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Government of South Australia

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK

2020 - 2021 Annual Report

Southern Adelaide Local Health Network

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Date presented to Minister:

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To:

Hon. Stephen Wade MLC

Minister for Health and Wellbeing

This annual report will be presented to Parliament to meet the statutory reporting requirements of *Section 37 of the Health care Act 2008 (the Act)* 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 Southern Adelaide Local Health Network by:

Mr Mark Butcher

Chair, Southern Adelaide Local Health Network Governing Board

Date 29 Sept. 2021

Signature

Mark Butcher

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Acknowledgement

Ngadlu tampinhi, Kurna Miyurna yaitya yartamathanya Wama Tarntanyaku. Ngadlu tampinhi purkarna pukinangku, yalaka, tarrkaritya. Parnaku yailtya, parnaku tapa purruna, parnaku yarta ngadlu tampinhi. Yalaka Kurna Miyurna itu yailtya, tapa purruna, yarta kuma puru martinhi, puru warri-apinghi, puru tangka martulayinhi.

We acknowledge the Kurna people are the traditional custodians of the Adelaide Plains and pay respects to Elders past, present and future. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kurna people living today.

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From the Interim Chief Executive Officer

I am pleased to present the 2020-2021 Annual Report for Southern Adelaide Local Health Network (SALHN). This past financial year has continued to generate challenges that allow us to showcase our resilience and commitment to SALHN's Strategic Direction Map by delivering high-quality patient care in a COVID-19 alert environment. The SALHN community has not been immune to the challenges faced across the entire healthcare system, with increased patient presentations to acute services, rapid growth in requirements for digital healthcare delivery and workforce constraints related to restricted international travel and necessary COVID-19 services.

SALHN is uniquely positioned in the State. We provide health services across an individual's lifespan, from complex obstetrics, maternity, neonatal and paediatric services to end-of-life care within the hospital and community-based models of care. We have a clear and united vision to deliver health care differently, in partnership with our consumers and community with digital enablement at the forefront of our planning. Providing reliable and respectful healthcare is at the core of everything we do.

Our entire SALHN community; staff, volunteers, patient and family representatives, contractors and community members, have worked together in new ways to look at every aspect of how we deliver high quality care, and how we need to evolve and adapt to protect our community, our patients and our staff. Our operating principle – To Listen, Act, Make Better, Together – guides our determination to build a system that means that each of our consumers, staff, partners and community members prosper, grow and feel safe in their healthcare journey through the southern health system. We have the highest proportion of elderly residents in the State and it is our responsibility to invest in services that will deliver optimal care and make the most of opportunities to prosper and grow. Instinctively the SALHN community has banded together through unprecedented service and workforce demand to deliver on local and State priorities such as the Southern Health Expansion Plan, the COVID-19 Testing and Vaccination Clinics and deliver state of the art services and facilities for some of our most vulnerable consumers living with dementia. These initiatives represent SALHN's commitment to invest in our clinical services.

While COVID-19 has dominated many of our health priorities, I am proud of the way that SALHN has remained committed to ensuring that Southern Adelaide will be a great place to grow old. Our community can rely on us to act and they can expect us to plan, research, teach, connect and listen. Every patient can be confident that they will be respected and receive quality care at SALHN. Health and care are at the centre of everything we do.

On behalf of the SALHN Executive and the SALHN Governing Board, I would like to thank all our staff for continuing to go above and beyond each and every day, for remaining agile and committed to high-quality patient care throughout the COVID-19 Pandemic during 2020-2021. The only constant in our health system is change, and SALHN staff have demonstrated our adaptability throughout the past 12 months with our distinct SALHN culture.

I look forward to continuing to work with our consumers, our clinicians and our community to deliver high quality, reliable healthcare.

Mr Wayne Gadd

Interim Chief Executive Officer

Southern Adelaide Local Health Network

Message from our Board Chair

The SALHN Governing Board is pleased to endorse the Annual Report 2020-21.

We look forward to our ongoing work with SALHN's community – patients, staff and leaders to build an innovative and exemplar health network.



Mark Butcher
SALHN Board Chair

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OVERVIEW : ABOUT THE AGENCY

Our strategic focus

SALHN’s strategic focus is framed by four pillars shaped by key factors and trends at global, national and local levels as well as SA Health’s vision that ‘South Australians are healthy, enjoy a great quality of life and experience a safe, contemporary and sustainable health care system’.

Our strategic direction is enabled through three core enabling strategies:

1. Strategic Alignment in which SALHN builds and implements strategic leadership and management models
2. Continuous Improvement Culture in which we build staff capacity and capability to solve problems and create quality engineered and sustainable systems
3. Integrated Management system that connects staff to our mission

Our strategic pillars

Our Strategic Direction Map is supported by four strategic pillars and driven by evidence, outcomes, patients and our community’s needs.



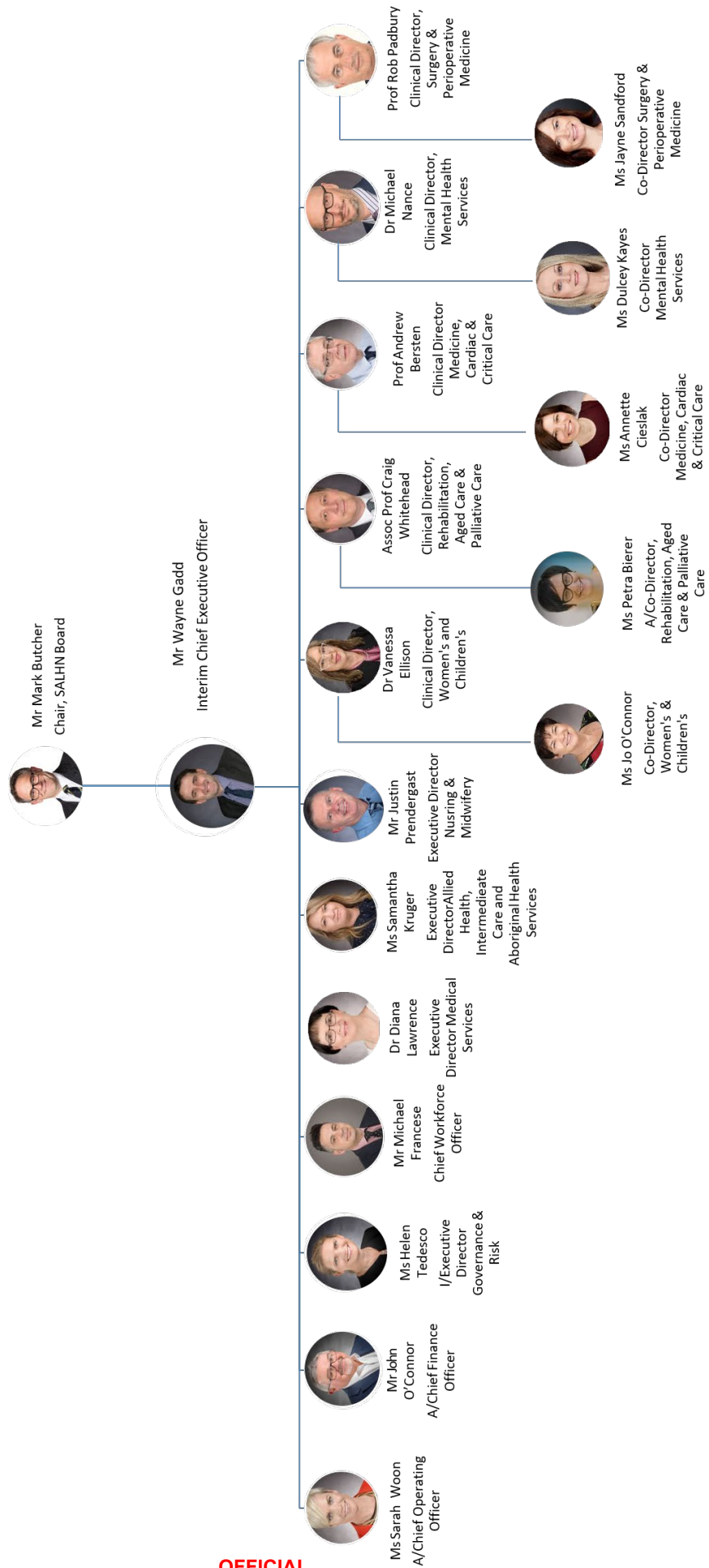
To address the complex care needs of our vulnerable community and population.

Flinders Eye Clinic on Laffier Drive

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Our Purpose	<p>At SALHN, we care for people who live in the southern suburbs of Adelaide as well as people from regional areas including the Fleurieu Peninsula, the Northern Territory and beyond. We provide medical, surgical, rehabilitation, aged care, mental health, and women’s and children’s services across inpatient, outpatient and community settings.</p> <p>We care for our patients ‘every step of the way’. Our focus contributes to addressing the social determinants of health during the first 1,000 days and the last 1,000 days of a vulnerable person’s life.</p> <p>We partner with community, consumers and non-government care providers to ensure all members of our community can access care and live meaningful lives.</p>
Our Vision	<p>To build a thriving community by consistently delivering reliable and respectful health care for, and with, all members of our community.</p>
Our Values	<p>The patient is the leading voice in decisions about their care.</p> <p>We provide services that give the best clinical outcomes and value to our patients.</p> <p>Our services are sustainable, reliable and respectfully delivered.</p> <p>We help patients and their support networks to manage their health needs in their own home or the best alternative environment possible.</p> <p>Our clinical services are informed by evidence and research.</p> <p>We believe in supporting all members of our community to thrive. Our commitment is to improve the health and well-being of our community members experiencing vulnerability.</p>
Our functions, objectives and deliverables	<p>SALHN provides public health services including hospital, outpatient and community services to a population of more than 355,000 people across the southern Adelaide metropolitan region, as well as a range of state-wide services. SALHN is unique in the State public health system as we provide services across the lifespan, from obstetrics, maternity and neonatal services, to end of life care provided through hospital and community-based palliative services.</p> <p>Our goals include:</p> <ul style="list-style-type: none"> • A Healthy start to life; • Complex Care: Excelling at complex care treatment; • Integrated Care: Partnering to deliver more services in the community closer to home; • Restorative Care: Enhancing wellbeing and independence; and • End of Life: Supporting a dignified end of life. <p>As well as clinical service delivery, we conduct a diverse range of research initiatives, and provide a quaternary-level clinical environment for under and post-graduate training in the medical, nursing, and allied health professions.</p>

Our organisational structure



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On 1 July 2019, SALHN's Governing Board commenced following SA Health's governance reforms. Since that time, SALHN has built and maintained a robust integrated governance framework to connect systems and staff from point of care to the Board and back.

