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**Government  
of South Australia**

**EYRE AND FAR NORTH LOCAL HEALTH  
NETWORK INC  
2020-21 Annual Report**

Eyre and Far North Local Health Network Inc  
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2020-21 ANNUAL REPORT for Eyre and Far North Local Health Network Inc

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*.

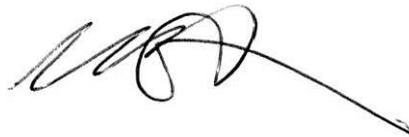
This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Eyre and Far North Local Health Network by:

Verity Paterson  
Chief Executive Officer  
Eyre and Far North Local Health Network

Date: 30 September 2021

Signature



Michele Smith  
Chair Governing Board  
Eyre and Far North Local Health Network

Date: 30 September 2021

Signature



## From the Board Chair

One of the greatest strengths of the Eyre and Far North Local Health Network (EFNLHN) as an organisation is its ability to adapt, and never before has this ability been more crucial than in 2020-21. Our second year as an LHN has been dominated by COVID-19 and I am proud to say that EFNLHN has done a fantastic job of managing our response.



By taking an innovative approach, aligned with our core values and strategic priorities, the LHN has set up, run and delivered a vaccination program that has exceeded Commonwealth and State targets. In the background, the LHN has continued to deliver services to remote and rural communities, tested itself against and met the requirements of two sets of national health and safety standards, balanced its budget (excluding COVID costs), and ended the financial year as the best performing LHN in South Australia.

I would like to thank each Member of the Governing Board for the skill, wisdom, and subject expertise they have brought to Board deliberations this year as we have grappled with our response to COVID, our budget pressures, our determination to improve and expand services, as well as a range of other pressing issues.

I would like to recognise the contribution of founding Board Member, Bruce Green, who retired on 30 June 2021. Bruce made a significant contribution to the Board, steering key projects such as the development of our Strategic Plan and Consumer and Community Engagement Strategy, and a service plan for Port Lincoln Hospital. Bruce has been a personal mentor for me over many years and his wisdom, passion and good humour have been invaluable not only to me but to our entire inaugural Board. We sincerely thank him and wish him well in his well-deserved retirement.

We look forward to welcoming new Board Members, Trevor Smith and Christine Thyer, in 2021-22.

The Board launched the EFNLHN Strategic Plan 2020-25 at our Annual Public Meeting in November; due to COVID restrictions, that meeting was held online rather than in the community, as we had planned. The Board also launched companion engagement strategies, the Consumer and Community Engagement Strategy 2020 – 2025 and the Clinical Engagement Strategy 2020 – 2025, making clear our commitment to ensuring our decision making is informed and shaped by consumers and clinicians.

COVID-19 has had an impact on every part of our business this year. Our Executive and staff have gone above and beyond again and again to ensure that local communities have access to testing and vaccinations, working against a backdrop of a fast-moving and changing national COVID response. The Board would like to recognise and thank them.

On behalf of the Board, I would particularly like to thank the mobile vaccination team, led by Tanya Wolf, for the amazing job they have done, travelling over 20,000 kilometres in six months to ensure access to vaccinations across the Eyre and Far North. I would also like to thank our partners for their support and help – including local General Practitioners, local government, Aboriginal health organisations, emergency services, and our health partners, like the South Australian Ambulance Service, Royal Flying Doctors Service, and SA Pathology. As our Strategic Plan says, to be at our best, we need to work in partnership and we are committed to maintaining strong relationships.

Away from COVID, the LHN sought accreditation for the first time as an independent organisation, against the National Safety and Quality Health Service Standards. This allowed us to benchmark ourselves against the best of our peers in Australia. The accreditors visited us for a week and in their summation, spoke warmly about the professionalism and caring approach of our staff. We achieved accreditation against those standards for the next three years and you can see the certificates of accreditation proudly displayed on the walls of our hospitals. We also undertook accreditation against the National Disability Insurance Scheme (NDIS) national standards and are the only LHN to have achieved those standards with no unmet actions.

We have continued important work to address the doctor recruitment and retention crisis. The Board spent much of the year planning a transition at Port Lincoln Hospital from a General Practice-led medical service to salaried doctors. A locum GP service was introduced in February 2021 and the LHN will introduce salaried doctors at Port Lincoln Hospital later in 2021, to strengthen and improve both emergency and inpatient services. GP recruitment continues to be one of the greatest challenges we face and we are still a long way off achieving the sustainable medical workforce that communities demand and deserve. We are committed to finding solutions and we will not rest until we have solved this workforce shortage.

In April, the SA Minister for Health and Wellbeing, the Hon. Stephen Wade MLC, visited Port Lincoln to launch Statewide initiatives to strengthen medical services in country SA, including the Rural Generalist Pathway, to offer training and employment opportunities for GP's locally.

The LHN also continues to work with the Commonwealth, through the Northern Eyre Peninsula Health Alliance, to develop more sustainable approaches to securing and maintaining GP services locally. Trevor Smith, the Chair of the Northern Eyre Peninsula Health Alliance, will join our Board in July 2021 to help us drive this important work.

We worked closely with Aboriginal partner organisations this year, particularly on COVID and ensuring access to testing and vaccinations, and progressed the development of our Reconciliation Action Plan. We improved Aboriginal participation in our workforce and developed an Aboriginal Health Workforce Plan to clearly set out career pathways. We recognise that there is much more to be done, and we have recruited Christine Thyer as the Aboriginal expert on our Board, commencing in July 2021, to help us drive the reconciliation agenda

All these achievements would not have been possible without the hard work and dedication of our Chief Executive officer, Verity Paterson, the steady guiding hand of our Governance expert, Jane Robinson, the Executive Team and staff right across the Network.

On behalf of the Board, I would like to thank them all for their determination and resilience again this year. It has been a challenging and difficult year but real progress has been made and we look forward to building on these achievements next year.

A handwritten signature in black ink, appearing to read 'Michele Smith', with a large circular flourish at the end.

Michele Smith

**Board Chair**

Eyre and Far North Local Health Network

## From the Chief Executive Officer

I am pleased to present the 2020-21 Annual Report from the Eyre and Far North Local Health Network (EFNLHN).

I would like start by acknowledging and thanking our staff and contractors for the incredible job they have done this year, as part of the largest post-war mobilisation in Australia to deliver COVID vaccinations.



In the face of rapid change and intense pressure at times, staff have worked tirelessly and professionally. I would particularly like to thank EFNLHN's Incident Management Team, which has continued to manage the LHN's response and adapt to these many challenges, and the COVID vaccination team, led by Tanya Wolf, which has criss-crossed a third of the State, accommodating all comers to ensure access to first and second vaccine doses.

During the year, EFNLHN set up a large standing clinic in Port Lincoln, open five days a week, as well as pop up clinics in many locations, like bowling clubs, sporting venues and town and church halls. The strength of the partnerships we have built with local organisations underpinned these efforts, illustrated by their willingness to assist with resources, people, and awareness raising.

At the same time, EFNLHN has continued to focus on improving the delivery of health, aged care, community, and disability services, meeting key performance targets, retaining our Level 1 performance status with the Department for Health and Wellbeing for the second year running and delivering a balanced Budget, apart from COVID costs, which are accounted for separately.

As part of that improvement work, EFNLHN undertook accreditation against the National Safety and Quality Health Service Standards for the first time as an independent organisation, seeking to benchmark ourselves against the best peer grouped hospitals in Australia. Preparation for accreditation is detailed and time consuming and I would like to thank our Quality, Risk and Safety Team, and Directors of Nursing, led by our Executive Director of Nursing and Midwifery, Julie Marron. EFNLHN achieved accreditation with two areas that needed some attention immediately – improving connectivity at Oodnadatta Health Clinic and completion of a risk management program we had been rolling out across the organisation.

EFNLHN has achieved accreditation against the national standards for the next three years and will continue to learn and improve from involvement in this process.

Consumers and clinicians supported us in the development of a service plan for Port Lincoln Hospital, and work started late in the year on the development of a service plan for Ceduna and surrounding areas. These plans will guide our planning and resource allocation in future years.

Many of these conversations have highlight the shortage of doctors in the Eyre and Far North. I sit on the Commonwealth-funded Northern Eyre Peninsula Health Alliance (NEPHA) on behalf of the LHN and work is well progressed on the development of medical models that are tailored to the needs and priorities of this area while being able to attract and retain doctors. That work will go to the Commonwealth Government early in 2021-22.

The launch of the Rural Generalist Pathway in Port Lincoln this year helped to focus attention on the opportunities that are starting to present in the Eyre and Far North, and plans to negotiate a new GP contract for doctors working in country South Australia in 2021-22 is also a positive step in terms of recognition of the critical role they play in our communities and health system.

Finally, this year EFNLHN started work on the future of aged care services, in the wake of the Royal Commission into Aged Care Quality and Safety's final recommendations. We have sought the assistance of the six Health Advisory Councils in the Eyre and Far North to plan and prepare for consultation on what local communities want from aged care services not just now but well into the future. We look forward to continuing to discuss and plan with local consumers, communities and clinicians next year.

I have travelled extensively this year, visited all our hospital and aged care sites, and regularly talked with local government, health, aged care and Aboriginal health leaders, as well as community and consumer representatives. We have a good sense now of what local communities and consumers are seeking from our services and we will continue to work on improvements, while also supporting the Eyre and Far North to prepare for and be protected from COVID-19. It is likely to be a challenging year again, in terms of the impact of COVID and budgets.

I would like to thank the EFNLHN Governing Board for its support this year. It has been a challenging year in health and the Board has provided guidance and wise counsel. I would also like to thank the Executive Team for their support and hard work.



Verity Paterson

**Chief Executive Officer**

Eyre and Far North Local Health Network

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## Overview: about the agency

