



**Government  
of South Australia**

# **RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK INC 2019-20 Annual Report**

**RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK INC**

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**OFFICIAL**

To:

Hon Stephen Wade MLC

Minister for Health and Wellbeing

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

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

Submitted on behalf of the Riverland Mallee Coorong Local Health Network Inc  
by:

Wayne Champion

Chief Executive Officer

Riverland Mallee Coorong Local Health Network Inc

Date 29 September 2020

Signature



Dr Peter Joyner

Chair Governing Board

Riverland Mallee Coorong Local Health Network Inc

Date 29 September 2020

Signature



## From the Governing Board Chair

The Riverland Mallee Coorong Local Health Network Inc was established 1 July 2019 following the devolution of the former Country Health SA Local Health Network Inc and the formation of six regional Local Health Networks.



The 2019-2020 financial year has been exciting as well as challenging for the Riverland Mallee Coorong Local Health Network.

As the inaugural year, the Riverland Mallee Coorong Local Health Network Governing Board officially commenced 1 July 2019 with six highly skilled, experienced and knowledgeable Board members. I have been privileged to Chair the Governing Board that, under the *Health Care (Governance) Amendment Act 2018*, is required to be skills based with experience and expertise in fields including health management, clinical governance, commercial management, finance, legal, provision of health services, and knowledge or experience in relation to Aboriginal health.

The Governing Board appointed Wayne Champion as the inaugural Chief Executive Officer for the Riverland Mallee Coorong Local Health Network and welcomed the creation of a new Executive Team that has brought together a diverse and experienced group of people both from within the former Region and from other areas of the former Country Health SA Local Health Network Inc and SA Health. The local and corporate history within the Executive Team has been an asset for the new Network.

From a governance perspective, initial tasks centred on establishing protocols and procedures for ensuring good governance. Board committees for Finance, Clinical Governance and Audit and Risk were established to assist the Governing Board in these important areas and terms of reference developed. The Board adopted the policies and procedures, plans and frameworks of the former Country Health SA Local Health Network to facilitate a smooth transition to the new organisation. Over time, these will be reviewed and updated to reflect the new governance arrangements.

The inaugural year has been rewarding but also challenging with the Governing Board committing resources to address identified deficiencies in residential aged care with the Barmera facility failing to achieve accreditation prior to the commencement of Riverland Mallee Coorong Local Health Network. The changes that have been implemented to achieve the required standards have been significant and I thank all of the staff for their efforts.

The other unexpected and unprecedented challenge has been experienced around the world as we came to terms with the impact of the COVID-19 global pandemic. The Riverland Mallee Coorong Local Health Network Incident Management team has led the Network through this extremely difficult time and I cannot thank all of the staff of the Network enough for their continued efforts to limit the spread of COVID-19.

Under the *Health Care (Governance) Amendment Act 2018*, the Governing Board is required to develop and publish both a Consumer and Community Engagement Strategy and a Clinician Engagement Strategy. The Riverland Mallee Coorong Local Health Network Governing Board determined that the clinician strategy would need to be broader and was developed as a Clinician and Workforce Engagement Strategy. A working group was formed to assist the development of the Consumer and Community Engagement Strategy with membership comprising consumers of acute, community health, disability and mental health services, the Aboriginal community and Health Advisory Council representation.

Despite the advent of COVID-19 that led to some limitations in relation to public forums I am proud that we explored other strategies, including social media, and were able to complete both strategies that were approved at the 25 June 2020 Governing Board meeting.

The Governing Board has also held planning sessions to progress the development of a Riverland Mallee Coorong Local Health Network Strategic Plan. To the end of June 2020, the Board has endorsed our purpose and values and agreed on broad strategic themes that will guide the Network into the future. Further work and community consultation will be undertaken in 2020-21 to complete the Strategic Plan.

To celebrate the achievements of our staff, contracted workers, partners, volunteers and Health Advisory Councils, the Governing Board was delighted to be part of the assessment panels culminating in the inaugural Riverland Mallee Coorong Local Health Network Awards. COVID-19 restrictions meant the finalists and winners were announced through a 'virtual' event and we look forward to holding a celebratory event when COVID-19 restrictions allow.

The 2019-20 year has been a formative year for the Riverland Mallee Coorong Local Health Network Governing Board. We look forward to continuing to work with the Executive team, staff and clinicians along with our consumers and the community as we continue to develop safe, high quality services that meet the needs of our communities.



Dr Peter Joyner

**Chair Governing Board**

Riverland Mallee Coorong Local Health Network Inc

## From the Chief Executive Officer

It is a great pleasure to present this, the first Annual Report for Riverland Mallee Coorong Local Health Network Inc (RMCLHN). RMCLHN was established on 1 July 2019 following the devolution of the former Country Health SA Local Health Network Inc and the formation of six regional Local Health Networks (LHNs).



The 2019-20 financial year has been exciting and rewarding. It has also been very challenging for health systems around the world, due to the impact of the COVID-19 global pandemic. Within RMCLHN, our dedicated staff have adapted to the evolving situation and emergency management directions, and continue to provide the best possible care and support to our patients, consumers and communities during this very trying and frightening time. I thank all our staff, medical officers and the community for their continued support, cooperation and commitment.

Despite the restrictions imposed by COVID-19, I am pleased to report that the Network was able to develop and publish both a Consumer and Community Engagement Strategy and a Clinician and Workforce Engagement Strategy. In accordance with the legislative requirement, the Governing Board approved both strategies on 25 June 2020. The Governing Board has also made significant progress in developing a Strategic Plan for RMCLHN and we look forward to working with the community and staff to finalise the Plan in 2020-21.

Promoting our new organisation in the community, and keeping our consumers informed, has been a priority and I am pleased that we were the first regional LHN to establish our own Facebook page that has proved to be a valuable tool for communicating, consulting and engaging with our communities. The advent of COVID-19 further highlighted this with our reach rapidly expanding as the community accessed our Facebook page for up to date information.

The LHN underwent various accreditation processes during the year. The organisation-wide survey against the new National Safety and Quality Health Service Standards took place only a few months out from the commencement of RMCLHN. The achievement of our three-year accreditation is a testament to the hard work of the Governing Board, the Executive and all of our staff. RMCLHN also achieved accreditation against the National Disability Insurance Scheme Practice Standards during the year.

Our aged care services have been under scrutiny by the Aged Care Quality and Safety Commission. The Barmera facility was assessed prior to the commencement of RMCLHN with a significant number of 'not mets' against the old Aged Care Quality Standards. RMCLHN has invested significant resources to address the identified issues, with various visits from the Commission during the year, and an amazing turnaround in the services we provide to residents under our care.

I thank the staff, consumers and community for the way this has been achieved. Many of the improvements identified in Barmera have been applied across all of the aged care facilities in RMCLHN.

It has been wonderful to see the Murray Bridge Soldiers' Memorial Hospital Emergency Department (ED) redevelopment taking shape throughout the year. The first phase of the \$12.5 million project saw the opening of the new Central Sterile Supply Department and upgraded theatres in November 2019. Construction of the new ED itself is now well underway and I look forward to its completion in 2020-21. Further redevelopment work has also commenced at the Riverland General Hospital in Berri to build a new \$2 million Magnetic Imaging Resonance (MRI) Unit that will accommodate a \$1.5 million MRI machine.

Another highlight of the year was the inaugural RMCLHN Awards. The finalists and winners were celebrated on 30 June 2020 at an all staff forum linking all sites via videoconference given the COVID-19 restrictions. The award categories were: Person Centred; RMC - Respectful, Motivated and Compassionate; Inspired Innovation; Excellence in Aboriginal Health; Excellence in Clinical Care; Excellence in Non-Clinical Services; Area of Focus 2020 – Accreditation; Young Achiever; Nurse/Midwife of 2020; Outstanding Contribution to RMCLHN by general practitioners, contractors and partners, and; Outstanding Contribution to RMCLHN by Health Advisory Council members and volunteers. The Awards provided a great opportunity to highlight some of the many achievements of staff, volunteers and partners in the delivery of health services across the region, and have been highlighted through the RMCLHN Facebook page.

After a very challenging 12 months, RMCLHN finished the financial year in a less than favourable position. This is primarily as a result of the resources required to address the aforementioned aged care issues, the increasing costs associated with changing models for the provision of medical services and the costs involved in responding to COVID-19.

Looking ahead, 2020-21 will no doubt also be an interesting and challenging year. There is an ongoing threat posed by COVID-19 and there are several challenges as we look to review and revitalise the medical workforce models that are in place in our two larger hospitals. I wish to thank the RMCLHN Governing Board for their enthusiasm, and the knowledge and skills they bring to our organisation. I also want to thank the Executive Team for their support throughout the year. Most importantly, I acknowledge and thank all staff, volunteers, contractors and partner organisations for their commitment to ensuring RMCLHN continues to provide safe, high quality services for our communities.



Wayne Champion

**Chief Executive Officer**

Riverland Mallee Coorong Local Health Network Inc

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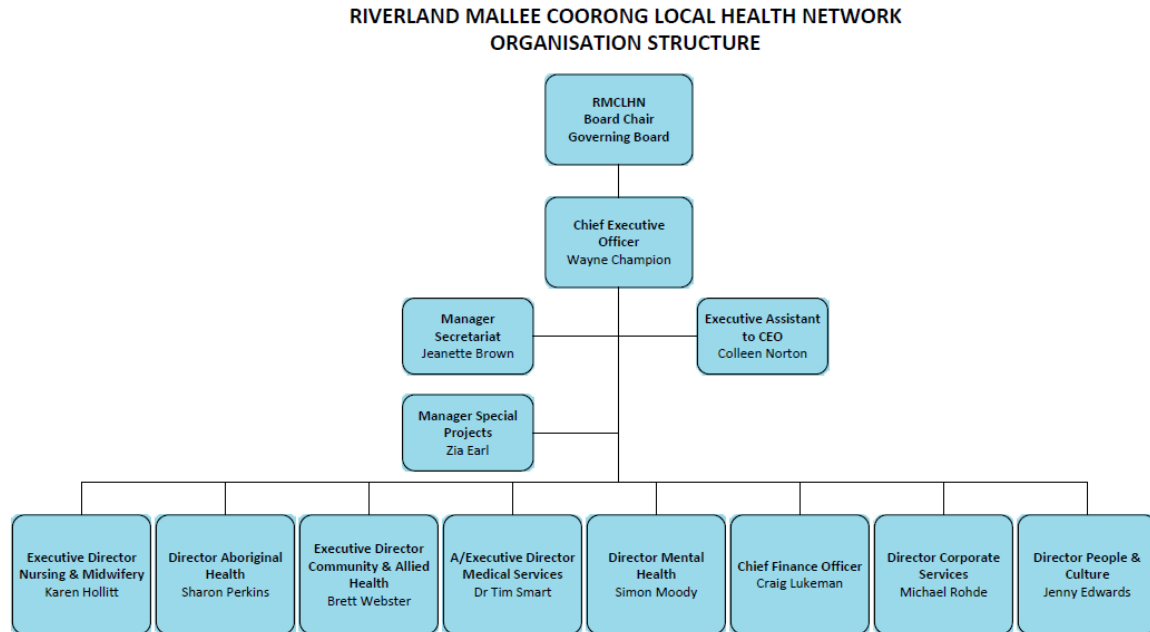
## Overview: about the agency

### Our strategic focus

<b>Our Purpose</b>	<p><b>Our people caring for our communities</b></p> <p>We will work together to care for local communities. We will support people in the Riverland Mallee Coorong Local Health Network region to have the best possible quality of life, by providing high quality care that promotes dignity, respect, choice, independence and social connection.</p>
<b>Our Vision</b>	<p><b>Aged Care</b></p> <p>We will support older people to have the best possible quality of life in a safe and home like environment, while providing high quality care that promotes dignity, respect, choice, independence and social connection.</p> <p><b>Mental Health</b></p> <p>We will support people in our communities to have the best possible quality of life by providing high quality care that promotes dignity, respect, choice, independence and social connection.</p> <p><b>Community Health</b></p> <p>We will support people in our communities to have the best possible quality of life in their own home, while providing high quality care that promotes dignity, respect, choice, independence and social connection.</p> <p><b>Aboriginal Health</b></p> <p>We will support Aboriginal people to have the best possible quality of life by providing high quality, culturally appropriate care that promotes dignity, respect, choice, independence and social connection.</p> <p><b>Acute Care</b></p> <p>We will support people in our communities to have the best possible quality of life by providing high quality care that promotes dignity, respect, choice, independence and social connection.</p>
<b>Our Values</b>	<p><b>‘RMC CARES’</b></p> <p><b>Respectful</b> - We treat everyone as equals and value each other’s sense of worth.</p> <p><b>Motivated</b> - We are driven to excel and provide the best quality care to our consumers and communities, when and where they need it.</p>