In addition to the SALHN Governing Board, there are 4* Board Sub-committees

- Assets and Infrastructure Planning
- Clinical Governance
- Audit and Risk
- Community Engagement
- COVID Board Response Team

*Nominations & Remunerations Sub-Committee do not have regularly scheduled meetings, instead meet as required. The COVID Board Response Team also meets as required.

Our Minister

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

Our Governing Board

Mark Butcher is the Governing Board Chair for SALHN; Chair of the Asset and Infrastructure Sub-Committee and a member of the Community Engagement Sub-Committee. Mark has a strong background in corporate financing and professional services and brings considerable financial and business acumen to the SALHN Board.



Virginia Hickey is a Board member; Chair of the Audit and Risk Sub-Committee and member of the Board's COVID-19 Response Team. Virginia is a corporate governance consultant, lawyer and company director.



Associate Professor Tamara Mackean is a Board member and member of SALHN's Community Engagement Sub-Committee. Tamara is a Waljen woman of the Goldfields region of Western Australia, has family connections within SA, and in her role with Flinders University, has research interests which span health equity, social and mental health, health systems and Indigenous Health.

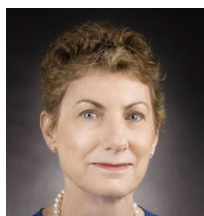


Julie Mitchell is a Board member; Chair of the Community Engagement Sub-Committee and member of the Asset and Infrastructure Planning Sub-Committee. Julie brings skills in community engagement, communications, and a passion for the aged care and primary health sector to the SALHN Board.

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Jill Noble is a Board member and member of the Audit and Risk Sub-Committee. Jill is also the Chief Financial Officer and Company Secretary to the Nova group of companies.



Jennifer Richter AM is a Board member, Chair of the Clinical Governance Sub-Committee, member of the Asset and Infrastructure Sub-Committee and member of the Board's COVID-19 Response Team. Jenny has had a long and distinguished career in the public and private health sector and has significant health service management experience.



Dr Tony Sherbon is a Board member and member of the Asset and Infrastructure Planning Sub-Committee.

Tony was the former Chief Executive of SA Health and has more than thirty years' experience in planning, leading and implementing change in the health sector. He has led several Chief Executive roles, including Independent Hospital Pricing Authority, ACT Health, Illawarra Area Health Service and St Vincent's Hospital in Sydney.



Dr Terry Sweeney CMG is a Board member and member of the Community Engagement Sub-Committee. Terry has 22 years of global health care industry experience in both public and private sectors and is the CEO of the Australian Digital Health Research Centre. He was previously Global Managing Director at IBM Watson Health and is also currently an advisor to the G20 Health and Development Partnership.

Our Sub-Committee Independent Members



Professor Chris Baggoley AO is an Independent Member of SALHN's Clinical Governance Sub-Committee. Chris is a former Australian Government Chief Medical Officer and a respected clinician with a national reputation in the field of emergency medicine.



Professor Marion Eckert is an Independent Member of SALHN's Clinical Governance Sub-Committee.

Marion is the Professor of Cancer Nursing and Director of the Rosemary Bryant Research Centre – University of SA. Marion has held the Executive Director, Nursing Midwifery role within SALHN, along with the Director, Centre for Nursing and Midwifery Education and Research (CNMER) within SALHN.



Ms Diana Voss is an Independent Member of SALHN's Clinical Governance Sub-Committee.

Diana is a SALHN community and consumer representative.

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Mr Richard Stevens is an Independent Member of SALHN's Audit and Risk Sub-Committee.
Richard has more than 30 years' experience in public sector administration across all tiers of government and was Chair of Audit and Risk Committee of the North West Hospital and Health Board of Queensland for six years.

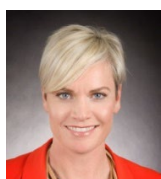


Mr Peter King is an Independent Member of SALHN's Community Engagement Sub-Committee.
Peter is also the SALHN Co-Chair of the Partnering with Consumer Advisory Group, and a community and consumer representative.

Our Executive team



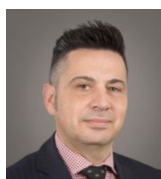
Mr Wayne Gadd is the Interim Chief Executive Officer. Wayne has a long history of experience in the private and public sector as a former Chief Financial Officer. Wayne is supported by the SALHN Executive, which provides the strategic direction, planning, monitoring of activity within the agreed policy, funding, activity and planning parameters as set by the Department for Health and Wellbeing and SALHN Governing Board.



Ms Sarah Woon is the Acting Chief Operating Officer, responsible for clinical services, planning and effective delivery management for SALHN.



Mr John O'Connor is the Interim Chief Finance Officer, responsible for financial strategy, effective cost management and delivery of corporate services for SALHN.



Mr Michael Francese is the Chief Workforce Officer, responsible for culture and talent strategy and effective safety and people management.



Ms Helen Tedesco is the Acting Executive Director Governance and Risk, responsible for integrated governance and systems; enterprise risk and assurance for SALHN.



Dr Diana Lawrence is the Executive Director Medical Services, responsible for professional medical standards and training across all medical positions and experience levels across SALHN.

Dr Lawrence continues to provide clinical services as part of her role as a Senior Staff Specialist Paediatrician in acute care at SALHN.

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Mr Justin Prendergast is the Executive Director Nursing and Midwifery, responsible for professional nursing and midwifery standards and training across all nursing and midwifery positions and experience levels across SALHN.



Ms Samantha Kruger is the Acting Executive Director Allied Health, Intermediate Care and Aboriginal Health Services, responsible for professional standards across the 10 allied health professions, and training across all allied health positions and experience levels across SALHN. The role oversees the Intermediate Care services and Aboriginal Health services



Professor Andrew Bersten is the Clinical Director Division of Medicine, Cardiac, and Critical Care, responsible for the division's vision and performance in accordance with SALHN strategic directions and service agreement obligations, across all five management domains.



Professor Robert Padbury is the Clinical Director Division of Surgery and Perioperative Medicine, responsible for the division's vision and performance in accordance with SALHN strategic directions and service agreement obligations, across all five management domains.



Associate Professor Craig Whitehead is the Clinical Director Division of Rehabilitation, Aged Care, and Palliative Care, responsible for the division's vision and performance in accordance with SALHN strategic directions and service agreement obligations, across all five management domains.



Dr Vanessa Ellison is the Interim Clinical Director Division of Women's and Children's, responsible for the division's vision and performance in accordance with SALHN strategic directions and service agreement obligations, across all five management domains.



Dr Michael Nance is the Clinical Director Mental Health, responsible for the division's vision and performance in accordance with SALHN strategic directions and service agreement obligations, across all five management domains.



Ms Marina Bowshall is the State Director of Drug and Alcohol Services SA and leads the whole-of-government approach to prevent the use of illicit drugs and misuse of licit drugs; and treatment services for people with problematic use of alcohol and other drugs.

Legislation administered by the agency

HealthCare Act 2008

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

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

THE AGENCY'S PERFORMANCE

We care for people who live in the southern suburbs of Adelaide and people from regional areas including the Fleurieu Peninsula, the Northern Territory and beyond.

- Our core health services include medical, surgical, rehabilitation, aged care, mental health, and women's and children's services
- Our state-wide services include liver transplant and cochlear implant services, eye bank, adult eating disorder services, gambling therapy, veteran's mental health, obstetric trauma and Drug and Alcohol Services South Australia.

Performance at a glance

The performance of SALHN is monitored through our robust governance structure

- SALHN Governing Board and Board Sub-Committees
- SALHN Executive Committee
- Clinical, Digital, Research and Safety Councils
- The Integrated Management System, connecting performance from the point of care to the Board (and back) through Tier 1,2 and 3 huddles and facilitating local problem solving or communication and escalation of concerns
- Risk Management and Internal Audit
- Partnering with Consumers Advisory Group
- Clinical Review Committee
- Divisional Quality and Safety Meetings & National Standards Meetings
- Benchmarking via the Health Roundtable

SALHN employs more than 7,500 staff across 16 sites including

- Flinders Medical Centre: A beginning of life to end-of-life hospital.
- Noarlunga Hospital provides an expanding range of medical and surgical services and is adapting to the growing needs of the wider community including continuing the development of a health precinct for mothers and babies.
- GP Plus centres at Noarlunga, Marion and Aldinga provides a range of health promotion, disease prevention and chronic disease management, early intervention, treatment and specialist medical services.
- Jamie Larcombe Centre provides state-wide Veteran's Mental Health services from within the Glenside Health Precinct.
- Aboriginal Family Clinics provide health services for Aboriginal and Torres Strait Islander peoples from two locations, Noarlunga and Clovelly Park.
- Community care and support is provided to patients in their homes.
- Drug and Alcohol Services South Australia (DASSA) provides a state-wide alcohol and other drug treatment services.

OFFICIAL**In 2020-2021, SALHN proudly:**

- accommodated 85% per cent of our population's health needs
- provided care for 134, 131 presentations to our Emergency Services across Noarlunga Hospital and Flinders Medical Centre. Flinders Medical Centre's Emergency Department is the busiest emergency department in the State
- conducted 22,777 elective and emergency surgery and procedures, and 7,396 endoscopy procedures on site
- cared for 100,701 patients in our hospitals, and a further 1,366 patients were cared for by our home-based services
- provided 501,244 outpatient consultations
- cared for 3,485 mothers and the 3,533 babies born at Flinders Medical Centre
- Commenced roll out of an Electronic Medical Record
- administered over 80,000 COVID-19 vaccines and tested nearly 60,000 people
- achieved the milestone of having over 240 staff attending continuous improvement training with hundreds of targeted and structured quality improvement projects completed to address the quality of care provided and process improvements.
- sustained rates at or above industry benchmarks for clinical indicators relating to caecal intubation (95% against target of 95%) and bowel preparation adequacy (93% against target of 90%)
- supported workplace culture, discussion and escalation of matters of concern for junior medical staff through the Junior Medical Advisory Council
- initiated a review of paediatric allied health services across the network
- commenced a project to review and improve access to outpatient services through use of technology and consumer driven improvements
- supported staff wellbeing through the wellbeing wallets program that supported staff to drive their own wellbeing activities, initiatives and strategies specific to the needs and interests of their business unit
- recognised the many staff who go above and beyond for the valuable and highly respected work they do each and every day through the Local Heroes program
- were successfully re-accredited as a White Ribbon Workplace (July 2021)
- won a SA Health Award for our Integrated Management System (Feb 2021)
- welcomed 567 new Resident Medical Officers and Registrars in February working in both prevocational and vocational training positions
- updated our Intranet for improved access and functionality
- started our YouTube channel and Facebook accounts to stay connected with our community
- celebrated National Volunteers week with our 500 committed and generous volunteers
- celebrated 2 winners of South Australian Nursing and Midwifery Excellence Awards
- recognised National Reconciliation week as a time for us all to learn about how we can contribute to achieving reconciliation and reflect on the work we are doing together across SALHN to improve patient outcomes for Aboriginal and Torres Strait Islander peoples

Agency Response to COVID-19

During 2020-21, Southern Adelaide Local Health Network continued to work to the COVID-19 restrictions and implemented a suite of measures in response to the challenges arising from the COVID-19 pandemic in South Australia. These measures centred around keeping our staff and community safe and supporting state-wide COVID-19 initiatives and included:

- Reactivation of the SALHN COVID-19 Board Response Team and SALHN Incident Management Team and supporting governance committees
- Developing robust PPE supply chain and distribution for SALHN staff
- Supporting State-wide initiatives such as COVID-19 Testing and deployment of staff to priority areas
- Establishing COVID-19 Vaccination Clinics including mobile vaccination clinics
- Workforce support strategies including regular information sessions and flexible work arrangements where appropriate
- Strengthened partnerships with our consumers through establishment of a COVID-19 Consumer Reference Group
- Increasing choice to consumers regarding face to face or telehealth appointments where appropriate.