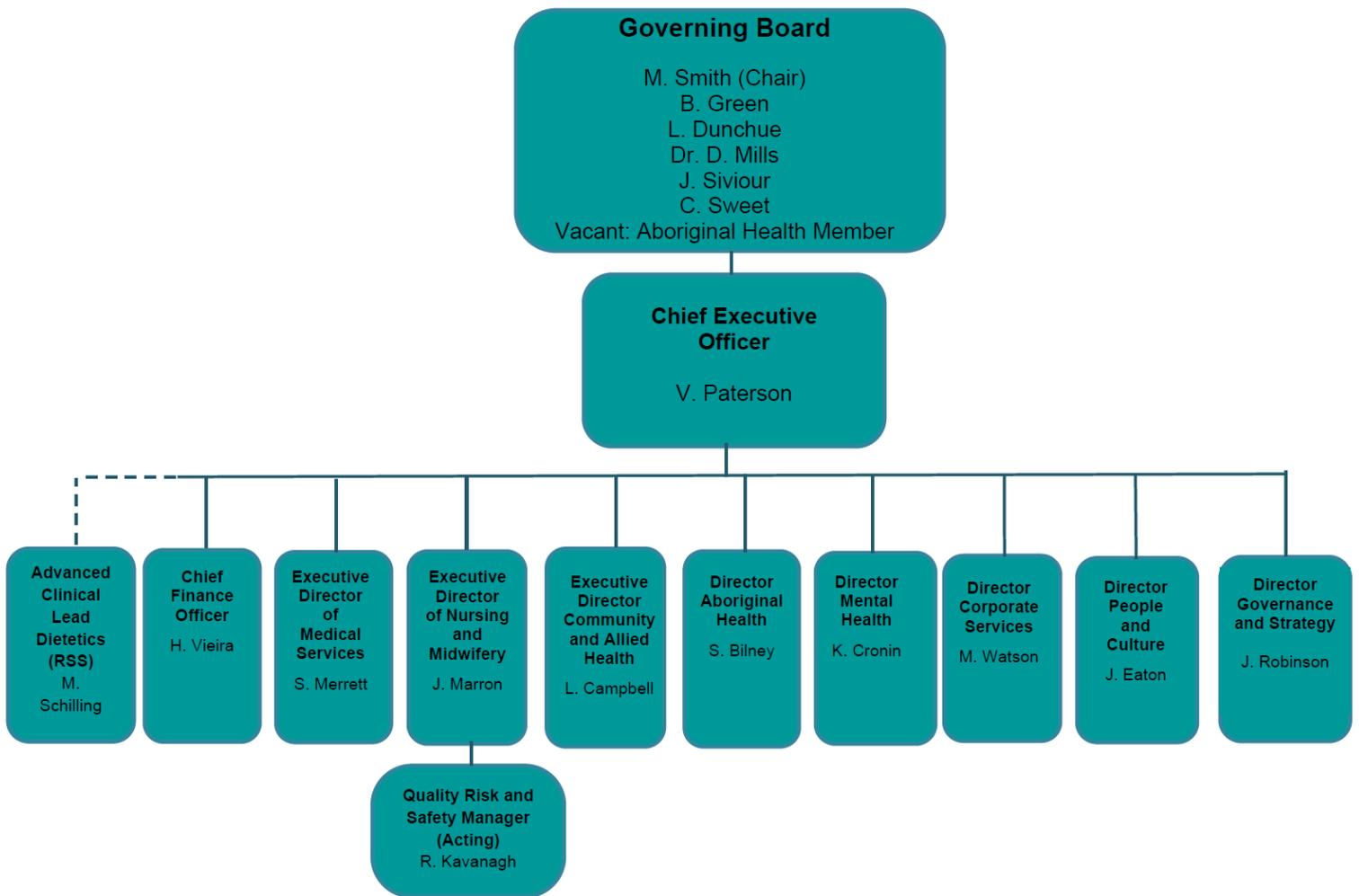
### Our strategic focus

<b>Our Purpose</b>	To drive exceptional health and aged care services across the Eyre and Far North
<b>Our Vision</b>	A trusted provider of accessible, responsive, and innovative health, disability and aged care services to support the wellbeing of our diverse communities
<b>Our Values</b>	Accountability, Connected, Respect, Caring
<b>Our functions, objectives and deliverables</b>	<p>The Eyre and Far North Local Health Network provides hospital and community-based services including aged care, community health, disability and mental health to residents of the Eyre and Far North.</p> <p>The LHN's strategic objectives are:</p> <ul style="list-style-type: none"> <li>• Responsive Service and Care – we will deliver safe, innovative and consumer-focused services and care</li> <li>• Skilled, Supported and Sustainable Workforce – we will develop a positive, inclusive, respectful, and caring culture that supports our workforce to deliver responsive services and care</li> <li>• Aboriginal Health is Everyone's Business – we will better meet the needs of Aboriginal people and prioritise partnerships to progress the health and wellbeing outcomes for Aboriginal communities</li> <li>• Interconnected Mental Health Services – we will be responsive in meeting the need for mental health services and care in our communities</li> <li>• Vibrant Aged and Disability Care – we will provide personalised, accessible, and adaptable aged and disability care</li> </ul> <p>The LHN's key deliverables are:</p> <ul style="list-style-type: none"> <li>• Providing safe, high quality health, aged care, community and mental health services</li> <li>• Involving consumers, communities and clinicians in the design, planning and improvement of services</li> <li>• Ensuring patient care respects the ethnic, cultural and religious rights, views, values and expectations of all people</li> </ul>

- Ensuring the health needs of Aboriginal people are considered in all health plans and programs
- Meeting legislative, regulatory and Department for Health and Wellbeing policies and agreements.

### Our organisational structure

The Eyre and Far North Local Health Network (EFNLHN) is led by a Governing Board which is accountable to the Minister for Health and Wellbeing. The Chief Executive Officer is accountable to the Governing Board and leads an Executive Team as described in the organisation chart below.



**Changes to the agency**

During 2020-21 there were no changes to the agency’s structure and objectives as a result of internal reviews or machinery of government changes.

**Our Minister**

The 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.



**Michele Smith, Chair of the Governing Board**

Michele is the Chief Executive Officer of the North Eastern Community Hospital and previously spent 11 years as the Regional Director of the Eyre and Far North Region for Country Health SA Local Health Network. Michele maintains registration as a Registered Nurse and is a Fellow of the Australasian College of Health Service Management. She has close family connections to the Eyre and Far North.



**Bruce Green, Governing Board Member**

Bruce is the governance and business expert on the Board. He is a former Mayor of the City of Port Lincoln Council and served two terms as Mayor of Port Lincoln Council. Previously he has served as Chairman of Darling Downs Bacon, which returned to a position of financial viability under his leadership, as well as a Board Director on the Port Lincoln Health Advisory Council, West Coast Youth and Community Support and the Local Government Association of SA. Bruce retired from the EFNLHN Board on 30 June 2021.



**Leanne Dunchue, Governing Board Member**

Leanne is the finance expert on the Board. She is a self-employed Public Accountant living in Streaky Bay, with previous experience in the banking sector. She holds a Bachelor of Commerce, is a Fellow of the Institute of Public Accountants and a Graduate of the Australian Institute of Company Directors.



**Dr David Mills, Governing Board Member**

David is the medical expert on the Board. He has worked as a GP on the Eyre Peninsula since 1988 and is a committed undergraduate and postgraduate teacher. He has worked in the Port Lincoln Aboriginal Health Service, served on the Eyre Regional Health Board and at the time of his appointment, was Associate Professor and Director of the Adelaide Rural Clinical School at the University of Adelaide.



**Jamie Siviour, Governing Board Member**

James is the consumer expert on the Board. He is a self-employed cropping and livestock farmer from Lock on the Centre Eyre Peninsula. He was awarded a Medal of the Order of Australia in 2018 for services to the local community with an emphasis on rural health. Previously he has been involved with the Port Lincoln Hospital Inc Board, the Port Lincoln Health Advisory Council and the Lock Health Centre Advisory Committee. He is a Justice of the Peace and a Graduate of the Australian Institute of Company Directors.



**Chris Sweet, Governing Board Member**

Chris is the legal expert on the Board. He is a partner with Finlayson's law firms, with extensive experience in health professional disciplinary matters, claims management, clinical risk management and coronial inquests. He served as an independent member of the Clinical Risk and Audit Committee of the Women's and Children's Health Network from 2010 to 2018.



## Our Executive team

<p><b>Chief Executive Officer</b> Verity Paterson is accountable to the Governing Board for the provision, management and administration of health services and achieving the overall performance of the Eyre and Far North Local Health Network.</p>
<p><b>Executive Director, Nursing and Midwifery</b> Julie Marron is responsible for the delivery of Nursing and Midwifery professional services and is Executive lead for residential aged care services and quality, risk and safety.</p>
<p><b>Executive Director, Medical Services</b> Dr Susan Merrett is responsible for the professional leadership of and practice standards for medical services.</p>
<p><b>Executive Director, Allied and Community Health</b> Lisa Campbell is responsible for Allied and Community Health Services which provide a wide range of community, home and hospital-based services covering community health, aged and disability care.</p>
<p><b>Chief Finance Officer</b> Hudson Vieira is responsible for the delivery of comprehensive financial services and reporting, as well as the provision of strategic financial advice and leadership.</p>
<p><b>Director, Aboriginal Health</b> Sharon Bilney is responsible for the management of Commonwealth and State Aboriginal health contracts as well as Aboriginal Health programs and providing strategic advice and leadership.</p>
<p><b>Director, Corporate Services</b> Malinda Watson is responsible for corporate and business services that support the effective and safe operation of health units across the LHN.</p>
<p><b>Director, Governance and Strategy</b> Jane Robinson is responsible for governance, including the operations of the Board and Office of the CEO, and is the Executive lead for strategy, performance, communications, and project management.</p>
<p><b>Director, Mental Health Services</b> Kathryn Cronin is responsible for the delivery of mental health services within the LHN.</p>
<p><b>Director People and Culture</b> Joanne (Jo) Eaton is responsible for Human Resources, workforce services and strategies, strengthening culture and leading organisational development within the LHN.</p>
<p><b>Manager, Quality Risk and Safety (QRS)</b> Rebecca Kavanagh is responsible for the quality, risk and safety function, supporting sites and services to provide safe and quality consumer-focused care that is also compliant with national and state standards and requirements. This position reports to the Executive Director of Nursing and Midwifery.</p>

## Legislation administered by the agency

Nil.

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

Department for Health and Wellbeing

Central Adelaide Local Health Network

Flinders and Upper North Local Health Network

Limestone Coast Local Health Network

Northern Adelaide Local Health Network

Riverland Mallee Coorong Local Health Network

Southern Adelaide Local Health Network

Women's and Children's Health Network

Yorke and Northern Local Health Network

South Australian Ambulance Service

## The agency's performance

### Performance at a glance

In 2020-21 Eyre and Far North LHN achieved key performance areas including:

- Meeting targets for all emergency department 'seen on time' triage categories.
- Meeting targets for emergency department patients who left at their own risk.
- Meeting all elective surgery timely admissions and overdue patient categories.
- Achieving targets for positive responses to key consumer experience questions.
- Achieving targets in safety and quality performance indicators including hand hygiene compliance rates and hospital acquired complications rates.
- Delivering services tailored specifically to the needs of local Aboriginal populations such as the Aboriginal Family Birthing Program, Trachoma Program and Aboriginal Community and Consumer Engagement Strategy.
- Significantly expanding the delivery of community, in-home and disability services under the Country Health Connect brand.
- All sites accredited under the Australian Council Healthcare Standards.
- All sites accredited under National Disability Insurance Scheme Practice Standards.

### Agency response to COVID-19

As part of SA Health's response to COVID-19, EFNLHN has maintained testing sites across the year at Port Lincoln, Ceduna and Coober Pedy as well as the ability to provide testing at other hospital sites or at home, in required, and has had effective arrangements in place to keep safe staff, patients and residents at EFNLHN-run aged care facilities.

As the year progressed, COVID vaccinations became available and a national vaccination program started, with the vaccine Astra Zenecca made available in the Eyre and Far North. The LHN started rolling out vaccinations locally in February 2021, focusing on priority groups such as adults over 70 and those with underlying health conditions, frontline at-risk health care workers and residential aged care and disability staff.

EFNLHN's vaccination program has utilised a standing clinic in Port Lincoln, which was expanded towards the end of this year, enabling a doubling of appointments being made available. A travelling vaccination team also delivered a program of visits across the Eyre and Far North, travelling over 20,000 kilometres in six months to deliver both doses of Astra Zeneca, and late in the year, the arrival of the Pfizer vaccine.

Partnerships have enabled the vast geography of the Eyre and Far North to be covered, working with General Practitioners, Pharmacists, local councils, emergency services and health partner organisations like the South Australian Ambulance Service, Royal Flying Doctor Service and SA Pathology.

Overall, vaccination rates in the Eyre and Far North have been above the State average for the year and the LHN has used all vaccines made available to it.