	<p><b>Compassionate</b> - We take care of others and act with kindness, empathy, patience and understanding.</p> <p><b>Consumer Focussed</b> - We partner and collaborate with our consumers, their families, carers and communities, to ensure the planning, delivery and evaluation of our health services is tailored to their needs.</p> <p><b>Accountable</b> - We are dedicated to fulfilling our duties and obligations as a public health service, and endeavour to act with honesty and integrity in all that we do.</p> <p><b>Resourceful</b> - We are agile, adaptable and able to deal skilfully, creatively and promptly with new situations and challenges.</p> <p><b>Excellence</b> - We will strive to continually improve and refine processes, exceed standards and expectations, and deliver access to high quality contemporary health care for people in our communities.</p> <p><b>Service</b> - We serve people and our communities courteously, fairly and effectively.</p>
<b>Our functions, objectives and deliverables</b>	<p>The Riverland Mallee Coorong Local Health Network provides a wide range of public acute, residential aged care, community health and mental health services to residents of the Riverland, and the Murray River, Lakes and Coorong areas of South Australia, extending east to the Victorian Border.</p> <p>The key strategic themes for the Riverland Mallee Coorong Local Health Network are:</p> <ul style="list-style-type: none"> <li>• Caring for our Communities</li> <li>• Excellence in Clinical Care</li> <li>• Local Governance</li> <li>• Investing in our People</li> </ul> <p>In the Riverland Mallee Coorong Local Health Network we strive to:</p> <ul style="list-style-type: none"> <li>• Provide safe, high-quality health and aged care services.</li> <li>• Engage with the local community and local clinicians.</li> <li>• Ensure consumer care respects the ethnic, cultural and religious rights, views, values and expectations of all peoples.</li> <li>• Ensure the health needs of Aboriginal people are considered in all health plans, programs and models of care.</li> <li>• Meet all relevant legislation, regulations, Department for Health and Wellbeing policies, and agreements.</li> </ul>

## Our organisational structure



30 June 2020

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**Health**  
Riverland Mallee Coorong  
Local Health Network

## Changes to the agency

During 2019-20 there were the following changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

- Through governance reform the Country Health SA Local Health Network was dissolved on 30 June 2019 and the Riverland Mallee Coorong Local Health Network became an entity on 1 July 2019.
- From 1 July 2019 the Riverland Mallee Coorong Local Health Network had established its Chief Executive Officer and Governing Board.

## Our Minister

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

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



## **Our Executive team**

As at 30 June 2020 the Executive team consisted of:

### Chief Executive Officer – Wayne Champion

The Chief Executive Officer is accountable to the Governing Board for the provision, management and administration of health services and achieving the overall performance of the public health system for the Riverland Mallee Coorong Local Health Network. The position manages operational planning, implementation, staffing, budgets and resources to ensure the provision of coordinated health services for the overall performance of the Network. The position provides operational leadership to the Riverland Mallee Coorong Local Health Network and is responsible for the sound governance and management of the Network.

### Executive Director Nursing and Midwifery – Karen Hollitt

The role provides professional nursing advice and has leadership of nursing across Riverland Mallee Coorong Local Health Network. The role provides strategic, transformational and innovative leadership, governance, and direction for the Network. The focus is to deliver the highest quality of care through the development and implementation of frameworks and systems within which Nursing/Midwifery employees practice, and on monitoring and evaluating clinical practice and service delivery standards. The position has responsibility and accountability for Quality and Safety, and Clinical Governance.

### Executive Director Community and Allied Health – Brett Webster

The role is responsible for managing the Country Health Connect and Community Health Services, including allied health services across all care settings and for the planning, development and maintenance of systems to support the delivery of services. It is also responsible for the operational management of Commonwealth funded Aboriginal Primary Health services in the Riverland.

### A/Executive Director Medical Services – Dr Tim Smart

The role is responsible for medical standards, ethics and education and participates in the development of planning, policies and processes requiring broad medical advice and management. The position is responsible for assessment and evaluation of new services, procedures and interventions and provides medical consultancy advice. The role contributes to the overall management of research and ethics.

### Director Mental Health – Simon Moody

The role has responsibility for the operational delivery, service planning, quality and safety of Mental Health Services in the Local Health Network across the spectrum from community, ambulatory and inpatient services. The Director is responsible for the leadership and management of an effective, integrated mental health strategy and service plan which is responsive to the mental health reform agenda for rural South Australia.

Chief Finance Officer – Craig Lukeman

The role is the senior financial executive in the Riverland Mallee Coorong Local Health Network, with responsibility for the provision of comprehensive financial services across the Network. The position contributes to the leadership, performance and strategic direction setting for the Riverland Mallee Coorong Local Health Network to ensure the Network achieves its strategic performance targets as per the Health Performance Agreement with the Department for Health and Wellbeing.

Director Corporate Services – Michael Rohde

The role ensures performance, strategic leadership and management of Riverland Mallee Coorong Local Health Network contracts, health intelligence services and the development of Service Level Agreements for the provision of services provided by other agencies for procurement and ICT functions. The position ensures strategic and commercial review of key service contracts across the Network and ensures major contracts are successfully operationalised and performance reviewed along with ensuring effective operation of corporate governance activities including internal audit, business continuity, planning and compliance.

Director Aboriginal Health – Sharon Perkins

The role is responsible for initiating, planning, implementing, coordinating and delivering Aboriginal Health programs across the Riverland Mallee Coorong Local Health Network and providing high-level strategic leadership in expanding concepts and programs throughout. The position is required to provide expert analysis of diverse data sources and undertake research in order to develop policies, plans, structures and projects that impact on service delivery. The position is responsible for ensuring appropriate models of community and stakeholder consultation are developed to further improve health outcomes.

Director People and Culture – Jenny Edwards

The role is responsible for leading and managing the delivery of best practice human resources services, implementing proactive workforce strategies and interventions to drive continuous improvement, performance and accountability and a culture that assures the achievement of the organisational workforce goals and objectives. The position is responsible for maintaining a strategic focus whilst demonstrating strong leadership and providing expert professional advice to leadership and senior management on human resource trends and risks, and support on complex matters.

Manager Secretariat – Jeanette Brown

The role is accountable for the provision of high quality and timely support to the Chief Executive Officer and executive support to the Riverland Mallee Coorong Local Health Network Governing Board and its committees. The position is also responsible for the delivery of Office of the Chief Executive Officer functions including project management, ministerials, performance analysis, communications and Freedom of Information.

### Senior Allied Health Advisor – Ruth Adamson

The role provides clinical input to the Riverland Mallee Coorong Local Health Network through participation in key leadership and governance groups. The primary role is to provide advice and support to ensure that allied health clinical requirements are considered in all aspects of the Network's governance.

### Quality, Risk and Safety Manager – Anne McKinlay

The role is responsible for providing strategic leadership, implementation, monitoring and evaluation of the Quality, Risk and Safety management systems. The position actively promotes and encourages quality principles across Riverland Mallee Coorong Local Health Network that foster a culture of continuous quality improvement and service excellence linked to strategic, operational and departmental specific plans.

### Manager Special Projects – Zia Earl

The role is responsible for significant and complex projects that support the Riverland Mallee Coorong Local Health Network's strategies, including project management, change management, planning, project development, and management, co-ordination and evaluation for significant planning initiatives. It provides advice and consultancy services related to statewide projects and operational issues that impact regional South Australia. The position is responsible for the development of strategic plans and projects that contribute to the overall efficiency, effectiveness and improvement of business processes, systems and information technology operations within the Network.

## **Our Governing Board**

### Dr Peter Joyner OAM (Chair)

Dr Peter Joyner is a General Practitioner in Mannum where he started in 1976, providing GP services as well as anaesthetic, surgical and obstetric services. In 2007, Country Health SA brought in active GPs into its administration and Peter was appointed as the first GP Consultant covering the area of Emergency Medicine. In 2009, he became the first GP employed and became Director Emergency Services for Country Health SA. He retired from this position in 2017 to free up his total medical time. Since 2009, Peter has been the Chair of the Adelaide to Outback General Practice (AOGP).

### Elaine Ashworth (member)

Elaine Ashworth is a resident of Berri and her background is in physiotherapy and she has spent many years working in a range of clinical and management positions in Victoria, Tasmania, Queensland, the Northern Territory, South Australia and the United Kingdom. Most of this time has been spent in rural and remote health management. She retired from the position of Principal Allied Health Advisor for Country Health SA Local Health Network in 2015 and since then has enjoyed a good balance of recreation and freelance projects, consultancy and locum work.

Claudia Goldsmith (member)

Claudia Goldsmith has a career based on a mix of non-executive director board positions and management consultancy focussing on financial management, governance reviews and risk identification and management. She has qualifications in social sciences and accounting, is a Certified Practicing Accountant and a Graduate of the Australian Institute of Company Directors. Claudia is a resident of Port Elliot and brings finance and governance experience to the Board.

Shane Mohor (member)

Shane Mohor is Chief Executive Officer of the Aboriginal Health Council of SA. He has worked in Aboriginal health as a Registered Nurse (including remote Kimberley work, hospital and forensic health), as a Senior Executive in government, university and non-government organisations for over 25 years in South Australia and interstate. Shane is passionate about working in the Aboriginal Community Controlled health sector and is committed to improving the health and wellbeing of Aboriginal people, including the advancement of employment for Aboriginal people.

Melanie Ottaway (member)

Melanie Ottaway is an experienced Executive Manager with a demonstrated history of working in the not-for-profit sector. Her current position is Executive Manager Aged Care for Uniting Communities. Skilled in negotiation, not-for-profit organisations, operations management, coaching, and quality management, Melanie brings strong aged and community care experience. Melanie is a Registered Nurse and holds a Master of Nursing and a Masters of Business Administration. Melanie resides in the Adelaide Hills and is passionate about the future of health services and ensuring a high standard of care is delivered to rural communities.

Fred Toogood (member)

Fred Toogood is a former small business owner and is an elected member of the Rural City of Murray Bridge. Fred has served on the Audit Committee, Safe Taskforce and Strategic Planning and Policy Committee of the Rural City of Murray Bridge Council. Murray Bridge has been his family home for over 60 years and he conducted a small business in Murray Bridge over a period of 42 years. His community work has included 31 years on the Murray Bridge Hospital Board, Member of the Hills Mallee Southern Regional Health Board, President of Mobilong Rotary and Member of the Chamber of Commerce. Fred has also been on the Risk and Audit committee of the Council. Fred has strong community connections and previous health governance experience.

**Legislation administered by the agency**

Nil

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

- Department for Health and Wellbeing
- Barossa Hills Fleurieu Local Health Network Inc
- Central Adelaide Local Health Network Inc
- Eyre and Far North Local Health Network Inc
- Flinders and Upper North Local Health Network Inc
- Limestone Coast Local Health Network Inc
- Northern Adelaide Local Health Network Inc
- Southern Adelaide Local Health Network Inc
- Women's and Children's Health Network Inc
- Yorke and Northern Local Health Network Inc
- South Australian Ambulance Service



## The agency's performance

### Performance at a glance

In 2019-20 Riverland Mallee Coorong Local Health Network Inc achieved key performance areas including:

- Meeting targets for all emergency department 'seen on time' triage categories.
- Meeting targets in elective surgery 'admitted on time' for the first three quarters 2019-20. Fourth quarter data does not meet the target due to theatre closure attributable to the COVID-19 pandemic.
- Meeting targets in emergency department 'left at own risk'.
- Meeting targets in emergency department 'length of stay greater than 24 hours'.
- Meeting targets for 'percentage emergency department patients re-presenting within 48 hours'.
- Meeting targets for Mental Health services including post discharge community follow up rate, seclusion and restraint episode rates.
- Meeting all targets for Safety assessment code (SAC) 1 and 2 incidents that are openly disclosed (unless declined or deferred).
- Eighty percent of complaints acknowledged within two working days.
- Successful accreditation against the National Safety and Quality Health Service Standards achieved by Riverland Mallee Coorong Local Health Network in 2010-20 for a three-year period.
- Successful National Disability Insurance Scheme Practice Standards Accreditation achieved by Riverland Mallee Coorong Local Health Network in 2019-20.
- Current accreditation status of Residential Aged Care facilities in Riverland Mallee Coorong Local Health Network:

Name of Service	Current Status	Rating
Bonney Lodge 6149	Improvements needed	●●●○
Hawdon House 6005	Improvements needed	●●●○
Hills Mallee Southern Aged Care Facility 6178	Meets requirements	●●●●
Loxton District Nursing Home 6405	Improvements needed	●●●○
Loxton Hostel for the Aged 6064	Meets requirements	●●●●
Renmark & Paringa District Hospital Hostel 6075	Meets requirements	●●●●
Renmark Nursing Home 6936	Meets requirements	●●●●

- Development of an RMCLHN Aged Care Performance monitoring framework.
- Delivering investment on capital upgrades and equipment in Riverland Mallee Coorong Local Health Network.
- Delivering services tailored specifically to the needs of local Aboriginal and Torres Strait Islander communities, such as the Tumake Yande Elders Program, Aboriginal Family Birthing Program, Aboriginal Health Team in the Riverland and new Aboriginal Liaison Officer positions for the Riverland.
- Growing treatment services closer to home including:
  - The employment of 0.5 FTE medical oncologist at Riverland General Hospital enabling greater access to chemotherapy services.