OFFICIAL**Agency contribution to whole of Government objectives**

More jobs	<p>Nursing and Midwifery Renewal program</p> <p>Nursing and Midwifery Transition to Professional Practice</p> <p>Aboriginal Trainee program</p>
Lower costs	<p>Improved efficiencies were gained through redesigning service models to better meet patient needs and improving effective use of resources.</p> <p>SALHN's financial sustainability program continued through 2020/2021, successfully delivering in key areas and priorities across the organisation.</p> <p>Costs were impacted in 2020/2021 as part of our commitment to build capability and create capacity in the health system in response to the COVID-19 Pandemic.</p>
Better services	<p>The Southern Health Expansion Plan delivered increased capacity of the FMC Emergency Department and increased clinical capacity at Noarlunga Hospital for delivery of geriatric medicine, orthopaedics and surgery.</p> <p>The SALHN-WCHN collaboration for paediatric eating disorders has been realised with strong partnerships delivering a shared statewide model of care.</p> <p>In accordance with the government's election commitments, SALHN has supported the ongoing activation of services based at the Repat Health Precinct including the Specialist Advanced Dementia Unit and the new State-wide Neuro Behavioural Unit. These services provide a tailored environment and high-quality care for South Australians living with dementia, allowing integration of their care alongside other specialised services and facilities at the Precinct.</p> <p>Expansion of SALHN's COVID-19 testing clinic and establishing a COVID-19 Vaccination Hub to support the SA Health system COVID-19 pandemic response.</p>

OFFICIAL**Agency specific objectives and performance**

Agency Objective: Safe & Reliable Healthcare	
Indicators	Performance
Length of stay in ED of less than 4 hours	SALHN achieved 51.2% against a target of 62.5% for LoS <4 hours.
90% of ambulance arrives offload within 30 mins	FMC ED is the busiest in the state. Targeted improvement work including processes and workflows related to transfer of care were initiated.
Elective Surgery Overdue patients	SALHN implemented a strategic program of elective surgery activities during 2020/2021 focusing on internal capacity and capability building. SALHN reached a COVID impacted high of 511 at 30 March 2021 which required a review of strategies resulting in a progressive reduction in the number of overdue patients to 66 at 30 June 2021.
Serious adverse events	The use of Person Injury Time Out Stop (PITSTOP) huddles has strengthened SALHN's oversight and improvement focus related to serious incidents or incidents of concern. These huddles occur as soon as practicable following a significant incident and involve multidisciplinary staff providing care for the patient. The Clinical Governance Unit have oversight of PITSTOP huddles, supporting learnings across the organisation. SAC 1 incidents have only once breached the statistical control.

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Agency Objective: “To listen, act, make better together”	
Indicators	Performance
Deliver Person and family-centred care	<p>Ongoing delivery against the Consumer Engagement Framework. The Partnering with Consumers Advisory Group reports directly to SALHN Executive; Governing Board Sub-Committee, and Clinical Council.</p> <p>Ongoing development of the Aboriginal and Torres Strait Islander Consumer and Community Advisory group with the implementation of a monthly community only forum. Achievements include a community newsletter, COVID-19 wellbeing packages, development of a COVID-19 screening clinic in the outer south of Adelaide</p> <p>A pilot has commenced in relation to Level 2 Cultural Awareness Training in accordance with the SA Health Aboriginal Cultural Learning Framework. SALHN staff achieved 88% compliance with Level 1 online training with a renewed focus on Level 2 training.</p> <p>Improvement project for “Aboriginal Patients Discharge Against Medical Advice” in progress with 0.99% of inpatients identifying as Aboriginal or Torres Strait Islander discharging against medical advice. A second continuous improvement project is underway to achieve a target of zero ED patients identifying as Aboriginal or Torres Strait Islander with ED outcome of ‘Did Not Wait’.</p> <p>48 Patient and Family representatives are embedded across the clinical divisions and work units. They have a dedicated focus on connecting the patient voice with our service engineering. Targeted improvement work related to our top 3 feedback themes connects Consumer Advisory Service and Divisions.</p>
Increase awareness of research & enquiry	<p>Over 240 SALHN staff have participated in Continuous Improvement Program training supportive practice and process redesign, with over 120 quality improvement projects undertaken in the past 2 years.</p> <p>In progressing work against SALHN’s Research Strategic Pillar, planning commenced to deliver a program of work over the course of Research Week in September to encourage the four fields of enquiry.</p>

Corporate Performance Summary

Employment opportunity programs

Program name	Performance
Aboriginal and Torres Strait Islander employment program	<p>Implemented referral to Aboriginal Employment Register for appointment to non-clinical roles with the aim to:</p> <ul style="list-style-type: none"> • Provide opportunities for Aboriginal and/or Torres Strait Islander candidates to be considered for employment within SALHN; and • Increase Aboriginal and Torres Strait Islander employment.
Flexibility at Work program	<p>Provided access to flexible workplace arrangements, embedding arrangements as part of SALHN workforce profile and planning considerations. Our robust processes to support flexible workplace arrangements were demonstrated throughout our COVID-19 response.</p>
Aboriginal Enrolled Nurse Cadet Program	<p>Implemented an Aboriginal Enrolled Nurse Cadet Program to support trainees on a Nursing and Midwifery employment pathway.</p> <p>10 trainees are expected to undertake the Diploma of Nursing in 2021/2022.</p>

Agency performance management and development systems

Performance management and development system	Performance
<p>SALHN implements the SA Health Performance Review and Development program which includes six-monthly reviews. Compliance is measured through weekly reporting to the Senior Management team and provision of fortnightly reports to Divisions. Divisions implement local strategies to meet this requirement.</p>	<p>There has been a decrease in compliance due in part to the COVID-19 pandemic and a focus on training to support implementation of the new Electronic Medical Record system, with a rate as at 30 June 2021 of 44%.</p> <p>A continuous improvement program of work has been initiated to address the decrease in recorded Performance Review and Development sessions. This includes the use of an on-line form accessible through a QR code, and identification of practices which have been shown to be effective in achieving high levels of compliance.</p>

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Work health, safety and return to work programs

SALHN is committed to supporting staff safety and wellbeing. Our Integrated Governance Framework, integrated management system and SALHN's Safety Council encourage the identification and reporting of hazards and incidents to ensure prompt access to appropriate support and allows key learnings to be shared across the network.

Program name	Performance
Worksite Safety Inspections	73% of SALHN Services participated in environmental safety audit with a target of 95% by October 2021
Slips, Trips Falls Safety	Safety campaign was launched reflecting risks for injury when distracted by a mobile phone.
Hazard Reporting	A Continuous Improvement Project for increasing hazard reporting across SALHN is nearing completion with a goal of a 10% increase per year in Hazard reporting.
Hazardous Substance Audits	68% of SALHN Services participated in the Hazardous Substance audits with a target of 95% by October 2021
Back, Neck and Shoulder campaign	Campaign for 31 days of no Back, Neck and Shoulder Injuries

Workplace injury claims	Past Year 2019-20	Current Year 2020-21	% Change (+ / -)
Total new workplace injury claims	168	180	+7.5%
Fatalities	0	0	0.0%
Seriously injured workers*	1	1	0.0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	16.59	18.5	+11.5%

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

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Work health and safety regulations	Past Year 2019-20	Current Year 2020-21	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	7	5	-28.6%
Number of provisional improvements, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	2	13	+550%

Return to work costs**	Past Year 2019-20	Current Year 2020-21	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$5,741,440	\$7,367,371	+28.3%
Income support payments – gross (\$)	\$2,762,429	\$3,391,814	+22.8%

**before third-party recovery

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/southern-adelaide-local-health-network-salhn/resource/6b563792-d33a-4796-bb20-bc6c713588e6>

Executive employment in the agency

Executive classification	Number of executives
Chief Executive Officer	1
SAES1	9
SAES2	NIL

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/southern-adelaide-local-health-network-salhn/resource/6b563792-d33a-4796-bb20-bc6c713588e6>

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. It is available at: <https://www.publicsector.sa.gov.au/about/Our-Work/Reporting/Workforce-Information>

FINANCIAL PERFORMANCE

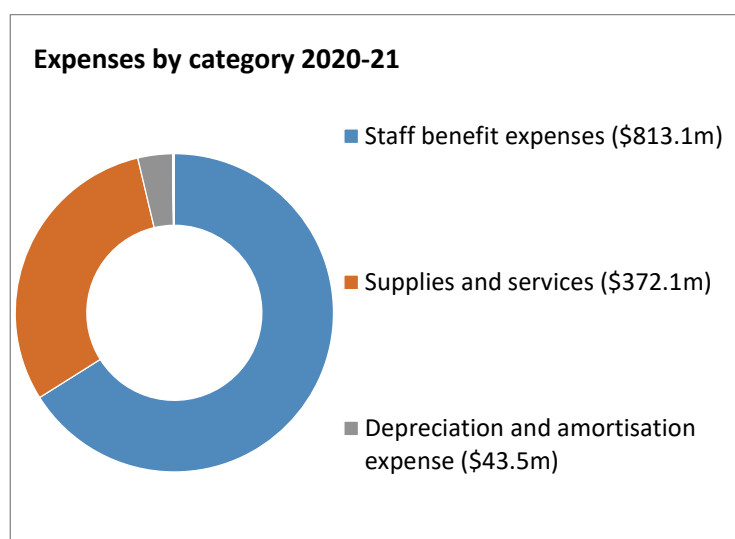
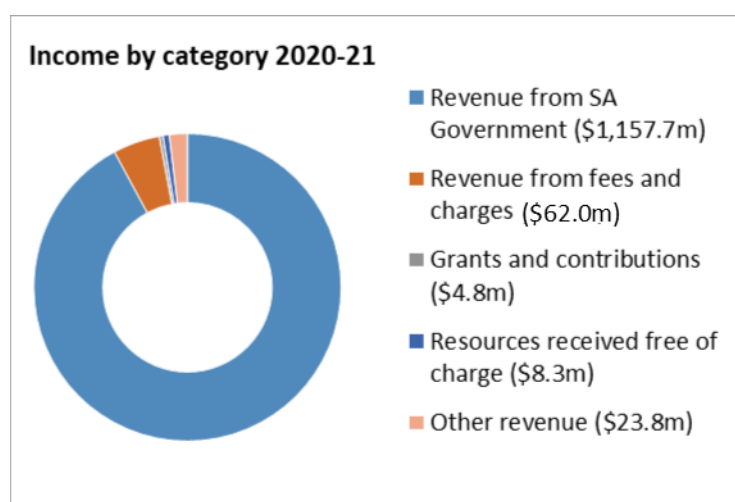
Financial performance at a glance

The following table and charts provide a brief summary of the overall financial performance of SALHN. The 2020-21 Audited Financial Statements are attached to this report.