**Agency contribution to whole of Government objectives**

<b>Key objective</b>	<b>Agency's contribution</b>
More jobs	<ul style="list-style-type: none"> <li>• Addition of Nursing Divisional Director – Aged Care, Midwifery Level 4 (at Ceduna), Strategic Asset Manager and Risk and Compliance Manager positions at EFNLHN, one of the biggest employers in the Eyre and Far North.</li> </ul>
Lower costs	<p>Costs for consumers were reduced through delivering programs such as:</p> <ul style="list-style-type: none"> <li>• COVID-19 testing at home.</li> <li>• COVID-19 vaccinations close to home.</li> <li>• Timely elective surgery.</li> <li>• Increasing access to Telehealth services, including for specialist consultations.</li> <li>• Home-based chronic disease monitoring.</li> </ul>
Better Services	<p>EFNLHN has delivered:</p> <ul style="list-style-type: none"> <li>• COVID-19 vaccination program, with the fastest rollout and above State average vaccination rates, as well as ongoing COVID-19 testing.</li> <li>• Introduction of GP locum model at Port Lincoln Hospital as part of transition to a salaried medical model for the Emergency Department and Inpatient Services, and planning the transition to a full salaried medical model.</li> <li>• Start of medium level chemotherapy service at Port Lincoln Hospital.</li> <li>• 21 per cent increase in Home Care Packages, Aboriginal clients accessing those services remains steady.</li> <li>• A 62 per cent increase in the value of packages for clients accessing National Disability Insurance Scheme (NDIS) services - growth from \$2 million to \$3.4 million, 27 per cent increase in NDIS packages.</li> </ul>

**Agency specific objectives and performance**

<b>Agency objectives</b>	<b>Indicators</b>	<b>Performance</b>
Improving access to health services in our community	<ul style="list-style-type: none"> <li>• Specialist nursing and allied health activity service activity</li> <li>• Hospital avoidance activity</li> <li>• Potentially preventable admissions for all sites</li> <li>• National Disability Insurance Scheme (NDIS) program activity</li> </ul>	<ul style="list-style-type: none"> <li>• 4,533 clients and 30,571 occasions of service in 2020-21</li> <li>• 236 clients and 6,033 occasion of service in 2020-21</li> <li>• 7.2% potentially preventable admissions, in 2020-21; a decrease from 9.2% in 2019-20</li> <li>• 188 clients and 8,270 occasions of service in 2020-21</li> </ul>
Hospital services	<ul style="list-style-type: none"> <li>• Emergency departments seen on time</li> <li>• Elective surgery timely admissions</li> <li>• Acute inpatient activity</li> </ul>	<ul style="list-style-type: none"> <li>• Targets met across all triage levels</li> <li>• Targets met across all triage levels</li> <li>• 5,486 same day patients, 5,402 overnight patients, 307 babies delivered (for whole of Eyre and Far North LHN in 2020-21)</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 (HAC)</li> </ul>	<ul style="list-style-type: none"> <li>• 29 SAC 1 and 2 incidents, steady from previous year (29)</li> <li>• Overall, 1,871 patient incidents reported, with SAC 1 and 2 incidents accounting for 1.54 per cent of all incidents reported</li> <li>• 0.9 per cent of total overnight episodes where one or more HAC's were present; a decrease from</li> </ul>

		1.3 per cent on the previous year
Aboriginal Health	<ul style="list-style-type: none"> <li>Aboriginal Health – Left ED at own risk</li> <li>Aboriginal Health – left against medical advice (inpatient)</li> <li>Aboriginal percentage of workforce</li> <li>Trachoma</li> <li>Trichiasis</li> </ul>	<ul style="list-style-type: none"> <li>1.8 per cent (target less than 3 per cent); steady at 1.8 per cent the previous year</li> <li>24.22 per cent (target less than 4.5 per cent); an increase from 6.8 per cent the previous year, Port Lincoln site has reduced from 6.5 per cent last year to 2.3 per cent this year.</li> <li>Target of 4% not met, 3.43% in June 21 an increase from 3.17% June 20</li> <li>713 Aboriginal children aged 1 to 14 years old were screened for trachoma in SA during 2020.</li> <li>4 Aboriginal and Torres Strait Islander Children aged 1-14 years old were found with trachoma, including 3(1%) Aboriginal and Torres Strait Islander Children aged 5-9 years old</li> <li>The overall prevalence of active trachoma in Aboriginal children aged 1-14 years screened was 0.6%.</li> <li>1,354 Aboriginal Adults aged 15 years and over living in the communities identified as being “at risk” were screened for</li> </ul>

		<p>trichiasis, including 736 (34%) of Aboriginal adults aged 40 and over.</p> <ul style="list-style-type: none"> <li>• 2 Aboriginal adults aged 40 years and over were diagnosed with trichiasis. The patients were referred to the eye specialist.</li> <li>• The prevalence of trichiasis in adults aged 15 years and over was 0.2%</li> </ul>
Improving Mental Health Outcomes	<ul style="list-style-type: none"> <li>• Restraint incidents per 1,000 bed days</li> <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> </ul>	<ul style="list-style-type: none"> <li>• Not applicable</li> <li>• Not applicable</li> <li>• Not applicable</li> </ul>
Aged Care	<ul style="list-style-type: none"> <li>• Residential aged care 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>• Average occupancy over 2020/21 91%</li> <li>• 343 assessments completed</li> <li>• Occupancy rates increased from 136 to 168 between July 2020 and June 2021</li> <li>• 1,454 CHSP clients providing 29,487 occasions of service, enabling older people to remain independent in their own home for longer</li> </ul>

### Corporate performance summary

The Eyre and Far North Local Health Network achieved key performance outcomes including:

- Highest (Level 1) performance against Department for Health and Wellbeing annual contract achieved and maintained for a second year running.
- Balanced budget achieved, excluding COVID-19 costs.
- Three-year accreditation against National Safety and Quality Health Service Standards at all sites achieved, the first time the LHN had sought accreditation in its own right (not as part of the former Country Health SA LHN).
- Accreditation against the National Disability Insurance Scheme accreditation standards achieved, the only regional LHN to achieve accreditation with no unmet actions.
- Highest percentage of employees having had an annual performance review and development discussion of all Local Health Networks.
- Large number of staff supported to pursue professional development opportunities.

### Employment opportunity programs

Program name	Performance
Skilling SA	EFNHN supported 6 employees to undertake training relevant to their discipline including 1 staff member enrolling in Cert IV in Health Administration and 5 staff enrolling in Cert III in Individual Support.
Growing Leaders	EFNLHN supported 9 employees to undertake the Growing Leaders Program.
Manager Essentials	Via the SA Leadership Academy, EFNLHN supported 3 staff to undertake this program.
Enrolled Nurse (EN) Cadets	7 x EN Cadets commenced employment with the EFNLHN. Cadets commenced at Cleve, Wudinna, Kimba, Ceduna, Elliston and 2 commenced at Coober Pedy.
Transition to Professional Practice Program (TPPP)	9 Registered Nurses and 4 Registered Midwives commenced employment as TPPP's within EFNLHN. 2 RNs and 2 RMs commenced at Ceduna 4 RNs and 2 RMs commenced at Port Lincoln

	<p>1 RN commenced at Kimba</p> <p>1 RN commenced at Cowell</p> <p>1 RN commenced at Wudinna</p>
--	-------------------------------------------------------------------------------------------------

**Agency performance management and development systems**

<b>Performance management and development system</b>	<b>Performance</b>
Performance review and development supports continuous improvement of the work performance of employees to assist them to meet the organisation's values and objectives.	<ul style="list-style-type: none"> <li>• 93.08% of staff had an annual performance review and development discussion.</li> <li>• 80.81% of staff had a 6 monthly performance review and development discussion.</li> </ul>
EFNLHN has a strong commitment to the recruitment and retention of Aboriginal employees, striving to continue to build workforce capacity and capability to achieve a positive impact on the care provided to Aboriginal patients and families within a culturally safe environment.	<p>As at 30/06/21, 3.43% of employees within the Eyre and Far North Local Health Network identified as Aboriginal &amp; Torres Strait Islander.</p> <ul style="list-style-type: none"> <li>7 – Nursing</li> <li>14 – Salaried</li> <li>15 – Weekly Paid</li> <li>5 – Other</li> </ul>
Mandatory Training Compliance	As at 30/06/21, EFNLHN identified 67% compliance.
Criminal History & Relevant Screening	As at 30/06/21, EFNLHN identified 98.56% compliance.
Flu Vax	As at 30/06/21, EFNLHN identified 43% compliance.
Immunisation Compliance	<p>As at 30/06/21, Immunisation Compliance was:</p> <ul style="list-style-type: none"> <li>Cat A – 100%</li> <li>Cat B – 100%</li> <li>Cat C – 100%</li> </ul>

**Work health, safety and return to work programs**

<b>Program name</b>	<b>Performance</b>
Prevention and management of musculoskeletal injury (MSI)	EFNLHN recorded 32 new MSI claims in 2020-21. This was 1 more than 31 in 2019-20, an increase of 3%. MSI claims remained the same as in the previous year. New MSI claims accounted for 75% of new claims submitted.
Prevention and management of psychological injury	7 new PSY claim were received in 2020-21. This was 3 more than the previous year of 4 claims, an increase of 33%. PSY claims accounted for 13% of new claims.
Prevention and management of slips, trips and falls (ST&Fs)	4 new STF claim received in 2020-21. This was 1 less than the previous year of 5. New STF claims accounted for 13% of new claims.

<b>Workplace injury claims</b>	<b>Current Year 2020-21</b>	<b>Past Year 2019-20</b>	<b>% Change (+ / -)</b>
Total new workplace injury claims	32	31	+3.0%
Fatalities	0	0	0.0%
Seriously injured workers*	0	0	0.0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	15.46	22.88	-32.4%

*\*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>	<b>Current year 2020-21</b>	<b>Past year 2019-20</b>	<b>% Change (+ / -)</b>
Number of notifiable incidents ( <i>Work Health and Safety Act 2012, Part 3</i> )	0	1	-100%
Number of provisional improvement, improvement and prohibition notices ( <i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i> )	4	1	+300%

<b>Return to work costs**</b>	<b>Current year 2020-21</b>	<b>Past year 2019-20</b>	<b>% Change (+ / -)</b>
Total gross workers compensation expenditure (\$)	\$865,820	\$426,666	+102.9%
Income support payments – gross (\$)	\$187,862	\$259,698	-27.7%

*\*\*before third party recovery*

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/eyre-and-far-north-local-health-network-efnlhn>

### Executive employment in the agency

<b>Executive classification</b>	<b>Number of executives</b>
SAES1	1
RN6A06	1
MD029G	1

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/eyre-and-far-north-local-health-network-efnlhn>

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

## Financial performance

### Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. Full audited financial statements for 2020-2021 are attached to this report.

