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**Government
of South Australia**

**EYRE AND FAR NORTH LOCAL HEALTH
NETWORK INC
2022-23 Annual Report**

Eyre and Far North Local Health Network Inc
Oxford Terrace, Port Lincoln, South Australia 5606

[Eyre and Far North Local Health Network Inc](#)

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2022-23 ANNUAL REPORT for Eyre and Far North Local Health Network Inc

To:

Hon Chris Picton MP
Minister for Health and Wellbeing

This annual report will be presented to Parliament to meet the statutory reporting requirements of *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: 27 September 2023 Signature



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

Date: 27 September 2023 Signature



From the Board Chair

The Board and I are very proud of what the Eyre and Far North Local Health Network (EFNLHN) continues to achieve. In 2022-23, the LHN was rated as the best performing of the 10 LHNs in South Australia for the fourth year in a row.



This has been a year of transition back to business as usual after three years of management of the COVID-19 pandemic.

This transition has required extensive planning, engagement and a nimble approach. I continue to be impressed and inspired by our caring, professional and resilient staff and grateful for the strength of our relationships with key partners, including General Practitioners, Pharmacists, the South Australian Ambulance Service, Royal Flying Doctor Service, SA Pathology, emergency services, Aboriginal Community Controlled Health Organisations (ACCHOS) and City and District local councils.

On behalf of the Board, I would like to recognise and thank all those involved for your exceptional care and dedication across the year. We will be formally recognising and thanking everyone as part of a staff appreciation program early in 2023-24.

To patients, consumers, families and carers, again, we would like to thank you for your patience, understanding and support as visiting arrangements, particularly at our aged care facilities, have been interrupted to manage COVID outbreaks.

Away from COVID-19, the EFNLHN Governing Board addressed staff concerns about not feeling safe at Port Lincoln Hospital, with the introduction of security guards and a wide-ranging review of security arrangements. An Oversight Committee led by Jenny Richter AM and made up of clinical, staff and industrial representatives, worked through the review and made 148 recommendations, which the Board have accepted. The Board is monitoring implementation progress and has noted significant improvement in staff-reported wellbeing already.

We also continue to make good progress on achieving a culturally safe workforce that better reflects the communities we serve. EFNLHN has met and exceeded the target for Aboriginal participation in the workforce and our Aboriginal Health team was recognised for this work as finalists in the 2022 SA Health Excellence Awards. We are creating new positions – Aboriginal Health Liaison Officers – at Port Lincoln Hospital as well.

We completed an LHN-wide culture awareness program which all staff had the opportunity to take part in and continue to build a culture of tolerance and respect, and a reputation as an employer that welcomes and supports Aboriginal and Torres Strait Islander staff.

The Board would like to thank Verity Paterson, who has done a fantastic job as Chief Executive Officer and is leaving the LHN early in 2023-24 to take up a new role in SA

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Health. Verity has played a key role in the creation of a high-performing organisation and led EFNLHN through the COVID19 pandemic with courage, supported by her Executive team.

Finally, I would like to pay particular tribute to the members of the Governing Board, who have supported me and matured into a cohesive, well-functioning and wise group, focused on protecting the health and wellbeing of consumers and staff within our Local Health Network.

I am excited about the future of the LHN and the opportunity to work together to build a culture that nurtures harmony, support and kindness.



Michele Smith

Board Chair

Eyre and Far North Local Health Network

From the Chief Executive Officer

I am pleased to present the 2022-23 Annual Report from the Eyre and Far North Local Health Network (EFNLHN).

This year we started to witness the benefits of our planning to strengthen our clinical workforce and clinical governance, which had been occurring in the background while we transitioned to managing COVID-19 as business as usual.

We made strong progress with putting the medical workforce onto a more sustainable footing in the Eyre and Far North.

Our Clinical Services Director, Dr Kris Bascomb, and Clinical Training Director, Dr Ali Lydeamore, have made a positive impact right from the start. Our Medical Education Unit has been accredited and our Simulation Lab, with lifelike adult and child dummies, fully utilised. Our five Rural Generalist trainees are halfway through their first year of training, working on the wards, in the Emergency Department and birthing services at Port Lincoln Hospital and heading out to other hospital sites and General Practices to continue their training.

We continue to recruit to our salaried medical positions, and local GPs have returned to Port Lincoln Hospital, including in the Emergency Department and obstetrics service.

We also put the final pieces in place to expand access to medical services in Cowell, with a new locum service to operate three days a week, continued to build capacity at Ceduna and supported the continuation of medical services at Wudinna and Streaky Bay as those practices consider future arrangements.

Our 2022-23 Nursing Transition to Professional Practice Program (TPPP) attracted 16 newly-graduated nurses who completed their training at our hospital sites and have all chosen to stay. The impact of a worldwide shortage of health professionals, meant EFNLHN experienced significant challenges this year with the recruitment and retention of staff, particularly nursing, so the success of this program has been particularly welcome. We also invested in new arrangements to better manage agency staff and by the end of the year, our agency costs were starting to fall, for the first time in two years.

We also significantly strengthened the management of clinical risk in our community-based services, creating new senior roles to focus on clinical risk and governance and to manage key services. Our NDIS service underwent re-certification this year and achieved compliance with no unmet actions, the only regional LHN to achieve this.

We continued to work with local communities and consumers to look at local health service needs, finalising a service plan for the Far North, which will inform future planning and allocation of resources, based on local feedback.



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This work helped to inform the development of a new Fly In Fly Out (FIFO) staffing model for Coober Pedy, both for the hospital and community-based services, designed to attract new staff and retain existing staff, which will be implemented early in 2023-24.

All these initiatives are designed to ensure we can continue to deliver high-quality and safe services to patients and consumers in our hospitals, aged care facilities and in the community.

Finally, I would like to thank the fantastic Executive Team for their support and the EFNLHN Governing Board for their wisdom and friendship. As I leave to start a new leadership role in SA Health, I feel incredibly fortunate to have had the opportunity to lead this LHN, work with such committed and caring people and wish all of you a fantastic future.



