distress.</p>

Agency specific objectives and performance

Agency objectives	Indicators	Performance
Hospital Services	Elective Surgery Overdue Patients	Target: 0 for all categories. Achievement: Category 1 =0 Category 2 = 1 Category 3 = 2
	Emergency Department Length of Stay >24 hours	Achievement: 0
	Hospital Acquired Complication Rate	Target: <=1.0% Achievement = 0.0%
	Healthcare Associated SAB Infection Rate	Target: <=1.0 Achievement = 0
	Healthcare Associated MRSA Infection Rate	Target: <=0.4 Achievement = 0
	Emergency Department activity	34,850 presentations
	Acute Inpatient activity	8,306 overnight patients 9,828 same-day patients 356 babies delivered (including 34 ATSI babies)
	Chemotherapy activity	2,319 services were provided across three sites (Clare, Port Pirie and Wallaroo)
	Renal Dialysis activity	3,628 services were provided across three sites (Clare, Maitland and Port Pirie)

Agency objectives	Indicators	Performance
Improving access to health services in our communities	Community, Nursing and Allied Health Service activity	23,963 referrals were received A total of 414,233 services were provided
	Potentially Preventable Admissions	Target: <=8.0% Achievement = 10.37%
	National Disability Insurance Scheme (NDIS) program activity	Active NDIS clients as of 30 June 2022: 112 children 103 adults
Aboriginal Health Programs	Aboriginal and Torres Strait Islanders – Left at own risk overnight	Target: <=4.5% Achievement = 3.9%
	Aboriginal and Torres Strait Islanders – Left at own risk – emergency department	Target: <=3.0% Achievement = 0%
	Workforce	Achievement = 2.8%
Continuous improvement of quality and safety	Consumer Experience – Involved in Decision Making	Target: >=85% Achievement = 83%
	Consumer Experience: Feeling Cared About by Staff	Target: >=85% Achievement = 88%
	Safety Assessment Code (SAC) 1 and 2 incidents	Total SAC 1 & 2 incidents for 2021-22 = 26
Aged Care	Aged Care Assessment Program (ACAP) assessments	Target (YTD June 2022): 770 Achievement (YTD June 2022) = 674
	Commonwealth Home Support Program (CHSP)	Achievement (YTD June 2022) = 82.55%

Agency objectives	Indicators	Performance
		4,334 services provided
	Home Care Packages	2,542 packages provided
	Residential Aged Care Occupancy	2021-22 average occupancy = 77.6%

Corporate performance summary

In 2021-22 the YNLHN achieved key performance outcomes, including:

- Completion of Service Plans for:
 - Balaklava Soldier's Memorial District Hospital
 - Mid North Health (Booreroo Centre District Hospital and Health Service; Jamestown Hospital and Health Service; Orroroo and District Health Service; Peterborough Soldiers' Memorial Hospital and Health Service); and
 - Community and Allied Health Services
- The official opening of the \$3.4m Lumeah Homes refurbishment
- Implementation of a Salaried Medical Model of Care at Wallaroo Hospital and Health Service

Employment opportunity programs

Program name	Performance
Aged Care Traineeships	A total of thirteen trainees commenced traineeships at YNLHN sites to support them in obtaining a Certificate III in Individual Support while gaining valuable on-the-job experience in residential aged care.
Skilling SA	Two administrative trainees commenced this financial year, working towards an appropriate business administration qualification. These trainees are supported under the Skilling SA program funding.
Enrolled Nurse Cadet Program	Four Enrolled Nurse Cadets commenced with the agency during the 2020/2021 financial year. These nurses will study toward a Diploma of Nursing while also working on site at YNLHN facilities.

Agency performance management and development systems

Performance management and development system	Performance
Performance Review and Development	1,126 YNLHN employees participated in the agency's Performance Review and Development process during the last financial year. This is equivalent to 65.66% of the YNLHN workforce

Work health, safety and return to work programs

Program name	Performance
Management of work-related injury	<p>The following has been achieved:</p> <ul style="list-style-type: none"> - 29% (\$121,808) increase in direct claims costs - 139% (\$226,205) increase in new claims costs - 114% (\$223,600) increase in cost of open claims - 105% (\$4,063) increase in average cost per new claim <p>YNLHN recovered a substantial sum from an MVA (\$215,031) during the 2020-21 financial year, which substantially impacts comparisons to the current financial year's performance.</p> <p>YNLHN has a collaborative approach to injury management practitioners, human resources practitioners, work health and safety practitioners and YNLHN Managers to support early intervention and proactive return to work. This is particularly important given the significant increase in new claims across the LHN and SA Health in general.</p>

Workplace injury claims	Current year 2021-22	Prior year 2020-21	% Change (+ / -)
Total new workplace injury claims	49	42	+16.7%
Fatalities	0	0	0.0%
Seriously injured workers*	0	0	0.0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	18.7	21.72	-13.6%

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

Work health and safety regulations	Current year 2021-22	Prior year 2020-21	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	1	6	-83.3%
Number of provisional improvements, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	5	-100%

Return to work costs**	Current year 2021-22	Prior year 2020-21	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$816,633	\$591,821	+38.0%
Income support payments – gross (\$)	\$299,412	\$254,250	+17.8%

**before third-party recovery

Data for previous years are available at: [Yorke and Northern Local Health Network \(YNLHN\) - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/yorke-and-northern-local-health-network)

Executive employment in the agency

Executive classification	Number of executives
SAES Level 1	1

Data for previous years are available at: [Yorke and Northern Local Health Network \(YNLHN\) - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/yorke-and-northern-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 summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2021-2022 are attached to this report.

Statement of Comprehensive Income	2021-22 Budget \$000s	2021-22 Actual \$000s	Variation \$000s	2020-21 Actual \$000s
Total Income	185,882	196,323	10,441	186,196
Total Expenses	192,663	205,132	(12,496)	185,524
Net Result	(6,781)	(8,809)	(2,028)	672
Total Comprehensive Result	(6,781)	(8,809)	(2,028)	672

Statement of Financial Position	2021-22 Budget \$000s	2021-22 Actual \$000s	Variation \$000s	2020-21 Actual \$000s
Current assets	-	35,967	-	34,768
Non-current assets	-	153,627	-	152,799
Total assets	-	189,594	-	187,567
Current liabilities	-	40,358	-	37,518
Non-current liabilities	-	19,682	-	20,743
Total liabilities	-	60,040	-	58,261
Net assets	-	129,554	-	129,306
Equity	-	129,554	-	129,306

Consultants disclosure

The following is a summary of external consultants that the agency has engaged, 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	\$16,930