- Post surgery hand therapy.
- Ambulatory wound clinic.
- Dry needling in physiotherapy.
- Enhanced diabetes monitoring.
- Enhanced gym facilities and equipment for the enhancement of programs that will drive wellness and lifestyle changes for Aboriginal consumers.
- Enhanced telehealth in the Mallee to meet the needs of palliative, rehabilitation and antenatal and postnatal consumers.
- Delivering community, in-home and residential services through Riverland Mallee Coorong Local Health Network Country Health Connect.
- Effectively implementing the governance reforms to the public health system through the establishment of the Riverland Mallee Coorong Local Health Network and the transition of governance arrangements to Governing Boards from 1 July 2019.

### Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	<p>Riverland Mallee Coorong Local Health Network contributed to the development of the Rural Health Workforce Strategy with the Rural Support Service. The strategy will contribute investment towards:</p> <ul style="list-style-type: none"> <li>• Improving services for long-term, high-quality maternity care.</li> <li>• Providing further specialised training for allied health professionals.</li> <li>• Providing additional training and career opportunities for Aboriginal and Torres Strait Islander health practitioners.</li> <li>• Providing medical workforce support grants, supporting recruitment and retention of general practitioners in rural communities.</li> <li>• Expanding training opportunities for community support workers.</li> <li>• Providing mental health education for suicide prevention and patient management.</li> <li>• Supporting the community nursing workforce to manage more complex clients in rural areas.</li> </ul>

Lower costs	<p>Costs for consumers were reduced through delivering programs such as:</p> <ul style="list-style-type: none"> <li>• The Patient Assistance Transport Scheme and the Riverland Transport Service.</li> <li>• Timely elective surgery in the Network.</li> <li>• Country Home Link.</li> <li>• Increasing access to telehealth services.</li> <li>• Home-based chronic disease monitoring including cardiac, respiratory, diabetes, musculoskeletal, paediatric and aged related chronic diseases and comorbidities.</li> </ul>
Better services	<p>Significant service outcomes achieved included:</p> <ul style="list-style-type: none"> <li>• Development of acute stroke treatment services at Riverland General Hospital.</li> <li>• Upgrading of equipment to support the South Australian Virtual Emergency Service (SAVES), ensuring rural GPs and nurses have access to remote medical support overnight when required.</li> <li>• Increasing access to the Digital Telehealth Network and teleconference consultation, particularly during the COVID-19 pandemic.</li> <li>• Increasing access to cancer services at Riverland General Hospital enabling patients to receive more complex chemotherapy treatment closer to home.</li> <li>• Redevelopment works commenced for the upgrade to the emergency department and Central Sterile Supply Department at Murray Bridge Soldier's Memorial Hospital.</li> <li>• Redevelopment works commenced for the installation of a Magnetic Resonance Imaging unit at Riverland General Hospital.</li> <li>• Redevelopment works commenced for the Waikerie Health Services carpark, aged care rooms and hospital entrance.</li> </ul>

### Agency specific objectives and performance

Agency objectives	Indicators	Performance
Clinical Services Reform	<ul style="list-style-type: none"> <li>• Chemotherapy and cancer care activity.</li> </ul>	<ul style="list-style-type: none"> <li>• 811 chemotherapy treatments and 886 cancer specialist medical consultations were delivered at the Riverland General Hospital</li> </ul>

	<ul style="list-style-type: none"> <li>Stroke neurologist support for RMCLHN hospitals</li> </ul>	<p>chemotherapy unit.</p> <ul style="list-style-type: none"> <li>There were 55 patient episodes in 2019-20 where transfers were potentially avoided.</li> </ul>
Improving access to health services in our community	<ul style="list-style-type: none"> <li>Community nursing and allied health activity service activity</li> <li>Avoidable hospital activity</li> <li>Potentially preventable admissions</li> <li>National Disability Insurance Scheme (NDIS) program activity</li> </ul>	<ul style="list-style-type: none"> <li>Approximately 51,521 community nursing and allied health services were delivered to 5,747 individual clients.</li> <li>1,414 consumers with chronic conditions including cardiac, pulmonary and comorbidities, received increased community-based support, resulting in avoiding 149 hospital admissions, 76 emergency department presentations and 33 occupied bed days. There were also 25 clients with reduced length of stay.</li> <li>There were 9.3 % potentially preventable admissions (target 8.5%).</li> <li>There were 295 active clients in the NDIS program including 139 children and 156 adults</li> </ul>
Hospital services	<ul style="list-style-type: none"> <li>Emergency department presentations seen on time.</li> <li>Emergency department length of stay less than or equal to 4 hours.</li> <li>Elective surgery timely admissions – all categories.</li> <li>Telerehabilitation consultations.</li> </ul>	<ul style="list-style-type: none"> <li>Targets met across all triage levels.</li> <li>Target &gt; 90 % met in 2019-20.</li> <li>All targets met in 2019-20.</li> <li>416 telerehabilitation consultations were held in inpatient and ambulatory settings for 115 consumers. 192 occasions of service were for inpatients</li> </ul>

	<ul style="list-style-type: none"> <li>Acute inpatient activity.</li> </ul>	<p>and 224 occasions of service were ambulatory.</p> <ul style="list-style-type: none"> <li>8,403 same-day patients and 10,344 overnight patients were admitted, and 418 babies were delivered.</li> </ul>
Continuous improvement of quality and safety	<ul style="list-style-type: none"> <li>Safety assessment code (SAC) 1 and 2 incidents.</li> <li>Hospital acquired complications.</li> </ul>	<ul style="list-style-type: none"> <li>There were 34 SAC 1 and 2 incidents reported on SLS for 2019-20 (7 SAC 1 and 27 SAC 2 incidents).</li> <li>Overall, SAC 1 and 2 incidents accounted for 0.92% of all incidents reported</li> <li>100% of SAC 1 and 2 incidents were openly disclosed in 2019-20.</li> <li>There were 45 separations with hospital acquired complications. The funding impact was \$41,563.</li> </ul>
Aboriginal Health	<ul style="list-style-type: none"> <li>Aboriginal Health – left emergency department at own risk</li> <li>Aboriginal Health – left against medical advice (inpatient)</li> <li>Aboriginal Family Birthing Program</li> <li>Aboriginal percentage of workforce</li> </ul>	<ul style="list-style-type: none"> <li>2.8% (target less than 3%) left the emergency department at own risk.</li> <li>8.5% (target less than 4.5%), left against medical advice.</li> <li>There were 27 women in the Family Birthing Program in 2019-20, exceeding the target of 20 per year. 21 women birthed at Murray Bridge Hospital and 6 at other sites.</li> <li>2.4% of the workforce identified as Aboriginal and Torres Strait Islander in 2019-20.</li> </ul>
Improving mental health outcomes	<ul style="list-style-type: none"> <li>28-day readmission rate</li> <li>Restraint incidents per 1,000 bed days</li> </ul>	<ul style="list-style-type: none"> <li>The readmission rate was 8.44% in 2019-20 (Target &lt; 12%).</li> <li>There were 0 restraint</li> </ul>

	<ul style="list-style-type: none"> <li>• Seclusion incidents per 1,000 bed days</li> <li>• Percentage of Mental Health clients seen by a community health service within 7 days of discharge.</li> <li>• Average length of stay (ALOS).</li> <li>• Average emergency department waiting time.</li> </ul>	<p>incidents per 1,000 bed days</p> <ul style="list-style-type: none"> <li>• There were 0 seclusion incidents per 1,000 bed days</li> <li>• 92% of clients seen within 7 days (Target 80%).</li> <li>• The ALOS for 2019-20 was 11 (Target &lt;14).</li> <li>• The average ED visit time for 2019-20 was 2.7 hours (Target &lt; 6 hours)</li> </ul>
Aged Care	<ul style="list-style-type: none"> <li>• Residential aged care (RAC) occupancy</li> <li>• Aged Care Assessment Program (ACAP) assessments</li> <li>• Home Care Package occupancy rates</li> <li>• Commonwealth Home Support Program (CHSP) client numbers</li> </ul>	<ul style="list-style-type: none"> <li>• 87% occupancy across RAC sites.</li> <li>• 661 ACAP assessments in 2019-20.</li> <li>• Occupancy rates increased from 186 to 226 from 1 July 2019 to 30 June 2020, a 21.5% increase.</li> <li>• 2,492 CHSP clients received 80,081 occasions of service, enabling older people to remain independent in their own home for longer.</li> </ul>

### Corporate performance summary

Riverland Mallee Coorong Local Health Network achieved key performance outcomes including:

- Accreditation against the National Safety and Quality Health Service Standards, Aged Care Quality Standards and National Disability Insurance Scheme Practice Standards.
- Supporting a large number of employees with professional development opportunities.
- Meeting the target for employees having an annual performance review and development discussion.
- Meeting the target for all employees having the required Criminal History and relevant screening.
- Meeting the target for the rate of new workplace injury claims.

- Adopting the Country Health SA Local Health Network Reconciliation Action Plan for 2018-2020 and commencing the development of a Riverland Mallee Coorong Local Health Network Reconciliation Action Plan.
- Planning and implementation of significant capital investments including the Murray Bridge Hospital emergency department and Central Sterile Supply Department upgrade. This \$12.35 million project has been funded through the State Government Capital Funding (\$7 million election commitment) and Asset Sustainment Fund (\$5.35 million). The Waikerie Health Services commenced redevelopment work on the carpark, aged care rooms and hospital entrance with the \$2.14 million project funded by the Waikerie and Districts Health Advisory Council Gift Fund Trust.
- Investing in existing assets to address important repairs / maintenance including \$0.3 million on minor works compliance such as upgraded fire, air conditioning and security systems, and \$9.55 million on further asset sustainment projects.
- Investing in \$0.495 million in biomedical equipment.
- The Riverland Mallee Coorong Local Health Network Facebook page launched on 20 July 2019, and had 4,558 likes and 4,821 followers by the end of the financial year. It is the top performing regional Local Health Network Facebook page. During 2019-20, the highest daily total reach of 33,090 occurred in March, while the highest weekly and monthly reach during March and April, were 58,370 and 70,981 respectively. The highest number of people who engaged with the Facebook page on a single day was 7,022 in March, while the highest number of weekly and monthly engaged users was 12,065 and 15,023 respectively. The daily, weekly and monthly total impressions all hit their peak in March, at 56,170, 151,346 and 301,464 respectively.

## Employment opportunity programs

Program name	Performance
Skilling SA	Under the Skilling SA Program, Riverland Mallee Coorong Local Health Network has supported one employee to undertake training relevant to their discipline undertaking Cert III in Individual Support.
Growing Leaders	Under the Growing Leaders Training Program, Riverland Mallee Coorong Local Health Network has supported 16 employees to undertake the Growing Leaders Program.
Manager Essentials	Via the SA Leadership Academy, Riverland Mallee Coorong Local Health Network has not previously supported staff to undertake this program, however, the 2020-21 round will see the support of five staff members.
MAPA Foundation Instructor Certificate Programme	Under the Management of Actual or Potential Aggression (MAPA) Foundation Instructor Certificate Programme, Riverland Mallee Coorong Local Health Network has supported three employees to undertake this program.
OCPSE Aboriginal Frontline Leadership Programme	Under the Office of the Commissioner for Public Sector Employment (OCPSE) Aboriginal Frontline Leadership Program, Riverland Mallee Coorong Local Health Network has supported two employees to undertake this program.
OCPSE The Next Executives Programme	Under the Office of the Commissioner for Public Sector Employment (OCPSE) The Next Executives Programme, Riverland Mallee Coorong Local Health Network has supported two employees to undertake the Growing Leaders Program.
Enrolled Nurse Cadets	During 2019-20, three EN Cadets commenced employment with the Riverland Mallee Coorong Local Health Network.
Transition to Professional Practice Program (TPPP)	Nine Registered Nurses commenced employment as TPPP's within the Riverland Mallee Coorong Local Health Network. This included four at RGH, two at Waikerie and Loxton and one at Renmark.
Aged Care Scholarship Program	Loxton Health Advisory Council provided \$6,175 scholarship funding to support 14 students undertaking Certificate III in Individual Support (Aging and Home and Community Care in 2019-20. Additionally, \$5,000 was provided for a registered nurse undergraduate as first payment of a \$10,000 scholarship over two years.