Verity Paterson

Chief Executive Officer

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Overview: about the agency

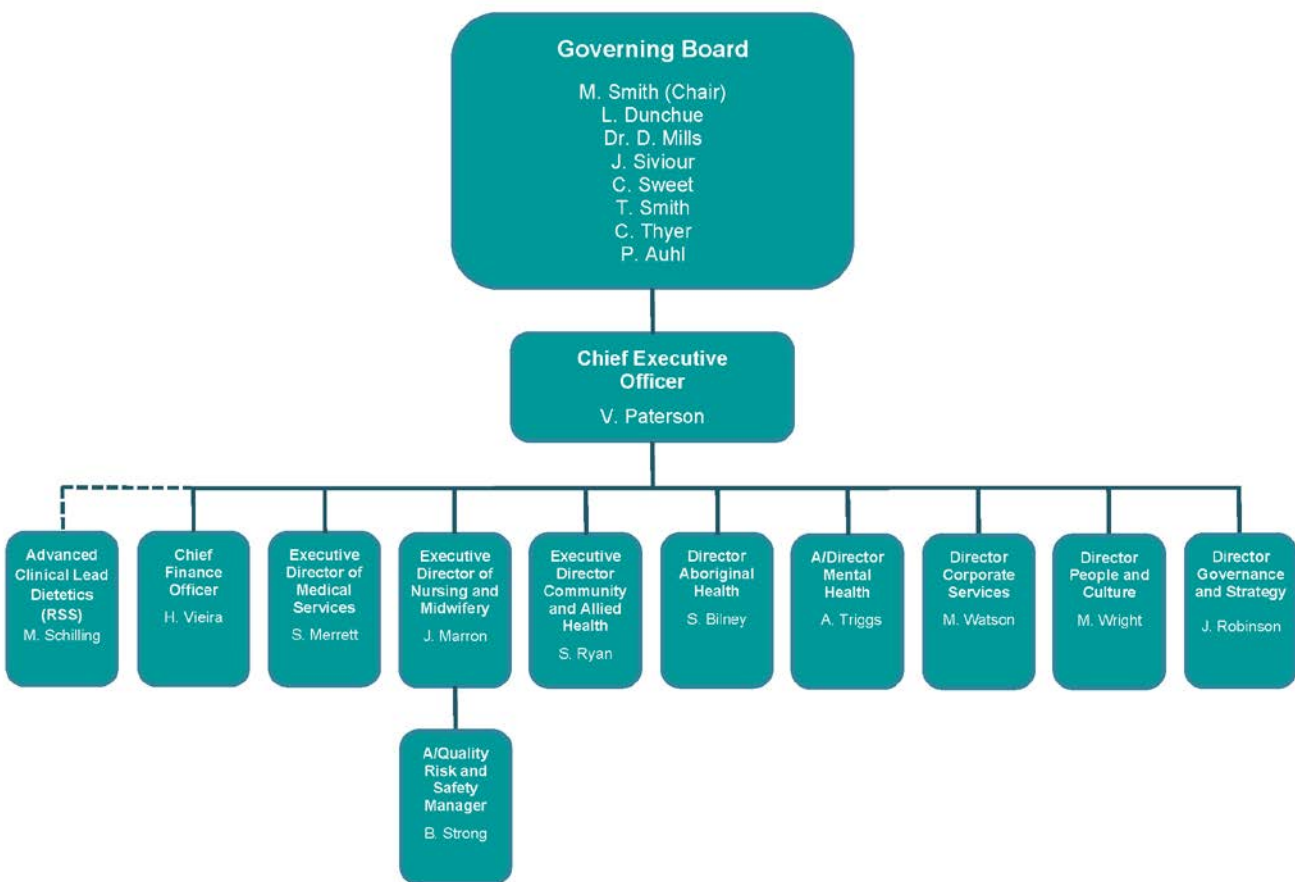
Our strategic focus

Our Purpose	To drive exceptional health and aged care services across the Eyre and Far North
Our Vision	A trusted provider of accessible, responsive, and innovative health, disability and aged care services to support the wellbeing of our diverse communities
Our Values	Accountability, Connected, Respect, Caring
Our functions, objectives and deliverables	<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"> • Responsive Service and Care – we will deliver safe, innovative and consumer-focused services and care • 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 • 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 • Interconnected Mental Health Services – we will be responsive in meeting the need for mental health services and care in our communities • Vibrant Aged and Disability Care – we will provide personalised, accessible, and adaptable aged and disability care <p>The LHN's key deliverables are:</p> <ul style="list-style-type: none"> • Providing safe, high-quality health, aged care, community and mental health services • Involving consumers, communities and clinicians in the design, planning and improvement of services • Ensuring patient care respects the ethnic, cultural and religious rights, views, values and expectations of all people

	<ul style="list-style-type: none">• 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.
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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 2022-23 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 Chris Picton MP is the Minister for Health and Wellbeing in South Australia.

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



Our Governing Board

Michele Smith OAM, Chair of the Governing Board

Michele runs a management consultancy and lives on the Eyre Peninsula. She worked previously as Chief Executive of the North Eastern Community Hospital and 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.



Peter Auhl, Governing Board Member

Peter is the digital technologist on the Board. He runs an IT consultancy and previously held positions as Chief Information Officer at the Central Coast Council (NSW) and the City of Adelaide, as well as Director of Information Services/CIO at the SA Department of Planning, Transport and Infrastructure. Peter has close family connections on the Eyre Peninsula.



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 OAM, 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.



<p>Trevor Smith, Governing Board Member</p> <p>Trevor works as a consultant to Regional Development Australia (Eyre Peninsula) and has a long history working in local government, including as Chief Executive Officer of the District Council of Tumby Bay. Trevor was Independent Chair of the Northern Eyre Peninsula Health Alliance (NEPHA) until late in 2021-22, when he did not take up re-appointment.</p>	
<p>Christine Thyer, Governing Board Member</p> <p>Christine (Chris), a proud Ngarrindjeri woman, is General Manager of the SA Aboriginal Education and Training Consultative Council and previously worked at the Women’s and Children’s Health Network Centre for Education and Training, including on the development and implementation of staff cultural competencies training.</p>	

Our Executive team

<p>Chief Executive Officer</p> <p>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>Executive Director, Nursing and Midwifery</p> <p>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>Executive Director, Medical Services</p> <p>Dr Susan Merrett is responsible for the professional leadership of and practice standards for medical services.</p>
<p>Executive Director, Allied and Community Health</p> <p>Sharon Ryan 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>Chief Finance Officer</p> <p>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>Director, Aboriginal Health 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>Director, Corporate Services Malinda Watson is responsible for corporate and business services that support the effective and safe operation of health units across the LHN.</p>
<p>Director, Governance and Strategy 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>Director, Mental Health Services Andrea Triggs is responsible for the delivery of mental health services within the LHN.</p>
<p>Director People and Culture Michael Wright is responsible for Human Resources, workforce services and strategies, strengthening culture and leading organisational development within the LHN.</p>
<p>Manager, Quality Risk and Safety (QRS) Bianca Strong 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 2022-23 Eyre and Far North LHN was the highest performing of the 10 Local Health Networks, achieving key performance areas including:

- Meeting targets for:
 - all emergency department 'seen on time' triage categories.
 - Emergency Department Length of Stay for both Admitted and Non Admitted.
 - all elective surgery timely admissions and overdue patient categories.
 - General Bed Length of Stay greater than 21 days.
 - Complexity Index.
 - Critical Errors – Admitted Patient Care with an average of 0.4%.
 - Safe and Effective Care including SAB and MRSA infection rates.
- Improving Hospital Acquired Complication rate across the period to meet targets.
- 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.
- Providing quality services to the community with Allied Health, 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.