SALHN three-year financial summary

Three-year financial summary (\$'000)	2020-21	%	2019-20	%	2018-19	%
		↑↓		↑↓		↑↓
Total Income	1 256 658	↑ 8.3%	1 159 971	↑ 12.2%	1 034 257	↓ -3.3%
Total expenses	1 230 652	↑ 4.2%	1 180 615	↑ 5.2%	1 122 670	↑ 4.8%
Net result for the period	26 006	↑ 226.0%	(20 644)	↑ 76.7%	(88 413)	↓ -4892.0%
Net cash provided by operating activities	16 160	↓ -58.8%	39 208	↓ -549.4%	(8 724)	↓ -114.2%
Total assets	826 980	↑ 3.4%	800 108	↑ 1.6%	787 877	↓ -5.2%
Total liabilities	384 974	↑ 0.2%	384 108	↑ 9.6%	350 534	↑ 14.7%
Net assets	442 006	↑ 6.3%	416 000	↓ -4.9%	437 343	↓ -16.8%

* Budgets for the Statement of Financial Position are maintained for Whole of Health only



OFFICIAL**Consultants disclosure**

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

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

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	\$6,300

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

Consultancies	Purpose	\$ Actual payment
Ernst & Young	Capital renewal program to develop a `case for change.	\$190,000
KPMG	Colonoscopy review to identify improvement opportunities and increasing demand.	\$150,000
Destravis Australia Pty Ltd.	Clinical services planning and master plan.	\$150,116
Ernst & Young	Review of clinical coding and documentation to identify improvement opportunities.	\$100,500
KPMG	Professional services for assessing efficient and effective management of SALHN's biomedical equipment to meet the needs of patients.	\$19,866
Ernst & Young	Professional services for strategic risk and Internal Audit project including the delivery of strategic risk refresh, risk assurance mapping and developing Internal audit plan.	\$15,400
Jane Jeffreys Consulting	Professional services for evaluation of operation and output of SALHN's Board and sub-committee, performance, achievements, Board composition dynamics and skill mix and provide suggestions for enhancing performance.	\$10,978
	Total	\$636,860
	Consultancies GRAND TOTAL	\$643,160

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/southern-adelaide-local-health-network-salhn/resource/2e3c70e6-48bf-4c72-a0ed-727c80d5be63>

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

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Contractors disclosure

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

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	\$29,444

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

Contractors	Purpose	\$ Actual payment
Ernst & Young	Provision of services including COVID-19 data analytics, coding training program, senior management leadership workshop, automation process pilot, financial management capacity and capability program.	\$800,653
CARE Park	Administration Fee for FMC Car Parking.	\$273,340
Rebbeck Consulting Pty Ltd	State-wide alcohol and other drugs needs assessment.	\$249,148
PriceWaterhouseCoopers Consulting (Australia) Pty Ltd	SALHN home hospital and private patient review project.	\$233,769
Flinders University	Evaluation of assertive outreach services project.	\$123,755
BDO Advisory	Business case for RGH's Veterans wellbeing centre.	\$94,330
Business Health Consulting Services	General services and various reports including data analytics report and decision support services.	\$67,850
Defence SA	Project Management of RGH's Veterans wellbeing centre operations.	\$67,583
Zed Management Consulting	Provision of services relating to the partnership hub review.	\$63,950
Macquarie University	Project review of the SALHN's continual process improvement projects and submission of draft report.	\$56,030
Uniting Communities	Outpatient Counselling Services.	\$54,686
Lucid Consulting	Professional services Strategic Asset Management Plan.	\$52,870
Pharmconsult Pty Ltd	Review and investigate models for Pharmacy Services for DASSA.	\$46,620

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Contractors	Purpose	\$ Actual payment
Harris Orchard Services Pty Ltd	DASSA Business service process review and leadership development coaching sessions.	\$34,995
Taryn Schubert Communications	RGH veterans Wellbeing Centre.	\$28,125
Dr FG Quigley Pty Ltd	Professional services for review of clinical practices.	\$28,108
Life Without Barriers	Professional services for outpatient counselling appointments.	\$26,701
Mauro Vicaretti	Professional services for review of clinical practices.	\$21,086
University of South Australia	Support dashboard for continuous monitoring and improvement of Psychological health at work.	\$20,000
Centacare Catholic Family Services	Professional services for outpatient counselling appointments.	\$19,611
Carol Beeke	Professional services for the Audit for the South Australian Colorectal Registry.	\$17,465
Democracy Co Unit Trust	Design workshop with three focus groups and the preparation of an engagement strategy.	\$15,840
ISS Health Services Pty Ltd	Fixed fees for food and cleaning services.	\$15,051
Destravis Australia Pty Ltd.	Professional services to identify future service opportunities that are safe, innovative, sustainable and develop a health service plan for McLaren Vale clinical sub speciality programme.	\$11,885
SAHMRI	Provision of report on the South Australian national drug strategy and household survey data.	\$11,430
Anna Gabrielli HR Services	Professional services for attendance at people plan divisional or committee meetings, preparation of draft role descriptions, research and preparation of people strategy documents.	\$10,502
	Total	\$2,468,221
	Contractors GRAND TOTAL	\$2,497,665

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/southern-adelaide-local-health-network-salhn/resource/b209244a-2ee3-4f8a-85ef-481cea1661b4> . 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](#).

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RISK MANAGEMENT

Risk and audit at a glance

SALHN's Audit and Risk Board Sub-Committee continues to meet quarterly with additional scheduling of Sub-Committee meetings around the end of financial year to support robust governance of financial statement verification and submission. The Sub-Committee consists of 2 Board Members, 1 Independent Member and 5 Executive Members.

Q1 2020-21, SALHN's Governing Board endorsed the FY21/22 Internal Audit Plan. An Internal Audit lead was appointed to provide independent, risk based and reliable insights in supporting SALHN to achieve its objectives of delivering quality care through systematic evaluation and improvements, risk management, internal control, and governance processes. Work against the Internal Audit Plan has continued throughout 2020-21.

In March 2021, SALHN's Risk Appetite Statements were developed in partnership with SALHN's Board and Executive and connected with our strategic objectives. These statements complement our risk management framework as part of our best practice governance. Enhancement of risk literacy and risk maturity continues to be a key focus of our Integrated Governance framework.

Fraud detected in the agency

Category/nature of fraud	Number of instances
Time keeping and attendance	1
Misuse of public resources	1
Non- compliance of research ethics and approvals	0
Utilising public resources for pecuniary interest and conducting unauthorised research	0
Failure to declare conflict of interest and receiving gain or favour	1
Inappropriate claims for recall	0

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

Strategies implemented to control and prevent fraud

- The Code of Ethics is issued to all new employees with their Contracts of Employment.
- New employees attend SALHN's Corporate Orientation program which contains a section on employee responsibilities, including the requirement to abide by the Government Code of Ethics.
- Code of Ethics is a mandatory training requirement for all employees.
- Annual Statements of Interest are required by all Clinical and Executives with ongoing improvement projects focusing on compliance and management plans.
- Data for previous years is available at: <https://data.sa.gov.au/data/dataset/southern-adelaide-local-health-network-salhn/resource/30ab8d86-20d1-43cf-aa64-ccd6920b0d50>

Public interest disclosure

- Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*: 0
- Data for previous years is available at: <https://data.sa.gov.au/data/dataset/southern-adelaide-local-health-network-salhn/resource/80ae2805-aae1-4780-b65f-c876b454e4b2>

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REPORTING REQUIRED UNDER ANY OTHER ACT OR REGULATION

Act or Regulation	Requirement
<i>Carers' Recognition Act 2005</i>	<p>Reporting required under the <i>Carers' Recognition Act 2005</i></p> <p>The <i>Carers' Recognition Act 2005</i> is deemed applicable for the following: Department of Human Services, Department for Education, Department for Health and Wellbeing, Department of State Development, Department of Planning, Transport and Infrastructure, South Australia Police and TAFE SA.</p> <p>Section 7: Compliance or non-compliance with section 6 of the Carers Recognition Act 2005 and (b) if a person or body provides relevant services under a contract with the organisation (other than a contract of employment), that person's or body's compliance or non-compliance with section 6.</p>

The important role that carers play in caring is highly valued and respected by SALHN. To improve carer experiences and build stronger support systems in 'caring for the carer' SALHN has:

- Expanded our Patient and Family Representative Model to 48 positions, to continue to actively seek both carers' and patients' feedback
- Introduced Short Message Service (SMS) initiated Consumer Experience Surveys, which includes the opportunity for carers to provide feedback
- Continued to promote the SA Health Partnering with Carers Strategic Action Plan and Key Priorities across SALHN
- Appointed a Consumer as the Co-Chair of SALHN's Partnering with Consumers Advisory Group
- Actively recruited Consumer representative roles for our Aboriginal and Torres Strait Islander Consumer and Community Advisory Group, Partnering with Consumers Advisory Group, and Mental Health Consumer and Carer Advisory Group
- Engaged Consumers in our COVID-19 Pandemic Management Plan development
- Sought advice from Consumers in Research Project Plans and key strategic initiatives
- Consumers have been integral to early planning within the Total Quality Care Program
- Facilitated food satisfaction surveys and kitchen tours, including carer representatives
- Included Consumer stories in staff education and as part of the SALHN Clinical Governance Sub-Committee standing agenda and a number of Divisional committee meetings
- Encouraged SALHN staff to recognise themselves as carers on the CHRIS human resources system where relevant.