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

Consultancies	Purpose	Actual payment (\$)
PricewaterhouseCoopers Consulting (Australia) Pty Ltd	Supply an Aged Care Strategic Project to deliver an Operational Business Model for Aged Care Services within YNLHN.	\$398,603
ZED Management Consulting	Development of Mental Health Clinical Services Plan 2022-2025	\$42,933
Quality Compliance and Innovation Pty Ltd	Community-Based Care - Review against Quality Standards	\$32,000
IMEDX Australia Pty Ltd	Coding Optimisation Audit	\$24,325
Aurora Meliora Pty Ltd	Culture Alignment Program	\$15,000
	Total	\$529,791

Data for previous years are available at: [Yorke and Northern Local Health Network \(YNLHN\) - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/yorke-and-northern-local-health-network-ynlhn)

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

Contractors disclosure

The following is a summary of external contractors that the agency has engaged, 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	\$20,395

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

Contractors	Purpose	Actual payment (\$)
Provider Assist (PA) Pty Ltd	Aged care funding instrument (ACFI) Angels Pilot	\$239,098
Neami Limited	Port Pirie SA Mental Health Alternative Care Service	\$87,500
Standards Wise Australia	Nurse advisor, clinical review and care manager support	\$62,436
Quality Compliance and Innovation Pty Ltd	Aged care quality standards review	\$28,320
ZED Management Consulting	Organisation Structure Review	\$14,421
	Total	\$452,170

Data for previous years are available at: [Yorke and Northern Local Health Network \(YNLHN\) - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/yorke-and-northern-local-health-network-ynlhn)

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

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

Risk management

Risk and audit at a glance

The YNLHN Audit and Risk Board Committee operates in line with an approved Terms of Reference that defines the committee's purpose, function and scope.

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

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

The committee meets bi-monthly to review a range of information and reports to ensure the efficient and effective management of all aspects of risk in the YNLHN.

Fraud detected in the agency

Nil.

Strategies implemented to control and prevent fraud

YNLHN processes implemented to help control and prevent fraud include:

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

Data for previous years are available at: [Yorke and Northern Local Health Network \(YNLHN\) - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/yorke-and-northern-local-health-network)

Public interest disclosure

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

Nil

Data for previous years is available at: [Yorke and Northern Local Health Network \(YNLHN\) - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/yorke-and-northern-local-health-network)

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

Reporting required under any other act or regulation

Act or Regulation	Requirement
Nil	Not Applicable

Reporting required under the *Carers' Recognition Act 2005*

The YNLHN involves consumers, communities and carers in the planning, designing and evaluating our health services. This is through (but not limited to) the YNLHN Consumer and Community Engagement Board Committee, Health Advisory Councils, Community Network Register and consumer representation on operational committees. In addition, advocacy and advice are sought from specialist groups, including our Aboriginal Experts by Experience panel and representatives for Mental Health, aged care, child and youth care, disability and others.

Consumer feedback is actively sought about the services provided. This data is collected and collated according to SA Health requirements and provided in full to staff and consumers as a tool for staff and consumer-driven service improvement.

YNLHN has a staff orientation program that educates staff about the carers charter and other relevant consumer engagement strategies.

Public complaints

Number of public complaints reported

Complaint Categories	Sub-categories	Example	Number of Complaints 2021-22
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	44
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	1
Professional behaviour	Staff knowledge	Lack of service-specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication Quality	Inadequate, delayed or absent communication with customer	29
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	13
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	4
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	1
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process, not customer responsive	1
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0

OFFICIAL

2021-22 ANNUAL REPORT for the Yorke and Northern Local Health Network

Policy	Policy content	Policy content is difficult to understand; policy unreasonable or disadvantages customer	0
Service quality	Information	Incorrect, incomplete, outdated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	22
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	11
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	14
No case to answer	No case to answer	Third-party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		Total	140

Additional Metrics	Total
Number of positive feedback comments	1,152
Number of negative feedback comments	322
Total number of feedback comments	1,474
% Complaints resolved within policy timeframes	60%

Data for previous years are available at: [Yorke and Northern Local Health Network \(YNLHN\) - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/yorke-and-northern-local-health-network)

Service Improvements

Service Improvements

To improve our consumer feedback process in the 2021-2022 year, the YNLHN has introduced:

- Expanded Consumer Feedback methods, including a Toll-free phone number, creation of QR Code for direct feedback, and creation of an electronic feedback form. YNLHN has promoted these methods through posters, business cards, brochures, and via social media. A SA Health YNLHN Consumer Feedback webpage has also been created with links to an electronic form.
- The YNLHN developed a framework for collecting patient stories. Information gathered aims to influence change across services and help design new models of care.
- Lastly, all service planning activities are undertaken with a co-designed framework.

In August 2021, the YNLHN developed the inaugural Consumer and Community Engagement Implementation Plan, including:

- The undertaking of a Health and Wellbeing Equality Index self-assessment to review inclusive service delivery across the YNLHN. Findings resulted in the development of an Inclusive Services Action Plan.
- Development of annual publication “We’re Listening” Poster to promote improvements undertaken due to consumer feedback.
- Several health service publications were reviewed and amended due to consumer feedback, including the consumer feedback form, process documents, and service plans.
- The inaugural Consumer Connections newsletter was developed as a six-monthly publication to inform consumers and our community about goals and achievements related to the Consumer and Community Engagement Strategy.

The following service improvements were implemented as a result of complaints or consumer suggestions during 2021-22:

- Improvement of grounds, garden areas and furnishings to increase accessibility and comfort of consumers across multiple sites.
- Expansion of disabled car park area in Crystal Brook.
- Implementation of consumer care goals is an integral part of care delivery, handover and discharge planning.
- Education to catering and clinical staff on International Dysphagia Diet Standardisation Initiative (IDDSI) with further work on nutrition and hydration.
- Change to streamline referral intake pathway for community and allied health.
- Re-location of entry point call bells to facilitate access for people in wheelchairs.
- Additional staff qualified to perform X-Rays at Balaklava and Peterborough Hospitals.

- Three nurses at Peterborough Soldiers Memorial Hospital are undertaking suturing courses with support from GPs aiming to provide more timely care.
- Hospital inpatient survey questions were reviewed.
- Disable access toilet installed at Orreroo District Hospital.
- The dining experience improved with access to a portable bain-marie.
- Catering staff meeting with the residents of Hammill House, Port Pirie to discuss food options and meal experience, now have access to additional food options.