Key objective	Agency's contribution
More jobs	<p>Addition of:</p> <ul style="list-style-type: none"> • Director, Clinical Education (Medical) • Director, Clinical Services (Medical) • Quality Systems Manager • Operations Manager, Country Health Connect • Clinical Operations Manager, Community Nursing • 2 x Nursing Clinical Coordinators (NDIS and Home Support) • Program Manager, Allied Health (Adults) • Agency Support Officer • Senior Communications Advisor
Lower costs	<p>Costs for consumers were reduced through delivering programs such as:</p> <ul style="list-style-type: none"> • Monthly paediatrician clinics in Port Lincoln • Expanded palliative care services • Home-based chronic disease monitoring • Timely elective surgery. • Increasing access to Telehealth services, including for specialist consultations.

<p>Better Services</p>	<p>EFNLHN has delivered:</p> <ul style="list-style-type: none"> • New Paediatrician service from Port Lincoln Hospital. • Child Development Checks. • Salaried medical model at Port Lincoln Hospital introduction of a Clinical Services Director and Clinical Education Director, and establishment of a Medical Education Unit and Simulation Lab to support junior doctor training, and nursing training. • 4 per cent increase in Home Care Packages, Aboriginal clients accessing those services remains steady at 6.3% of total number of packages. • Aboriginal Liaison Officers at Port Lincoln Hospital.
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Agency specific objectives and performance

<p>Agency objectives</p>	<p>Indicators</p>	<p>Performance</p>
<p>Improving access to health services in our community</p>	<ul style="list-style-type: none"> • Specialist nursing and allied health activity service activity • In-Home Support service activity • Transitional Care Packages (TCP) 	<ul style="list-style-type: none"> • 4,521 clients and 43,573 occasions of service in 2022-23 • 1,184 clients and 53,320 occasions of service in 2022-23 • EFNLHN used a total of 2,824 Care Days (combined Residential and Community Packages) for TCP clients allowing supported transition from Hospital to Home.

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	<ul style="list-style-type: none"> National Disability Insurance Scheme (NDIS) program activity 	<ul style="list-style-type: none"> 200 clients and 6,367 occasions of service in 2022-23
Hospital services	<ul style="list-style-type: none"> Emergency departments seen on time Emergency Department length of stay less than 6 hours Emergency Department Presentations Elective surgery (ES) timely admissions Acute inpatient activity 	<ul style="list-style-type: none"> Targets met across all triage levels Targets met across non-admitted and admitted 26,366 Emergency Department presentations were seen across Eyre and Far North LHN in 2022-23 an increase of 4,244 presentations Targets met across Cat 2 and 3 1,324 patients were admitted to Ceduna and Port Lincoln Hospitals for elective surgery 2022-23 289 babies delivered (for whole of Eyre and Far North LHN in 2022-23) 10,883 total acute separations for whole of Eyre and Far North LHN in 2022-23 an increase of 2,684 separations.
Continuous improvement of quality and safety	<ul style="list-style-type: none"> Safety assessment code ISR 1 and 2 incidents Hospital acquired complications (HAC) 	<ul style="list-style-type: none"> 8 ISR 1 and 24 ISR incidents, with 1819 patient incidents reported compared with 1921 the previous year. ISR 1 and 2 incidents accounted for 1.75% of all incidents reported 1.1% (33/2995) of total overnight episodes where one or more HAC's were present; an increase from

		0.6% on the previous year
Aboriginal Health	<ul style="list-style-type: none"> Aboriginal percentage of workforce Trachoma Trichiasis 	<ul style="list-style-type: none"> Target met with EFNLHN recording 4.64% for June 2023 an increase from 4.02% at 30 June 2022 <p>At-risk communities' coverage of trachoma and trichiasis screening over the 3 regions was 100%, with 11 out of 11 'at-risk' communities screened.</p> <ul style="list-style-type: none"> 415 Aboriginal children aged 1 to 14 years old were screened for trachoma in SA 215 - (86% -) Aboriginal children aged 5 to 9 years old screened during 2022 - No trachoma cases were reported in Aboriginal and Torres Strait Islander Children aged between 1-14 years old. The overall prevalence of active trachoma in Aboriginal children aged 1-14 years screened was 0%. 940 Aboriginal Adults aged 15 years and over living in the communities identified as being "at risk" were screened for trichiasis, including 412 - (67%) Aboriginal adults aged 40 and over. 1 Aboriginal adult aged 40 years and over was diagnosed with trichiasis.

		<p>The patient was referred to the eye specialist.</p> <ul style="list-style-type: none"> • The prevalence of trichiasis in adults aged 15 years and over was 0.1% • SA is on track to eliminate blinding trachoma as a public health problem
Improving Mental Health Outcomes	<ul style="list-style-type: none"> • Restraint incidents per 1,000 bed days • Seclusion incidents per 1,000 bed days • Percentage of Mental Health clients seen by a community health service within 7 days of discharge 	<ul style="list-style-type: none"> • Not applicable • Not applicable • Not applicable
Aged Care	<ul style="list-style-type: none"> • Residential aged care occupancy • Aged Care Assessment Program (ACAP) assessments • Home Care Package occupancy rates • Commonwealth Home Support Program (CHSP) client numbers 	<ul style="list-style-type: none"> • Average occupancy over 2022-23 86.1% • 857 assessments completed • Occupancy rates increased from 182 to 189 between July 2022 and June 2023 with 12 Aboriginal and Torres Strait Islander package clients • 1,330 CHSP clients providing 25,942 occasions of service, enabling older people to remain independent in their own home for longer

Corporate performance summary

The Eyre and Far North Local Health Network has achieved:

- Review of Strategic Risks on the EFNLHN Risk Register
- Completion of compliance certification for 2022-23
- Security upgrade works at Port Lincoln Hospital, including Eyre Ward A Nurses Station upgrade and emergency lighting upgrade
- Streaky Bay Hospital Body Protection upgrade and Kimba Hospital Carpark remediation
- Replacement of three X-Ray machines - at Coober Pedy, Kimba and Tumbly Bay Hospitals, and new X Ray machine for Cummins Hospital
- New air conditioning within main building at Coober Pedy Hospital
- Infrastructure upgrades at Multi Purpose Service (MPS) sites underway, including sensory gardens, internal painting, door widening, bathroom/ensuite upgrades
- Range of minor works at most sites.

Employment opportunity programs

Program name	Performance
Skilling SA	27 staff members actively completing traineeships in a range of Community, Allied and Mental Health and Administration qualifications.
Growing Leaders	3 employees supported to undertake the Growing Leaders Program in 2023.
Aboriginal Staff	In 2023 2 Aboriginal employees successfully completed a Diploma of Leadership and Management. Face-to-face cultural awareness training was delivered with 63% of all staff completing.
Enrolled Nurse (EN) Cadets	2 EN Cadets commenced (2x Ceduna, to be completed at Port Lincoln and Streaky Bay) 3 EN Cadets completed (1x Ceduna, 1x Coober Pedy, and 1x Cummins)
Transition to Professional Practice Program (TPPP)	Current TPPP cohort ,16 TPPP. 14 of the 16 have signed contracts to stay on staff in EFNLHN for 2024 following the completion of their TPPP

Site	Confirmed TPPPs
Ceduna	3
Cleve	0
Coober Pedy	0
Cowell	1
Cummins	0
Elliston	0
Kimba	1
Port Lincoln	8
Streaky Bay	1
Tumby Bay	1
Wudinna	1
Total	16