## Agency performance management and development systems

Performance management and development system	Performance
Performance review and development supports continuous improvement of the work performance of employees to assist them to meet the organisation's values and objectives.	In 2019-20, 81.57% of staff had an annual performance review and development discussion. 48.18% of staff had a 6 monthly performance review and development discussion.
Mandatory Training Compliance	As at 30 June 2020, the Riverland Mallee Coorong Local Health Network recorded 84.5% compliance.
Criminal History and Relevant Screening compliance	As at 30 June 2020, the Riverland Mallee Coorong Local Health Network recorded 100% compliance.
Influenza Vaccination compliance	As at 30 June 2020, the Riverland Mallee Coorong Local Health Network recorded 78% overall compliance. Compliance per category is 80% compliance for Category A, 85% compliance for Category B and 54% compliance for Category C. From 1 May 2020, in accordance with COVID-19 Emergency Response legislation, all persons entering a residential aged care facility have been required to provide evidence of influenza vaccination.
The Riverland Mallee Coorong Local Health Network continues to foster a strong commitment to the recruitment and retainment of Aboriginal and Torres Strait Islander employees.	As at 30 June 2020, 2.4% of employees within the Riverland Mallee Coorong Local Health Network identified as Aboriginal or Torres Strait Islander.

## Work health, safety and return to work programs

Program name	Performance
Prevention and management of musculoskeletal injury	Riverland Mallee Coorong Local Health Network recorded 16 new musculoskeletal injury (MSI) claims in 2019-20. New MSI injury claims accounted for 37.21% of new claims submitted.

Prevention and management of psychological injury	Riverland Mallee Coorong Local Health Network recorded three new psychological injury (PSY) claims in 2019-20. New PSY claims accounted for 6.98% of new claims submitted.
Prevention and management of slips, trips and falls	Riverland Mallee Coorong Local Health Network recorded nine new slips, trips and falls (STF) claims in 2019-20. New STF claims accounted for 20.93% of new claims submitted.

<b>Workplace injury claims</b>	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Total new workplace injury claims	43	60	-28.3%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	13.80	24.66	- 44.0%

\*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)

<b>Work health and safety regulations</b>	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Number of notifiable incidents ( <i>Work Health and Safety Act 2012, Part 3</i> )	5	6	-16.7%
Number of provisional improvement, improvement and prohibition notices ( <i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i> )	0	0	0%

<b>Return to work costs**</b>	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$1,239,243	\$1,020,261	+21.5%
Income support payments – gross (\$)	\$238,943	\$267,187	-10.6%

\*\*before third party recovery

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<https://data.sa.gov.au/data/dataset/country-health-sa-local-health-network>

### Executive employment in the agency

Executive classification	Number of executives
SAES1	1
RN6A06	1
MD029G	1

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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. This is available at:

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

## Financial performance

### Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2019-20 are attached to this report.

<b>Statement of Comprehensive Income</b>	<b>2019-20 Budget \$000s</b>	<b>2019-20 Actual \$000s</b>	<b>Variation \$000s</b>	<b>2018-19 Actual \$000s *</b>
Total Income	172,963	177,243	4,280	N/A
Total Expenses	165,313	173,415	(8,102)	N/A
<b>Net Result</b>	<b>7,650</b>	<b>3,828</b>	<b>(3,822)</b>	N/A
<b>Total Comprehensive Result</b>	<b>7,650</b>	<b>3,828</b>	<b>(3,822)</b>	N/A

<b>Statement of Financial Position</b>	<b>2019-20 Budget \$000s</b>	<b>2019-20 Actual \$000s</b>	<b>Variation \$000s</b>	<b>2018-19 Actual \$000s</b>
Current assets	Not available	33,732	Not available	N/A
Non-current assets	Not available	161,156	Not available	N/A
<b>Total assets</b>	<b>0</b>	<b>194,888</b>	<b>0</b>	<b>N/A</b>
Current liabilities	0	46,782	0	N/A
Non-current liabilities	0	20,358	0	N/A
<b>Total liabilities</b>	<b>0</b>	<b>67,140</b>	<b>0</b>	<b>N/A</b>
<b>Net assets</b>	<b>0</b>	<b>127,748</b>	<b>0</b>	<b>N/A</b>
<b>Equity</b>	<b>0</b>	<b>127,748</b>	<b>0</b>	<b>N/A</b>

\* - As this is the first year of operation of the Riverland Mallee Coorong Local Health Network following the changed governance arrangements, a comparison to the previous year is not applicable for 2019-20.

### 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

<b>Consultancies</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
All consultancies below \$10,000 each - combined	Various	\$ 10,000

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

Consultancies	Purpose	\$ 466,000
Babyboomers	Aged Care compliance	\$404,000
Australian Council on Healthcare Standards	Accreditation	\$27,000
Duesterwald Consulting	Strategic Planning	\$14,000
John Murray Consulting	Investigation	\$21,000
	Total	\$ 466,000

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

### Contractors disclosure

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

#### Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	\$ 11,000

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

Contractors	Purpose	\$ Actual payment
Nil		\$ 0
	Total	\$ 0

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<https://data.sa.gov.au/data/dataset/country-health-sa-local-health-network>

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

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

### **Other information**

Not applicable

## Risk management

### Risk and audit at a glance

The Riverland Mallee Coorong Local Health Network Governing Board has established an Audit and Risk Committee with an independent external Chairperson to assist the Governing Board fulfil its responsibilities regarding risk management, audit and assurance.

The Audit and Risk Committee meets quarterly and receives regular risk reports from Riverland Mallee Coorong Local Health Network as well as audit reports conducted by the Auditor-General's office, Department for Health and Wellbeing, and Internal Audits by the Rural Support Service.

Riverland Mallee Coorong Local Health Network is in the process of implementing a Risk Management Framework which is consistent with the System-Wide Risk Management Policy Directive, providing staff with specific guidance on context, identification, analysis, evaluation, treatment, monitoring and communication of risk.

A consistent Internal Audit Charter has been developed by the Rural Support Service and endorsed by all regional Local Health Networks enabling the internal audit function to be delivered by the Rural Support Service. The Charter provides guidance and authority for audit activities.

### Fraud detected in the agency

Category/nature of fraud	Number of instances
N/A	0

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

### Strategies implemented to control and prevent fraud

The Riverland Mallee Coorong Local Health Network Governing Board has established an Audit and Risk Committee and a Finance Committee to ensure oversight of operational process relating to risk of fraud. These committees meet on a regular basis and review reports regarding financial management, breaches and risk management. The Chair of the Riverland Mallee Coorong Local Health Network Audit and Risk Committee is an independent member and also liaises with SA Health's Group Director Risk and Assurance Services.

The terms of reference for these sub-committees include:-

- Advise on the adequacy of the financial statements and the appropriateness of the accounting practices used.

- Monitor Riverland Mallee Coorong Local Health Network's compliance with its obligation to establish and maintain an internal control structure and systems of risk management, including whether Riverland Mallee Coorong Local Health Network has appropriate policies and procedures in place and is complying with them.
- To monitor and advise the Board on the internal audit function in line with the requirements of relevant legislation.
- Oversee Riverland Mallee Coorong Local Health Network's liaison with the South Australian Auditor-General's Department in relation to Riverland Mallee Coorong Local Health Network's proposed audit strategies and plans including compliance to any performance management audits undertaken.
- Assess external audit reports of Riverland Mallee Coorong Local Health Network and the adequacy of actions taken by Riverland Mallee Coorong Local Health Network as a result of the reports.
- Monitor the adequacy of Riverland Mallee Coorong Local Health Network's management of legal and compliance risks and internal compliance systems, including the effectiveness of the systems in monitoring compliance by Riverland Mallee Coorong Local Health Network with relevant laws and government policies.
- Assess Riverland Mallee Coorong Local Health Network's complex or unusual transactions or series of transactions or any material deviation from Riverland Mallee Coorong Local Health Network's budget.
- Monitor the financial performance of Riverland Mallee Coorong Local Health Network.
- Assess key performance and financial risks and review proposed mitigation strategies.
- Provide the Governing Board with advice and recommendations on monitoring and assessment.
- Review the efficiency and effectiveness of the organisation in meeting its accountabilities as prescribed in the annual Service Agreement, including delivering against its strategies and objectives.

An annual financial controls self-assessment review was undertaken to ensure that controls are in place to avoid fraud.

The Riverland Mallee Coorong Local Health Network Governing Board endorses all Policy Directives relating to SA Health and the Riverland Mallee Coorong Local Health Network has implemented a Policy and Procedure Framework to ensure policies and procedures are reviewed and implemented through operational committees and structures. The SA Health Corruption Control Policy and Public Interest Disclosure Policy Directives are followed relating to risk of fraud. Any allegations of fraud, including financial delegation breaches, are reported to the Governing Board and Audit and Risk Committee. Shared Services SA provide a report to the Riverland Mallee Coorong Local Health Network Chief Finance Officer providing details of any expenditure that has occurred outside of procurement and approved delegations. These breaches are reviewed and reported to the Board.



All Governing Board members and staff with financial delegations are required to declare any actual, potential or perceived conflict of interest, and the register of interests is reviewed regularly by the Audit and Risk Committee. The Board register is a standing item at Board Meetings.

The Riverland Mallee Coorong Local Health Network Board ensure that all employees complete SA Public Sector Code of Ethics training at orientation sessions.

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### **Public interest disclosure**

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

Nil (0)

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

## Reporting required under any other act or regulation

Act or Regulation	Requirement
Nil	Not Applicable

### Reporting required under the *Carers' Recognition Act 2005*

Riverland Mallee Coorong Local Health Network recognises the importance of unpaid carers through a commitment to ensuring better carer engagement in shared decision-making in its services.

The SA Health Partnering with Carers Strategic Action Plan 2017-2020 is underpinned by the Carers' Recognition Act 2005 and the South Australian Carers' Charter. The Riverland Mallee Coorong Local Health Network also complies with the SA Health Partnering with Carers Policy Directive.

The key priorities under the Strategic Action Plan include:

- Early identification and recognition
- Carers are engaged as partners in care
- Carers provide comments and feedback
- Carer friendly workplace
- Celebrate carers during National Carers Week
- Staff education and training

The 'Carer – Partnering with you' web page provides carers with information.

In Riverland Mallee Coorong Local Health Network, Lee Care (residential aged care patient information system) contains details for residential or respite patients. Carer and family members are involved in the initial assessment prior to entry into residential care. Short care plans are printed and placed in the consumer's room. Carers are invited to contribute to the care plan. Care plans are updated quarterly with carers encouraged to contact the Nurse Unit Manager or Care staff as required seven days a week.

Carer information is displayed in all health sites on knowing your rights, medication safety, clinical communication, recognising and responding to clinical deterioration, pressure injury, falls, hand hygiene and infection control.

National Carers week is celebrated annually in October to raise awareness of the challenges faced by family carers.

## Public complaints

### Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2019-20
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	38
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	15
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	Nil
Communication	Communication quality	Inadequate, delayed or absent communication with customer	28
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	17
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	3
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	26
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	3
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	Nil
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	Nil

<b>Complaint categories</b>	<b>Sub-categories</b>	<b>Example</b>	<b>Number of Complaints 2019-20</b>
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	Nil
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	2
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	37
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	29
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	42
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	Nil
Treatment	Treatment	Diagnosis, testing, medication and other therapies provided,	78
Costs	Cost	Fees, discrepancies between advertised and actual costs, charges and rebates, and information about cost and fees	4
Administration	Administrative services and processes	Administrative processes such as clerical, reception, administrative record keeping and bookings/admission and lost property	9
		<b>Total</b>	<b>331</b>

<b>Additional Metrics</b>	<b>Total</b>
Number of positive feedback comments	423
Number of negative feedback comments	331
Total number of feedback comments	752
% complaints resolved within policy timeframes	Acknowledged within 2 days = 93% Response provided < 35 working days = 88%

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### **Service Improvements resulting from complaints or consumer suggestions over 2019-20**

#### Medical Imaging waiting times

- Several complaints were received by South Australian Medical Imaging in Murray Bridge regarding waiting times. Additional radiology sessions were implemented to meet consumer demand.

#### Medication

- Concern raised regarding poor communication and delay in receiving medication. As a result of the complaint, all consumer bedside lockers were replaced to include a locked drawer for consumer medication. This ensures their medications are available to be administered in a timely manner. Staff involved in the care of the consumer were counselled concerning effective communication.