Compliance Statement

The YNLHN is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	Y
The YNLHN have communicated the content of PC 039 and the agency’s related complaints policies and procedures to employees.	Y

Appendix: Audited financial statements 2021-22



Our ref: A22/041

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

Mr J Voumard
Board Chair
Yorke and Northern Local Health Network Incorporated
PO Box 546
PORT PIRIE SA 5540
email: John.Voumard@sa.gov.au
Health.YNLHNCEOOffice@sa.gov.au

Dear Mr Voumard

**Audit of the Yorke and Northern Local Health Network Incorporated
for the year to 30 June 2022**

We have completed the audit of your accounts for the year ended 30 June 2022. Two key outcomes from the audit are the:

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

1 Independent Auditor's Report

We are returning the financial report for the Yorke and Northern Local Health Network Incorporated, with the Independent Auditor's Report. This report is unmodified.

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

2 Audit management letter

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

We have received a response to our letter and will follow these up in the 2022-23 audit.

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

What the audit covered

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

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

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

20 September 2022

enc



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

**To the Board Chair
Yorke and Northern Local Health Network Incorporated**

Opinion

I have audited the financial report of the Yorke and Northern Local Health Network Incorporated and the consolidated entity comprising the Yorke and Northern Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2022.

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

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Board Chair, the Chief Executive Officer and the Chief Finance Officer.

Basis for opinion

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

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

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



Andrew Richardson
Auditor-General

20 September 2022

**Certification of the financial statements
Yorke and Northern Local Health Network**


We certify that the:

- financial statements of the Yorke and Northern Local Health Network Inc.:
 - are in accordance with the accounts and records of the authority; and
 - comply with relevant Treasurer’s instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the authority at the end of the financial year and the result of its operations and cash flows for the financial year.

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


.....
John Voumard
Board Chair


.....
Roger Kirchner
Chief Executive Officer


.....
Vincent Bellifemini
Chief Finance Officer

Date 14TH SEPTEMBER 2022

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

	Note	Consolidated		Parent	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Income					
Revenues from SA Government	2	148,233	138,469	148,233	138,469
Fees and charges	3	13,253	13,537	13,253	13,537
Grants and contributions	4	30,322	29,184	30,461	29,451
Interest		65	130	54	111
Resources received free of charge	5	2,130	3,500	2,130	3,500
Net gain from disposal of non-current and other assets	7	3	-	3	-
Other revenues/income	6	2,317	1,376	2,280	849
Total income		196,323	186,196	196,414	185,917
Expenses					
Staff benefits expenses	8	117,069	108,541	117,069	108,541
Supplies and services	9	76,057	66,255	76,057	66,253
Depreciation and amortisation	15,16	11,200	10,186	7,017	6,454
Grants and subsidies		16	10	-	-
Borrowing costs	19	12	19	12	19
Net loss from disposal of non-current and other assets	7	-	4	-	4
Impairment loss on receivables	12.1	(89)	75	(89)	75
Other expenses	10	1,160	434	4,857	2,565
Total expenses		205,425	185,524	204,923	183,911
Net result		(9,102)	672	(8,509)	2,006
Total comprehensive result		(9,102)	672	(8,509)	2,006

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

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

	Note	Consolidated		Parent	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current assets					
Cash and cash equivalents	11	11,205	9,585	10,851	9,275
Receivables	12	4,569	3,677	3,436	3,686
Other financial assets	13	19,192	20,576	16,138	17,358
Inventories	14	1,001	930	1,001	930
Total current assets		35,967	34,768	31,426	31,249
Non-current assets					
Receivables	12	516	425	516	425
Property, plant and equipment	15,16	152,872	151,674	83,213	89,457
Intangible assets	15.5	-	700	-	700
Total non-current assets		153,388	152,799	83,729	90,582
Total assets		189,355	187,567	115,155	121,831
Current liabilities					
Payables	18	7,993	5,943	7,993	5,943
Financial liabilities	19	719	650	719	650
Staff benefits	20	16,092	14,816	16,092	14,816
Provisions	21	940	853	940	853
Contract liabilities and other liabilities	22	14,668	15,256	14,668	15,256
Total current liabilities		40,412	37,518	40,412	37,518
Non-current liabilities					
Payables	18	668	723	668	723
Financial liabilities	19	478	668	478	668
Staff benefits	20	16,090	18,226	16,090	18,226
Provisions	21	2,446	1,126	2,446	1,126
Total non-current liabilities		19,682	20,743	19,682	20,743
Total liabilities		60,094	58,261	60,094	58,261
Net assets		129,261	129,306	55,061	63,570
Equity					
Retained earnings		100,766	100,811	55,061	63,570
Asset revaluation surplus		28,495	28,495	-	-
Total equity		129,261	129,306	55,061	63,570

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

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

CONSOLIDATED

	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2020	28,495	100,139	128,634
Net result for 2020-21	-	672	672
Total comprehensive result for 2020-21	-	672	672
Balance at 30 June 2021	28,495	100,811	129,306
Net result for 2021-22	-	(9,102)	(9,102)
Total comprehensive result for 2021-22	-	(9,102)	(9,102)
Net assets received from an administrative restructure	1.6	9,057	9,057
Balance at 30 June 2022	28,495	100,766	129,261

PARENT

	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2020	-	61,564	61,564
Net result for 2020-21	-	2,006	2,006
Total comprehensive result for 2020-21	-	2,006	2,006
Balance at 30 June 2021	-	63,570	63,570
Net result for 2021-22	-	(8,509)	(8,509)
Total comprehensive result for 2021-22	-	(8,509)	(8,509)
Balance at 30 June 2022	-	55,061	55,061

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

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

	Note	Consolidated		Parent	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Cash inflows					
Receipts from SA Government		123,326	113,409	123,326	113,409
Fees and charges		13,051	13,789	13,065	13,775
Grants and contributions		30,562	29,394	30,701	29,661
Interest received		31	77	31	76
Residential aged care bonds received		4,882	3,700	4,882	3,700
GST recovered from ATO		4,147	3,604	4,147	3,604
Other receipts		205	631	168	104
Cash generated from operations		176,204	164,604	176,320	164,329
Cash outflows					
Staff benefits payments		(116,368)	(107,767)	(116,368)	(107,767)
Payments for supplies and services		(51,325)	(46,050)	(51,325)	(46,048)
Payments of grants and subsidies		(16)	(10)	-	-
Interest paid		(12)	(19)	(12)	(19)
Residential aged care bonds refunded		(4,862)	(3,423)	(4,862)	(3,423)
Other payments		(417)	(452)	(417)	(452)
Cash used in operations		(173,000)	(157,721)	(172,984)	(157,709)
Net cash provided by operating activities		3,204	6,883	3,336	6,620
Cash flows from investing activities					
Cash inflows					
Proceeds from sale of property, plant and equipment		3	7	3	7
Proceeds from sale/maturities of investments		1,643	518	1,467	440
Cash generated from investing activities		1,646	525	1,470	447
Cash outflows					
Purchase of property, plant and equipment		(2,261)	(1,208)	(2,261)	(1,208)
Purchase of investments		(240)	(547)	(240)	-
Cash used in investing activities		(2,501)	(1,755)	(2,501)	(1,208)
Net cash provided by/(used in) investing activities		(855)	(1,230)	(1,031)	(761)
Cash flows from financing activities					
Cash outflows					
Repayment of lease liabilities		(729)	(824)	(729)	(824)
Cash used in financing activities		(729)	(824)	(729)	(824)
Net cash provided by/(used in) financing activities		(729)	(824)	(729)	(824)
Net increase/(decrease) in cash and cash equivalents		1,620	4,829	1,576	5,035
Cash and cash equivalents at the beginning of the period		9,585	4,756	9,275	4,240
Cash and cash equivalents at the end of the period	11	11,205	9,585	10,851	9,275
Non-cash transactions	23				