Agency performance management and development systems

Performance management and development system	Performance								
Performance review and development supports continuous improvement of the work performance of employees to assist them to meet the organisation's values and objectives.	<ul style="list-style-type: none"> 77.11% of staff had an annual performance review and development discussion. 58.56% of staff had a 6-monthly performance review and development discussion. 								
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	<p>As at 30/06/23, 4.7% of employees within the Eyre and Far North Local Health Network identified as Aboriginal & Torres Strait Islander.</p> <table> <tr> <td>Health Ancillary (Weekly Paid)</td> <td>20</td> </tr> <tr> <td>Non Award</td> <td>2</td> </tr> <tr> <td>Nurses Award</td> <td>7</td> </tr> <tr> <td>Public Sector Salaried</td> <td>24</td> </tr> </table>	Health Ancillary (Weekly Paid)	20	Non Award	2	Nurses Award	7	Public Sector Salaried	24
Health Ancillary (Weekly Paid)	20								
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a culturally safe environment.	
Mandatory Training Compliance	As at 28/08/2023, EFNLHN identified 50% compliance.
Criminal History & Relevant Screening	As at 30/06/23, EFNLHN identified 97.69% compliance.
Flu Vax	As at 30/06/23, EFNLHN identified 52% compliance.
Immunisation Compliance	<p>EFNLHN recently updated the immunisation category of all staff, effectively 're-setting' the compliance rates. Consequently, this reduced compliance back to 0% and there is a considerable effort being put in to restore this to the previous 100%. As at 30/06/23, Immunisation Compliance was:</p> <p>Cat A – 3.6%</p> <p>Cat B – 0.6%</p> <p>Cat C – N/A</p>

Work health, safety and return to work programs

Program name	Performance
Musculoskeletal injury claims	Musculoskeletal injury claims have reduced from 16 in 2021-22 to 12 in 2022-23, a reduction of 25%. Musculoskeletal injury claims direct claims costs has reduced from \$165,243 in 2021-22 to \$122,829 in 2022-23, a reduction of \$42,414 (26%).
New income support claims	The number of new income support claims (claims where the injured worker has lost time from work and is paid workers compensation weekly payments) decreased from 21 in 2021-22 to 17 in 2022-23, a reduction of 19%.
Long-term claims	Long-term claims (claims of more than 12-months since date of injury) have reduced from 6 at June 2022 to 3 at June 2023, a reduction of 50%.

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Workplace injury claims	2022-23	2021-22	% Change (+ / -)
Total new workplace injury claims	29	30	-3.3%
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)	19.96	18.08	+10.4%

*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)

Work health and safety regulations	2022-23	2021-22	% Change (+ / -)
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>)	6	13	-53.8%

Return to work costs**	2022-23	2021-22	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$534,794	\$429,630	+24.5%
Income support payments – gross (\$)	\$263,989	\$251,992	+4.8%

**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

Executive classification	Number of executives
SAES1	1
RN6A06	1
MD029G	4

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 2022-23 are attached to this report.

Statement of Comprehensive Income	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation \$000s	2021-22 Actual \$000s
Total Income	147 637	172 999	25 362	140 583
Total Expenses	152 580	169 490	(16 910)	147 639
Net Result	(4 943)	3 509	8 452	(7 056)
Total Comprehensive Result	(4 943)	3 509	8 452	(7 056)

Statement of Financial Position	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation \$000s	2021-22 Actual \$000s
Current assets	0	44 658	0	34 586
Non-current assets	0	132 433	0	136 560
Total assets	0	177 091	0	171 146
Current liabilities	0	38 607	0	36 793
Non-current liabilities	0	12 198	0	11 725
Total liabilities	0	50 805	0	48 518
Net assets		126 286		122 628
Equity		126 286		122 628

Consultants disclosure

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

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

Consultancies	Purpose	\$ Actual payment
All Consultancies below \$10,000 each – combined	Various	\$30,648

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

Consultancies	Purpose	\$ Actual payment
Hannan & Partners Pty Ltd	Port Lincoln Hospital Security Review	\$151,285
BDO Services Pty Ltd	Provide high-level executive services to the Port Lincoln Hospital Security Review Oversight Committee	\$97,289
Unchartered Leadership Institute Pty Ltd	Clinical Leads Program	\$40,010
Health Q Consulting	Consultancy Remote Telehealth Equipment	\$20,771
BDO Services Pty Ltd	Executive Strategic Workshop	\$10,697
	Total	\$350,700

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

Contractors disclosure

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

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	\$123,808

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

Contractors	Purpose	\$ Actual payment
BDO Services Pty Ltd	Data analytics and automation support - automated financial reporting using Microsoft Power Suite (Power BI and Power Automate)	\$32,500
Clark Family Trust	Accommodation for the Tumbby Bay/Cummins EODON	\$28,700
Aidan Sheehy Building	Home modifications for CHSP & HCP clients	\$26,906
Murray Pest Control Streaky Bay	Pest control service	\$14,815
BDO Advisory (SA) Pty Ltd	Financial advice/support secondment	\$14,517
Shamus Cogan-Briata	Consulting for two GP model business case in Coober Pedy	\$11,250
	Total	\$263,026

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), which had an external independent Chair until December 2022 and is now chaired by an EFNLHN Board Member, 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, integrated Risk Register, 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). The Internal Audit Charter agreed by the six regional LHNs provides guidance and authority for audit activities.

EFNLHN records and reports on risks using an online tool, Risk Console.

A review of EFNLHN’s strategic risks was conducted in 2022-23, with changes to the names of six risks to more accurately describe the risk, the addition of a risk (community/stakeholder relations) and retirement of three risks.

The A&RC also approved criteria for retirement of risks, when a risk is effectively controlled, has no treatments and aligns with the Board’s Risk Appetite Statement.

The Governing Board conducted the annual review of its Risk Appetite Statement (RAS).

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/or 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

2022-23 ANNUAL REPORT for Eyre and Far North Local Health Network Inc

Committee, chaired by the Chief Finance Officer, and reporting monthly to the Board's (Tier 1) 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*

During 2022-23, EFNLHN started engagement with the six Eyre and Far North Health Advisory Councils (HACs) to plan the co-design of the next iteration of the Governing Board's Consumer and Community Engagement Strategy.

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 Consumer feedback module within the Safety Learning System (SLS) to record, and act on consumer, carer, client, patient feedback – complaints and commendations. The SLS is also used to analyse and act on aggregated feedback data.

The management of complaints in the SLS meets requirements of the Health and Community Services Complaints Act, SA Charter of Health Care Rights, Carers Recognition Act and NSQHS Standard 2 Partnering with Consumers.