#### Knowing who the staff are

- Concerns were raised regarding not knowing who the senior nurses were at an Aged Care facility. A poster with all Nurse Unit Managers with their photos and extension numbers was developed and displayed for consumers.

#### Rolling screen infographic for all sites

- Partnering with Consumers Working Group developed infographic information for sites to displaying highlighting consumer related experiences, health information and regional improvements.

#### Posters developed for Aboriginal and/or Torres Strait Islander identification

- Posters developed with the Aboriginal Health Committee utilising local photos and displayed at sites using health literacy principles to encourage Aboriginal consumers to identify as Aboriginal and/or Torres Strait Islander to improve access to services. If a consumer identifies as Aboriginal and/or Torres Strait Islander, it provides the opportunity to ensure the care and services provided are both culturally and clinically appropriate.

#### Riverland Mallee Coorong Local Health Network Diversity and Inclusion framework

- The Executive developed an Interim Diversity plan with the purpose of transitioning and consolidating diversity actions across aged care sites.

#### Quality Updates

- Regular Quality Updates held via videoconference, and recorded, providing information to staff on quality information including the new standards in Aged Care and the National Standards.

#### Aboriginal Health Impact Statements

- Aboriginal Health Impact Statements completed for new or revised proposals/projects with three questions addressed:
  1. Is the proposal linked with any Aboriginal-specific initiatives?
  2. Will the proposal have an Aboriginal impact?
  3. Have Aboriginal stakeholders been engaged and will they continue to be?
- The Aboriginal Health Impact Statement aims to ensure that Aboriginal stakeholders have been engaged in the decisions that affect their health and wellbeing.

#### Health literacy

- Work progressed through the Partnering with Consumers committee for the collaboration and co-design with consumers on consumer information that meets the health literacy needs of consumers.

#### Clinical risk

- Clinical risk manager appointed as part of Quality Risk and Safety team. Serious incidents are comprehensively reviewed and investigated in liaison with the site and Executive Director Medical Services. Recommendations are monitored through Clinical Governance meetings.

#### Staff wellbeing and engagement

- 'Welcome Nourish Sustain' timeless engagement theme determined with 'champions' meeting monthly. Targeted positive culture approach where strategies are built from the ground up to address identified specific issues and improving positive consumer outcomes whilst supporting staff.
- Stressbuster toolkits developed during COVID-19 to support staff.
- Survey conducted to identify staff needs with a series of 'staff forums' with the Employee Assistance Program.

#### Scholarship program

- A scholarship program was developed and work was conducted with a registered training provider to develop a targeted training package suitable for the local community members inclusive of existing and potential employees.
- Twelve students entered the scholarship program with nine graduating and winning roles as Aged Care Workers within the Riverland. Given the success of this program, Loxton Health Advisory Council is now running a second cohort and the rural support service has picked up the model to offer scholarships across all SA regions

#### Consumer Representative framework

- Development of a Consumer Representative framework to further enhance the capacity of the organisation to engage and collaborate with consumers on committees and interview panels.

#### 'How to...'

- 'How to...' documents developed by the Quality Risk and Safety Business Unit providing additional resources for staff on quality activities.

#### What matters to you

- 'What matters to you' included in consumer experience surveys to enable health professionals to be able to impart information verbally to ensure it is tailored to the individual.

#### Reconciliation Action Plans

- Reconciliation Action Plans included in site Quality Risk and Safety meetings as a standing agenda item to ensure a cultural lens is placed across the provision of services in the Riverland Mallee Coorong Local Health Network.

#### Antimicrobial stewardship

- Antimicrobial stewardship audit schedule developed and patient information fact sheets developed to inform patients of antibiotic use.
- Development of Antimicrobial stewardship Action Plan.
- Preventing and Controlling Hospital Acquired Infections working group established to avoid the further emergence and spread of antibiotic resistance.

#### Aged Care Performance Monitoring

- A new framework for measuring compliance to the Aged Care Quality Standards has been developed encompassing:
  - Evaluation of current performance against the eight Aged Care Quality Standards through a self-assessment.
  - Clinical audits to identify differences between practice and policy and then make improvements.
  - Incident and feedback data – comprehensive report provided monthly, analysis of data and trends and actions implemented as a result of identified variances.
  - Consumer experience survey developed and an additional selection of questions can be asked in response to the current environment, such as, increase in a certain incident, or feedback received.

- Additional items included on the Riverland Mallee Coorong Local Health Network Performance Monitoring Schedule including: Care plan evaluations, National Quality Indicator data, At Risk activity register. Psychotropic register and Mandatory reporting register.

#### Site specific service improvements

- Riverland General Hospital - Berri
  - Hotel services - Staff not easily identifying patients who require feeding assistance or meal supervision led to the implementation of a Red Tray system to identify patients who require feeding assistance or meal supervision. All patients are provided with the appropriate care in the provision of meals.
  - Renal – Safety Learning System incident regarding the inability to see patients who deteriorate behind a sectioned wall of the treatment area led to the installation of windows into privacy walls. Patients are able to be observed from other treatment areas ensuring constant clinical monitoring. Patient safety during dialysis has improved with patients able to be observed at all times and patients are also able to view nursing staff at other stations.
- Karoonda
  - Staff suggestion to utilise the front lawn of the hospital for residents and families/visitors. Residents and staff have been co-designing the space with bird baths selected by residents installed.
- Mannum
  - The Mannum District Hospital car service ceased temporarily in mid-December 2019. The Riverland Mallee Coorong Local Health Network sincerely apologised to volunteers and stakeholders for any inconvenience caused by disruption to the service, and it was reinstated immediately for local community members.
  - Recycling – It was noted that there was excessive rubbish from hospital/residential care, including recyclable items which can be collected separately and recycled in a safe manner. A collaborative approach involving staff, residents and families led to decreasing the environmental footprint and consumers feeling better about discarding items and recycling.
- Murray Bridge
  - Aboriginal and Torres Strait Islander community members supported to feel comfortable in the hospital environment including through a morning tea flu vaccination program with the Aboriginal community and Elders program, Tumake Yande.
  - Patient controlled analgesia in labour improved having identified there was no option for patient controlled analgesia in the labour ward despite evidence that this is best practice and provides more effective pain relief. All patient controlled analgesia pumps were upgraded for ease of use with feedback received from mothers that pain control is improved and the sense of self control is enabled.



- Waikerie
  - Church services during COVID-19 pandemic - Restrictions meant that community religious leaders were unable to visit for regular services. Following discussions with local church leaders a copy of the service is now provided on DVD so that consumers are able to continue to participate in religious activities as desired.
  - Tai chi weekly program implemented by physiotherapist following consumer request for balance type exercise program to reduce the possibility of falls and improve confidence. Assessment has identified increased strength and balance to consumers, increased mobility and dexterity for residents, and improved confidence and independence.
- Renmark
  - Communication during COVID-19 pandemic – Restrictions led to difficulties in providing timely information and updates to resident representatives. A SMS messaging system introduced to support resident representatives, maintain connections and ensure timely and effective communication with resident representatives.
- Tailem Bend
  - Going out during COVID-19 pandemic – Restrictions curtailed residents going out for meals. Two residents suggested having takeaway meals to replace going out and this implemented weekly following a discussion of options by residents.

## **Appendix: Audited financial statements 2019-20**

# INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

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State Administration Centre  
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## To the Board Chair Riverland Mallee Coorong Local Health Network Incorporated

### Opinion

I have audited the financial report of Riverland Mallee Coorong Local Health Network Incorporated and the consolidated entity comprising the Riverland Mallee Coorong Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2020.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Riverland Mallee Coorong Local Health Network Incorporated and its controlled entities as at 30 June 2020, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Board Chair, the Chief Executive Officer and the Chief Finance Officer.

### Basis for opinion

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

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

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

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

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

### **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of Riverland Mallee Coorong Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2020.

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

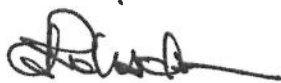
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Riverland Mallee Coorong Local Health Network Incorporated's and its controlled entities' internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer

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

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

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



Andrew Richardson

**Auditor-General**

23 September 2020

## Certification of the financial statements

We certify that the:

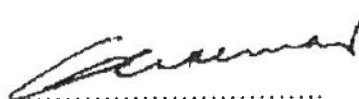
- financial statements of the Riverland Mallee Coorong Local Health Network Inc.:
  - are in accordance with the accounts and records of the authority; and
  - comply with relevant Treasurer's instructions; and
  - comply with relevant accounting standards; and
  - present a true and fair view of the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



.....  
Dr. Peter Joyner  
Board Chair



.....  
Wayne Champion  
Chief Executive Officer



.....  
Craig Lukeman  
Chief Finance Officer

Date .....14.9.2020.....

**RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 30 June 2020**

	Note	Consolidated 2020 \$'000	Parent 2020 \$'000
<b>Income</b>			
Revenues from SA Government	11	122,690	122,690
Fees and charges	6	15,474	15,474
Grants and contributions	7	36,231	37,528
Interest		409	321
Resources received free of charge	8	1,961	1,697
Other revenues/income	10	463	250
<b>Total income</b>		<b>177,228</b>	<b>177,960</b>
<b>Expenses</b>			
Staff benefits expenses	2	102,241	102,241
Supplies and services	3	62,196	62,193
Depreciation and amortisation	16,17	7,822	1,479
Borrowing costs	4	41	41
Net loss from disposal of non-current and other assets	9	678	-
Impairment loss on receivables	13	61	61
Other expenses	5	376	6,683
<b>Total expenses</b>		<b>173,415</b>	<b>172,698</b>
<b>Net result</b>		<b>3,813</b>	<b>5,262</b>
<b>Other Comprehensive Income</b>			
<b>Items that will be reclassified subsequently to net result when specific conditions are met</b>			
Gains or losses recognised directly in equity		15	-
<b>Total other comprehensive income</b>		<b>15</b>	<b>-</b>
<b>Total comprehensive result</b>		<b>3,828</b>	<b>5,262</b>

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

**RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK**  
**STATEMENT OF FINANCIAL POSITION**  
For the year ended 30 June 2020

	Note	Consolidated 2020 \$'000	Parent 2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents	12	8,281	5,629
Receivables	13	3,854	4,033
Other financial assets	14	20,736	18,569
Inventories	15	861	861
<b>Total current assets</b>		<b>33,732</b>	<b>29,092</b>
<b>Non-current assets</b>			
Receivables	13	560	560
Other financial assets	14	142	-
Property, plant and equipment	16,17	160,454	18,700
<b>Total non-current assets</b>		<b>161,156</b>	<b>19,260</b>
<b>Total assets</b>		<b>194,888</b>	<b>48,352</b>
<b>Current liabilities</b>			
Payables	19	5,580	5,580
Financial liabilities	20	604	604
Staff benefits	21	13,695	13,695
Provisions	22	985	985
Contract liabilities and other liabilities	23	25,918	25,918
<b>Total current liabilities</b>		<b>46,782</b>	<b>46,782</b>
<b>Non-current liabilities</b>			
Payables	19	661	661
Financial liabilities	20	1,201	1,201
Staff benefits	21	17,184	17,184
Provisions	22	1,312	1,312
<b>Total non-current liabilities</b>		<b>20,358</b>	<b>20,358</b>
<b>Total liabilities</b>		<b>67,140</b>	<b>67,140</b>
<b>Net assets</b>		<b>127,748</b>	<b>(18,788)</b>
<b>Equity</b>			
Retained earnings		84,374	(18,788)
Asset revaluation surplus		43,359	-
Other reserves		15	-
<b>Total equity</b>		<b>127,748</b>	<b>(18,788)</b>

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



**RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK**  
**STATEMENT OF CHANGES IN EQUITY**  
For the year ended 30 June 2020

**CONSOLIDATED**

	Note	Asset revaluation surplus \$ '000	Other reserves \$'000	Retained earnings \$ '000	Total equity \$ '000
<b>Balance at 30 June 2019</b>		-	-	-	-
Net assets received from an administrative restructure	1.6	-	-	(24,050)	(24,050)
Net assets received on first time consolidation		44,127	-	103,843	147,970
<b>Adjusted balance at 1 July 2019</b>		<b>44,127</b>	<b>-</b>	<b>79,793</b>	<b>123,920</b>
<b>Net result for 2019-20</b>		<b>-</b>	<b>-</b>	<b>3,813</b>	<b>3,813</b>
Gain/(loss) on revaluation of other financial assets		-	15	-	15
<b>Total comprehensive result for 2019-20</b>		<b>-</b>	<b>15</b>	<b>3,813</b>	<b>3,828</b>
Transfer between equity components		(768)	-	768	-
<b>Balance at 30 June 2020</b>		<b>43,359</b>	<b>15</b>	<b>84,374</b>	<b>127,748</b>