The accompanying notes form part of these financial statements.

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

1. About Yorke and Northern Local Health Network

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

Parent Entity

The Parent entity consists of the following:

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

Consolidated Entity

The consolidated entity includes the parent entity, the Incorporated Health Advisory Councils (HACs) and the Incorporated HAC Gift Fund Trusts (GFTs) as listed in note 31.

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

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

Administered items

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

1.1 Objectives and activities

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

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

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

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

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

1.2 Basis of preparation

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

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

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

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

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

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

1.3 Taxation

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

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

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

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

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

1.4 Continuity of operations

As at 30 June 2022, the Hospital had working capital deficiency of \$4.445 million (\$2.750 million). The SA Government is committed and has consistently demonstrated a commitment to ongoing funding of the Hospital to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annually produced and published *State Budget Papers* which presents the SA Government's current and estimated future economic performance, including forward estimates of revenue, expenses and performance by Agency.

1.5 Equity

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

1.6 Change to reporting entity

2021-22

On 27 May 2021 the Minister declared the incorporation of Port Pirie Health Service Advisory Council and Southern Flinders Ranges Health Advisory Council. These were previously unincorporated HACs with their net assets vested in Country Health Gift Fund Health Advisory Council Inc and reported as part of Barossa Hills Fleurieu Local Health Network Inc.

The transfer of net assets from Country Health Gift Fund Health Advisory Council Inc and its associated Gift Fund Trust occurred during 2021-22. Net assets transferred in for the consolidated entity consist of land and buildings (\$7.928 million) and the right to receive cash (\$1.129 million) for GFT bank accounts, the control of which has passed to the newly incorporated entities but the physical transfer of cash will occur in 2022-23.

2020-21

There were no administrative restructures impacting on the Hospital during this period.

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

1.7 Impact of COVID-19 pandemic

The COVID-19 pandemic continues to have an impact on the Hospital's operations. This includes an increase in costs associated with COVID capacity and preparation, increased demand for personal protective equipment and increased staffing costs (including agency) to ensure that demand can be managed across South Australia and that necessary compliance measures are followed. Net COVID-19 specific costs for the Hospital were \$5.928 million (\$1.946 million).

1.8 Change in accounting policy

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

2. Revenues from SA Government

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Capital projects funding	4,036	6,670	4,036	6,670
Operational funding	144,197	131,799	144,197	131,799
Total revenues from SA Government	148,233	138,469	148,233	138,469

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

3. Fees and charges

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Patient and client fees	5,453	5,850	5,453	5,850
Fees for health services	1,742	1,678	1,742	1,678
Residential and other aged care charges	4,696	4,786	4,696	4,786
Sale of goods - medical supplies	114	53	114	53
Other user charges and fees	1,248	1,170	1,248	1,170
Total fees and charges	13,253	13,537	13,253	13,537

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

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

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

Patient and Client Fees

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

Residential and other aged care charges

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

Fees for health services

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

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

4. Grants and contributions

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Commonwealth grants and donations	17,619	16,222	17,619	16,222
Commonwealth aged care subsidies	11,228	11,104	11,228	11,104
SA Government capital contributions	4	25	4	25
Other SA Government grants and contributions	653	828	792	1,095
Private sector capital contributions	49	-	49	-
Private sector grants and contributions	769	1,005	769	1,005
Total grants and contributions	30,322	29,184	30,461	29,451

The grants provided to the Hospital are usually subject to terms and conditions set out in the contract, correspondence, or by legislation. All grants and contributions were provided for specific purposes such as aged care, community health services and other related health services and were recognised in accordance with AASB 1058 *Income of Not-for-Profit Entities*.

5. Resources received free of charge

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Plant and equipment	-	324	-	324
Services	2,114	2,085	2,114	2,085
Other	16	1,091	16	1,091
Total resources received free of charge	2,130	3,500	2,130	3,500

Plant and equipment received free of charge are recorded at their fair value. Other resources received free of charge were minor equipment received from the Northern Yorke Private Hospital in 2021-22 and from the Department of Human Services Domiciliary Equipment Service in 2020-21.

Contribution of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated. The Hospital receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$1.558 million (\$1.542 million), and ICT services from Department of the Premier and Cabinet (DPC) valued at \$0.556 million (\$0.543 million).

Although not recognised, the Hospital receives volunteer services from around 130 volunteers who provide consumer and staff support services to individuals using the Hospital's services. The volunteer programs include, but are not limited to: administration (in patient surveys, preparing packs), church services, community activities, community advocacy, consumer liaison, entertainment, gardening, kiosk support, leisure & lifestyle assistance, life stories, meal deliveries, patient support, social support, transport, volunteer and driving.

6. Other revenues/income

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Donations	141	580	104	53
Health recoveries	2,105	762	2,105	762
Other	71	34	71	34
Total other revenues/income	2,317	1,376	2,280	849

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

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Plant and equipment:				
Proceeds from disposal	3	6	3	6
Less carrying amount of assets disposed	-	(10)	-	(10)
Net gain/(loss) from disposal of plant and equipment	3	(4)	3	(4)

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

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

8. Staff benefits expenses

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	94,986	88,030	94,986	88,030
Targeted voluntary separation packages	55	-	55	-
Long service leave	(221)	1,252	(221)	1,252
Annual leave	8,855	8,348	8,855	8,348
Skills and experience retention leave	501	450	501	450
Staff on-costs - superannuation*	10,505	9,363	10,505	9,363
Workers compensation	2,204	985	2,204	985
Board and committee fees	184	105	184	105
Other staff related expenses	-	8	-	8
Total staff benefits expenses	117,069	108,541	117,069	108,541