Feedback by subject/category

Subject/Category	Complaints
Access	9
Communication	35
Corporate Services	21
Consent	1
Grievances	1
Privacy/ Discrimination	7
Professional Conduct	1
Treatment	22

Additional Metrics	Total
Number of positive feedback comments	75
Number of negative feedback comments	97
Total number of feedback comments	172
% complaints resolved within policy timeframes	67%

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

Service Improvements

Improvements resulting from feedback:

- Nurses are now required to complete the End-of-Life Essential eLearning Program and engage with the Palliative Care Team for continuous care and

2022-23 ANNUAL REPORT for Eyre and Far North Local Health Network Inc

input following feedback received regarding end of life care at Wudinna Health Service.

- Complaints regarding the amount of parking have ceased after more parking was implemented at Port Lincoln Hospital.
- Consumer feedback identified that Port Lincoln Health Service staff were using outdated contact lists which led to calls being referred to incorrect areas. Contact lists are now regularly updated and kept current.
- Streaky Bay Aged Care accommodated a change (increase) in portion size, after receiving a complaint regarding the size of meals.
- Complaints regarding waiting times in the acute setting are being addressed by prioritising recruitment of clinical staff.

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

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

Appendix: Audited financial statements 2022-23



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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 2023.

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 2023, their financial performance and their cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- Notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Board Chair, the Acting Chief Executive Officer and the Acting 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 Acting Chief Executive Officer and the Board for the financial report

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

In preparing the financial report, the Acting Chief Executive Officer is responsible for assessing the entity's and consolidated entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Acting 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 2023.

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 internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Acting Chief Executive Officer
- conclude on the appropriateness of the Acting 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 Acting Chief Executive Officer and the Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson
Auditor-General

20 September 2023

EYRE AND FAR NORTH LOCAL HEALTH NETWORK
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2023

	Note	Consolidated		Parent	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Income					
Revenues from SA Government	2	129,106	98,707	129,106	98,707
Fees and charges	3	10,953	10,630	10,953	10,630
Grants and contributions	4	29,064	27,756	29,116	27,781
Interest		558	53	549	52
Resources received free of charge	5	1,547	1,482	1,547	1,482
Other revenues/income	6	1,771	1,955	1,770	1,945
Total income		172,999	140,583	173,041	140,597
Expenses					
Staff benefits expenses	7	79,805	76,376	79,805	76,376
Supplies and services	8	80,318	62,374	80,318	62,375
Depreciation and amortisation	15,16	7,276	7,189	3,995	4,035
Grants and subsidies	9	1,960	1,515	1,763	1,514
Borrowing costs	19	12	10	12	10
Impairment loss on receivables	12.1	(13)	(277)	(13)	(277)
Other expenses	10	153	452	152	2,907
Total expenses		169,511	147,639	166,032	146,940
Net result		3,488	(7,056)	7,009	(6,343)
Total comprehensive result		3,488	(7,056)	7,009	(6,343)

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 2023

	Note	Consolidated		Parent	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	11	13,029	10,370	12,965	10,096
Receivables	12	11,925	4,290	11,778	4,299
Other financial assets	13	18,292	18,394	17,852	17,917
Inventories	14	1,552	1,540	1,552	1,540
Total current assets		44,798	34,594	44,147	33,852
Non-current assets					
Receivables	12	587	397	587	397
Other financial assets	13	70	70	-	-
Property, plant and equipment	15,16	131,755	136,093	74,292	75,349
Total non-current assets		132,412	136,560	74,879	75,746
Total assets		177,210	171,154	119,026	109,598
Current liabilities					
Payables	18	8,860	6,303	8,860	6,303
Financial liabilities	19	272	247	272	247
Staff benefits	20	11,163	10,479	11,163	10,479
Provisions	21	760	638	760	638
Contract liabilities and other liabilities	22	17,692	19,134	17,692	19,134
Total current liabilities		38,747	36,801	38,747	36,801
Non-current liabilities					
Payables	18	412	391	412	391
Financial liabilities	19	451	408	451	408
Staff benefits	20	9,518	9,397	9,518	9,397
Provisions	21	1,817	1,529	1,817	1,529
Total non-current liabilities		12,198	11,725	12,198	11,725
Total liabilities		50,945	48,526	50,945	48,526
Net assets		126,265	122,628	68,081	61,072
Equity					
Retained earnings		110,180	106,543	68,081	61,072
Asset revaluation surplus		16,085	16,085	-	-
Total equity		126,265	122,628	68,081	61,072

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 2023

CONSOLIDATED

	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2021	16,085	113,599	129,684
Net result for 2021-22	-	(7,056)	(7,056)
Total comprehensive result for 2021-22	-	(7,056)	(7,056)
Balance at 30 June 2022	16,085	106,543	122,628
Net result for 2022-23	-	3,488	3,488
Total comprehensive result for 2022-23	-	3,488	3,488
Net assets received from an administrative restructure	1.6	149	149
Balance at 30 June 2023	16,085	110,180	126,265

PARENT

	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2021	-	67,415	67,415
Net result for 2021-22	-	(6,343)	(6,343)
Total comprehensive result for 2021-22	-	(6,343)	(6,343)
Balance at 30 June 2022	-	61,072	61,072
Net result for 2022-23	-	7,009	7,009
Total comprehensive result for 2022-23	-	7,009	7,009
Balance at 30 June 2023	-	68,081	68,081

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 2023

	Note	Consolidated		Parent	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Cash inflows					
Receipts from SA Government		113,966	82,569	113,966	82,569
Fees and charges		2,011	9,517	2,165	9,509
Grants and contributions		29,469	27,870	29,521	27,895
Interest received		271	27	268	27
Residential aged care bonds received		4,394	6,130	4,394	6,130
GST recovered from ATO		5,276	3,784	5,276	3,784
Other receipts		132	10	132	-
Cash generated from operations		155,519	129,907	155,722	129,914
Cash outflows					
Staff benefits payments		(78,411)	(75,513)	(78,411)	(75,513)
Payments for supplies and services		(67,369)	(47,096)	(67,369)	(47,097)
Payments of grants and subsidies		(1,211)	(825)	(1,014)	(824)
Interest paid		(12)	(10)	(12)	(10)
Residential aged care bonds refunded		(4,256)	(3,794)	(4,256)	(3,794)
Other payments		(179)	(472)	(178)	(472)
Cash used in operations		(151,438)	(127,710)	(151,240)	(127,710)
Net cash provided by operating activities		4,081	2,197	4,482	2,204
Cash flows from investing activities					
Cash inflows					
Proceeds from sale/maturities of investments		392	1,307	110	1,300
Cash generated from investing activities		392	1,307	110	1,300
Cash outflows					
Purchase of property, plant and equipment		(1,424)	(334)	(1,424)	(334)
Purchase of investments		(240)	(2,330)	-	(2,330)
Cash used in investing activities		(1,664)	(2,664)	(1,424)	(2,664)
Net cash provided by/(used in) investing activities		(1,272)	(1,357)	(1,314)	(1,364)
Cash flows from financing activities					
Cash inflows					
Cash received from restructuring activities		149	-	-	-
Cash generated from financing activities		149	-	-	-
Cash outflows					
Repayment of lease liabilities		(299)	(340)	(299)	(340)
Cash used in financing activities		(299)	(340)	(299)	(340)
Net cash provided by/(used in) financing activities		(150)	(340)	(299)	(340)
Net increase/(decrease) in cash and cash equivalents		2,659	500	2,869	500
Cash and cash equivalents at the beginning of the period		10,370	9,870	10,096	9,596
Cash and cash equivalents at the end of the period	11	13,029	10,370	12,965	10,096
Non-cash transactions	23				