**PARENT**

	Note	Asset revaluation surplus \$ '000	Other reserves \$'000	Retained earnings \$ '000	Total equity \$ '000
<b>Balance at 30 June 2019</b>		-	-	-	-
Net assets received from an administrative restructure	1.6	-	-	(24,050)	(24,050)
<b>Adjusted balance at 1 July 2019</b>		<b>-</b>	<b>-</b>	<b>(24,050)</b>	<b>(24,050)</b>
<b>Net result for 2019-20</b>		<b>-</b>	<b>-</b>	<b>5,262</b>	<b>5,262</b>
<b>Total comprehensive result for 2019-20</b>		<b>-</b>	<b>-</b>	<b>5,262</b>	<b>5,262</b>
<b>Balance at 30 June 2020</b>		<b>-</b>	<b>-</b>	<b>(18,788)</b>	<b>(18,788)</b>

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

**RIVERLAND AND MALLEE COORONG LOCAL HEALTH NETWORK**  
**STATEMENT OF CASH FLOWS**  
For the year ended 30 June 2020

	Consolidated	Parent
Note	2020	2020
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
<b>Cash inflows</b>		
Fees and charges	14,198	14,160
Grants and contributions	37,328	38,473
Interest received	437	368
Residential aged care bonds received	7,412	7,412
GST recovered from ATO	3,217	3,217
Other receipts	477	268
Receipts from SA Government	110,609	110,609
<b>Cash generated from operations</b>	<u>173,678</u>	<u>174,507</u>
<b>Cash outflows</b>		
Staff benefits payments	(99,535)	(99,535)
Payments for supplies and services	(62,355)	(62,352)
Interest paid	(41)	(41)
Residential aged care bonds refunded	(4,893)	(4,893)
Other payments	(407)	(407)
<b>Cash used in operations</b>	<u>(167,231)</u>	<u>(167,228)</u>
<b>Net cash provided by operating activities</b>	<u>6,447</u>	<u>7,279</u>
<b>Cash flows from investing activities</b>		
<b>Cash inflows</b>		
Proceeds from sale of property, plant and equipment	118	-
Proceeds from maturities of investments	183	-
<b>Cash generated from investing activities</b>	<u>301</u>	<u>-</u>
<b>Cash outflows</b>		
Purchase of property, plant and equipment	(2,371)	(2,371)
Purchase of investments	(1,623)	(1,500)
<b>Cash used in investing activities</b>	<u>(3,994)</u>	<u>(3,871)</u>
<b>Net cash used in investing activities</b>	<u>(3,693)</u>	<u>(3,871)</u>
<b>Cash flows from financing activities</b>		
<b>Cash inflows</b>		
Cash received from restructuring activities	6,254	2,948
<b>Cash generated from financing activities</b>	<u>6,254</u>	<u>2,948</u>
<b>Cash outflows</b>		
Repayment of borrowings	(96)	(96)
Repayment of lease liability	(631)	(631)
<b>Cash used in financing activities</b>	<u>(727)</u>	<u>(727)</u>
<b>Net cash provided by financing activities</b>	<u>5,527</u>	<u>2,221</u>
<b>Net increase in cash and cash equivalents</b>	8,281	5,629
Cash and cash equivalents at the beginning of the period	-	-
<b>Cash and cash equivalents at the end of the period</b>	<u>8,281</u>	<u>5,629</u>
Non-cash transactions	24	

The accompanying notes form part of these financial statements.

**RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2020**

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**1. About Riverland Mallee Coorong Local Health Network**

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

*Parent Entity*

The Parent entity consists of the following:

- Barmera Hospital
- Barmera Hawdon House Aged Care
- Barmera Bonney Lodge Aged Care
- Karoonda and Districts Soldier's Memorial Hospital
- Lamerook District Health Service
- Loxton Hospital
- Loxton Nursing Home
- Loxton Hostel
- Mannum District Hospital
- Mannum Aged Care
- Meningie and Districts Memorial Hospital and Health Services
- Murray Bridge Soldiers' Memorial Hospital
- Murray Mallee Community Health Service
  - Coonalpyn
  - Murray Bridge
  - Karoonda
  - Lamerook
  - Mannum
  - Meningie
  - Pinnaroo
  - Tailem Bend
  - Tintinara
- Pinnaroo Soldiers' Memorial Hospital
- Renmark Paringa District Hospital
- Renmark Paringa Nursing Home
- Renmark Paringa Hostel
- Riverland General Hospital located in Berri
- Riverland Community Health Service
  - Berri
  - Barmera
  - Loxton
  - Renmark
- Tailem Bend District Hospital
- Waikerie Health Service

*Consolidated Entity*

The Consolidated entity includes the Parent entity, the Incorporated Health Advisory Councils (HACs) and the Incorporated HAC Gift Fund Trusts as listed in note 32.

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

**RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2020**

The consolidated financial statements have been prepared in accordance with AASB 10 *Consolidated Financial Statements*. Consistent accounting policies have been applied and all inter-entity balances and transactions arising within the consolidated entity have been eliminated in full. Information on the consolidated entity's interests in other entities is at note 32.

*Administered items*

The Hospital has administered activities and resources. Transactions and balances relating to administered resources are presented separately and disclosed in note 33. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting principles as for the Hospital's transactions.

**1.1 Objectives and activities**

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

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

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

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

**1.2 Basis of preparation**

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

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

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

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

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

**1.3 Taxation**

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

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

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

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

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

**1.4 Continuity of operations**

As at 30 June 2020, the Hospital had working capital deficiency of \$13.050 million. The SA Government is committed to continuing the delivery of hospital services to country and regional SA and accordingly it has demonstrated a commitment to the ongoing funding of these hospitals.

**RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2020

**1.5 Equity**

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

**1.6 Changes to reporting entity**

CHSALHN was dissolved on 1 July 2019. Six new entities were established to provide hospital, health and aged care services to country and regional SA. As per the *Health Care (Local Health Networks) Proclamation 2019* contained in the South Australian Government Gazette No 30, dated 27<sup>th</sup> June 2019, assets, rights and liabilities were transferred from CHSALHN to the relevant entity, effective 1 July 2019. This resulted in the transfer of 1,757 employees, and net assets of \$123.920 million to the Hospital as detailed below.

	Consolidated	Parent
	2020	2020
	\$'000	\$'000
<b>Assets:</b>		
Cash	6,254	2,948
Receivables	2,899	2,869
Property, plant and equipment	151,460	9,139
Other assets	20,218	17,905
<b>Total assets</b>	<b>180,831</b>	<b>32,861</b>
<b>Liabilities:</b>		
Payables	4,189	4,189
Staff benefits	28,927	28,927
Provisions	1,910	1,910
Other liabilities	21,885	21,885
<b>Total liabilities</b>	<b>56,911</b>	<b>56,911</b>
<b>Total net assets transferred in</b>	<b>123,920</b>	<b>(24,050)</b>

**1.7 Impact of COVID-19 pandemic on SA Health**

COVID-19 has been classified as a global pandemic by the World Health Organisation. SA Health is the Control Agency in SA for human disease pursuant to the *State Emergency Management Plan*.

As at 30 June 2020, SA has had a total of 444 confirmed COVID cases. Noteworthy, since April 22, SA has only had five new cases. Accordingly SA has minimised transmission of the virus and maintained containment of COVID-19 infection.

As the lead agency, SA Health has:

- activated COVID-19 clinics in metro and regional SA
- increased hospital capacity through commissioning of temporary hospital capacity and diversion of activity to the private hospital system
- secured medical supplies and personal protective equipment to deliver COVID-19 services in a very high demand environment
- maximised community engagement
- managed workforce surge planning and up-skill training.

The material impacts on the Hospital's financial performance and financial position are outlined below:

- Additional financial assistance from the Commonwealth and State Governments to assist the COVID-19 response by the Hospital, including at Residential Aged Care and Multi-Purpose sites. This funding was for additional costs incurred by the Hospital and all residential aged care providers in responding to the COVID-19 outbreak, including the diagnosis and treatment of patients with or suspected of having COVID-19, and efforts to minimize the spread in the Australian community.
- Hospital staff accessing special leave with pay for up to 15 days for absences related to COVID-19 situations \$0.082 million.
- Additional costs associated with public health activities (e.g. preparation of hospitals to respond and establishing testing clinics), purchases of personal protective equipment for staff, and non-clinical costs (e.g. additional hospital cleaning costs) were \$0.473 million.

**RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2020**

Business continuity information is at note 1.4, impairment information is at note 13.1, estimates and judgements are at note 13.1, 19, 21.2 and 22.

**1.8 Changes in presentation of financial statements**

*Treasurer's Instructions (Accounting Policy Statements)* issued 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The Statement of Comprehensive Income and Statement of Cash Flows now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

**2. Staff benefits expenses**

	Consolidated 2020	Parent 2020
	\$'000	\$'000
Salaries and wages	81,953	81,953
Targeted voluntary separation packages (refer note 2.5)	122	122
Long service leave	1,950	1,950
Annual leave	7,287	7,287
Skills and experience retention leave	375	375
Staff on-costs - superannuation*	8,737	8,737
Workers compensation	1,603	1,603
Board and committee fees	179	179
Other staff related expenses	35	35
<b>Total staff benefits expenses</b>	<b>102,241</b>	<b>102,241</b>

\* 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.

**2.1 Key Management Personnel**

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

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

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

Compensation	Consolidated 2020	Parent 2020
	\$'000	\$'000
Salaries and other short term employee benefits	1,702	1,702
Post-employment benefits	232	232
<b>Total</b>	<b>1,934</b>	<b>1,934</b>

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.

**2.2 Remuneration of Boards and Committees**

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

	2020 No. of Members
\$20,001 - \$40,000	5
\$40,001 - \$60,000	1
<b>Total</b>	<b>6</b>

The total remuneration received or receivable by members was \$0.193 million. Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. 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.

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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.

**2.3 Remuneration of staff**

	<b>Consolidated</b>	<b>Parent</b>
	<b>2020</b>	<b>2020</b>
The number of staff whose remuneration received or receivable falls within the following bands:	<b>Number</b>	<b>Number</b>
\$155,000 - \$174,999	9	9
\$175,000 - \$194,999	1	1
\$215,000 - \$234,999	1	1
\$415,000 - \$434,999	1	1
\$515,000 - \$534,999	1	1
\$595,000 - \$614,999	1	1
<b>Total number of staff</b>	<b>14</b>	<b>14</b>

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

**2.4 Remuneration of staff by classification**

The total remuneration received by staff included in note 2.3:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2020</b>		<b>2020</b>	
	<b>No.</b>	<b>\$'000</b>	<b>No.</b>	<b>\$'000</b>
Medical (excluding Nursing)	5	1,881	5	1,881
Executive	1	230	1	230
Nursing	8	1,325	8	1,325
<b>Total</b>	<b>14</b>	<b>3,436</b>	<b>14</b>	<b>3,436</b>

**2.5 Targeted voluntary separation packages**

	<b>Consolidated</b>	<b>Parent</b>
	<b>2020</b>	<b>2020</b>
Amount paid/payable to separated staff:	<b>\$'000</b>	<b>\$'000</b>
Targeted voluntary separation packages	122	122
Leave paid/payable to separated staff	114	114
<b>Net cost to the Hospital</b>	<b>236</b>	<b>236</b>

The number of staff who received a TVSP during the reporting period	<b>4</b>	<b>4</b>
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**3. Supplies and services**

	Consolidated 2020 \$'000	Parent 2020 \$'000
Administration	170	170
Advertising	18	18
Communication	499	499
Computing	1,903	1,903
Consultants	476	476
Contract of services	624	624
Contractors	11	11
Contractors - agency staff	5,022	5,022
Drug supplies	1,356	1,356
Electricity, gas and fuel	2,344	2,344
Fee for service*	14,561	14,561
Food supplies	2,349	2,349
Housekeeping	1,370	1,370
Insurance	823	823
Internal SA Health SLA payments	6,308	6,308
Legal	9	9
Medical, surgical and laboratory supplies	9,962	9,962
Minor equipment	1,237	1,237
Motor vehicle expenses	556	556
Occupancy rent and rates	726	726
Patient transport	3,155	3,155
Postage	208	208
Printing and stationery	557	557
Repairs and maintenance	4,418	4,418
Security	143	143
Services from Shared Services SA	1,405	1,405
Short term lease expense	43	43
Training and development	273	273
Travel expenses	248	248
Other supplies and services	1,422	1,419
<b>Total supplies and services</b>	<b>62,196</b>	<b>62,193</b>

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

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

**Consultants**

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

	Consolidated 2020 No.	Consolidated 2020 \$'000	Parent 2020 No.	Parent 2020 \$'000
Below \$10,000	3	10	3	10
Above \$10,000	4	466	4	466
<b>Total</b>	<b>7</b>	<b>476</b>	<b>7</b>	<b>476</b>

**4. Borrowing costs**

	Consolidated 2020 \$'000	Parent 2020 \$'000
Lease costs	38	38
Interest paid/payable	3	3
<b>Total borrowing cost</b>	<b>41</b>	<b>41</b>

The Hospital does not capitalise borrowing costs. The total borrowing costs from financial liabilities not at fair value through the profit and loss was \$0.041 million.