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

8.1 Key Management Personnel

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

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

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

Compensation

	2022	2021
	\$'000	\$'000
Salaries and other short term employee benefits	1,810	1,657
Post-employment benefits	282	193
Total	2,092	1,850

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

8.2 Remuneration of Boards and Committees

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

	2022	2021
	No. of Members	No. of Members
\$0	1	2
\$1 - \$20,000	1	2
\$20,001 - \$40,000	4	2
\$40,001 - \$60,000	1	1
Total	7	7

The total remuneration received or receivable by members was \$0.198 million (\$0.124 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, mileage, superannuation contributions, salary sacrifice benefits and fringe benefits and related fringe benefits tax. In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

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

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

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

8.3 Remuneration of staff

	Consolidated		Parent	
	2022	2021	2022	2021
The number of staff whose remuneration received or receivable falls within the following bands:	Number	Number	Number	Number
\$154,001 - \$157,000*	n/a	5	n/a	5
\$157,001 - \$177,000	13	7	13	7
\$177,001 - \$197,000	3	1	3	1
\$197,001 - \$217,000	1	1	1	1
\$217,001 - \$237,000	-	1	-	1
\$237,001 - \$257,000	1	-	1	-
\$557,001 - \$577,000	-	1	-	1
\$597,001 - \$617,000	1	-	1	-
Total number of staff	19	16	19	16

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

*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2020-21.

8.4 Remuneration of staff by classification

The total remuneration received by staff included above:

	Consolidated				Parent			
	2022		2021		2022		2021	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Executive	1	249	1	232	1	249	1	232
Medical (excluding Nursing)	1	607	1	566	1	607	1	566
Non-medical (i.e. administration)	1	173	1	160	1	173	1	160
Nursing	16	2,736	13	2,174	16	2,736	13	2,174
Total	19	3,765	16	3,132	19	3,765	16	3,132

8.5 Targeted voluntary separation packages

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Amount paid/Payable to separated staff:				
Targeted voluntary separation packages	55	-	55	-
Leave paid/payable to separated employees	8	-	8	-
Net cost to the Hospital	63	-	63	-

The number of staff who received a TVSP during the reporting period	1	-	1	-
---	---	---	---	---

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

9. Supplies and services

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Administration	811	326	811	326
Advertising	77	26	77	26
Communication	1,246	1,132	1,246	1,132
Computing	2,642	1,872	2,642	1,872
Consultants	530	61	530	61
Contract of services	287	264	287	264
Contractors	452	52	452	52
Contractors - agency staff	8,566	7,323	8,566	7,323
Drug supplies	1,925	1,766	1,925	1,766
Electricity, gas and fuel	1,867	1,969	1,867	1,969
Fee for service*	15,254	13,664	15,254	13,664
Food supplies	2,307	2,057	2,307	2,057
Hotel quarantine - accommodation costs	4	-	4	-
Housekeeping	1,616	1,603	1,616	1,603
Insurance	2,020	1,962	2,020	1,962
Internal SA Health SLA payments	7,599	5,729	7,599	5,729
Legal	46	27	46	27
Medical, surgical and laboratory supplies	12,593	10,624	12,593	10,624
Minor equipment	1,724	2,821	1,724	2,821
Motor vehicle expenses	980	633	980	633
Occupancy rent and rates	526	473	526	473
Patient transport	2,515	2,345	2,515	2,345
Postage	311	320	311	320
Printing and stationery	631	641	631	641
Repairs and maintenance	5,134	4,663	5,134	4,663
Security	46	44	46	44
Services from Shared Services SA	1,564	1,551	1,564	1,551
Short term lease expense	181	115	181	115
Training and development	465	362	465	362
Travel expenses	413	206	413	206
Other supplies and services	1,725	1,624	1,725	1,622
Total supplies and services	76,057	66,255	76,057	66,253

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

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

Consultants

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

	Consolidated				Parent			
	2022	2021	2022	2021	2022	2021	2022	2021
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Below \$10,000	2	17	-	-	2	17	-	-
Above \$10,000	5	513	2	61	5	513	2	61
Total	7	530	2	61	7	530	2	61

10. Other expenses

	Note	Consolidated		Parent	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Debts written off		167	229	167	229
Bank fees and charges		4	4	4	4
Donated assets expense		70	-	3,767	2,131
Impairment expense	15.5	700	-	700	-
Other*		219	201	219	201
Total other expenses		1,160	434	4,857	2,565

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

The Hospital donated building improvements at Southern Flinders Health Service of \$0.070 million to Country Health Gift Fund HAC. The parent entity donated building improvements of \$3.697 million (\$2.131 million) to HACs under its control, which is eliminated on consolidation.

* Includes Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* of \$0.100 million (\$0.105 million). No other services were provided by the Auditor-General's Department. Also includes fees paid or payable to Galpins Accountants Auditors and Business Consultants of \$0.044 million (\$0.036 million) for HACs and aged care audit services.

11. Cash and cash equivalents

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand	2,710	2,201	2,356	1,891
Deposits with Treasurer: general operating	7,372	7,384	7,372	7,384
Deposits with Treasurer: special purpose funds	1,123	-	1,123	-
Total cash and cash equivalents	11,205	9,585	10,851	9,275

Cash is measured at nominal amounts. The Hospital operates through the Department's general operating account held with the Treasurer and does not earn interest on this account. Interest is earned on HAC and GFT bank accounts and accounts holding aged care funds, including refundable deposits. Of the \$11.205 million (\$9.585 million) held, \$1.662 million (\$1.512 million) relates to aged care refundable deposits.

12. Receivables

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Patient/client fees: compensable	267	489	267	489
Patient/client fees: aged care	913	891	913	891
Patient/client fees: other	448	814	448	814
Debtors	1,914	628	785	628
Less: allowance for impairment loss on receivables	(514)	(603)	(514)	(603)
Prepayments	128	81	128	81
Interest	30	15	26	10
Workers compensation provision recoverable	314	250	314	250
Sundry receivables and accrued revenue	972	1,029	972	1,043
GST input tax recoverable	97	83	97	83
Total current receivables	4,569	3,677	3,436	3,686
Non-current				
Debtors	59	22	59	22
Workers compensation provision recoverable	457	403	457	403
Total non-current receivables	516	425	516	425
Total receivables	5,085	4,102	3,952	4,111

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

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

12.1 Impairment of receivables

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

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

Movement in the allowance for impairment loss on receivables:

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	603	528	603	528
Increase/(Decrease) in allowance recognised in profit or loss	(89)	75	(89)	75
Carrying amount at the end of the period	514	603	514	603

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

13. Other financial assets

The consolidated and parent entities hold term deposits of \$19.192 million (\$20.576 million) and \$16.138 million (\$17.358 million) respectively. Of these deposits \$11.133 million (\$11.305 million) relates to aged care refundable deposits, with the remaining funds primarily relating to aged care. These deposits are measured at amortised cost. There is no impairment on term deposits.