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 2023

1. About Eyre and Far North Local Health Network

Eyre and Far North Local Health Network Incorporated (the 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:

- Port Lincoln Hospital – Health Services
- Ceduna Multi Purpose Site (MPS) – Hospital and Aged Care
- Cleve Multi Purpose Site (MPS) – Hospital and Aged Care
- Cowell Multi Purpose Site (MPS) – Hospital and Aged Care
- Coober Pedy Multi Purpose Site (MPS) – Hospital and Aged Care
- Cummins Multi Purpose Site (MPS) – Hospital and Aged Care
- Elliston Multi Purpose Site (MPS) – Hospital and Aged Care
- Kimba Multi Purpose Site (MPS) – Hospital and Aged Care
- Streaky Bay Multi Purpose Site (MPS) – Hospital and Aged Care
- Tumby Bay Multi Purpose Site (MPS) – Hospital and Aged Care
- Wudinna Multi Purpose Site (MPS) – Hospital and Aged Care
- Oodnadatta Health Service
- Ceduna, Cleve, Kimba Independent Living Units
- Ceduna Family Medical Practice, Mid Eyre Medical Practice and Coober Pedy Medical Practice

Consolidated Entity

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

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

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

Administered items

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

1.1 Objectives and activities

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

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.

EYRE AND FAR NORTH LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

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 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 2023, the Hospital had working capital surplus of \$6.051 million (\$2.207 million). The SA Government is committed and has consistently demonstrated a commitment to ongoing funding of the Hospital to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annually produced and published State Budget Papers which presents the SA Government's current and estimated future economic performance, including forward estimates of revenue, expenses and performance by agency.

1.5 Equity

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

1.6 Changes to reporting entity

2022-23

The Country Health Gift Fund Health Advisory Council transferred the control of the net assets of the GFT's associated with the Far North Health Advisory Council (\$0.019 million) and Port Lincoln Health Advisory Council (\$0.130 million) during 2022-23 but the physical transfer of cash will not occur until 2023-24.

2021-22

On 27 May 2021 the Minister declared the incorporation of Far North Health Advisory Council and Port Lincoln Health Advisory Council. These were previously unincorporated HACs with their net assets vested in Country Health Gift Fund Health Advisory Council Inc and its associated Gift Fund Trust.

1.7 Change in accounting policy

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

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2. Revenues from SA Government

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Capital projects funding	2,614	2,443	2,614	2,443
Operational funding	126,492	96,264	126,492	96,264
Total revenues from SA Government	129,106	98,707	129,106	98,707

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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Patient and client fees	2,835	2,599	2,835	2,599
Fees for health services	942	862	942	862
Residential and other aged care charges	3,645	3,656	3,645	3,656
Sale of goods - medical supplies	51	256	51	256
Other user charges and fees	3,480	3,257	3,480	3,257
Total fees and charges	10,953	10,630	10,953	10,630

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

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

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

Patient and Client Fees

Public health care is free for medicare eligible customers. Non-medicare eligible customers pay in arrears to stay overnight in a public hospital and to receive medical assessment, advice, treatment and care from a health professional. These charges may include doctors, surgeons, anaesthetist, 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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Commonwealth grants and donations	23,925	22,325	23,925	22,325
Other SA Government grants and contributions	1,030	1,010	1,082	1,035
Private sector grants and contributions	4,109	4,421	4,109	4,421
Total grants and contributions	29,064	27,756	29,116	27,781

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

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

5. Resources received free of charge

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Services	1,547	1,482	1,547	1,482
Total resources received free of charge	1,547	1,482	1,547	1,482

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 from Shared Services SA free of charge valued at \$1.181 million (\$1.099 million) and ICT services valued at \$0.366 million (\$0.383 million) from the Department of the Premier and Cabinet (DPC).

Although not recognised, the Hospital receives volunteer services from around 40 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, kiosks and community advocacy.

6. Other revenues/income

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Donations	1	17	-	7
Health recoveries	1,571	1,872	1,571	1,872
Insurance recoveries	7	15	7	15
Other	192	51	192	51
Total other revenues/income	1,771	1,955	1,770	1,945

7. Staff benefits expenses

	Note	Consolidated		Parent	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Salaries and wages		63,304	61,607	63,304	61,607
Targeted voluntary separation packages	7.5	-	185	-	185
Long service leave		1,504	(49)	1,504	(49)
Annual leave		6,108	5,941	6,108	5,941
Skills and experience retention leave		278	272	278	272
Staff on-costs - superannuation*		7,381	6,738	7,381	6,738
Workers compensation		940	1,436	940	1,436
Board and committee fees		266	243	266	243
Other staff related expenses		24	3	24	3
Total staff benefits expenses		79,805	76,376	79,805	76,376

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

7.1 Key Management Personnel

Key management personnel (KMP) of the consolidated and parent entity includes the Minister, the eight members (seven members) 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 ten members (twelve members) of the Executive Management Group who have responsibility for the day to day operations of the Hospital.

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

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

Compensation	2023	2022
	\$'000	\$'000
Salaries and other short term employee benefits	2,126	1,842
Post-employment benefits	445	336
Other long-term employment benefits	-	14
Total	2,571	2,192

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

7.2 Remuneration of Boards and Committees

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

	2023	2022
	No. of	No. of
	Members	Members
\$0 - \$20,000	3	3
\$20,001 - \$40,000	7	6
\$40,001 - \$60,000	1	1
Total	11	10

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax. The total remuneration received or receivable by members was \$0.291 million (\$0.252 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 33 for members of boards/committees that served for all or part of the financial year and were entitled to receive income from membership in accordance with APS 124.B.

7.3 Remuneration of staff

	Consolidated		Parent	
	2023	2022	2023	2022
The number of staff whose remuneration received or receivable falls within the following bands:	Number	Number	Number	Number
\$157,001 - \$160,000*	n/a	1	n/a	1
\$160,001 - \$180,000	12	7	12	7
\$180,001 - \$200,000	2	4	2	4
\$200,001 - \$220,000	2	-	2	-
\$220,001 - \$240,000	1	1	1	1
\$240,001 - \$260,000	1	-	1	-
\$460,001 - \$480,000	-	1	-	1
\$500,001 - \$520,000	1	-	1	-
Total number of staff	19	14	19	14

The table includes all employees whose normal 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.

*The \$157,001 to \$160,000 band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2021-22.