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**5. Other expenses**

	<b>Consolidated</b>	<b>Parent</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Debts written off	97	97
Bank fees and charges	3	3
Donated assets expense	-	6,307
Other*	276	276
<b>Total other expenses</b>	<b>376</b>	<b>6,683</b>

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

\* Includes Audit fees paid or payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act* of \$0.148 million. No other services were provided by the Auditor-General's Department. Payments to Galpins Accountants Auditors and Business Consultants were \$0.057 million for HAC and aged care audits.

**6. Fees and charges**

	<b>Consolidated</b>	<b>Parent</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Insurance recoveries	37	37
Patient and client fees	4,025	4,025
Private practice fees	19	19
Recoveries	1,690	1,690
Residential and other aged care charges	8,128	8,128
Sale of goods - medical supplies	45	45
Other user charges and fees	1,530	1,530
<b>Total fees and charges</b>	<b>15,474</b>	<b>15,474</b>

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.

The Hospital recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities (refer to note 23).

The Hospital recognises revenue (contract from customers) at a point in time primarily from external customers including 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, anesthetists, pathology, radiology services etc. Revenue from these services is recognised on a time-and-material basis as services are provided. Any amounts remaining unpaid at the end of the reporting period are treated as an accounts receivable.

*Residential and other aged care charges*

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

*Recoveries*

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. Recoveries can relate to the recharge of salaries and wages or various goods and services. Revenue from these services are recognized on a time-and-material basis as services are provided.

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**7. Grants and contributions**

	Consolidated 2020	Parent 2020
	\$'000	\$'000
Commonwealth grants	21,430	21,430
Commonwealth aged care subsidies	13,805	13,805
SA Government capital contributions	-	1,095
Other SA Government grants and contributions	878	1,080
Private sector grants and contributions	118	118
<b>Total grants and contributions</b>	<b>36,231</b>	<b>37,528</b>

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

The \$36.231 million received in during the reporting period was provided for specific purposes such as aged care, community health services and other related health services.

**8. Resources received free of charge**

	Consolidated 2020	Parent 2020
	\$'000	\$'000
Land and buildings	264	-
Plant and equipment	296	296
Services	1,401	1,401
<b>Total resources received free of charge</b>	<b>1,961</b>	<b>1,697</b>

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

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

Although not recognised, the Hospital receives volunteer services from around 360 registered volunteers who provide patient and staff support services to individuals using the Hospital's services. The services include but are not limited to: daily supper rounds, way finding services, stores replenishment, support in theatre/recovery/emergency departments, administration/medical records, on the wards, home delivered meals, transport and the Community Visitors Scheme (social support).

**9. Net loss from disposal of non-current and other assets**

	Consolidated 2020	Parent 2020
	\$'000	\$'000
<b>Land and buildings:</b>		
Proceeds from disposal	135	-
Less carrying amount of assets disposed	(796)	-
Less other costs of disposal	(17)	-
<b>Net gain/(loss) from disposal of land and buildings</b>	<b>(678)</b>	<b>-</b>

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.

**10. Other revenues/income**

	Consolidated 2020	Parent 2020
	\$'000	\$'000
Dividend revenue	4	-
Donations	414	212
Other	45	38
<b>Total other revenues/income</b>	<b>463</b>	<b>250</b>

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**11. Revenues from SA Government**

	<b>Consolidated 2020 \$'000</b>	<b>Parent 2020 \$'000</b>
Capital funding	13,654	13,654
Recurrent funding	109,036	109,036
<b>Total revenues from SA Government</b>	<b>122,690</b>	<b>122,690</b>

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

**12. Cash and cash equivalents**

	<b>Consolidated 2020 \$'000</b>	<b>Parent 2020 \$'000</b>
Cash at bank or on hand	5,589	2,937
Deposits with Treasurer: general operating	2,322	2,322
Deposits with Treasurer: special purpose funds	370	370
<b>Total cash and cash equivalents</b>	<b>8,281</b>	<b>5,629</b>

Cash is measured at nominal amounts. The Hospital operates through the Department's general operating account held with the Treasurer and does not earn interest on this account. Interest is earned on HAC and GFT bank accounts and accounts holding aged care funds, including refundable deposits. Of the \$8.281 million held, \$2.321 million relates to aged care refundable deposits.

**13. Receivables**

	<b>Note</b>	<b>Consolidated 2020 \$'000</b>	<b>Parent 2020 \$'000</b>
<b>Current</b>			
Patient/client fees: compensable		118	118
Patient/client fees: aged care		1,934	1,934
Patient/client fees: other		311	311
Debtors		440	442
Less: allowance for impairment loss on receivables	13.1	(216)	(216)
Prepayments		244	244
Interest		30	19
Workers compensation provision recoverable		326	326
Sundry receivables and accrued revenue		509	697
GST input tax recoverable		158	158
<b>Total current receivables</b>		<b>3,854</b>	<b>4,033</b>
<b>Non-current</b>			
Debtors		16	16
Workers compensation provision recoverable		544	544
<b>Total non-current receivables</b>		<b>560</b>	<b>560</b>
<b>Total receivables</b>		<b>4,414</b>	<b>4,593</b>

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

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

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**13.1 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 a provision matrix as a practical expedient to measure the impairment provision.

Movement in the allowance for impairment of receivables:

	<b>Consolidated</b>	<b>Parent</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Transfer in through administrative restructure	155	155
Increase in allowance recognised in profit or loss	61	61
<b>Carrying amount at the end of the period</b>	<b>216</b>	<b>216</b>

Impairment losses relate to receivables arising from contracts with customers that are external to the SA Government. Refer to note 30 for details regarding credit risk and the methodology for determining impairment.

**14. Other financial assets**

	<b>Consolidated</b>	<b>Parent</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Term deposits	20,736	18,569
<b>Total current investments</b>	<b>20,736</b>	<b>18,569</b>
<b>Non-current</b>		
Other investments FVOCI	142	-
<b>Total non-current investments</b>	<b>142</b>	<b>-</b>
<b>Total investments</b>	<b>20,878</b>	<b>18,569</b>

The Hospital holds term deposits to the value of \$20.736m of which \$13.875m relates to aged care refundable deposits, with the remaining funds primarily related to aged care. These deposits are measured at amortised cost. Listed equities and other investments are measured at fair value represented by market value.

There is no impairment on other financial assets. Refer to note 30 for further information on risk management.

**15. Inventories**

	<b>Consolidated</b>	<b>Parent</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Drug supplies	241	241
Medical, surgical and laboratory supplies	415	415
Food and hotel supplies	151	151
Other	54	54
<b>Total current inventories - held for distribution</b>	<b>861</b>	<b>861</b>

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

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**16. Property, plant and equipment, investment property and intangible assets**

**16.1 Acquisition and recognition**

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

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

**16.2 Depreciation and amortization**

The residual values, useful lives, depreciation and amortisation methods of all major assets held by the Hospital are reassessed on an annual basis. Changes in expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate. Depreciation/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	10 - 80
Right of use buildings	Lease Term
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	2 - 25
• Computing equipment	3 - 5
• Vehicles	2 - 25
• Other plant and equipment	3 - 50
Right of use plant and equipment	Lease Term

**16.3 Revaluation**

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

Revaluation of non-current assets or a group of assets is only performed when the asset's fair value at the time of acquisition is greater than \$1 million and the estimated useful life exceeds three years. If at any time management considers that the carrying amount of an asset greater than \$1 million materially differs from its fair value, then the asset will be revalued regardless of when the last revaluation took place.

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

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

**16.4 Impairment**

The Hospital holds its property, plant and equipment for their service potential (value in use). Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be closer to or greater than fair value. Where there is an indication of impairment, the recoverable amount is estimated. Fair value is assessed each year. There were no indications of impairment of property or plant and equipment as at 30 June 2020.

**16.5 Land and buildings**

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 using and adjustment to factors to reflect the restriction.

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

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**16.6 Plant and equipment**

The value of all plant and equipment are deemed to approximate fair value.

**16.7 Right-of-use assets**

Right-of-use assets are recorded at cost and there were no indications for impairment. Additions to right of use assets during 2019-20 were \$0.372 million.

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17. Reconciliation of property, plant and equipment

The following table shows the movement:

Consolidated

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	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
Acquisitions through administrative restructuring	8,055	139,957	1,107	1,346	1,283	819	863	-
Additions	-	113	-	13,654	530	106	372	327
Assets received free of charge	-	264	-	-	145	151	-	-
Disposals	(40)	(756)	-	-	-	-	(20)	-
Transfers between asset classes	-	6,194	-	(6,194)	-	-	-	-
Subtotal:	8,015	145,772	1,107	8,806	1,958	1,076	1,215	327
Gains/(losses) for the period recognised in net result:								
Depreciation and amortisation	-	(6,572)	(115)	-	(436)	(167)	(532)	-
Subtotal:	-	(6,572)	(115)	-	(436)	(167)	(532)	-
Carrying amount at the end of the period	8,015	139,200	992	8,806	1,522	909	683	327
Gross carrying amount								
Gross carrying amount	8,015	152,509	1,107	8,806	2,353	1,076	1,148	327
Accumulated depreciation / amortisation	-	(13,309)	(115)	-	(831)	(167)	(465)	-
Carrying amount at the end of the period	8,015	139,200	992	8,806	1,522	909	683	327

All property, plant and equipment are classified in the level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 20 for details about the lease liability for right-of-use assets.

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Parent  
2019-20

2019-20	Land and buildings:				Plant and equipment:				Total \$'000	
	Land		Buildings	Right-of- use buildings	Capital works in progress land and buildings	Medical/ surgical/ dental/ biomedical	Other plant and equipment	Right-of-use plant and equipment		Capital works in progress plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000
Acquisitions through administrative restructuring										
Additions	714	4,976	1,107	1,346	1,283	819	863	-	11,108	
Assets received free of charge	-	113	-	13,654	530	106	372	327	15,102	
Disposals	-	-	-	-	145	151	-	-	296	
Donated assets disposal	-	-	-	-	-	-	(20)	-	(20)	
Transfers between asset classes	-	(113)	-	(6,194)	-	-	-	-	(6,307)	
Subtotal:	714	4,976	1,107	8,806	1,958	1,076	1,215	327	20,179	
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(229)	(115)	-	(436)	(167)	(532)	-	(1,479)	
Subtotal:	-	(229)	(115)	-	(436)	(167)	(532)	-	(1,479)	
Carrying amount at the end of the period	714	4,747	992	8,806	1,522	909	683	327	18,700	
Gross carrying amount										
Gross carrying amount	714	4,976	1,107	8,806	2,353	1,076	1,148	327	20,507	
Accumulated depreciation / amortisation	-	(229)	(115)	-	(831)	(167)	(465)	-	(1,807)	
Carrying amount at the end of the period	714	4,747	992	8,806	1,522	909	683	327	18,700	

All property, plant and equipment are classified in the level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 20 for details about the lease liability for right-of-use assets.



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**18. 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 16 and 18.2 and for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

**18.1 Fair value hierarchy**

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

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

**18.2 Valuation techniques and inputs**

Due to the predominantly specialised nature of health service assets, the majority of land and buildings 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.

**19. Payables**

	Consolidated	Parent
	2020	2020
Current	\$'000	\$'000
Creditors and accrued expenses	4,213	4,213
Paid Parental Leave Scheme	23	23
Staff on-costs*	1,255	1,255
Other payables	89	89
<b>Total current payables</b>	<b>5,580</b>	<b>5,580</b>
<b>Non-current</b>		
Staff on-costs*	661	661
<b>Total non-current payables</b>	<b>661</b>	<b>661</b>
<b>Total payables</b>	<b>6,241</b>	<b>6,241</b>

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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. 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 percentage of the proportion of long service leave taken as leave is 38%, and the average factor for the calculation of employer superannuation cost on-costs is 9.8%. These rates are used in the staff on-cost calculation.

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 30 for information on risk management.