14. Inventories

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Drug supplies	318	314	318	314
Medical, surgical and laboratory supplies	494	444	494	444
Food and hotel supplies	163	146	163	146
Engineering supplies	3	5	3	5
Other	23	21	23	21
Total current inventories - held for distribution	1,001	930	1,001	930

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

15. Property, plant and equipment and intangible assets

15.1 Acquisition and recognition

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

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

15.2 Depreciation

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

Depreciation is calculated on a straight line basis.

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

Property, plant and equipment depreciation is calculated over the estimated useful life as follows:

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	10 – 80
Right-of-use buildings	2 - 13
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	2 - 25
• Computing equipment	3 - 5
• Vehicles	2 - 25
• Other plant and equipment	3 – 50
Right-of-use plant and equipment	2 – 3

15.3 Revaluation

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

Revaluation of non-current assets or a group of assets is only performed when the owned asset's fair value at the time of acquisition is greater than \$1.5 million and the estimated useful life exceeds three years. Revaluations are undertaken on a regular cycle. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair-value. If at any time management considers that the carrying amount of an asset greater than \$1.5 million materially differs from its fair value, then the asset will be revalued regardless of when the last revaluation took place.

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

15.4 Impairment

The Hospital holds its property, plant and equipment and intangible assets for their service potential (value in use). Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be closer to or greater than fair value. Where there is an indication of impairment, the recoverable amount is estimated. Fair value is assessed each year. There were no indications of impairment for property, plant and equipment as at 30 June 2022, however an expense of \$0.700 million has been recorded due to the impairment of intangible assets outlined at note 15.5.

15.5 Intangible assets

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

The Hospital previously recorded 30 residential aged care bed licences at their original cost of \$0.700 million and these were not amortised as they were considered to have an indefinite life. However, in response to the Royal Commission into Aged Care Quality and Safety, the Australian Government will discontinue bed licences from 1 July 2024. As a result, the Hospital has impaired the 30 bed licences to a value of nil at 30 June 2022. Their value in use cannot be reliably measured and there is not expected to be any compensation upon discontinuation. Other bed licences that were received for no consideration from the Commonwealth Government have always been recorded at nil value.

15.6 Land and buildings

An independent valuation of land and buildings owned by the Hospital was performed in March 2018, within the regular valuation cycle, by a certified practising valuer from AssetVal as at June 2018. Consistent with *Treasurer's Instructions*, a public authority must at least every six years obtain a valuation appraisal from a qualified valuer, the timing and process of which will be considered in the 2022-23 financial year.

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

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

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

15.7 Plant and equipment

The value of plant and equipment has not been revalued. This is in accordance with APS 116D. The carrying value is deemed to approximate fair value. These assets are classified in Level 3 as there have been no subsequent adjustments to their value, except for management assumptions about the asset condition and remaining useful life.

15.8 Leased property, plant and equipment

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

The Hospital has a number of lease agreements including concessional. Major lease activities include the use of:

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

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

The lease liabilities related to the right-of-use assets (and the maturity analysis) are disclosed at note 19. Expenses related to leases including depreciation and interest expense are disclosed at note 16 and 19. Cash outflows related to leases are disclosed at note 23.

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

16. Reconciliation of property, plant and equipment

The following table shows the movement:

Consolidated

2021-22

	Land and buildings:			Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	10,313	132,789	420	4,409	1,890	893	885	75	151,674
Additions	-	-	41	3,100	59	-	567	773	4,540
Disposals	-	-	-	-	-	-	(2)	-	(2)
Donated assets disposal	-	-	-	(70)	-	-	-	-	(70)
Acquisition / (disposal) through administrative restructuring	505	7,423	-	-	-	-	-	-	7,928
Transfers between asset classes	-	3,961	-	(4,027)	69	180	-	(183)	-
Remeasurement	-	-	2	-	-	-	-	-	2
Subtotal:	10,818	144,173	463	3,412	2,018	1,073	1,450	665	164,072
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(9,620)	(159)	-	(653)	(199)	(569)	-	(11,200)
Subtotal:	-	(9,620)	(159)	-	(653)	(199)	(569)	-	(11,200)
Carrying amount at the end of the period*	10,818	134,553	304	3,412	1,365	874	881	665	152,872
Gross carrying amount									
Gross carrying amount	10,818	165,263	740	3,412	3,892	1,427	1,789	665	188,006
Accumulated depreciation / amortisation	-	(30,710)	(436)	-	(2,527)	(553)	(908)	-	(35,134)
Carrying amount at the end of the period	10,818	134,553	304	3,412	1,365	874	881	665	152,872

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

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

Consolidated

2020-21

	Land and buildings:			Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	10,313	133,028	499	6,875	1,613	925	940	141	154,334
Additions	-	79	106	5,744	486	141	589	75	7,220
Assets received free of charge	-	-	-	-	83	-	-	241	324
Disposals	-	-	-	-	(10)	-	(12)	-	(22)
Transfers between asset classes	-	8,210	-	(8,210)	382	-	-	(382)	-
Remeasurement	-	-	4	-	-	-	-	-	4
Subtotal:	10,313	141,317	609	4,409	2,554	1,066	1,517	75	161,860
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(8,528)	(189)	-	(664)	(173)	(632)	-	(10,186)
Subtotal:	-	(8,528)	(189)	-	(664)	(173)	(632)	-	(10,186)
Carrying amount at the end of the period*	10,313	132,789	420	4,409	1,890	893	885	75	151,674
Gross carrying amount									
Gross carrying amount	10,313	153,879	697	4,409	3,781	1,247	1,683	75	176,084
Accumulated depreciation / amortisation	-	(21,090)	(277)	-	(1,891)	(354)	(798)	-	(24,410)
Carrying amount at the end of the period	10,313	132,789	420	4,409	1,890	893	885	75	151,674

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

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

Parent
2021-22

	Land and buildings:			Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	5,675	75,210	420	4,409	1,890	893	885	75	89,457
Additions	-	-	41	3,100	59	-	567	773	4,540
Disposals	-	-	-	-	-	-	(2)	-	(2)
Donated assets disposal	-	-	-	(3,767)	-	-	-	-	(3,767)
Transfers between asset classes	-	264	-	(330)	69	180	-	(183)	-
Remeasurement	-	-	2	-	-	-	-	-	2
Subtotal:	5,675	75,474	463	3,412	2,018	1,073	1,450	665	90,230
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(5,437)	(159)	-	(653)	(199)	(569)	-	(7,017)
Subtotal:	-	(5,437)	(159)	-	(653)	(199)	(569)	-	(7,017)
Carrying amount at the end of the period*	5,675	70,037	304	3,412	1,365	874	881	665	83,213
Gross carrying amount									
Gross carrying amount	5,675	85,065	740	3,412	3,892	1,427	1,789	665	102,665
Accumulated depreciation / amortisation	-	(15,028)	(436)	-	(2,527)	(553)	(908)	-	(19,452)
Carrying amount at the end of the period	5,675	70,037	304	3,412	1,365	874	881	665	83,213