<b>Statement of Comprehensive Income</b>	<b>2020-21 Budget \$000s</b>	<b>2020-21 Actual \$000s</b>	<b>Variation \$000s</b>	<b>2019-20 Actual \$000s</b>
Total Income	125,651	126,438	787	121,415
Total Expenses	125,745	131,476	(5,731)	123,900
<b>Net Result</b>	<b>(94)</b>	<b>(5,038)</b>	<b>(4,944)</b>	<b>(2,485)</b>
<b>Total Comprehensive Result</b>	<b>(94)</b>	<b>(5,038)</b>	<b>(4,944)</b>	<b>(2,485)</b>

<b>Statement of Financial Position</b>	<b>2020-21 Budget \$000s</b>	<b>2020-21 Actual \$000s</b>	<b>Variation \$000s</b>	<b>2019-20 Actual \$000s</b>
Current assets	N/A	31,498	N/A	30,602
Non-current assets	N/A	141,561	N/A	146,330
<b>Total assets</b>	<b>N/A</b>	<b>173,059</b>	<b>N/A</b>	<b>176,932</b>
Current liabilities	N/A	30,969	N/A	29,626
Non-current liabilities	N/A	12,406	N/A	12,584
<b>Total liabilities</b>	<b>N/A</b>	<b>43,375</b>	<b>N/A</b>	<b>42,210</b>
<b>Net assets</b>	<b>N/A</b>	<b>129,684</b>	<b>N/A</b>	<b>134,722</b>
<b>Equity</b>	<b>N/A</b>	<b>129,684</b>	<b>N/A</b>	<b>134,722</b>

### 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>
Spiritwood Pty Ltd	Security Consult - 3 day HSSE Review Port Lincoln Hospital and procedures & 1 day report	\$ 8,000

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

<b>Consultancies</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
Leadership Pty Ltd	Delivery of Strategic Plan	\$33,600
Dana Shen Consultancy	Oodnadatta Clinic Stakeholder consultation and report	\$25,650
MPL Consulting	To undertake a review and provide recommendations for funding provided to the Aboriginal Medical Service (AMS) in Port Lincoln for the provision of community based and hospital support intervention services for Aboriginal people with mental health needs.	\$24,516
	Total	\$91,766

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/eyre-and-far-north-local-health-network-efnlhn>

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**

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
All contractors below \$10,000 each - combined	Various	\$36,675

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

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
HCA - Healthcare Australia	RN, EN & Care Workers	\$724,317
Your Nursing Agency Pty Ltd	Agency	\$225,605
Rural Locum Scheme Pty Ltd	Agency	\$67,444
Workpac Group	Agency	\$63,607
Port Lincoln Aboriginal Health Service Inc	Aged Care Services	\$36,161
BDO Advisory (SA) Pty Ltd	Financial Advice/Support Secondment	\$31,372
Mediserve Nursing Agency	Agency	\$25,155
David Wolf	Services Provided for CDHS Clients	\$24,265
Susanne Rendell	Services Provided for CDHS Clients	\$20,700
Cornerstone Medical Recruitment	Agency	\$19,347
Daniel Ross	Services provided for Mid West - Country Health Connect Clients	\$17,955
	Total	\$1,255,928

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/eyre-and-far-north-local-health-network-efnlhn>

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

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

## Risk management

### Risk and audit at a glance

EFNLHN’s Governing Board has an Audit and Risk Committee (A&RC) with an external independent Chair to provide advice and support to ensure the Board fulfills its responsibilities regarding risk management, audit and assurance.

The A&RC meets quarterly and considers emerging risks and the effectiveness of management of clinical and corporate risks at each meeting as well as reviews the LHN’s Risk Management Framework, management of risks, Internal Audit program and External Audit program annually. The A&RC receives audit reports conducted by the Auditor-General’s Department, Department for Health and Wellbeing (DHW), and Internal Audits by the internal audit function shared by the six regional Local Health Networks, based in the Rural Support Service (RSS). That function revised the Internal Audit Charter agreed by the six regional LHNs during the year, to reflect contemporary governance arrangements across those organisations. The Charter provides guidance and authority for audit activities.

EFNHN records and reports on risks using an online tool, Risk Console. The LHN has updated the process of escalating and recording risks raised at site level in response to recommendations from the National Safety and Quality Health Service Standards accreditation process, providing staff with specific guidance on context, identification, analysis, evaluation, treatment, monitoring and communication of risk.

The EFNLHN Governing Board reviews its Risk Appetite Statement (RAS) annually, and in 2020-21, revisited that Statement in light of the recommendations of the Royal Commission into Aged Care Safety and Quality.

### Fraud detected in the agency

Category/nature of fraud	Number of instances
Misconduct	0

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

### Strategies implemented to control and prevent fraud

EFNLHN processes implemented to help control and prevent fraud include the following:

- Quarterly Audit and Risk Committee meetings to provide advice directly to the Governing Board about any instances of fraud reported to the Independent Commission Against Corruption and to the Department for Health and Wellbeing’s Risk and Audits Branch.
- Monthly reviews of organisational finances, financial management and performance by an operational (Tier 2) Finance and Performance

Committee, chaired by the Chief Finance Officer, and reporting monthly to the Board's Finance and Performance Committee.

- Annual review of Financial Controls Self-Assessment by the Audit and Risk Committee to ensure controls are in place to avoid fraud.
- Annual Declaration of Interests procedure and registers to monitor and report on Conflicts of Interest.
- Regular reporting by Shared Services SA to the EFNLHN Chief Finance Officer detailing any expenditure outside of procurement and approved delegations, reported to the Audit and Risk Committee and to the Board.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/eyre-and-far-north-local-health-network-efnlhn>

### **Public interest disclosure**

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

0

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/eyre-and-far-north-local-health-network-efnlhn>

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	

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

The EFNLHN Governing Board approved a Consumer and Community Engagement Strategy during the year, after extensive consultation with consumers, carers, and local communities, involving the six Health Advisory Councils in the Eyre and Far North.

The Strategy is underpinned by the *EFNLHN Consumer and Community Engagement Framework 2020-2023 (CCEF)*, the South Australian Health and Community Services Complaints Commission (HSCC) *Charter for Health and Community Services Rights (2011)* and the *SA Carer Recognition Act (2005)*.

The Strategy supports the seven principles in the SA Carers Charter:

- Carers have choices within their carer role.
- Carers' health and well-being is critical to the community.
- Carers play a critical role in maintaining the fabric of society.
- Services providers work in partnership with carers.
- Carers in Aboriginal and Torres Strait Islander communities need specific consideration.
- All children and young people have the right to enjoy life and reach their potential.
- Resources are available to provide timely, appropriate and adequate assistance to Carers.

It also is consistent with the SA Health Consumer and Community Engagement Strategic Framework (CCESF) 2020-23 Principles of Engagement which include that "consumers, carers and the community must be active in service design and decision making".

EFNLHN's approach is guided by five core enablers:

1: Inclusive of diversity

Strengthening health system participation and partnership with diverse communities and engaging effectively with these diverse groups.

2: Accessible and informed opportunities to participate

Promoting engagement opportunities that are accessible to the broadest range of consumers, carers and community groups to meaningfully participate.

3: Partnering in co-design, planning and evaluation

Partnering with consumers, carers and the community in planning, implementation and evaluation of its service.

4: Systems, strategies and mechanisms for active engagement

Ensuring systems, strategies and mechanisms to actively engage with consumers, carers and the community.

5: Consumer centred best practice

Ensuring consumer, carer and community engagement practices meet national standards and are informed by best practice.

For people with or supporting someone with a mental illness, the Rural and Remote Mental Health Consumer and Carer Participation Program has been created to assist teams to achieve co-design with consumers; this is delivered to teams in a range of ways including through direct contact by the Experts by Experience team.

EFNLHN maintains an Aboriginal Health Experts by Experience Register to assist services to engage with Aboriginal people living in country South Australia. The Register acknowledges the lived experience of Aboriginal people and the wealth of knowledge that comes with their life experience.

EFNLHN also encourages the use of tools like the SA Health *Guide for Engaging with Aboriginal People* to support staff to engage Aboriginal people and their carers in a culturally respectful and effective way.

## Public complaints

### Number of public complaints reported

Eyre and Far North LHN uses the complaints categories as listed in the Safety Learning System (SLS), which provides a single system across SA Health for the management of incidents, consumer feedback and notifications. The use of the SLS allows all staff to see how the LHN compares against the National Safety and Quality Service Standards, as well as informs the South Australian Patient Safety Record.

### Feedback by subject/category

Subject/Category	Complaints
<b>Access</b>	<b>25</b> 17 related to service availability
<b>Communication</b>	<b>39</b> 29 related to attitude 9 related to inadequate information
<b>Corporate Services</b>	<b>27</b> 6 related to parking 8 related to hotel services / accommodation
<b>Cost</b>	<b>1</b>
<b>Privacy/ Discrimination</b>	<b>1</b>
<b>Professional Conduct</b>	<b>5</b>
<b>Treatment</b>	<b>16</b> 11 related to inadequate treatment

Additional Metrics	Total
Number of positive feedback comments	87
Number of negative feedback comments	105 (incl complaints, suggestions, advice and SACCESS Consumer Experience Survey logged on SLS)
Total number of feedback comments	193
% complaints resolved within policy timeframes	66%

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/eyre-and-far-north-local-health-network-efnlhn>

Eyre and Far North LHN has focused on the importance of acknowledging complaints within two working days and finalising responses to them within 35 working days to improve the LHN's compliance with the Service Agreement's complaints management Key Performance Indicators (KPIs).

Roles and responsibilities have been restructured and a central management position is now responsible for acknowledging all complaints logged via the Safety Learning System (SLS) to improve compliance.

**Service Improvements**

Improvements resulting from feedback:

- Improved access to General Practice (GP) services in Cowell, Cleve and Kimba in response to complaints logged in the SLS about a lack of GP services in those areas.
- Increased the number of car parking spaces at the Port Lincoln Health Service.
- Implemented the Parkinson's Disease (PD) Warrior Program across the Local Health Network with 10 clinicians being trained in the delivery of the program and facilitating its establishment in sites across the Eyre Peninsula. The PD Warrior program is an intensive exercise-based program designed to help people live better with Parkinson's by improving the way they move through neuroplastic change.

**Compliance Statement**

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

## Appendix: Audited financial statements 2020-21

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Government of South Australia

Auditor-General's Department

Our ref: A21/035

23 September 2021

Ms M Smith  
Board Chair  
Eyre and Far North Local Health Network Incorporated  
PO Box 630  
PORT LINCOLN SA 5606

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

Dear Ms Smith

### **Audit of Eyre and Far North Local Health Network Incorporated for the year to 30 June 2021**

We have completed the audit of your accounts for the year ended 30 June 2021. Two key outcomes from the audit are the:

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

#### **1 Independent Auditor's Report**

We are returning the financial statements for Eyre and Far North Local Health Network Incorporated, with the Independent Auditor's Report. This report is unmodified.

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

#### **2 Audit management letter**

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

Significant matters related to:

- invoices were paid without purchase orders
- contracts were not established for some regular services
- bank account signatories include former employees
- ineffective follow up of longstanding patient debtors
- revenue system access restrictions were insufficient

We have received responses to our letter and will follow these up in the 2021-22 audit.

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

**What the audit covered**

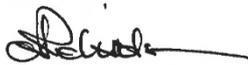
Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

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

- payroll
- accounts payable
- patient revenue including accounts receivable
- fee-for-service
- property, plant and equipment
- cash
- general ledger.

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

Yours sincerely



Andrew Richardson  
**Auditor-General**

enc

**INDEPENDENT AUDITOR'S REPORT**



**Government of South Australia**

Auditor-General's Department

Level 9  
State Administration Centre  
200 Victoria Square  
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**To the Board Chair  
Eyre and Far North Local Health Network Incorporated**

**Opinion**

I have audited the financial report of the Eyre and Far North Local Health Network Incorporated and the consolidated entity comprising the Eyre and Far North Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Eyre and Far North Local Health Network Incorporated and its controlled entities as at 30 June 2021, their financial performance and their cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The consolidated financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- 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 the Eyre and Far North 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 the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 36(2) of the *Health Care Act 2008*, I have audited the financial report of the Eyre and Far North Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2021.

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.