## 20. Financial liabilities

	Consolidated	Parent
	2020	2020
	\$'000	\$'000
<b>Current</b>		
Borrowings from SA Government	97	97
Lease liabilities	507	507
<b>Total current financial liabilities</b>	<b>604</b>	<b>604</b>
<b>Non-current</b>	<b>\$'000</b>	<b>\$'000</b>
Borrowings from SA Government	18	18
Lease liabilities	1,183	1,183
<b>Total non-current financial liabilities</b>	<b>1,201</b>	<b>1,201</b>
<b>Total financial liabilities</b>	<b>1,805</b>	<b>1,805</b>

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

Refer to note 30 for information on risk management.

### 20.1 Leasing activities

The Hospital has a number of lease agreements. Lease terms vary in length from 2 to 17 years.

Major lease activities include the use of:

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

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

Refer note 17 for details about the right of use assets (including depreciation) and note 4 for financing costs associated with these leasing activities.

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**20.2 Concessional lease arrangements**

The Hospital has no concessional lease arrangements.

**20.3 Maturity analysis**

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

	Consolidated	Parent
	2020	2020
<b>Lease Liabilities</b>	<b>\$'000</b>	<b>\$'000</b>
1 to 3 years	965	965
3 to 5 years	162	162
5 to 10 years	346	346
More than 10 years	394	394
<b>Total lease liabilities (undiscounted)</b>	<b>1,867</b>	<b>1,867</b>

**21. Staff benefits**

	Consolidated	Parent
	2020	2020
<b>Current</b>	<b>\$'000</b>	<b>\$'000</b>
Accrued salaries and wages	3,099	3,099
Annual leave	8,386	8,386
Long service leave	1,555	1,555
Skills and experience retention leave	655	655
<b>Total current staff benefits</b>	<b>13,695</b>	<b>13,695</b>
<b>Non-current</b>		
Long service leave	17,184	17,184
<b>Total non-current staff benefits</b>	<b>17,184</b>	<b>17,184</b>
<b>Total staff benefits</b>	<b>30,879</b>	<b>30,879</b>

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

Refer to note 1.6 for details of staff transferred to the Hospital during the year.

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

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

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

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

**21.2 Long service leave**

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees 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 DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of 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 is 0.75%, which is used as the rate to discount future long service leave cash flows. The actuarial assessment performed by DTF determined the salary inflation rate to be 2.5% for long service leave liability and 2.0% for annual leave and skills, experience and retention leave liability.

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**22. Provisions**

Provisions represent workers compensation.

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

	Consolidated 2020 \$'000	Parent 2020 \$'000
Transfer in through administrative restructure	1,910	1,910
Increase in provisions recognised	905	905
Reductions arising from payments/other sacrifices of future economic benefits	(518)	(518)
<b>Carrying amount at the end of the period</b>	<b>2,297</b>	<b>2,297</b>

**Workers compensation statutory provision**

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

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

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2020 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to staff as required under current legislation. The liability covers claims incurred but not yet paid, incurred but not reported and the anticipated direct and indirect costs of settling these claims. There is a high level of uncertainty as to the valuation of the liability (including future claim costs). The liability for outstanding claims is measured as the present value of the expected future payments reflecting the fact that all claims do not have to be paid in the immediate future.

**Workers compensation non-statutory provision**

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

The workers compensation non-statutory provision is an actuarial assessment of the outstanding claims liability, provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. There is a high level of uncertainty as to the valuation of the liability (including future claim costs), this is largely due to the enterprise bargaining agreements and industrial awards being in place for a short period of time and the emerging experience is unstable. The average claim size has been estimated based on applications to date and this may change as more applications are made. As at 30 June 2020 the Hospital recognised a workers compensation non-statutory provision of \$0.106 million.

**23. Contract liabilities and other liabilities**

	Consolidated 2020 \$'000	Parent 2020 \$'000
<b>Current</b>		
Contract Liabilities	2,544	2,544
Residential aged care bonds	23,348	23,348
Other	26	26
<b>Total contract liabilities and other liabilities</b>	<b>25,918</b>	<b>25,918</b>

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

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**24. Cash flow reconciliation**

Reconciliation of cash and cash equivalents at the end of the reporting period	Consolidated 2020 \$'000	Parent 2020 \$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	8,281	5,629
<b>Cash as per Statement of Financial Position</b>	<b>8,281</b>	<b>5,629</b>
<b>Balance as per Statement of Cash Flows</b>	<b>8,281</b>	<b>5,629</b>
<b>Reconciliation of net cash provided by operating activities to net result:</b>		
Net cash provided by operating activities	6,447	7,279
<b>Add/less non-cash items</b>		
Asset donated free of charge	-	(6,307)
Capital revenues	12,073	12,073
Depreciation and amortisation expense of non-current assets	(7,822)	(1,479)
Loss on sale or disposal of non-current assets	(678)	-
Interest credited directly to investments	54	17
Resources received free of charge	560	296
Dividends received via reinvestment plan	4	-
<b>Movement in assets/liabilities</b>		
Increase in inventories	8	8
Increase in receivables	1,512	1,720
Increase in other liabilities	(4,243)	(4,243)
Increase in payables and provisions	(2,150)	(2,150)
Increase in staff benefits	(1,952)	(1,952)
<b>Net result</b>	<b>3,813</b>	<b>5,262</b>

Total cash outflows for leases is \$0.669m.

**25. Unrecognised contractual commitments**

Expenditure commitments	Consolidated 2020 \$'000	Parent 2020 \$'000
Within one year	624	624
Later than one year but not longer than five years	105	105
<b>Total other expenditure commitments</b>	<b>729</b>	<b>729</b>

The Hospital's expenditure commitments are for agreements for goods and services contracted but not received and are disclosed at nominal amounts.

The Hospital also has commitments to provide funding to various non-government organisations in accordance with negotiated service agreements. The value of these commitments as at 30 June 2020 has not been quantified.

**26. Trust funds**

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

	2020 \$'000
<b>Transfer in through administrative restructure</b>	<b>51</b>
Client trust receipts	69
Client trust payments	(71)
<b>Carrying amount at the end of the period</b>	<b>49</b>

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**27. Contingent assets and liabilities**

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

The Hospital is not aware of any contingent assets or liabilities. In addition it has no guarantees.

**28. Events after balance date**

Prior to 30 June, members of the Australian Nurses and Midwifery Federation supported a new public sector Nursing and Midwifery (SA Public Sector) Enterprise Agreement (EA), and accordingly an application for a new EA was submitted to the South Australian Employment Tribunal (SAET) (also prior to 30 June). The SAET approved the application on 16 July 2020. Amongst other matters, the new EA provides for a 2% increase in salary and wages (and certain allowances) from 1 January 2020. The financial statements have been adjusted for this event as the condition that triggered the liability existed at or before 30 June.

**29. 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 2018-6 and AASB 2018-7 will apply from 1 July 2020 and AASB 2014-10, AASB 2015-10, AASB 2017-5 will apply from 1 July 2022. Although applicable to the Hospital, these amending standards are not expected to have an impact on the Hospital's financial statements. SA Health will update its policies, procedures and work instructions, where required, to reflect changes to the definition of a business, definition of materiality, and the additional clarification of requirements for a sale or contribution of assets between an investor and its associate or joint venture.

**30. Financial instruments/financial risk management**

**30.1 Financial risk management**

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

*Liquidity Risk*

The Hospital is funded principally from appropriation by the SA Government. The Hospital works with DTF to determine the cash flows associated with the SA Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows. Refer to notes 1.4, 19 and 20 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 and 14 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. Residential Aged Care bonds become interest bearing when a refunding event occurs as per note 23. There is no exposure to foreign currency or other price risks.

**30.2 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 note 2 or 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.

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Category of financial asset and financial liability	Notes	Consolidated	Parent
		2020 Carrying amount/ Fair value \$'000	2020 Carrying amount/ Fair value \$'000
<b>Financial assets</b>			
Cash and equivalent			
Cash and cash equivalents	12,24	8,281	5,629
Amortised Cost			
Receivables <sup>(a)</sup>	13	3,124	3,303
Other financial assets*	14	20,878	18,569
Fair Value through other comprehensive income			
Other financial assets*	14	142	
<b>Total financial assets</b>		<b>32,425</b>	<b>27,501</b>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost			
Payables <sup>(a)</sup>	19	4,146	4,146
Lease liabilities	20	1,805	1,805
Other financial liabilities	23	26	26
<b>Total financial liabilities</b>		<b>5,977</b>	<b>5,977</b>

<sup>(a)</sup> Receivable and payable amounts disclosed exclude amounts relating to statutory receivables and payables (e.g. Commonwealth taxes; Auditor-General's Department audit fees etc.). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

<sup>(a)</sup> Receivable amount disclosed excludes prepayments as they are not financial assets.

### 30.3 Credit risk exposure and impairment of financial assets

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

A provision matrix is used to measure the ECL of receivables from non-government debtors. The ECL of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties. Impairment losses are presented as net impairment losses within net result.

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

To measure the ECL, receivables are grouped based on days past due and debtor types that have similar risk characteristics and loss patterns (i.e. by patient and sundry, compensable and aged care), including any changes in the forward-looking estimates are analysed. The Hospital considers reasonable and supportable information that is relevant and available without undue cost or effort; about past events, current conditions and forecasts of future economic conditions.

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

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

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	30 June 2020		
	Expected credit	Gross	Expected
	loss rate(s)	carrying	credit losses
	%	amount	
		\$'000	\$'000
<b>Days past due</b>			
Current	0.1 - 14.9 %	1,158	13
<30 days	0.4 - 20.5 %	199	14
31-60 days	0.8 - 31.3%	100	3
61-90 days	1.1 - 39.1%	85	5
91-120 days	1.3 - 43.1%	74	8
121-180 days	1.8 - 55.4%	166	21
181-360 days	3.5 - 72.1%	538	67
361-540 days	4.6 - 87.4%	181	25
>540 days	5.3 - 98.9%	331	60
<b>Total</b>		<b>2,832</b>	<b>216</b>

### 31. Significant transactions with government related entities

The Hospital is controlled by the SA Government.

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

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

The Hospital received funding from the SA Government via the Department (note 11), and incurred significant expenditure via the Department for medical, surgical and laboratory supplies, computing and insurance (note 3). The Department transferred capital works in progress of \$12.073 million to the Hospital. The Hospital incurred significant expenditure with the Department of Planning, Transport and Infrastructure (DPTI) for property repairs and maintenance of \$3.543 million (note 3). As at 30 June the outstanding balance payable to DPTI was \$0.734 million (note 19).

### 32. Interests in other entities

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

#### Controlled Entities

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

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

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

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

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



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<b>Health Advisory Councils</b>		
<b>Incorporated HACs and GFTs</b>		
Berri Barmera District Health Advisory Council Inc	Coorong Health Service Health Advisory Council Inc	Loxton and Districts Health Advisory Council Inc
Mallee Health Service Health Advisory Council Inc	Mannum District Hospital Health Advisory Council Inc	Renmark Paringa District Health Advisory Council Inc
The Murray Bridge Soldiers' Memorial Hospital Health Advisory Council Inc	Waikerie and Districts Health Advisory Council Inc	Berri Barmera District Health Advisory Council Inc Gift Fund Trust
Coorong Health Service Health Advisory Council Inc Gift Fund Trust	Loxton and Districts Health Advisory Council Inc Gift Fund Trust	Mallee Health Service Health Advisory Council Inc Gift Fund Trust
Mannum District Hospital Health Advisory Council Inc Gift Fund Trust	Renmark Paringa District Health Advisory Council Inc Gift Fund Trust	The Murray Bridge Soldiers' Memorial Hospital Health Advisory Council Inc Gift Fund Trust
Waikerie and Districts Health Advisory Council Inc Gift Fund Trust		

### 33. Administered items

The Hospital administers fees and charges collected on behalf of doctors that work in Medical Centres owned by the Hospital. The Hospital cannot use these administered funds for the achievement of its objectives.

	<b>2020</b>
	<b>\$'000</b>
Revenue from fees and charges	164
Other expenses	(164)
<b>Net result</b>	<b>-</b>
<b>Cash at the beginning of the period</b>	<b>-</b>
Medical centre inflows	164
Medical centre outflows	(164)
<b>Cash at the end of the period</b>	<b>-</b>

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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 APS124.B were:

Board/Committee name:	Government		Other members	
	employee members	members	employee members	members
Riverland Mallee Coorong Local Health Network Governing Board	-	-	Joyner P (Chair), Ashworth E, Goldsmith C, Mohor S, Ottaway M, Toogood F.	
Riverland Mallee Coorong Local Health Network Risk and Audit Committee	-	-	Brass P (Chair) (appointed 2/12/19)	

Refer to note 2.2 for remuneration of board and committee members