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

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

Parent

2020-21

	Land and buildings:			Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	5,675	73,848	499	6,875	1,613	925	940	141	90,516
Additions	-	79	106	5,744	486	141	589	75	7,220
Assets received free of charge	-	-	-	-	83	-	-	241	324
Disposals	-	-	-	-	(10)	-	(12)	-	(22)
Donated assets disposal	-	-	-	(2,131)	-	-	-	-	(2,131)
Transfers between asset classes	-	6,079	-	(6,079)	382	-	-	(382)	-
Remeasurement	-	-	4	-	-	-	-	-	4
Subtotal:	5,675	80,006	609	4,409	2,554	1,066	1,517	75	95,911
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(4,796)	(189)	-	(664)	(173)	(632)	-	(6,454)
Subtotal:	-	(4,796)	(189)	-	(664)	(173)	(632)	-	(6,454)
Carrying amount at the end of the period*	5,675	75,210	420	4,409	1,890	893	885	75	89,457
Gross carrying amount									
Gross carrying amount	5,675	84,801	697	4,409	3,781	1,247	1,683	75	102,368
Accumulated depreciation / amortisation	-	(9,591)	(277)	-	(1,891)	(354)	(798)	-	(12,911)
Carrying amount at the end of the period	5,675	75,210	420	4,409	1,890	893	885	75	89,457

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

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

17. Fair value measurement

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

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

The Hospital's current use is the highest and best use of the asset unless other factors suggest an alternative use. As the Hospital did not identify any factors to suggest an alternative use, fair value measurement was based on current use. The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1.5 million or an estimated useful life that was less than three years are deemed to approximate fair value.

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

17.1 Fair value hierarchy

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

The Hospital's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. During 2022 and 2021, the Hospital had no valuations categorised into Level 1 or 2.

17.2 Valuation techniques and inputs

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

Unobservable inputs used to arrive at final valuation figures included:

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

18. Payables

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Creditors and accrued expenses	6,250	4,399	6,250	4,399
Paid Parental Leave Scheme	28	40	28	40
Staff on-costs*	1,612	1,404	1,612	1,404
Other payables	103	100	103	100
Total current payables	7,993	5,943	7,993	5,943
Non-current				
Staff on-costs*	668	723	668	723
Total non-current payables	668	723	668	723
Total payables	8,661	6,666	8,661	6,666

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

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

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

As a result of an actuarial assessment performed by the DTF, the portion of long service leave taken as leave is unchanged 38%, and the average factor for the calculation of employer superannuation on-costs has increased from the 2021 rate (10.1%) to 10.6% to reflect the increase in super guarantee. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the staff benefits expenses and the staff on-oncost liability of \$0.088 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

Refer to note 29 for information on risk management.

19. Financial liabilities

The Hospital has lease liabilities of \$1.197 million (\$1.318 million), which have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. There were no defaults or breaches on any of the above liabilities throughout the year.

The borrowing costs associated with these lease liabilities was \$0.012 million (\$0.019 million).

Refer to note 29 for information on risk management.

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

19.1 Concessional lease arrangements for right-of-use assets

The Hospital has one concessional lease arrangement for right-of-use assets as lessee with a local council.

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

19.2 Maturity analysis

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

	Consolidated		Parent	
	2022	2021	2022	2021
Lease Liabilities	\$'000	\$'000	\$'000	\$'000
1 to 3 years	508	650	508	650
3 to 5 years	37	40	37	40
5 to 10 years	-	3	-	3
Total lease liabilities (undiscounted)	545	693	545	693

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

20. Staff benefits

	Consolidated		Parent	
	2022	2021	2022	2021
Current	\$'000	\$'000	\$'000	\$'000
Accrued salaries and wages	3,636	3,126	3,636	3,126
Annual leave	10,071	9,216	10,071	9,216
Long service leave	1,424	1,602	1,424	1,602
Skills and experience retention leave	933	846	933	846
Other	28	26	28	26
Total current staff benefits	16,092	14,816	16,092	14,816
Non-current				
Long service leave	16,090	18,226	16,090	18,226
Total non-current staff benefits	16,090	18,226	16,090	18,226
Total staff benefits	32,182	33,042	32,182	33,042

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

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

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

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

As a result of the actuarial assessment performed by DTF, the salary inflation rate has decreased from the 2021 rate (2.0%) to 1.50% for annual leave and skills and experience retention leave liability. As a result, there is a decrease in the employee staff benefits liability and employee benefits expenses of \$0.057 million.

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

20.2 Long service leave

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

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability. The actuarial assessment performed by 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 increased from 2021 (1.50%) to 3.75%. This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability. The actuarial assessment performed by DTF left the salary inflation rate at 2.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The net financial effect of the changes to actuarial assumptions is a decrease in the long service leave liability of \$2.831 million, Payables (staff on-costs) of \$0.114 million and staff benefits expense of \$2.945 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption being the long-term discount rate.

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

21. Provisions

Provisions represent workers compensation.

Reconciliation of workers compensation (statutory and non-statutory)

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1,979	1,782	1,979	1,782
Increase in provisions recognised	1,682	584	1,682	584
Reductions arising from payments/other sacrifices of future economic benefits	(275)	(387)	(275)	(387)
Carrying amount at the end of the period	3,386	1,979	3,386	1,979

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.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes). The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

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

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

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

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

22. Contract liabilities and other liabilities

	Consolidated		Parent	
	2022	2021	2022	2021
Current	\$'000	\$'000	\$'000	\$'000
Contract liabilities	1,848	2,273	1,848	2,273
Residential aged care bonds	12,796	12,952	12,796	12,952
Other	24	31	24	31
Total contract liabilities and other liabilities	14,668	15,256	14,668	15,256