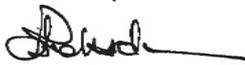
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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 Eyre and Far North 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
- conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson  
**Auditor-General**  
23 September 2021

**Certification of the financial statements  
Eyre and Far North Local Health Network**

We certify that the:

- financial statements of the Eyre and Far North 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 Eyre and Far North Local Health Network Inc. over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



.....  
Michele Smith  
Board Chair



.....  
Verity Paterson  
Chief Executive Officer



.....  
Hudson Vasconcelos Vieira  
Chief Finance Officer

Date 13 September 2021

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK  
STATEMENT OF COMPREHENSIVE INCOME  
For the year ended 30 June 2021**

	Note	Consolidated		Parent	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Income</b>					
Revenues from SA Government	2	86,629	82,836	86,629	82,836
Fees and charges	3	10,382	10,180	10,382	10,180
Grants and contributions	4	26,755	25,966	26,793	26,008
Interest		111	309	107	298
Resources received free of charge	5	1,519	1,391	1,519	1,391
Other revenues/income	7	1,042	733	1,044	723
<b>Total income</b>		<b>126,438</b>	<b>121,415</b>	<b>126,474</b>	<b>121,436</b>
<b>Expenses</b>					
Staff benefits expenses	8	72,893	67,893	72,893	67,893
Supplies and services	9	49,078	45,825	49,082	45,825
Depreciation and amortisation	16,17	7,094	7,163	4,041	4,112
Grants and subsidies	10	1,946	1,878	1,945	1,877
Borrowing costs		14	18	14	18
Net loss from disposal of non-current and other assets	6	16	9	16	9
Impairment loss on receivables	13.1	171	244	171	244
Other expenses	11	264	870	264	897
<b>Total expenses</b>		<b>131,476</b>	<b>123,900</b>	<b>128,426</b>	<b>120,875</b>
<b>Net result</b>		<b>(5,038)</b>	<b>(2,485)</b>	<b>(1,952)</b>	<b>561</b>
<b>Total comprehensive result</b>		<b>(5,038)</b>	<b>(2,485)</b>	<b>(1,952)</b>	<b>561</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.

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK  
STATEMENT OF FINANCIAL POSITION  
For the year ended 30 June 2021**

	Note	Consolidated		Parent	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current assets</b>					
Cash and cash equivalents	12	9,870	5,742	9,596	5,437
Receivables	13	3,030	5,980	3,031	5,979
Other financial assets	14	17,351	17,749	16,868	17,265
Inventories	15	1,247	1,131	1,247	1,131
<b>Total current assets</b>		<b>31,498</b>	<b>30,602</b>	<b>30,742</b>	<b>29,812</b>
<b>Non-current assets</b>					
Receivables	13	249	250	249	250
Other financial assets	14	70	70	-	-
Property, plant and equipment	16,17	141,242	146,010	79,799	81,515
<b>Total non-current assets</b>		<b>141,561</b>	<b>146,330</b>	<b>80,048</b>	<b>81,765</b>
<b>Total assets</b>		<b>173,059</b>	<b>176,932</b>	<b>110,790</b>	<b>111,577</b>
<b>Current liabilities</b>					
Payables	19	4,031	4,036	4,031	4,036
Financial liabilities	20	283	315	283	315
Staff benefits	21	9,327	8,953	9,327	8,953
Provisions	22	500	439	500	439
Contract liabilities and other liabilities	23	16,828	15,883	16,828	15,883
<b>Total current liabilities</b>		<b>30,969</b>	<b>29,626</b>	<b>30,969</b>	<b>29,626</b>
<b>Non-current liabilities</b>					
Payables	19	427	421	427	421
Financial liabilities	20	541	661	541	661
Staff benefits	21	10,779	10,916	10,779	10,916
Provisions	22	659	586	659	586
<b>Total non-current liabilities</b>		<b>12,406</b>	<b>12,584</b>	<b>12,406</b>	<b>12,584</b>
<b>Total liabilities</b>		<b>43,375</b>	<b>42,210</b>	<b>43,375</b>	<b>42,210</b>
<b>Net assets</b>		<b>129,684</b>	<b>134,722</b>	<b>67,415</b>	<b>69,367</b>
<b>Equity</b>					
Retained earnings		113,599	118,637	67,415	69,367
Asset revaluation surplus		16,085	16,085	-	-
<b>Total equity</b>		<b>129,684</b>	<b>134,722</b>	<b>67,415</b>	<b>69,367</b>

**The total equity is attributable to the SA Government as owner**

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

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK  
STATEMENT OF CHANGES IN EQUITY  
For the year ended 30 June 2021**

**CONSOLIDATED**

	Note	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2019		-	-	-
Net assets received from an administrative restructure		-	68,806	68,806
Net assets received on first time consolidation	1.6	16,085	52,316	68,401
Adjusted balance at 1 July 2019	1.6	16,085	121,122	137,207
Net result for 2019-20		-	(2,485)	(2,485)
Total comprehensive result for 2019-20		-	(2,485)	(2,485)
Balance at 30 June 2020		16,085	118,637	134,722
Net result for 2020-21		-	(5,038)	(5,038)
Total comprehensive result for 2020-21		-	(5,038)	(5,038)
Balance at 30 June 2021		16,085	113,599	129,684

**PARENT**

	Note	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2019		-	-	-
Net assets received from an administrative restructure	1.6	-	68,806	68,806
Adjusted balance at 1 July 2019		-	68,806	68,806
Net result for 2019-20		-	561	561
Total comprehensive result for 2019-20		-	561	561
Balance at 30 June 2020		-	69,367	69,367
Net result for 2020-21		-	(1,952)	(1,952)
Total comprehensive result for 2020-21		-	(1,952)	(1,952)
Balance at 30 June 2021		-	67,415	67,415

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

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK  
STATEMENT OF CASH FLOWS  
For the year ended 30 June 2021**

	Note	Consolidated		Parent	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
<b>Cash inflows</b>					
Receipts from SA Government		71,948	81,021	71,948	81,021
Fees and charges		13,923	7,367	13,992	7,367
Grants and contributions		26,769	24,749	26,807	24,791
Interest received		65	130	62	126
Residential aged care bonds received		2,408	3,754	2,408	3,754
GST recovered from ATO		2,915	2,758	2,915	2,758
Other receipts		60	1,801	53	1,791
<b>Cash generated from operations</b>		<b>118,088</b>	<b>121,580</b>	<b>118,185</b>	<b>121,608</b>
<b>Cash outflows</b>					
Staff benefits payments		(72,453)	(64,851)	(72,453)	(64,851)
Payments for supplies and services		(37,064)	(48,034)	(37,131)	(48,034)
Payments of grants and subsidies		(1,371)	(2,038)	(1,370)	(2,036)
Interest paid		(14)	(18)	(14)	(18)
Residential aged care bonds refunded		(2,355)	(3,601)	(2,355)	(3,601)
Other payments		(243)	(439)	(241)	(439)
<b>Cash used in operations</b>		<b>(113,500)</b>	<b>(118,981)</b>	<b>(113,564)</b>	<b>(118,979)</b>
<b>Net cash provided by operating activities</b>		<b>4,588</b>	<b>2,599</b>	<b>4,621</b>	<b>2,629</b>
<b>Cash flows from investing activities</b>					
<b>Cash inflows</b>					
Proceeds from sale/maturities of investments		763	-	760	-
<b>Cash generated from investing activities</b>		<b>763</b>	<b>-</b>	<b>760</b>	<b>-</b>
<b>Cash outflows</b>					
Purchase of property, plant and equipment		(555)	(600)	(554)	(600)
Purchase of investments		(300)	(750)	(300)	(750)
<b>Cash used in investing activities</b>		<b>(855)</b>	<b>(1,350)</b>	<b>(854)</b>	<b>(1,350)</b>
<b>Net cash provided by/(used in) investing activities</b>		<b>(92)</b>	<b>(1,350)</b>	<b>(94)</b>	<b>(1,350)</b>
<b>Cash flows from financing activities</b>					
<b>Cash inflows</b>					
Cash received from restructuring activities		-	4,914	-	4,579
<b>Cash generated from financing activities</b>		<b>-</b>	<b>4,914</b>	<b>-</b>	<b>4,579</b>
<b>Cash outflows</b>					
Repayment of lease liabilities		(368)	(421)	(368)	(421)
<b>Cash used in financing activities</b>		<b>(368)</b>	<b>(421)</b>	<b>(368)</b>	<b>(421)</b>
<b>Net cash provided by/(used in) financing activities</b>		<b>(368)</b>	<b>4,493</b>	<b>(368)</b>	<b>4,158</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,128</b>	<b>5,742</b>	<b>4,159</b>	<b>5,437</b>
Cash and cash equivalents at the beginning of the period		5,742	-	5,437	-
<b>Cash and cash equivalents at the end of the period</b>	12	<b>9,870</b>	<b>5,742</b>	<b>9,596</b>	<b>5,437</b>
Non-cash transactions	24				

The accompanying notes form part of these financial statements.

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
For the year ended 30 June 2021**

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**1. About Eyre and Far North Local Health Network**

Eyre and Far North Local Health Network Incorporated (Hospital) is a not-for-profit incorporated hospital established under 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. The financial statements and accompanying notes include all controlled activities of the Hospital.

*Parent Entity*

The Parent Entity consists of the following:

- Ceduna District Health Services
- Cleve Campus – Eastern Eyre Health and Aged Care
- Cowell Campus – Eastern Eyre Health and Aged Care
- Coober Pedy Hospital
- Country Health Connect – Coober Pedy
- Cummins Hospital
- Elliston Hospital
- Kimba Campus – Eastern Eyre Health and Aged Care
- Country Health Connect – Lock
- Oodnadatta Health Service
- Port Lincoln Health Service
- Streaky Bay Hospital and Mid West Health
- Tumby Bay Hospital and Lower Eyre Health Service
- Wudinna Hospital
- Ceduna, Cleve, Kimba Independent Living Units

*Consolidated Entity*

The Consolidated entity includes the Parent entity, the Incorporated Health Advisory Councils (HACs) and the Incorporated HAC Gift Fund Trusts (GFTs) as listed in note 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 (the Department) and the Chief Executive Officer of the Hospital on issues related to specific groups or regions.

HACs may be incorporated or un-incorporated. Incorporated HACs in country South Australia hold assets, manage bequests and provide advice on local health service needs and priorities. The Country Health Gift Fund Health Network Advisory Council Incorporated holds assets on behalf of unincorporated HACs and is reported under Barossa Hills Fleurieu Local Health Network (BHFLHN). The Hospital's unincorporated HAC's reported under BHFLHN are listed in note 32.

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 Eyre and Far North region.

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

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
For the year ended 30 June 2021**

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

**1.2 Basis of preparation**

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

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

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

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 2021, the Hospital had working capital surplus of \$0.529 million (\$0.976 million). The SA Government is committed to continuing the delivery of hospital services to regional SA and has demonstrated a commitment to the ongoing funding of the hospital.

**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**

**2020-21**

There were no administrative restructures during the current reporting period.

**2019-20**

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 27th June 2019, assets, rights and liabilities were transferred from CHSALHN to the relevant entity, effective 1 July 2019. This resulted in the transfer of 1,123 employees, and net assets of \$137.207 million to be received by the Hospital as detailed below.