OFFICIAL**PUBLIC COMPLAINTS**

Number of public complaints reported			
Complaint categories	Sub-categories	Example	Number of Complaints 2020-2021
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile, cultural competency	181
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	8
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	N/A
Communication	Communication quality	Inadequate, delayed or absent communication with consumer	129
Communication	Confidentiality	Consumer's confidentiality or privacy not respected; information shared incorrectly	16
Service delivery	Systems/technology	System offline; inaccessible to consumer; incorrect result/information provided; poor system design	35
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to consumers with disabilities	10
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not consumer responsive	45
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	N/A
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages consumer	N/A
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	4

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Number of public complaints reported			
Complaint categories	Sub-categories	Example	Number of Complaints 2020-2021
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	341
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	28
Service quality	Service responsiveness	Service design doesn't meet consumer needs; poor service fit with consumer expectations	73
No case to answer	No case to answer	Third party; consumer misunderstanding; redirected to another agency; insufficient information to investigate	N/A
		Total	870

Additional Metrics	Total
Number of positive feedback comments	595
Number of negative feedback comments	1333
Total number of feedback comments	2120
% complaints resolved within policy timeframes	83%

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/southern-adelaide-local-health-network-salhn/resource/8366510c-e619-42c5-a107-7cf6258730bc>

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SERVICE IMPROVEMENTS

Resulting from consumer feedback and suggestions during FY20/21 Included:

- Updated staff resources to improve complaints management process.
- Improvements to the design of a consumer feedback form for Aboriginal and Torres Strait Islander consumers accessing services from the SALHN Aboriginal Health Service
- Improvements in telephone access following increased consumer reports of barriers to service availability.
- Improvements in follow up procedures to confirm patient health status after self- discharge.
- Trainee Medical Officer Unit training program improvements to support improved patient-centred service delivery.
- Modification of facilities to suit current Australian Standards for wheelchair access.
- Improvements to communication protocols between public and private service providers.
- Reduction in elective surgery waiting lists
- Changes to process of public patients in Flinders Private Hospital being discharged following surgery once an outpatient appointment has been scheduled
- Enhanced communication between staff and inpatients and their families regarding expected waiting times.
- Collaboration with our service partners to implement improvements in feedback and information provision.
- Consumer stories embedded into committee agendas to guide and inform decision making for service improvements.

Compliance Statement

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

SALHN has communicated the content of PC039 through raising staff awareness of the SALHN Consumer Advisory Service Feedback Management Procedure which is compliant with the content of PC039.

SALHN staff are also aware of the **SA Health Consumer, Carer and Community Feedback and Complaints Management web page and Strategic Framework** which reference the PC039.

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APPENDIX: AUDITED FINANCIAL STATEMENTS 2020-21

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APPENDIX: FINANCIAL STATEMENTS 2020-21

SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Revenues from SA Government	2	1,157,708	1,071,169
Fees and charges	3	62,047	58,394
Grants and contributions	4	4,812	4,834
Interest	13	4	64
Resources received free of charge	5	8,335	5,015
Other revenues/income	6	23,752	20,495
Total income		1,256,658	1,159,971
Expenses			
Employee benefits expenses	7	813,056	786,781
Supplies and services	8	372,116	350,126
Depreciation and amortisation	17,18	43,524	42,570
Grants and subsidies	9	342	97
Borrowing costs	10	168	272
Net loss from disposal of non-current and other assets	12	90	159
Impairment loss on receivables	14.1	453	105
Other expenses	11	903	505
Total expenses		1,230,652	1,180,615
Net result		26,006	(20,644)
Total comprehensive result		26,006	(20,644)

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

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SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Current assets			
Cash and cash equivalents	13	36,181	32,215
Receivables	14	25,384	20,269
Inventories	16	3,772	3,858
Total current assets		65,337	56,342
Non-current assets			
Receivables	14	6,274	5,827
Other financial assets	15	2,601	2,601
Property, plant and equipment	17,18	752,746	735,302
Intangible assets	17.5	22	36
Total non-current assets		761,643	743,766
Total assets		826,980	800,108
Current liabilities			
Payables	20	36,586	33,336
Financial liabilities	21	1,332	355
Staff benefits	22	133,090	128,223
Provisions	23	5,416	5,124
Contract liabilities and other liabilities	24	2,079	2,331
Total current liabilities		178,503	169,369
Non-current liabilities			
Payables	20	6,123	6,311
Financial liabilities	21	7,856	10,086
Staff benefits	22	153,244	159,613
Provisions	23	39,248	38,729
Total non-current liabilities		206,471	214,739
Total liabilities		384,974	384,108
Net assets		442,006	416,000
Equity			
Retained earnings		358,376	332,370
Asset revaluation surplus		83,630	83,630
Total equity		442,006	416,000

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

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SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2021

	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2019	83,630	353,713	437,343
Adjustments on initial adoption of Accounting Standards	-	343	343
Adjusted balance at 1 July 2019	83,630	354,056	437,686
Net result for 2019-20	-	(20,644)	(20,644)
Total comprehensive result for 2019-20	-	(20,644)	(20,644)
Net assets received from an administrative restructure	-	(1,042)	(1,042)
Balance at 30 June 2020	83,630	332,370	416,000
Net result for 2020-21	-	26,006	26,006
Total comprehensive result for 2020-21	-	26,006	26,006
Balance at 30 June 2021	83,630	358,376	442,006

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

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SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from SA Government		958,236	916,420
Fees and charges		55,966	47,960
Grants and contributions		6,748	7,037
Interest received		4	64
GST recovered from ATO		15,123	13,770
Other receipts		8,469	17,757
Cash generated from operations		1,044,546	1,003,008
Cash outflows			
Staff benefits payments		(810,804)	(759,344)
Payments for supplies and services		(216,128)	(203,421)
Payments of grants and subsidies		(486)	(162)
Interest paid		(168)	(198)
Other payments		(800)	(675)
Cash used in operations		(1,028,386)	(963,800)
Net cash provided by operating activities		16,160	39,208
Cash flows from investing activities			
Cash inflows			
Proceeds from sale of property, plant and equipment		-	47
Cash generated from investing activities		-	47
Cash outflows			
Purchase of property, plant and equipment		(10,182)	(16,949)
Cash used in investing activities		(10,182)	(16,949)
Net cash used in investing activities		(10,182)	(16,902)
Cash flows from financing activities			
Cash outflows			
Repayment of borrowings		-	(3,007)
Repayment of lease liabilities		(2,012)	(1,964)
Cash used in financing activities		(2,012)	(4,971)
Net cash used in financing activities		(2,012)	(4,971)
Net increase in cash and cash equivalents		3,966	17,335
Cash and cash equivalents at the beginning of the period		32,215	14,880
Cash and cash equivalents at the end of the period	13	36,181	32,215
Non-cash transactions	25		

The accompanying notes form part of these financial statements.

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SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

1. About Southern Adelaide Local Health Network

The Southern Adelaide Local Health Network (the Hospital) is a not-for-profit incorporated hospital established under the *Health Care Act 2008*. The financial statements include all controlled activities of the Hospital. The Hospital does not control any other entity. It does have an interest in an unconsolidated structured entity (Flinders Fertility). Information on the Hospital's interests in other entities is at note 33.

Administered items

The Hospital has administered activities and resources. Transactions and balances relating to administered resources are presented separately and are disclosed in the Schedule of Administered Financial Statements (note 35). Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for the Hospital's transactions.

1.1 Objectives and activities

The Hospital is committed to protecting and improving the health of all South Australians by delivering a system that balances the provision of safe, high-quality and accessible services that are sustainable and reflective of local values, needs and priorities with strategic system leadership, regulatory responsibilities and an increased focus on wellbeing, illness prevention, early intervention and quality care.

The Hospital is part of the SA Health portfolio providing health services for Southern Adelaide, including those managed on a State-wide basis. The Hospital is structured to contribute to the outcomes for which the portfolio is responsible by providing hospital-based quaternary care including medical, surgical and other acute services, rehabilitation, mental health, palliative care and other community health services to veterans and other persons living within the Southern Adelaide metropolitan area and statewide as appropriate.

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 (Minister) or the Chief Executive of the Department for Health and Wellbeing (Department).

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

1.2 Basis of preparation

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

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

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

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

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

1.3 Taxation

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

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

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

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

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

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SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

1.4 Continuity of Operations

As at 30 June 2021, the Hospital had a working capital deficiency of \$113.166 million (\$113.027 million deficiency). The SA Government is committed and has consistently demonstrated a commitment to the ongoing funding of the Hospital to enable it to perform its functions.

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 Administrative restructures**2020-21**

There were no transfers during this period

2019-20

As part of governance reforms and new department structure, it was agreed that a portion of the following functions would be transferred from the Department to the Hospital, effective 1 July 2019:

- Risk and assurance Internal audit
- Local Health Network based Biomedical Engineering
- Debt management

This resulted in the transfer in of net liabilities of \$1.042 million, consisting of staff benefits liabilities of \$1.053 million, Payables - staff on-costs of \$0.063 million and transfer of property, plant and equipment of (\$0.074 million)

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

1.7 Impact of COVID-19 pandemic on SA Health

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, the readiness of COVID-19 testing clinics, establishment of vaccine clinics, increased demand for personal protective equipment and increased staffing costs (including agency) to ensure necessary compliance measures are followed. Net COVID-19 specific costs for the Hospital were \$17.626 million (\$6.913 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

	2021 \$'000	2020 \$'000
Operational funding	1,098,345	1,045,341
Capital projects funding	59,363	25,828
Total revenues from Department for Health and Wellbeing	1,157,708	1,071,169

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 revenues when the Hospital obtains control over the funding. Control over the funding is normally obtained upon receipt.

3. Fees and charges

	2021 \$'000	2020 \$'000
Car parking revenue	3,434	5,344
Commissions revenue	15	17
Fees for health services	11,016	10,004
Fines, fees and penalties	6	11
Patient and client fees	41,997	37,321
Private practice fees	3,246	3,573
Sale of goods - medical supplies	152	131
Training revenue	214	190
Other user charges and fees	1,967	1,803
Total fees and charges	62,047	58,394

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SOUTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

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

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

Contracts with Customers disaggregated by pattern of revenue recognition and type of customer	2021	2021	2020	2020
	\$'000	\$'000	\$'000	\$'000
	Goods/Services transferred at a point in time	Goods/Services transferred over a period of time	Goods/Services transferred at a point in time	Goods/Services transferred over a period of time
Car parking revenue	3,434	-	2,463	2,867
Commissions revenue	15	-	17	-
Patient and client fees	32,965	-	31,636	-
Private practice fees	3,246	-	3,573	-
Fees for health services	10,400	-	9,870	-
Sale of goods - medical supplies	52	-	100	-
Training revenue	-	-	8	-
Other user charges and fees	1,441	-	1,623	-
Total contracts with external customers	51,553	-	49,290	2,867
Car parking revenue	-	-	14	-
Patient and client fees	9,032	-	5,685	-
Fees for health services	616	-	134	-
Sale of goods - medical supplies	100	-	31	-
Training revenue	214	-	182	-
Other user charges and fees	526	-	180	-
Total contracts with SA Government customers	10,488	-	6,226	-
Total contracts with customers	62,041	-	55,516	2,867

The Hospital recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities (refer to note 24). Similarly, if the Hospital satisfies a performance obligation before it receives the consideration, the Hospital recognises either a contract asset or a receivable, depending on whether something other than the passage of time is required before the consideration is due (refer to note 14).