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

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

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

23. Cash flow reconciliation

Reconciliation of cash and cash equivalents at the end of the reporting period	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	11,205	9,585	10,851	9,275
Cash as per Statement of Financial Position	11,205	9,585	10,851	9,275
Balance as per Statement of Cash Flows	11,205	9,585	10,851	9,275
Reconciliation of net cash provided by operating activities to net result:				
Net cash provided by (used in) operating activities	3,204	6,883	3,336	6,620
Add/less non-cash items				
Asset donated free of charge	(70)	-	(3,767)	(2,131)
Capital revenues	1,789	5,284	1,789	5,284
Depreciation and amortisation expense of non-current assets	(11,200)	(10,186)	(7,017)	(6,454)
Gain/(loss) on sale or disposal of non-current assets	3	(4)	3	(4)
Impairment of non-current assets	(700)	-	(700)	-
Interest credited directly to investments	19	76	7	50
Resources received free of charge	-	324	-	324
Movement in assets/liabilities				
Increase/(decrease) in inventories	71	136	71	136
Increase/(decrease) in receivables	(146)	(38)	(159)	(16)
(Increase)/decrease in other liabilities	588	(650)	588	(650)
(Increase)/decrease in payables and provisions	(3,520)	(711)	(3,520)	(711)
(Increase)/decrease in staff benefits	860	(442)	860	(442)
Net result	(9,102)	672	(8,509)	2,006

Total cash outflows for leases is \$0.741 million (\$0.843 million).

24. Unrecognised contractual commitments

24.1 Expenditure commitments

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Within one year	3,028	2,364	3,028	2,364
Later than one year but not longer than five years	164	194	164	194
Total expenditure commitments	3,192	2,558	3,192	2,558

The Hospital's expenditure commitments are for agreements for goods and services ordered but not received and are disclosed at nominal amounts. The Hospital also has commitments to provide funding to various non-government organisations in accordance with negotiated service agreements. The value of these commitments as at 30 June 2022 has not been quantified.

24.2 Capital commitments

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Within one year	1,681	-	1,681	-
Total capital commitments	1,681	-	1,681	-

The Hospital's capital commitments, disclosed at nominal amounts, are for goods and services ordered but not yet received, largely related to upgrades at the multi-purpose facilities at Burra, Crystal Brook, Laura and Snowtown.

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

25. Trust funds

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

	2022	2021
	\$'000	\$'000
Carry amount at the beginning of period	46	58
Client trust receipts	247	276
Client trust payments	(250)	(288)
Carrying amount at the end of the period	43	46

26. Contingent assets and liabilities

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

27. Events after balance date

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 continues to assess the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer.

- Amending standard AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* will apply from 1 July 2023. The Hospital continues to assess liabilities eg long service leave and whether or not the Hospital has a substantive right to defer settlement. Where applicable, these liabilities will be classified as current. Application of this standard is not expected to have a material impact.

29. Financial instruments/financial risk management

29.1 Financial risk management

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

Liquidity Risk

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

Refer to notes 1.4, 18 and 19 for further information.

Credit risk

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

Refer to notes 12 and 13 for further information.

Market risk

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

29.2 Categorisation of financial instruments

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

Financial assets and financial liabilities are measured at amortised cost. Amounts relating to statutory receivables and payables (e.g. Commonwealth taxes; Auditor-General's Department audit fees etc.) and prepayments are excluded as they are not financial assets or liabilities. Receivables and Payables at amortised cost are \$4.020 million (\$3.260 million) and \$6.208 million (\$4.357 million) respectively.

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

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.

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

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

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

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

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

CONSOLIDATED and PARENT

	30 June 2022			30 June 2021		
	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000
Days past due						
Current	0.3 - 3.4%	739	17	0.3 - 2.8%	872	17
<30 days	1.1 - 3.9%	284	10	0.8 - 3.8%	470	8
31-60 days	3.0 - 8.2%	106	6	2.3 - 6.6%	97	9
61-90 days	4.8 - 13.6%	70	7	3.6 - 10.5%	124	9
91-120 days	6.2 - 16.8%	70	8	4.6 - 13.0%	110	6
121-180 days	7.8 - 21.3%	160	18	6.4 - 17.5%	79	3
181-360 days	14.5 - 51.8%	188	45	10.8 - 45.7%	270	79
361-540 days	20.1 - 88.1%	176	57	19.4 - 81.3%	220	112
>540 days	24.3 - 100%	846	346	23.3 - 95.7%	808	360
Total		2,639	514		3,050	603

30. Significant transactions with government related entities

The Hospital is controlled by the SA Government.

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

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

The Hospital received funding from the SA Government via the Department (note 2), and incurred significant expenditure via the Department for medical, surgical and laboratory supplies, computing and insurance (note 9). The Department transferred capital works in progress of \$1.785 million (\$5.284 million) to the Hospital. The Hospital incurred significant expenditure with the Department for Infrastructure and Transport (DIT) for property repairs and maintenance of \$0.534 million (\$1.708 million) (note 9).

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

31. Interests in other entities

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

Controlled Entities

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

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

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

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

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

Health Advisory Councils and associated Gift Fund Trusts		
Balaklava Riverton Health Advisory Council Inc	Lower North Health Advisory Council Inc	Mid North Health Advisory Council Inc
Northern Yorke Peninsula Health Advisory Council Inc	Port Broughton District Health Advisory Council Inc	Yorke Peninsula Health Advisory Council Inc
Port Pirie Health Service Advisory Council Inc**	Southern Flinders Health Advisory Council Inc**	
Balaklava Riverton Health Advisory Council Inc Gift Fund Trust	Lower North Health Advisory Council Inc Gift Fund Trust	Mid North Health Advisory Council Inc Gift Fund Trust
Northern Yorke Peninsula Health Advisory Council Inc Gift Fund Trust	Port Broughton District Health Advisory Council Inc Gift Fund Trust	Yorke Peninsula Health Advisory Council Inc Gift Fund Trust
Port Pirie Health Service Health Advisory Council Inc Gift Fund Trust**	Southern Flinders Health Advisory Council Inc Gift Fund Trust**	

**The control of the net assets of these entities were transferred to the Hospital during 2021-22 (refer to Note 1.6).

32. Administered items

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

	2022	2021
	\$'000	\$'000
Revenue from fees and charges	623	621
Other expenses	(623)	(621)
Net result	-	-
Cash and cash equivalents	25	56
Payables	(25)	(56)
Net administered assets/equity	-	-
Cash at 1 July	56	33
Cash inflows	623	621
Cash outflows	(654)	(598)
Cash at 30 June	25	56

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

33. Board and committee members

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

Board/Committee name:	Government employee members	Other members
Yorke and Northern Local Health Network Governing Board	1	Voumard J (chair), Badenoch J, Banham, D (appointed 01/07/2021), Malcolm E, O'Connor J
Yorke and Northern Local Health Network Audit and Risk Committee*	-	Traeger E

*only independent members are entitled to receive remuneration for being a member on this committee.

Refer to note 8.2 for remuneration of board and committee members