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
For the year ended 30 June 2021**

	Consolidated	Parent
Assets transferred in for the Hospital were:	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash	4,914	4,579
Receivables	2,827	2,827
Property, plant and equipment	149,255	81,742
Other assets	17,908	17,355
<b>Total assets</b>	<b>174,904</b>	<b>106,503</b>
<b>Liabilities:</b>		
Payables	3,614	3,614
Staff benefits	18,283	18,283
Provisions	838	838
Other liabilities	14,962	14,962
<b>Total liabilities</b>	<b>37,697</b>	<b>37,697</b>
<b>Total net assets transferred in</b>	<b>137,207</b>	<b>68,806</b>

**1.7 Impact of COVID-19 pandemic on the Hospital**

The COVID-19 pandemic continues to have an impact on the Hospital's operations. This includes an increase in costs associated with COVID capacity and preparation, the readiness of COVID-19 testing clinics, establishment of vaccine clinics, increased demand for personal protective equipment, increased staffing costs (including agency) to ensure necessary compliance measures are followed. Net COVID-19 specific costs for the Hospital was \$2.600 million (\$0.634 million).

**1.8 Change in accounting policy**

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

**2. Revenues from SA Government**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Capital projects funding	2,368	2,000	2,368	2,000
Operational funding	84,261	80,836	84,261	80,836
<b>Total revenues from SA Government</b>	<b>86,629</b>	<b>82,836</b>	<b>86,629</b>	<b>82,836</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.

**3. Fees and charges**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Patient and client fees	2,911	2,653	2,911	2,653
Fees for health services	887	853	887	853
Residential and other aged care charges	3,540	3,693	3,540	3,693
Sale of goods - medical supplies	14	12	14	12
Other user charges and fees	3,030	2,969	3,030	2,969
<b>Total fees and charges</b>	<b>10,382</b>	<b>10,180</b>	<b>10,382</b>	<b>10,180</b>

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
For the year ended 30 June 2021**

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

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

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

*Patient and Client Fees*

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

*Residential and other aged care charges*

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

*Fees for Health Services*

Where the Hospital has incurred an expense on behalf of another entity, payment is recovered from the other entity by way of a recharge of the cost incurred. Recoveries can relate to the recharge of salaries and wages or various goods and services. 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.

**4. Grants and contributions**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Commonwealth grants and donations	21,822	20,915	21,822	20,915
SA Government capital contributions	-	239	-	251
Other SA Government grants and contributions	1,029	1,462	1,067	1,492
Private sector grants and contributions	3,904	3,350	3,904	3,350
<b>Total grants and contributions</b>	<b>26,755</b>	<b>25,966</b>	<b>26,793</b>	<b>26,008</b>

All grants and contributions received were provided for specific purposes such as aged care, community health services and other related health services.

Of the \$26,755 million (\$25,966) provided during the reporting period for grants and contributions, \$25,884 million (\$23,651) was provided for specific purposes such as aged care, community health services and other related health services.

**5. Resources received free of charge**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Land and buildings	-	13	-	13
Plant and equipment	65	347	65	347
Services	1,454	1,031	1,454	1,031
<b>Total resources received free of charge</b>	<b>1,519</b>	<b>1,391</b>	<b>1,519</b>	<b>1,391</b>

Contribution of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated. The Hospital receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$1.080 million (\$1.031 million) and ICT services from DPC valued at \$0.374 (\$0.000) following Cabinet's approval to cease intra-government charging.

Although not recognised, the Hospital receives volunteer services from around 50 volunteers who provide patient and staff support services to individuals using the Hospital's services. The services include but are not limited to: patient liaison and support, administrative support, transport, community activities, gardening and community advocacy.

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

During the year, the Hospital disposed of plant and equipment with a \$0.016 million (\$0.009 million) carrying value for nil consideration.

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
For the year ended 30 June 2021**

**7. Other revenues/income**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Donations	10	263	7	254
Health recoveries	917	350	917	350
Insurance recoveries	107	106	107	106
Other	8	14	13	13
<b>Total other revenues/income</b>	<b>1,042</b>	<b>733</b>	<b>1,044</b>	<b>723</b>

**8. Staff benefits expenses**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	58,975	54,624	58,975	54,624
Long service leave	812	1,187	812	1,187
Annual leave	5,530	5,082	5,530	5,082
Skills and experience retention leave	206	234	206	234
Staff on-costs - superannuation*	6,239	5,953	6,239	5,953
Workers compensation	969	607	969	607
Board and committee fees	175	194	175	194
Other staff related expenses	(13)	12	(13)	12
<b>Total staff benefits expenses</b>	<b>72,893</b>	<b>67,893</b>	<b>72,893</b>	<b>67,893</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.

**8.1 Key Management Personnel**

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

	2021	2020
	\$'000	\$'000
Salaries and other short term employee benefits	1,720	1,847
Post-employment benefits	192	288
<b>Total</b>	<b>1,912</b>	<b>2,135</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.

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
For the year ended 30 June 2021**

**8.2 Remuneration of Boards and Committees**

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

	2021 No. of Members	2020 No. of Members
\$1 - \$20,000	3	2
\$20,001 - \$40,000	5	5
\$40,001 - \$60,000	1	1
<b>Total</b>	<b>9</b>	<b>8</b>

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax paid. The total remuneration received or receivable by members was \$0.192 million (\$0.211 million). In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

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

Refer to note 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.

**8.3 Remuneration of staff**

The number of staff whose remuneration received or receivable falls within the following bands:	Consolidated		Parent	
	2021 Number	2020 Number	2021 Number	2020 Number
\$154,678 - \$175,000	7	7	7	7
\$175,001 - \$195,000	3	-	3	-
\$195,001 - \$215,000	1	1	1	1
\$215,001 - \$235,000	1	-	1	-
\$435,001 - \$455,000	1	1	1	1
<b>Total number of staff</b>	<b>13</b>	<b>9</b>	<b>13</b>	<b>9</b>

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

**8.4 Remuneration of staff by classification**

The total remuneration received by staff included above:

	Consolidated				Parent			
	2021		2020		2021		2020	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Executive	1	232	1	213	1	232	1	213
Medical (excluding Nursing)	1	448	1	439	1	448	1	439
Nursing	11	1,871	7	1,123	11	1,871	7	1,123
<b>Total</b>	<b>13</b>	<b>2,551</b>	<b>9</b>	<b>1,775</b>	<b>13</b>	<b>2,551</b>	<b>9</b>	<b>1,775</b>

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
For the year ended 30 June 2021**

**9. Supplies and services**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Administration	154	95	154	95
Advertising	48	35	48	35
Communication	733	496	733	496
Computing	1,842	1,999	1,842	1,999
Consultants	92	26	92	26
Contract of services	5,412	5,505	5,412	5,505
Contractors	166	251	166	251
Contractors - agency staff	1,632	1,925	1,632	1,925
Drug supplies	1,056	1,092	1,056	1,092
Electricity, gas and fuel	1,609	1,803	1,609	1,803
Fee for service*	12,643	11,309	12,643	11,309
Food supplies	1,459	1,412	1,459	1,412
Housekeeping	527	518	527	518
Insurance	1,058	976	1,058	976
Internal SA Health SLA payments	4,006	4,338	4,006	4,338
Legal	21	9	21	9
Medical, surgical and laboratory supplies	5,070	4,159	5,070	4,159
Minor equipment	1,052	666	1,052	666
Motor vehicle expenses	268	432	268	432
Occupancy rent and rates	476	500	476	500
Patient transport	1,398	393	1,398	393
Postage	199	176	199	176
Printing and stationery	403	360	403	360
Repairs and maintenance	4,040	4,610	4,040	4,610
Security	234	195	234	195
Services from Shared Services SA	1,081	1,031	1,081	1,031
Short term lease expense	122	28	122	28
Training and development	149	179	149	179
Travel expenses	1,154	476	1,154	476
Other supplies and services	974	831	978	831
<b>Total supplies and services</b>	<b>49,078</b>	<b>45,825</b>	<b>49,082</b>	<b>45,825</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				Parent			
	2021		2020		2021		2020	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Below \$10,000	1	8	-	-	1	8	-	-
Above \$10,000	3	84	2	26	3	84	2	26
<b>Total</b>	<b>4</b>	<b>92</b>	<b>2</b>	<b>26</b>	<b>4</b>	<b>92</b>	<b>2</b>	<b>26</b>

**10. Grants and subsidies**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Funding to non-government organisations	1,245	1,196	1,245	1,196
Other	701	682	700	681
<b>Total grants and subsidies</b>	<b>1,946</b>	<b>1,878</b>	<b>1,945</b>	<b>1,877</b>

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

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**11. Other expenses**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Debts written off	71	177	71	177
Bank fees and charges	4	3	4	2
Donated assets expense	35	38	35	73
Net loss on revaluation of investments	-	7	-	-
Other*	154	645	154	645
<b>Total other expenses</b>	<b>264</b>	<b>870</b>	<b>264</b>	<b>897</b>

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

\* Includes Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act* of \$0.080 million (\$0.128 million). No other services were provided by the Auditor-General's Department. Payments to Galpins Accountants Auditors and Business Consultants of \$0.033 million (\$0.031 million) for the audit of HAC's and Aged Care.

**12. Cash and cash equivalents**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand	3,555	3,026	3,281	2,721
Deposits with Treasurer: general operating	6,315	2,716	6,315	2,716
<b>Total cash and cash equivalents</b>	<b>9,870</b>	<b>5,742</b>	<b>9,596</b>	<b>5,437</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 \$9.870 million (\$5.742 million) held, \$1.068 million (\$1.330 million) relates to aged care refundable deposits.

**13. Receivables**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Patient/client fees: compensable	221	249	221	249
Patient/client fees: aged care	294	115	294	115
Patient/client fees: other	326	423	326	423
Debtors	363	3,648	363	3,648
Less: allowance for impairment loss on receivables	(508)	(337)	(508)	(337)
Prepayments	61	63	61	63
Interest	13	32	13	31
Workers compensation provision recoverable	146	146	146	146
Sundry receivables and accrued revenue	2,038	1,527	2,039	1,527
GST input tax recoverable	76	114	76	114
<b>Total current receivables</b>	<b>3,030</b>	<b>5,980</b>	<b>3,031</b>	<b>5,979</b>
<b>Non-current</b>				
Debtors	13	7	13	7
Workers compensation provision recoverable	236	243	236	243
<b>Total non-current receivables</b>	<b>249</b>	<b>250</b>	<b>249</b>	<b>250</b>
<b>Total receivables</b>	<b>3,279</b>	<b>6,230</b>	<b>3,280</b>	<b>6,229</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.

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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.

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

Movement in the allowance for impairment of receivables:

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Transfer through administrative restructure	-	93	-	93
Carrying amount at the beginning of the period	337	-	337	-
Increase/(Decrease) in allowance recognised in profit or loss	171	244	171	244
<b>Carrying amount at the end of the period</b>	<b>508</b>	<b>337</b>	<b>508</b>	<b>337</b>

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

**14. Other financial assets**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Term deposits	17,351	17,749	16,868	17,265
<b>Total current investments</b>	<b>17,351</b>	<b>17,749</b>	<b>16,868</b>	<b>17,265</b>
<b>Non-current</b>				
Joint venture	70	70	-	-
<b>Total non-current investments</b>	<b>70</b>	<b>70</b>	<b>-</b>	<b>-</b>
<b>Total investments</b>	<b>17,421</b>	<b>17,819</b>	<b>16,868</b>	<b>17,265</b>

The Hospital holds term deposits of \$17.351 million (\$17.749 million) of which \$9.811 million relates to aged care refundable deposits, with the remaining funds primarily relating to aged care. These deposits are measured at amortised cost. There is no impairment on term deposits.