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

Patient and Client Fees

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

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 accounts receivable.

Private practice fees

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

Car Parking Revenue

The Hospital provides access to car parks directly to employees, patients and visitors. A discounted weekly ticket is also available. Revenue is recognized when control of the goods has transferred to the customer, being when the ticket is purchased. The Hospital also provides weekly, fortnightly and monthly car park passes to doctors and nurses and other staff.

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4. Grants and contributions

	2021 \$'000	2020 \$'000
Commonwealth grants and donations	1,906	650
Other SA Government grants and contributions	982	1,235
Private sector capital contributions	-	24
Private sector grants and contributions	1,924	2,925
Total grants and contributions	4,812	4,834

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

Of the \$4.812 million (\$4.834 million) received in 2020-21 for grants and contributions, \$0.723 million (\$1.076 million) was provided for specific purposes, such as research and associated activities.

5. Resources received free of charge

	2021 \$'000	2020 \$'000
Buildings and improvements	1,670	-
Services	6,665	5,015
Total resources received free of charge	8,335	5,015

Buildings and improvements contributions of \$1.670 million relates to photovoltaic cells for Flinders Medical Centre.

Contributions 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 also receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$5.057 million (\$5.015 million) and ICT (Information and communication technology) services from Department of the Premier and Cabinet valued at \$1.608 million (\$Nil), following Cabinet's approval to cease intra-government charging.

In addition, although not recognised the Hospital received volunteer services from the Volunteers Services Inc. There are around 646 volunteers who provide patient and staff support services to individuals using Hospital's services. The services include but are not limited to: childcare, respite care, transport, therapeutic activities, patient liaison gift shop support, kiosk support and café support.

6. Other revenues/income

	2021 \$'000	2020 \$'000
Donations	567	36
Health recoveries	15,265	12,808
Other	7,920	7,651
Total other income/revenue	23,752	20,495

7. Staff benefits expenses

	2021 \$'000	2020 \$'000
Salaries and wages	658,883	625,223
Targeted voluntary separation packages (refer below)	1,382	1,632
Long service leave	5,694	17,804
Annual leave	64,787	63,293
Skills and experience retention leave	3,016	2,977
Staff on-costs - superannuation*	69,089	66,869
Staff on-costs - other	2	3
Workers compensation	8,158	6,776
Board and committee fees	296	313
Other staff related expenses	1,749	1,891
Total staff benefits expenses	813,056	786,781

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

7.1 Key Management Personnel

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

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

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

Compensation	2021 \$'000	2020 \$'000
Salaries and other short term staff benefits	1,087	1,234
Post-employment benefits	173	116
Total	1,260	1,350

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.

7.2 Remuneration of board and committee members

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

	2021 No. of Members	2020 No. of Members
\$0	338	348
\$1 - \$20,000	48	50
\$20,001 - \$40,000	5	5
\$40,001 - \$60,000	-	1
\$60,001 - \$80,000	1	1
Total	392	405

The total remuneration received or receivable by members was \$0.322 million (\$0.339 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and related fringe benefits tax. In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year. Board members ceasing membership during the reporting period are also included in the table above.

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

Refer to note 34 for members of boards/committees that served for all or part of the financial year and were entitled to receive income from membership in accordance with APS 124.B.

7.3 Remuneration of staff

	2021 Number	2020 Number
The number of staff whose remuneration received or receivable falls within the following bands:		
\$154,678 - \$175,000	156	127
\$175,001 - \$195,000	101	77
\$195,001 - \$215,000	50	42
\$215,001 - \$235,000	35	32
\$235,001 - \$255,000	37	46
\$255,001 - \$275,000	39	36
\$275,001 - \$295,000	32	25
\$295,001 - \$315,000	30	31
\$315,001 - \$335,000	19	14
\$335,001 - \$355,000	24	25
\$355,001 - \$375,000	27	22
\$375,001 - \$395,000	25	27
\$395,001 - \$415,000	18	14
\$415,001 - \$435,000	17	32
\$435,001 - \$455,000	26	21
\$455,001 - \$475,000	26	24
\$475,001 - \$495,000	20	15
\$495,001 - \$515,000	12	11
\$515,001 - \$535,000	10	5
\$535,001 - \$555,000	7	7
\$555,001 - \$575,000	9	7

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	2021	2020
	Number	Number
The number of staff whose remuneration received or receivable falls within the following bands:		
\$575,001 - \$595,000	6	6
\$595,001 - \$615,000	3	-
\$615,001 - \$635,000	1	2
\$635,001 - \$655,000	-	1
\$675,001 - \$695,000	1	-
Total	731	649

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

7.4 Remuneration of staff by classification

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

	2021		2020	
	No.	\$'000	No.	\$'000
Nursing remuneration	57	9,634	38	6,253
Medical (excluding Nursing) remuneration	661	195,856	597	178,510
Non-medical (i.e. administration) remuneration	3	660	6	1,389
Executive remuneration	10	2,276	8	1,894
Total	731	208,426	649	188,046

7.5 Targeted voluntary separation packages (TVSP)

	2021	2020
	\$'000	\$'000
Amount paid/payable to separated staff:		
Leave paid/payable to separated employees	671	1,232
Targeted voluntary separation packages	1,382	1,632
	2,053	2,864
Recovery from the Department of Treasury and Finance (DTF)	-	819
Net cost to the Hospital	2,053	2,045
The number of staff who received a TVSP during the reporting period	14	29

8. Supplies and services

	2021	2020
	\$'000	\$'000
Administration	401	115
Advertising	2,188	2,073
Communication	2,991	1,613
Computing	10,087	10,306
Consultants	643	279
Contract of services	7,592	7,746
Contractors	2,497	2,418
Contractors - agency staff	15,405	17,489
Drug supplies	26,114	25,280
Electricity, gas and fuel	7,287	8,167
Fee for service	41,467	39,587
Food supplies	11,859	10,781
Hotel quarantine - accommodation costs	13	-
Housekeeping	13,094	11,751
Insurance	6,170	5,928
Internal SA Health SLA payments	14,232	13,885
Legal	219	-
Low value lease expense	265	-
Medical, surgical and laboratory supplies	137,667	125,613
Minor equipment	6,639	3,634
Motor vehicle expenses	1,066	1,044
Occupancy rent and rates	2,818	2,954
Patient transport	5,667	5,995
Postage	1,322	1,426
Printing and stationery	2,458	2,377
Repairs and maintenance	17,962	16,261
Security	9,688	7,024
Services from Shared Services SA	5,128	5,068
Short term lease expense	-	18
Training and development	8,545	10,388

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Travel expenses	346	508
Other supplies and services	10,286	10,398
Total supplies and services	372,116	350,126

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

Consultants

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

	2021		2020	
	No.	\$'000	No.	\$'000
Below \$10,000	1	6	-	-
Above \$10,000	7	637	3	279
Total paid/payable to consultancies engaged	8	643	3	279

9. Grants and subsidies

	2021	2020
	\$'000	\$'000
Recurrent grants	342	30
Funding to non-government organisations	-	67
Total grants and subsidies	342	97

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

10. Borrowing costs

	2021	2020
	\$'000	\$'000
Interest expense on lease liabilities	168	198
Interest paid/payable on liabilities measured at amortised cost	-	74
Total borrowing costs	168	272

Interest paid/payables relates to the former Flinders Medical Centre car park loan. The Hospital does not capitalise borrowing costs.

11. Other expenses

	2021	2020
	\$'000	\$'000
Assets transferred to the Department	23	-
Debts written off	60	246
Bank fees and charges	44	42
Other*	776	217
Total other expenses	903	505

*Includes audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* of \$0.363 million (\$0.377 million). No other services were provided by the Auditor-General's Department.

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

	2021	2020
	\$'000	\$'000
Proceeds from disposal	-	47
Less carrying amount of assets disposed	(90)	(206)
Total net gain/(loss) from disposal of non-current and other assets	(90)	(159)

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.

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13. Cash and cash equivalents

	2021	2020
	\$'000	\$'000
Cash at bank or on hand	1,322	1,380
Deposits with Treasurer: general operating	23,753	20,035
Deposits with Treasurer: special purpose funds	11,106	10,800
Total cash and cash equivalents	36,181	32,215

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

The Hospital only earns interest on the special deposit account of \$0.004 million (\$0.064 million)

14. Receivables

	2021	2020
	\$'000	\$'000
Current		
Patient/client fees: compensable	3,472	1,467
Patient/client fees: other	11,162	8,723
Debtors	4,291	3,890
Less: allowance for impairment loss on receivables	(1,707)	(1,254)
Prepayments	3,865	3,773
Workers compensation provision recoverable	1,583	1,500
Sundry receivables and accrued revenue	2,132	1,742
GST input tax recoverable	586	428
Total current receivables	25,384	20,269
Non-current		
Debtors	947	921
Prepayments	1,488	1,544
Workers compensation provision recoverable	3,839	3,362
Total non-current receivables	6,274	5,827
Total receivables	31,658	26,096

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.

14.1 Impairment of receivables

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

Movement in the allowance for impairment loss on receivables:

	2021	2020
	\$'000	\$'000
Carrying amount at the beginning of the period	1,254	1,149
Increase/(Decrease) in allowance recognised in profit or loss	453	105
Carrying amount at the end of the period	1,707	1,254

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

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15. Other financial assets

	2021	2020
	\$'000	\$'000
Non-current		
Joint venture	2,601	2,601
Total other financial assets	2,601	2,601

The joint venture represents the Hospital's share of beneficial entitlement of Flinders Reproductive Medicine Pty Ltd as trustee for Flinders Charitable Trust, trading as Flinders Fertility, which is the only joint arrangement in which the Hospital participates. The value of entitlement as at the reporting period is unchanged at \$2.601 million from the previous financial year.

According to the terms of the joint venture, profit earned during the financial year is to be distributed to the beneficiaries, resulting in immaterial net assets being held by the trust. However, it has previously been agreed that rather than paying out these distributions, they be retained in Flinders Fertility as a liability to the beneficiaries to facilitate growth within the business. Therefore the Hospital recognises their ownership interest of the distribution as a financial asset.

There is no impairment on other financial assets. Refer to note 31 for information on risk management.

16. Inventories

	2021	2020
	\$'000	\$'000
Drug supplies	870	834
Inventory imprest stock	2,372	2,086
Other	530	938
Total current inventories - held for distribution	3,772	3,858

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

17. Property, plant and equipment and intangible assets**17.1 Acquisition and recognition**

Property, plant and equipment 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. However, if the assets are acquired at no or nominal values 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 to or in excess of \$10,000. Assets recorded as works in progress represent projects physically incomplete as at the reporting date. Componentisation of complex assets is generally performed when the complex asset's fair value at the time of acquisition is equal to or greater than \$5 million for infrastructure assets and \$1 million for other assets.