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7.4 Remuneration of staff by classification

The total remuneration received by staff included above:

	Consolidated				Parent			
	2023		2022		2023		2022	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Executive	1	244	1	236	1	244	1	236
Medical (excluding Nursing)	2	735	1	478	2	735	1	478
Non-medical (i.e. administration)	1	167	2	346	1	167	2	346
Nursing	15	2,657	10	1,735	15	2,657	10	1,735
Total	19	3,803	14	2,795	19	3,803	14	2,795

7.5 Targeted voluntary separation packages

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Amount paid/Payable to separated staff:				
Targeted voluntary separation packages	-	185	-	185
Leave paid/payable to separated employees	-	157	-	157
Net cost to the Hospital	-	342	-	342

The number of staff who received a TVSP during the reporting period	-	4	-	4
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8. Supplies and services

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Administration	177	151	177	151
Advertising	56	47	56	47
Communication	686	798	686	798
Computing	2,319	2,015	2,319	2,015
Consultants	351	47	351	47
Contract of services	6,566	6,406	6,566	6,406
Contractors	263	93	263	93
Contractors - agency staff	12,099	4,973	12,099	4,973
Drug supplies	1,298	1,069	1,298	1,069
Electricity, gas and fuel	1,830	1,641	1,830	1,641
Fee for service*	25,839	17,416	25,839	17,416
Food supplies	1,836	1,491	1,836	1,491
Hotel quarantine - accommodation costs	-	2	-	2
Housekeeping	619	629	619	629
Insurance	1,132	1,097	1,132	1,097
Internal SA Health SLA payments	6,382	6,115	6,382	6,115
Legal	18	45	18	45
Medical, surgical and laboratory supplies	6,064	6,529	6,064	6,529
Minor equipment	1,644	1,416	1,644	1,416
Motor vehicle expenses	342	385	342	385
Occupancy rent and rates	726	463	726	463
Patient transport	553	523	553	523
Postage	234	229	234	229
Printing and stationery	416	386	416	386
Repairs and maintenance	4,074	4,277	4,074	4,277
Security	776	221	776	221
Services from Shared Services SA	1,189	1,101	1,189	1,101
Short term lease expense	274	173	274	173
Training and development	299	249	299	249
Travel expenses	871	1,127	871	1,127
Other supplies and services	1,385	1,260	1,385	1,261
Total supplies and services	80,318	62,374	80,318	62,375

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

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

9. Grants and subsidies

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Funding to non-government organisations	999	778	999	778
Other	961	737	764	736
Total grants and subsidies	1,960	1,515	1,763	1,514

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

10. Other expenses

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Debts written off	(28)	332	(28)	332
Bank fees and charges	5	7	4	7
Donated assets expense	-	-	-	2,455
Other*	176	113	176	113
Total other expenses	153	452	152	2,907

Donated assets expense includes transfer of buildings and improvements and plant and equipment and is recorded as expenditure at their fair value. For the Parent donated assets for 2022 relates to the transfer of completed works in progress to the HAC asset class. Refer to note 16 for further details.

* Includes Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act* of \$0.085 million (\$0.075 million). No other services were provided by the Auditor-General's Department. Payments to Galpins Accountants Auditors and Business Consultants of \$0.039 million (\$0.034 million) for the audit of HAC's and Aged Care.

11. Cash and cash equivalents

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand	7,256	4,835	7,192	4,561
Deposits with Treasurer: general operating	5,773	5,535	5,773	5,535
Total cash and cash equivalents	13,029	10,370	12,965	10,096

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 \$13.029 million (\$10.370 million) held, \$2.385 million (\$2.189 million) relates to aged care refundable deposits.

12. Receivables

Current	Note	Consolidated		Parent	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Patient/client fees: compensable		109	152	109	152
Patient/client fees: aged care		148	129	148	129
Patient/client fees: other		304	67	304	67
Debtors		3,974	527	3,828	528
Less: impairment loss on receivables	12.1	(218)	(231)	(218)	(231)
Prepayments		38	85	38	85
Interest		256	19	255	19
Workers compensation provision recoverable		261	191	261	191
Sundry receivables and accrued revenue		6,886	3,237	6,886	3,245
GST input tax recoverable		167	114	167	114
Total current receivables		11,925	4,290	11,778	4,299

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Non-current

Debtors	33	35	33	35
Workers compensation provision recoverable	554	362	554	362
Total non-current receivables	587	397	587	397

Total receivables	12,512	4,687	12,365	4,696
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Receivables arise in the normal course of selling goods and services to other agencies and to the public. The Hospital's trading terms for receivables are generally 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Other than as recognised in the 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.

12.1 Impairment of receivables

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

Movement in the impairment of receivables:

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	231	508	231	508
Increase/(Decrease) in allowance recognised in profit or loss	(13)	(277)	(13)	(277)
Carrying amount at the end of the period	218	231	218	231

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

13. Other financial assets

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Term deposits	18,292	18,394	17,852	17,917
Total current investments	18,292	18,394	17,852	17,917

Non-current

Joint venture	70	70	-	-
Total non-current investments	70	70	-	-

Total investments	18,362	18,464	17,852	17,917
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The Hospital holds term deposits of \$18.292 million (\$18.394 million) of which \$10.307 million (\$10.451 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.

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14. Inventories

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Drug supplies	328	402	328	402
Medical, surgical and laboratory supplies	1,017	972	1,017	972
Food and hotel supplies	157	122	157	122
Other	50	44	50	44
Total current inventories - held for distribution	1,552	1,540	1,552	1,540

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

15. Property, plant and equipment

15.1 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.

15.2 Depreciation and amortisation 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	2 - 13
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	2 - 3

15.3 Revaluation

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

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

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

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15.4 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 2023.

15.5 Land and buildings

An independent valuation of land and buildings owned by the Hospital was performed in March 2018, within the regular valuation cycle, by a certified practising valuer from AssetVal as at June 2018. Consistent with *Treasurer's Instructions*, a public authority must at least every 6 years obtain a valuation appraisal from a qualified valuer, the next independent valuation is scheduled to occur during the 2023-24 financial year.

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

Fair value of buildings 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.

15.6 Plant and equipment

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

15.7 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. Short-term leases of 12 months or less and low value leases, where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and disclosed in note 8.

Major lease activities include the use of:

- Properties – include health clinics 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 and has not entered into any sub-lease arrangements outside of the Hospital.

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

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16. Reconciliation of property, plant and equipment

The following table shows the movement:

Consolidated

2022-23

	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	125,637	378	1,016	566	773	267	582	136,093
Additions	-	-	-	1,586	12	-	367	973	2,938
Transfers between asset classes	-	943	-	(943)	119	58	-	(177)	-
Subtotal:	6,874	126,580	378	1,659	697	831	634	1,378	139,031
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(6,589)	(71)	-	(255)	(131)	(230)	-	(7,276)
Subtotal:	-	(6,589)	(71)	-	(255)	(131)	(230)	-	(7,276)
Carrying amount at the end of the period*	6,874	119,991	307	1,659	442	700	404	1,378	131,755
Gross carrying amount									
Gross carrying amount	6,874	148,716	578	1,659	2,497	1,254	722	1,378	163,678
Accumulated depreciation / amortisation	-	(28,725)	(271)	-	(2,055)	(554)	(318)	-	(31,923)
Carrying amount at the end of the period	6,874	119,991	307	1,659	442	700	404	1,378	131,755

*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 19 for details about the lease liability for right-of-use assets.