The Hospital has a 12.28% equity interest in property at Whyte Street, Cleve in the State of South Australia by way of a mortgage on certificate of title volume 5902 folio 901. The registered proprietor of the property is Cornerstone Housing Ltd, formerly Lutheran Community Housing Support Unit Inc.

**15. Inventories**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Drug supplies	314	267	314	267
Medical, surgical and laboratory supplies	787	710	787	710
Food and hotel supplies	111	117	111	117
Engineering supplies	1	-	1	-
Other	34	37	34	37
<b>Total current inventories - held for distribution</b>	<b>1,247</b>	<b>1,131</b>	<b>1,247</b>	<b>1,131</b>

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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.

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

**16.1 Acquisition and recognition**

Property, plant and equipment owned by the Hospital is 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 of non-current assets**

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

Depreciation and amortisation is calculated on a straight line basis. Property, plant and equipment, 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 - 20
• Computing equipment	3 - 5
• Vehicles	2 - 20
• Other plant and equipment	3 - 30
Right-of-use plant and equipment	Lease term

**16.3 Revaluation**

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

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

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

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

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

**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 by applying an adjustment to reflect the restriction.

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

**16.6 Plant and equipment**

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

**16.7 Leased property, plant and equipment**

Right-of-use assets (including concessional arrangements) leased by the Hospital as lessee are measured at cost and there were no indications of impairment. Additions to right-of-use assets during 2020-21 were \$0.225 million (\$0.379 million). Short-term leases of 12 months or less and low value leases, where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and disclosed in note 9.

The Hospital has a number of lease agreements including concessional. Lease terms vary in length from 2 to 10 years. Major lease activities include the use of:

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

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

The lease liabilities related to the right-of-use assets (and the maturity analysis) are disclosed at note 20. Expenses related to right-of-use assets including depreciation and interest expense are disclosed at note 17 and 20. Cash outflows related to right-of-use assets are disclosed at note 24.

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17. Reconciliation of property, plant and equipment

The following table shows the movement:

Consolidated 2020-21	Land and buildings:			Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	6,874	134,336	520	1,468	982	1,003	449	379	146,011
Additions	-	-	1	1,925	74	10	224	86	2,320
Assets received free of charge	-	-	-	-	17	-	-	48	65
Disposals	-	-	-	-	(16)	-	(9)	-	(25)
Donated assets disposal	-	-	-	-	-	-	-	(35)	(35)
Transfers between asset classes	-	-	-	-	153	-	-	(153)	-
<b>Subtotal:</b>	<b>6,874</b>	<b>134,336</b>	<b>521</b>	<b>3,393</b>	<b>1,210</b>	<b>1,013</b>	<b>664</b>	<b>325</b>	<b>148,336</b>
<b>Gains/(losses) for the period recognised in net result:</b>									
Depreciation and amortisation	-	(6,236)	(72)	-	(342)	(147)	(297)	-	(7,094)
<b>Subtotal:</b>	<b>-</b>	<b>(6,236)</b>	<b>(72)</b>	<b>-</b>	<b>(342)</b>	<b>(147)</b>	<b>(297)</b>	<b>-</b>	<b>(7,094)</b>
<b>Carrying amount at the end of the period</b>	<b>6,874</b>	<b>128,100</b>	<b>449</b>	<b>3,393</b>	<b>868</b>	<b>866</b>	<b>367</b>	<b>325</b>	<b>141,242</b>
<b>Gross carrying amount</b>									
Gross carrying amount	6,874	143,818	578	3,393	2,366	1,162	746	325	159,262
Accumulated depreciation / amortisation	-	(15,718)	(129)	-	(1,498)	(296)	(379)	-	(18,020)
<b>Carrying amount at the end of the period</b>	<b>6,874</b>	<b>128,100</b>	<b>449</b>	<b>3,393</b>	<b>868</b>	<b>866</b>	<b>367</b>	<b>325</b>	<b>141,242</b>

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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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
Carrying amount at the beginning of the period	6,874	140,510	567	-	734	1,103	455	34	150,277
Additions	-	59	86	1,455	287	27	293	379	2,586
Assets received free of charge	-	-	-	13	316	31	-	-	360
Disposals	-	-	-	-	-	(9)	(3)	-	(12)
Donated assets disposal	-	-	-	-	(38)	-	-	-	(38)
Transfers between asset classes	-	-	-	-	34	-	-	(34)	-
<b>Subtotal:</b>	<b>6,874</b>	<b>140,569</b>	<b>653</b>	<b>1,468</b>	<b>1,333</b>	<b>1,152</b>	<b>745</b>	<b>379</b>	<b>153,173</b>
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(6,234)	(133)	-	(351)	(149)	(296)	-	(7,163)
<b>Subtotal:</b>	<b>-</b>	<b>(6,234)</b>	<b>(133)</b>	<b>-</b>	<b>(351)</b>	<b>(149)</b>	<b>(296)</b>	<b>-</b>	<b>(7,163)</b>
<b>Carrying amount at the end of the period</b>	<b>6,874</b>	<b>134,335</b>	<b>520</b>	<b>1,468</b>	<b>982</b>	<b>1,003</b>	<b>449</b>	<b>379</b>	<b>146,010</b>
<b>Gross carrying amount</b>									
Gross carrying amount	6,874	143,818	616	1,468	2,184	1,152	668	379	157,159
Accumulated depreciation / amortisation	-	(9,483)	(96)	-	(1,202)	(149)	(219)	-	(11,149)
<b>Carrying amount at the end of the period</b>	<b>6,874</b>	<b>134,335</b>	<b>520</b>	<b>1,468</b>	<b>982</b>	<b>1,003</b>	<b>449</b>	<b>379</b>	<b>146,010</b>

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  
 2020-21

	Land and buildings:			Plant and equipment:				Total \$'000	
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000		Capital works in progress plant and equipment \$'000
Carrying amount at the beginning of the period	3,097	73,617	520	1,468	982	1,003	449	379	81,515
Additions	-	-	1	1,925	74	10	224	86	2,320
Assets received free of charge	-	-	-	-	17	-	-	48	65
Disposals	-	-	-	-	(16)	-	(9)	-	(25)
Donated assets disposal	-	-	-	-	-	-	-	(35)	(35)
Transfers between asset classes	-	-	-	-	153	-	-	(153)	-
<b>Subtotal:</b>	<b>3,097</b>	<b>73,617</b>	<b>521</b>	<b>3,393</b>	<b>1,210</b>	<b>1,013</b>	<b>664</b>	<b>325</b>	<b>83,840</b>
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(3,183)	(72)	-	(342)	(147)	(297)	-	(4,041)
<b>Subtotal:</b>	<b>-</b>	<b>(3,183)</b>	<b>(72)</b>	<b>-</b>	<b>(342)</b>	<b>(147)</b>	<b>(297)</b>	<b>-</b>	<b>(4,041)</b>
<b>Carrying amount at the end of the period</b>	<b>3,097</b>	<b>70,434</b>	<b>449</b>	<b>3,393</b>	<b>868</b>	<b>866</b>	<b>367</b>	<b>325</b>	<b>79,799</b>
<b>Gross carrying amount</b>									
Gross carrying amount	3,097	76,800	578	3,393	2,366	1,162	746	325	88,467
Accumulated depreciation / amortisation	-	(6,366)	(129)	-	(1,498)	(296)	(379)	-	(8,668)
<b>Carrying amount at the end of the period</b>	<b>3,097</b>	<b>70,434</b>	<b>449</b>	<b>3,393</b>	<b>868</b>	<b>866</b>	<b>367</b>	<b>325</b>	<b>79,799</b>

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

	Land and buildings:			Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	3,097	76,776	567	-	734	1,103	455	34	82,766
Additions	-	59	86	1,455	287	27	293	379	2,586
Assets received free of charge	-	-	-	13	316	31	-	-	360
Disposals	-	-	-	-	-	(9)	(3)	-	(12)
Donated assets disposal	-	(35)	-	-	(38)	-	-	-	(73)
Transfers between asset classes	-	-	-	-	34	-	-	(34)	-
<b>Subtotal:</b>	<b>3,097</b>	<b>76,800</b>	<b>653</b>	<b>1,468</b>	<b>1,333</b>	<b>1,152</b>	<b>745</b>	<b>379</b>	<b>85,627</b>
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(3,183)	(133)	-	(351)	(149)	(296)	-	(4,112)
<b>Subtotal:</b>	<b>-</b>	<b>(3,183)</b>	<b>(133)</b>	<b>-</b>	<b>(351)</b>	<b>(149)</b>	<b>(296)</b>	<b>-</b>	<b>(4,112)</b>
<b>Carrying amount at the end of the period</b>	<b>3,097</b>	<b>73,617</b>	<b>520</b>	<b>1,468</b>	<b>982</b>	<b>1,003</b>	<b>449</b>	<b>379</b>	<b>81,515</b>
<b>Gross carrying amount</b>									
Gross carrying amount	3,097	76,800	616	1,468	2,184	1,152	668	379	86,364
Accumulated depreciation / amortisation	-	(3,183)	(96)	-	(1,202)	(149)	(219)	-	(4,849)
<b>Carrying amount at the end of the period</b>	<b>3,097</b>	<b>73,617</b>	<b>520</b>	<b>1,468</b>	<b>982</b>	<b>1,003</b>	<b>449</b>	<b>379</b>	<b>81,515</b>

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 18.1 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 into hierarchy based on the level of inputs used in measurement. There are no non-recurring fair value measurements. During 2020 & 2021 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 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	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Creditors and accrued expenses	3,048	3,142	3,048	3,142
Paid Parental Leave Scheme	23	28	23	28
Staff on-costs*	891	831	891	831
Other payables	69	35	69	35
<b>Total current payables</b>	<b>4,031</b>	<b>4,036</b>	<b>4,031</b>	<b>4,036</b>
<b>Non-current</b>				
Staff on-costs*	427	421	427	421
<b>Total non-current payables</b>	<b>427</b>	<b>421</b>	<b>427</b>	<b>421</b>
<b>Total payables</b>	<b>4,458</b>	<b>4,457</b>	<b>4,458</b>	<b>4,457</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 portion of long service leave taken as leave is unchanged at 38% and the average factor for the calculation of employer superannuation on-costs has increased from the 2020 rate (9.8%) to 10.1% to reflect the increase in super guarantee. These rates are used in the staff on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the staff on-cost liability and staff benefits expenses of \$0.032 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

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

Refer to note 30 for information on risk management.

**20. Financial liabilities**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Lease liabilities	283	315	283	315
<b>Total current financial liabilities</b>	<b>283</b>	<b>315</b>	<b>283</b>	<b>315</b>
<b>Non-current</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Lease liabilities	541	661	541	661
<b>Total non-current financial liabilities</b>	<b>541</b>	<b>661</b>	<b>541</b>	<b>661</b>
<b>Total financial liabilities</b>	<b>824</b>	<b>976</b>	<b>824</b>	<b>976</b>

All financial liabilities relate to lease liabilities for right of use assets and are 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. Borrowing costs on lease liabilities was \$0.014 million (\$0.018 million).

Refer to note 30 for information on risk management.