17.2 Depreciation and amortisation

The residual values, useful lives, depreciation and amortisation methods of all major assets held by the Hospital are reviewed and adjusted if appropriate on an annual basis. Changes in 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 and amortisation is calculated on a straight line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	40 - 80
Right-of-use buildings	Lease term
Right-of-use plant and equipment	Lease term
Accommodation and Leasehold improvements	2-15
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	5 - 15
• Other plant and equipment	3 - 25
Intangible assets	5 - 30

17.3 Revaluation

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

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

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

17.4 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. For revalued assets, fair value is assessed each year.

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

17.5 Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The amortisation period and the amortisation method for intangible assets with finite useful lives are reviewed on an annual basis.

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

Carrying amount of \$0.036 million work in progress at the beginning of the period was completed and became operational during the financial year, resulting in intangible assets with a carrying amount of \$0.022 million at the end of reporting period after amortisation of \$0.014 million.

17.6 Land and building

An independent valuation of owned land and buildings owned by the Hospital was performed in March 2018 by a certified practising valuer from Jones Lang Lasalle (SA) Pty Ltd, as at 1 June 2018.

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.

17.7 Leased property, plant and equipment

Right-of-use assets (including concessional arrangements) leased by the Hospital as lessee are measured at cost and there are no indications of impairment. Additions to right-of-use assets during 2020-21 consists of addition to properties \$0.057 million (\$0.023 million) and motor vehicles \$0.715 million (\$0.403 million). Short-term leases of 12 months or less and low value leases, where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and disclosed in note 8.

The Hospital has a number of lease agreements. Lease terms vary in length from 2 to 10 years.

Major lease activities include the use of:

- Properties – Office accommodation and health clinics are generally leased from the private sector. Generally property leases are non-cancellable with many having the right of renewal. Rent is payable in arrears, with increases generally at a fixed rate. 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 arrangement that has not commenced. The Hospital has not entered into any sub-lease arrangements outside of the SA Health.

The lease liabilities related to the right-of-use assets (and the maturity analysis) are disclosed at note 21. Expenses related to right-of-use assets including depreciation and interest expense are disclosed at note 10 and 18. Cash outflows related to right-of-use assets are disclosed at note 25.

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18. Reconciliation of property, plant and equipment

The following table shows the movement :

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	Accommod- ation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	43,255	643,636	9,409	21,417	3,791	10,857	2,115	776	46	735,302
Additions	-	-	57	52,581	-	5,248	35	715	773	59,409
Assets received free of charge	-	-	-	1,670	-	-	-	-	-	1,670
Disposals	-	-	-	-	-	(38)	(52)	(12)	-	(102)
Donated assets disposal	(23)	-	-	-	-	-	-	-	-	(23)
Transfers between asset classes	-	38,968	-	(39,136)	-	(28)	372	-	(176)	-
Subtotal:	43,232	682,604	9,466	36,532	3,791	16,039	2,470	1,479	643	796,256
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(36,342)	(1,589)	-	(332)	(4,203)	(434)	(610)	-	(43,510)
Subtotal:	-	(36,342)	(1,589)	-	(332)	(4,203)	(434)	(610)	-	(43,510)
Carrying amount at the end of the period	43,232	646,262	7,877	36,532	3,459	11,836	2,036	869	643	752,746
Gross carrying amount										
Gross carrying amount	43,232	757,932	11,058	36,532	6,108	44,870	9,120	1,646	643	911,141
Accumulated depreciation / amortisation	-	(111,670)	(3,181)	-	(2,649)	(33,034)	(7,084)	(777)	-	(158,395)
Carrying amount at the end of the period	43,232	646,262	7,877	36,532	3,459	11,836	2,036	869	643	752,746

All assets are classified in the level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 17.7 for details about the right-of-use assets, and note 21 for details about the lease liability for right-of-use assets.

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2019-20	Land and buildings:			Plant and equipment:						Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommod- ation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	43,255	673,161	10,978	4,607	3,782	11,719	2,429	1,014	211	751,156
Additions	-	-	23	23,448	-	2,931	56	403	1	26,862
Disposals	-	-	-	-	-	(187)	(19)	(14)	-	(220)
Donated assets disposal	-	-	-	-	-	-	-	-	-	-
Acquisition / (disposal) through administrative restructuring	-	-	-	-	-	74	-	-	-	74
Transfers between asset classes	-	6,297	-	(6,638)	341	166	-	-	(166)	-
Subtotal:	43,255	679,458	11,001	21,417	4,123	14,703	2,466	1,403	46	777,872
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(35,822)	(1,592)	-	(332)	(3,846)	(351)	(627)	-	(42,570)
Subtotal:	-	(35,822)	(1,592)	-	(332)	(3,846)	(351)	(627)	-	(42,570)
Carrying amount at the end of the period	43,255	643,636	9,409	21,417	3,791	10,857	2,115	776	46	735,302
Gross carrying amount										
Gross carrying amount	43,255	718,963	11,001	21,417	6,109	41,588	9,275	1,316	46	852,970
Accumulated depreciation / amortisation	-	(75,327)	(1,592)	-	(2,318)	(30,731)	(7,160)	(540)	-	(117,668)
Carrying amount at the end of the period	43,255	643,636	9,409	21,417	3,791	10,857	2,115	776	46	735,302

All assets are classified in the level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 17.7 for details about the right-of-use assets, and note 21 for details about the lease liability for right-of-use assets.

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19. Fair Value Measurement

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

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

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

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

19.1 Fair value hierarchy

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

All assets are held at level 3 and are recurring fair value measurements in 2020-21.

The Hospital's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Valuation techniques and inputs used to derive Level 2 and 3 fair values are at note 17 and 19.2.

During 2020 and 2021, the Hospital had no valuations categorised into Level 1, there were no transfers of assets between Level 1, 2 and 3 fair value hierarchy levels.

19.2 Valuation techniques and inputs

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

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

Unobservable inputs used to arrive at final valuation figures included:

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

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

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20. Payables

	2021	2020
	\$'000	\$'000
Current		
Creditors and accrued expenses	22,507	20,277
Paid Parental Leave Scheme	144	137
Staff on-costs*	12,620	11,579
Other payables	1,315	1,343
Total current payables	36,586	33,336
Non-current		
Staff on-costs*	6,073	6,142
Other payables	50	169
Total non-current payables	6,123	6,311
Total payables	42,709	39,647

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

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

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave is unchanged at 38% and the average factor for the calculation of employer superannuation on-costs has increased from the 2020 rate (9.80%) to 10.10% 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 on-cost liability and staff benefits expense of \$0.467 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

The Paid Parental Leave Scheme payable represents amounts which the Hospital has received from the Commonwealth Government to forward onto eligible staff via the Hospital's standard payroll processes. That is, the Hospital is acting as a conduit through which the payment to eligible staff is made on behalf of the Family Assistance Office. Refer to note 31 for information on risk management.

21. Financial liabilities

	2021	2020
	\$'000	\$'000
Current		
Lease liabilities	1,332	355
Total current financial liabilities	1,332	355
Non-current		
Lease liabilities	7,856	10,086
Total non-current financial liabilities	7,856	10,086
Total financial liabilities	9,188	10,441

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

Refer to note 31 for information on risk management.

Refer note 17 and 18 for details about the right-of-use assets (including depreciation) and note 10 for financing costs associated with these leasing activities.

21.1 Concessional lease arrangements

The Hospital has no concessional lease arrangements.

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21.2 Maturity analysis

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

	2021	2020
	\$'000	\$'000
Lease Liabilities		
1 to 3 years	4,215	4,885
3 to 5 years	4,652	1,656
5 to 10 years	983	4,493
Total lease liabilities (undiscounted)	9,850	11,034

22. Staff benefits

	2021	2020
	\$'000	\$'000
Current		
Accrued salaries and wages	26,991	27,365
Annual leave	87,225	80,991
Long service leave	13,472	14,448
Skills and experience retention leave	5,102	5,065
Other	300	354
Total current staff benefits	133,090	128,223
Non-current		
Long service leave	153,244	159,613
Total non-current staff benefits	153,244	159,613
Total staff benefits	286,334	287,836

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

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

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

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

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

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

22.2 Long service leave

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

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

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

The net financial effect of the changes to actuarial assumptions is a decrease in the long service leave liability of \$11.293 million, payables (employee on-costs) of \$0.434 million and employee benefits expense of \$11.727 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption being the long-term discount rate.

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23. Provisions

All provisions are for workers compensation.

Reconciliation of workers compensation (statutory and non-statutory)

	2021	2020
	\$'000	\$'000
Carrying amount at the beginning of the period	43,853	42,527
Increase in provisions recognised	2,827	2,514
Reductions arising from payments/other sacrifices of future economic benefits	(2,016)	(1,188)
Carrying amount at the end of the period	44,664	43,853

23.1 Workers Compensation

Workers compensation

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

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

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

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

Additional compensation for certain work-related injuries or illnesses (additional compensation)

The Hospital has recognised an additional compensation provision from 30 June 2018. The additional compensation provision 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.

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

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

24. Contract liabilities and other liabilities

	2021	2020
	\$'000	\$'000
Current		
Unearned revenue	73	40
Contract liabilities	1,982	2,200
Other	24	91
Total contract liabilities and other liabilities	2,079	2,331

Revenue relating to services/treatments for drug and alcohol abuse support is recognised over time although all funds are received upfront for these services. A contract liability is recognized for this revenue at the time of initial receipt and is released over the time as and when service obligations are met. All performance obligations from these existing contracts (deferred service income) will be satisfied during the next reporting period and accordingly all amounts will be recognized as revenue.

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25. Cash flow reconciliation

	2021 \$'000	2020 \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	36,181	32,215
Cash as per Statement of Financial Position	36,181	32,215
Balance as per Statement of Cash Flows	36,181	32,215
Reconciliation of net cash provided by operating activities to net result:		
Net cash provided by (used in) operating activities	16,160	39,208
Add/less non-cash items		
Asset donated free of charge	(23)	-
Capital revenues	47,931	10,086
Depreciation and amortisation expense of non-current assets	(43,524)	(42,570)
Gain/(loss) on sale or disposal of non-current assets	(90)	(159)
Net effect of the adoption of new Accounting Standard	-	(343)
Resources received free of charge	1,670	-
Movement in assets and liabilities		
Increase/(decrease) in receivables	5,562	(1,894)
Increase/(decrease) in inventories	(86)	652
(Increase)/decrease in staff benefits	1,502	(20,892)
(Increase)/decrease in payables and provisions	(3,348)	(5,238)
(Increase)/decrease in other liabilities	252	508
Net result	26,006	(20,644)

The total cash outflows for leases is \$2.012 million (\$2.163 million).

26. Unrecognised contractual commitments

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

26.1 Capital commitments

	2021 \$'000	2020 \$'000
Within one year	997	3,190
Total Capital commitments	997	3,190

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

26.2 Expenditure commitments

	2021 \$'000	2020 \$'000
Within one year	52,306	48,065
Later than one year but not longer than five years	111,938	112,635
Total Expenditure commitments	164,244	160,700

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

27. Trust funds

The Hospital holds money in trust on behalf of consumers that reside in the Hospital facilities whilst the consumer is receiving residential mental health services, residential drug and alcohol rehabilitation services, or 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 Hospital cannot use these funds to achieve its objectives.

	2021 \$'000	2020 \$'000
Carry amount at the beginning of period	103	34
Client trust receipts	524	510
Client trust payments	584	441
Carrying amount at the end of the period	43	103

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28. Contingent assets and liabilities

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

29. 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.

30. Impact of Standards not yet implemented

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

Amending Standards AASB 2014-10/AASB 2015-10/AASB 2017-5/AASB 2020-3 and AASB 2021-2 will apply from 1 July 2022 and 1 July 2023 respectively. Although applicable to the Hospital, these amending standards are not expected to have an impact on the Hospital's general purpose financial statements. SA Health will update its policies, procedures and work instructions, where required, to reflect the additional clarification requirements.

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

31. Financial instruments/financial risk management

31.1 Financial risk management

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

Liquidity Risk

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

Refer to note 1.4, 20 and 21 for further information.

Credit risk

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

Refer to notes 13, 14 and 15 for further information.

Market risk

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

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

31.2 Categorisation of financial instruments

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

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

A financial asset is measured at amortised cost if:

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

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Category of financial asset and financial liability	Notes	2021 Carrying amount/ Fair value \$'000	2020 Carrying amount/ Fair value \$'000
Financial assets			
Cash and equivalent			
Cash and cash equivalents	13	36,181	32,215
Amortised cost			
Receivables ⁽¹⁾⁽²⁾	14	19,295	14,513
Fair value through profit or loss			
Other financial assets	15	2,601	2,601
Total financial assets		58,077	49,329
Financial liabilities			
Financial liabilities at amortised cost			
Payables ⁽¹⁾	20	23,509	21,410
Financial liabilities	21	9,188	10,441
Other liabilities	24	24	91
Total financial liabilities		32,721	31,942

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

(2) Receivables amount disclosed excludes prepayments as they are not financial assets.

31.3 Credit risk exposure and impairment of financial assets

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

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

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 risk characteristics and for 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 evidence and informed credit assessment including any forward-looking information.

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

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

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	30 June 2021			30 June 2020		
	Expected credit loss rate(s)	Gross carrying amount	Expected credit losses	Expected credit loss rate(s)	Gross carrying amount	Expected credit losses
	%	\$'000	\$'000	%	\$'000	\$'000
Days past due						
Current	0.1 – 2.3 %	5,019	52	0.1 – 3.0 %	3,515	36
<30 days	0.2 – 2.7 %	3,186	57	0.2 – 3.7 %	3,064	57
31-60 days	0.4 - 4.7%	1,776	38	0.5 - 6.4%	1,593	34
61-90 days	0.6 – 6.9 %	462	19	0.7 – 8.6 %	828	43
91-120 days	0.9 – 10.1 %	1,483	98	1.0 – 11.7 %	616	51
121-180 days	1.5 – 15.4 %	980	119	1.7 – 15.9 %	380	54
181-360 days	2.5 – 38.0 %	1,566	343	2.6 – 37.9 %	594	94
361-540 days	22.7 – 53.9 %	275	129	22.7 – 53.8 %	477	239
>540 days	27.8 – 100.0 %	1,219	852	27.8 – 71.9 %	1,005	646
Total		15,966	1,707		12,072	1,254

32. Significant transactions with Government related entities

The Hospital is controlled by the SA Government.

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

Significant transactions with SA Government are identifiable throughout this financial report. The Hospital received funding from the SA Government via the Department (note 2), and incurred expenditure via the Department for medical, surgical and laboratory supplies, computing and insurance (note 8). The Department transferred capital works in progress of \$47.931 million (\$18.526 million) to the Hospital. The Hospital incurred expenditure with the Department for Infrastructure and Transport (DIT) for capital works of \$4.059 million (\$2.961 million).

33. Interests in other entities

Equity accounted investment

Long Entity Name: Flinders Reproductive Medicine Pty Ltd as trustee for Flinders Charitable Trust, trading as Flinders Fertility

Ownership interest: 50%

Flinders Reproductive Medicine Pty Ltd as trustee for Flinders Charitable Trust, trading as Flinders Fertility is the only joint arrangement in which the Hospital participates.

Flinders Fertility is structured as a private trust which is not a reporting entity and is not publicly listed. The Hospital and Flinders University each have a 50% beneficial entitlement to the net assets of the trust. Accordingly, the interest is classified as a joint venture with the investment measured using the equity accounting method.

The Hospital's share in the equity of the Flinders Fertility is calculated based on the draft financial statements provided as at the reporting period and subsequently adjusted when the final Audited financial statements are available.

The profits have not been distributed for 30 June 2021 as accumulated losses from previous financial years are yet to be recouped.

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The following table summarises the financial information of Flinders Fertility based on currently available information:

Percentage ownership interest	2021 50 %	2020 50 %
	\$'000	\$'000
Current assets	2,316	1,696
Current liabilities	(2,071)	(1,814)
Non-current assets	2,512	2,730
Non-current liabilities	(5,834)	(6,260)
Net assets	(3,077)	(3,648)
Groups share of net assets (50%)		
Share of beneficial entitlement	2,601	2,601
Carrying amount of interest in joint venture	2,601	2,601
Expenses	(6,075)	(5,059)
Revenue	6,649	5,164
Profit/(loss) and total comprehensive income	574	105
Entity's share of profit and total comprehensive income (50%)*	287	52

* The profit and loss have not been distributed at this stage.

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34. Board and committee members

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

Board/Committee name:	Government employee members	Other members
Mental Health Consumer and Carer Advisory Group	10	Aldahn V (ceased 7 October 2020), Braund S, Buer S, Clarke W, Corena M, Harrison J, Hofhuis C, Hopkins R, King P
DASSA Clinical Executive Committee	7	Braund S (appointed 27 August 2020), Moore P
DASSA Community Advisory Council	3	Braund S (Chair), Byron A, Cauchi R, Cornish M, Cramp T, Davis J, Daw H, Les D, Mclean J, Moore P, Newrick K, Nimmo E, O'Brien J, Percy S, Petracco C, Randle M, Retz A, Tran K, Whiteway L
DASSA Drug and Therapeutics Committee (Sub Committee of the DASSA Clinical Executive Committee)	9	Derbyshire C, Randle M (appointed 28 June 2021)
DASSA Executive Group	9	O'Brien J
Southern Adelaide Local Health Network Mental Health Services Noarlunga Lived Experience Group	3	Buer S (Chair), Aldham V (ceased 7 October 2020), Cairns E, Elliott C (appointed 1 November 2020), Hopkins R, Hutchison S, Johns S, Penberthy V, Smith K (appointed 1 August 2020)
Partnering with Consumer Advisory Group	14	King P (Co Chair), Ball R, Christensen C (ceased 31 December 2020), Dame T, Davies S (ceased 31 December 2020), Duke J, Hofhies C (appointed 1 January 2021), Hoiles J, Holtham R (appointed 25 February 2021), Klinge N, Oudih E, Pascoe P, Rankine J, Reece S (resigned 18 February 2021, Roberts D, Voss D
Southern Adelaide Clinical Human Research Ethics Committee	24	Jenski L (Deputy Chair), Lange B (Deputy Chair), Arnold G, Barr C (ceased 2 June 2021), Berg M, Cahalan P (appointed 28 August 2020), Du H, Dykes L, Hackett J (ceased 3 July 2020), Haines C, Holtham R, Ingleson V, Kemp C (ceased 20 October 2020), Lister C, Lower K, McEvoy M, Miliotis B, Mudd A, Nguyen A, Sharma S, Shephard S (appointed 11 March 2021), Souzeau E, Spencer M, Trethewey C, Trethewey Y, Treloar H (appointed 28 August 2020), Van Lueven J (appointed 8 June 2021), Velayudham P (appointed 8 June 2021), Voss D (ceased 23 October 2020), Were L, Westwood T, Yip L, Zhou Y
Southern Adelaide Local Health Network Marion Lived Experience Group Mental Health Services	5	Hofhuis C (Chair), Brooke B (appointed 12 November 2020), English L, Martini J (ceased 1 January 2021), Police D, Clarissa (resigned 1 January 2021)
Southern Adelaide Local Health Network Clinical Council	48	Dame T, Duong M, Voss D

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Southern Adelaide Local Health Network Drugs and Therapeutics Committee	33	Barrington D
Southern Adelaide Local Health Network Older Persons Lived Experience Group Mental Health Services	5	Clark W (Chair), Cook K, Eckert N, Henrichs B, James S, Lillecrapp D, McPherson H, Schetters J, Whitmore A
Southern Adelaide Local Health Network Governing Board	0	Butcher M (Chair), Baggoley C (resigned 12 November 2020), Hickey V, Mackean T, Mitchell J, Noble J, Richter J
Southern Adelaide Local Health Network Community Engagement (Sub-Committee of the Governing Board)	0	Mitchell J (Chair), Butcher M, King P, Mackean T, Voss D (appointed 27 April 2021)
Southern Adelaide Local Health Network Clinical Governance (Sub-Committee of the Governing Board)	0	Richter J (Chair), Baggoley C (appointed 20 November 2020), Eckert M (appointed 6 August 2020), Mackean T, Voss D
Southern Adelaide Local Health Network Audit and Risk Sub Committee (Sub Committee of the Governing Board)	0	Hickey V (Chair), Noble J, Stevens R

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

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35. Administered items

The Hospital administers private practice arrangements, representing funds billed on behalf of salaried medical officers and subsequently distributed to the Hospital and salaried medical officers accordings to Rights of Private Practice Deeds of Arrangements.

	Total	
	2021	2020
	\$'000	\$'000
Other expenses	(13,838)	(15,222)
Revenue from fees and charges	14,087	15,006
Net result	249	(216)
Cash and cash equivalents	1,555	1,354
Receivables	780	718
Other current provisions/liabilities	(21)	(7)
Net assets	2,314	2,065
Cash at 1 July	1,354	1,635
Cash Inflows	14,025	14,945
Cash Outflows	(13,824)	(15,226)
Cash at 30 June	1,555	1,354