*20.1 Maturity analysis*

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

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Lease Liabilities</b>				
1 to 3 years	290	358	290	358
3 to 5 years	129	147	129	147
5 to 10 years	126	184	126	184
<b>Total lease liabilities (undiscounted)</b>	<b>545</b>	<b>689</b>	<b>545</b>	<b>689</b>

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**21. Staff benefits**

	Consolidated		Parent	
	2021	2020	2021	2020
<b>Current</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Accrued salaries and wages	2,091	2,047	2,091	2,047
Annual leave	5,852	5,493	5,852	5,493
Long service leave	948	988	948	988
Skills and experience retention leave	436	425	436	425
<b>Total current staff benefits</b>	<b>9,327</b>	<b>8,953</b>	<b>9,327</b>	<b>8,953</b>
<b>Non-current</b>				
Long service leave	10,779	10,916	10,779	10,916
<b>Total non-current staff benefits</b>	<b>10,779</b>	<b>10,916</b>	<b>10,779</b>	<b>10,916</b>
<b>Total staff benefits</b>	<b>20,106</b>	<b>19,869</b>	<b>20,106</b>	<b>19,869</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.

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

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

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

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

No provision has been made for sick leave, as all sick leave is non-vesting, and the average sick leave taken in future years by 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 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.

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

The net financial effect of the changes to actuarial assumptions is a decrease in the long service leave liability of \$0.713 million, payables (staff on-costs) of \$0.027 million and staff benefits expense of \$0.740 million. The impact on the future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption being the long-term discount rate.

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**22. Provisions**

Provisions represent workers compensation

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

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1,025	-	1,025	-
Net assets transferred from administrative restructure	-	586	-	586
Increase in provisions recognised (per calculation)	623	373	623	373
Reductions arising from payments/other sacrifices of future economic benefits	(489)	66	(489)	66
<b>Carrying amount at the end of the period</b>	<b>1,159</b>	<b>1,025</b>	<b>1,159</b>	<b>1,025</b>

**Workers compensation**

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

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

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

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

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

The Hospital has recognised an additional compensation provision from 30 June 2018. The additional compensation provision provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are non-serious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

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

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

**23. Contract liabilities and other liabilities**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Contract liabilities	2,829	1,996	2,829	1,996
Residential aged care bonds	13,942	13,821	13,942	13,821
Other	57	66	57	66
<b>Total current contract liabilities and other liabilities</b>	<b>16,828</b>	<b>15,883</b>	<b>16,828</b>	<b>15,883</b>

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A contract liability is recognised for revenue relating to home care assistance, training programs and other health programs in advance and is realised as agreed milestones have been achieved.

All performance obligations from these existing contracts (deferred service income) will be satisfied during the next reporting period and accordingly all amounts will be recognised as revenue.

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.

**24. Cash flow reconciliation**

Reconciliation of cash and cash equivalents at the end of the reporting period	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	9,870	5,742	9,596	5,437
<b>Cash as per Statement of Financial Position</b>	<b>9,870</b>	<b>5,742</b>	<b>9,596</b>	<b>5,437</b>
<b>Balance as per Statement of Cash Flows</b>	<b>9,870</b>	<b>5,742</b>	<b>9,596</b>	<b>5,437</b>
<b>Reconciliation of net cash provided by operating activities to net result:</b>				
Net cash provided by (used in) operating activities	4,588	2,599	4,621	2,629
<b>Add/less non-cash items</b>				
Asset donated free of charge	(33)	(38)	(35)	(73)
Capital revenues	1,726	1,426	1,726	1,426
Depreciation and amortisation expense of non-current assets	(7,094)	(7,163)	(4,041)	(4,112)
Gain/(loss) on sale or disposal of non-current assets	(16)	(9)	(16)	(9)
Interest credited directly to investments	65	147	63	140
Resources received free of charge	65	360	65	360
Revaluation of investments	-	(7)	-	-
<b>Movement in assets/liabilities</b>				
Increase/(decrease) in inventories	116	150	116	150
Increase/(decrease) in receivables	(2,954)	3,402	(2,948)	3,402
(Increase)/decrease in other liabilities	(945)	(1,586)	(945)	(921)
(Increase)/decrease in payables and provisions	(319)	(845)	(321)	(845)
(Increase)/decrease in staff benefits	(237)	(921)	(237)	(1,586)
<b>Net result</b>	<b>(5,038)</b>	<b>(2,485)</b>	<b>(1,952)</b>	<b>561</b>

Total cash outflows for leases is \$0.381 million (\$0.439 million).

**25. Unrecognised contractual commitments**

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

Expenditure commitments	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Within one year	566	3,565	566	3,565
Later than one year but not longer than five years	63	89	63	89
<b>Total other expenditure commitments</b>	<b>629</b>	<b>3,654</b>	<b>629</b>	<b>3,654</b>

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The Hospital expenditure commitments are for agreements for goods and services ordered but not received. 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 2021 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 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. At the end of the reporting period, the hospital held \$0.033 million on behalf of consumers.

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Carry amount at the beginning of period	15	-	15	-
Transfer in through administrative restructuring	-	7	-	7
Client trust receipts	18	8	18	8
<b>Carrying amount at the end of the period</b>	<b>33</b>	<b>15</b>	<b>33</b>	<b>15</b>

**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.

**27.1 Contingent Assets**

The Hospital is not aware of any contingent assets.

**27.2 Contingent Liabilities**

Under the Act, all real property except for property associated with Crown Land of the former Hospitals and Health Centre entities was to be transferred to the associated Health Advisory Council. To date a limited number of real properties have not transferred to the Health Advisory Councils as the vesting instruments have not been finalised or there is a requirement to seek clarification from Crown Law regarding encumbrances on some properties and whether a Health Advisory Council can hold property that is encumbered. Given the uncertainty of the outcome of the advice sought from Crown Law it is not possible to reliably measure the value of the real property that could transfer to the Health Advisory Councils in the future. Similarly, it is not possible to determine when the vesting instruments will be finalised or to reliably measure the value of the real property that will transfer to the Health Advisory Councils at that time.

**27.3 Guarantees**

The Hospital has made no guarantees.

**28. Events after balance date**

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

**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 Standard AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018 – 2020 and Other Amendments* will apply from 1 July 2023. Although applicable to the Consolidated Entity, these amending standards are not expected to have an impact on the Consolidated Entity's general purpose financial statements. SA Health will update its policies, procedures and work instructions, where required, to reflect the additional clarification requirements.
- Amending Standard AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* will apply from 1 July 2023. The Consolidated Entity continues to assess liabilities eg LSL and whether or not the Consolidated Entity has a substantive right to defer settlement. Where applicable these liabilities will be classified as current.

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**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 note 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. The Hospital's interest bearing liabilities are managed through SAFA and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

**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 the respective financial asset / financial liability note.

Financial assets and liabilities are measured at amortised cost. Amounts relating to statutory receivables and payable (e.g. Commonwealth taxes; Auditor-General's Department audit fees etc) and prepayments are excluded as they are not financial assets or liabilities. Receivables and Payables at amortised cost are \$2.761 million (\$5.583 million) and \$3.003 million (\$3.068 million) respectively.

**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.

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

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

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

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

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

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**CONSOLIDATION and PARENT**

	30 June 2021			30 June 2020		
	Expected credit loss rate(s)	Gross carrying amount	Expected credit losses	Expected credit loss rate(s)	Gross carrying amount	Expected credit losses
	%	\$'000	\$'000	%	\$'000	\$'000
<b>Days past due</b>						
Current	0.2-5.3%	638	12	0.2-6.4%	350	15
<30 days	1.4-6.0%	72	4	1.3-7.5%	78	5
31-60 days	3.1-10.7%	36	2	2.4-13.3%	58	6
61-90 days	3.6-16.2%	19	2	2.7-22.9%	22	2
91-120 days	4.0-19.6%	17	2	2.9-29.7%	26	4
121-180 days	4.8-25.4%	58	8	3.1-37%	34	8
181-360 days	12.5-53.5%	91	31	8-52.6%	133	48
361-540 days	20-100%	64	56	19.9-79%	41	20
>540 days	21.7-100%	401	391	21.6-95.9%	360	229
<b>Total</b>		<b>1,396</b>	<b>508</b>		<b>1,102</b>	<b>337</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 2), and incurred significant expenditure via the Department for medical, surgical and laboratory supplies, computing and insurance (note 9). The Department transferred capital works in progress of \$1.726 (\$1.426 million) to the Hospital. The Hospital incurred significant expenditure with the Department for Infrastructure and Transport (DIT) for property repairs and maintenance of \$3.003 million (\$3.334 million) (note 9). As at 30 June the outstanding balance payable to DIT was \$0.442 million (\$0.738 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

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- 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 above assets, rights and liabilities of the former Hospitals whose HAC elected not to become incorporated were vested in the Country Health SA Board Health Advisory Council Inc. A proclamation on 27 June 2019 advised from 1 July 2019 Country Health SA Board Health Advisory Council Inc will be renamed to Country Health Gift Fund Health Advisory Council Inc

The HAC have no powers to direct or make decisions with respect to the management and administration of Eyre and Far North Local Health Network Incorporated.

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

The net assets of the GFTs associated with unincorporated HACs (below) are vested in the Country Health Gift Fund Health Advisory Council Inc Gift Fund Trust, and are reported as part of Barossa Hills Fleurieu Local Health Network Inc.

<b>Health Advisory Councils and associated Gift Fund Trusts</b>		
<b>Incorporated HACs and GFTs</b>		
Ceduna District Health Services Health Advisory Council Inc	Eastern Eyre Health Advisory Council Inc	Ceduna District Health Services Health Advisory Council Inc Gift Fund Trust
Lower Eyre Health Advisory Council Inc	Mid West Health Advisory Council Inc	Lower Eyre Health Advisory Council Inc Gift Fund Trust
Eastern Eyre Health Advisory Council Inc Gift Fund Trust	Mid West Health Advisory Council Inc Gift Fund Trust	
<b>Unincorporated HACs and GFTs</b>		
Port Lincoln Health Advisory Council**	Far North Health Advisory Council**	Port Lincoln Health Advisory Council Gift Fund Trust
Far North Health Advisory Council Gift Fund Trust		

\*\*On 27 May 2021 the Minister for Health and Wellbeing declared these unincorporated HACs to be incorporated. The transfer of assets from Country Health Gift Fund Health Advisory Council Inc to the newly incorporated HACs is yet to be formalized but is expected to occur in the 2021-22 financial year. The transfer of assets from Country Health Gift Fund Health Advisory Council Inc Gift Fund Trust will also occur once incorporated GSTs are established for the newly incorporated HACs.

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK**  
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**33. Administered Items**

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

	2021	2020
	\$'000	\$'000
Revenue from fees and charges	3,003	1,812
Other expenses	(3,009)	(1,806)
<b>Net result</b>	<b>(6)</b>	<b>6</b>
Cash and cash equivalents	995	1,057
Receivables	-	-
Payables	(995)	(1,051)
<b>Net assets</b>	<b>-</b>	<b>6</b>
Cash at 1 July	1,057	869
Cash inflows	3,003	1,812
Cash outflows	(3,065)	(1,624)
<b>Cash at 30 June</b>	<b>995</b>	<b>1,057</b>

EYRE AND FAR NORTH LOCAL HEALTH NETWORK  
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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:	Members
Eyre and Far North Local Health Network Governing Board	Smith M (Chair), Dunchue L, Green B, Mills D Dr, Siviour J, Sweet C
Audit and Risk Management Committee	van der Weel O (Chair), Green B, Sweet C
Clinical Governance Committee	Mills D Dr (Chair), Siviour J, Blacker P
Finance and Performance Committee	Dunchue L (Chair), Quigley G Dr, Sweet C

Refer to note 8.2 for remuneration of board and committee members