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Consolidated
2021-22

	Land and buildings:		Plant and equipment:					Total \$'000	
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000		Capital works in progress plant and equipment \$'000
Carrying amount at the beginning of the period	6,874	128,100	449	3,393	868	866	367	325	141,242
Additions	-	-	-	1,579	-	23	173	267	2,042
Disposals	-	-	-	-	-	-	(2)	-	(2)
Transfers between asset classes	-	3,956	-	(3,956)	-	10	-	(10)	-
Subtotal:	6,874	132,056	449	1,016	868	899	538	582	143,282
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(6,419)	(71)	-	(302)	(126)	(271)	-	(7,189)
Subtotal:	-	(6,419)	(71)	-	(302)	(126)	(271)	-	(7,189)
Carrying amount at the end of the period*	6,874	125,637	378	1,016	566	773	267	582	136,093
Gross carrying amount									
Gross carrying amount	6,874	147,774	578	1,016	2,366	1,196	684	582	161,070
Accumulated depreciation / amortisation	-	(22,137)	(200)	-	(1,800)	(423)	(417)	-	(24,977)
Carrying amount at the end of the period	6,874	125,637	378	1,016	566	773	267	582	136,093

*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 19 for details about the lease liability for right-of-use assets.

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Parent
2022-23

	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	68,670	378	1,016	566	773	267	582	75,349
Additions	-	-	-	1,586	12	-	367	973	2,938
Transfers between asset classes	-	943	-	(943)	119	58	-	(177)	-
Subtotal:	3,097	69,613	378	1,659	697	831	634	1,378	78,287
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(3,308)	(71)	-	(255)	(131)	(230)	-	(3,995)
Subtotal:	-	(3,308)	(71)	-	(255)	(131)	(230)	-	(3,995)
Carrying amount at the end of the period*	3,097	66,305	307	1,659	442	700	404	1,378	74,292
Gross carrying amount									
Gross carrying amount	3,097	79,243	578	1,659	2,497	1,254	722	1,378	90,428
Accumulated depreciation / amortisation	-	(12,938)	(271)	-	(2,055)	(554)	(318)	-	(16,136)
Carrying amount at the end of the period	3,097	66,305	307	1,659	442	700	404	1,378	74,292

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

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Parent
2021-22

	Land and buildings:		Plant and equipment:					Total \$'000	
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000		Capital works in progress plant and equipment \$'000
Carrying amount at the beginning of the period	3,097	70,434	449	3,393	868	866	367	325	79,799
Additions	-	-	-	1,579	-	23	173	267	2,042
Disposals	-	-	-	-	-	-	(2)	-	(2)
Donated assets disposal	-	-	-	(2,455)	-	-	-	-	(2,455)
Transfers between asset classes	-	1,501	-	(1,501)	-	10	-	(10)	-
Subtotal:	3,097	71,935	449	1,016	868	899	538	582	79,384
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(3,265)	(71)	-	(302)	(126)	(271)	-	(4,035)
Subtotal:	-	(3,265)	(71)	-	(302)	(126)	(271)	-	(4,035)
Carrying amount at the end of the period*	3,097	68,670	378	1,016	566	773	267	582	75,349
Gross carrying amount									
Gross carrying amount	3,097	78,301	578	1,016	2,366	1,196	684	582	87,820
Accumulated depreciation / amortisation	-	(9,631)	(200)	-	(1,800)	(423)	(417)	-	(12,471)
Carrying amount at the end of the period	3,097	68,670	378	1,016	566	773	267	582	75,349

* 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 19 for details about the lease liability for right-of-use assets.

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17. Fair value measurement

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

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

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

Refer to notes 15 and 17.1 and for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

17.1 Fair value hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The Hospital categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement. There are no non-recurring fair value measurements. During 2022 and 2023 the Hospital had no valuations categorised into Level 1 or 2.

17.2 Valuation techniques and inputs

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

Unobservable inputs used to arrive at final valuation figures included:

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

18. Payables

	Consolidated		Parent	
	2023	2022	2023	2022
Current	\$'000	\$'000	\$'000	\$'000
Creditors and accrued expenses	7,602	5,205	7,602	5,205
Paid Parental Leave Scheme	42	18	42	18
Staff on-costs*	1,165	1,010	1,165	1,010
Other payables	51	70	51	70
Total current payables	8,860	6,303	8,860	6,303
Non-current				
Staff on-costs*	412	391	412	391
Total non-current payables	412	391	412	391
Total payables	9,272	6,694	9,272	6,694

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Payables are measured at nominal amounts. Creditors and accruals are recognised for all amounts owed and unpaid. Contractual payables are normally settled within 30 days from the date the invoice is first received. 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. These on-costs primarily relate to the balance of leave owing to staff.

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 2022 rate (10.6%) to 11.1% 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 \$0.102 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 29 for information on risk management.

19. Financial liabilities

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Lease liabilities	272	247	272	247
Total current financial liabilities	272	247	272	247
Non-current				
Lease liabilities	451	408	451	408
Total non-current financial liabilities	451	408	451	408
Total financial liabilities	723	655	723	655

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 \$0.012 million (\$0.010 million).

Refer to note 29 for information on risk management.

19.1 Maturity analysis

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

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Lease Liabilities				
1 to 3 years	628	484	628	484
3 to 5 years	116	116	116	116
5 to 10 years	10	68	10	68
Total lease liabilities (undiscounted)	754	668	754	668

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20. Staff benefits

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Accrued salaries and wages	2,793	2,746	2,793	2,746
Annual leave	7,051	6,451	7,051	6,451
Long service leave	860	832	860	832
Skills and experience retention leave	457	449	457	449
Other	2	1	2	1
Total current staff benefits	11,163	10,479	11,163	10,479
Non-current				
Long service leave	9,518	9,397	9,518	9,397
Total non-current staff benefits	9,518	9,397	9,518	9,397
Total staff benefits	20,681	19,876	20,681	19,876

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.

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

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

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

As a result of the actuarial assessment performed by DTF, the salary inflation rate has increased from the 2022 rate (1.5%) to 2.0% for annual leave and skills and experience retention leave liability. As a result, there is a increase in the employee staff benefits liability and employee benefits expenses of \$0.037 million for the current financial year. The impacts on future periods is impractical to estimate.

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

20.2 Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by 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 yield on long-term Commonwealth Government bonds has increased from 2022 (3.75%) to 4.0%. 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 increased the salary inflation rate from 2022 (2.5%) to 3.50% for long service leave liability resulting in an increase in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$0.173 million, payables (staff on-costs) of \$0.007 million and staff benefits expense of \$0.180 million. The impact on the future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption being the long-term discount rate.

The split for long service leave between current and non-current is based on the best estimate of the amount to be paid in the current year based on leave taken in prior years.

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21. Provisions

Provisions represent workers compensation

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	2,167	1,159	2,167	1,159
Increase in provisions recognised	518	1,039	518	1,039
Reductions arising from payments/other sacrifices of future economic benefits	(108)	(31)	(108)	(31)
Carrying amount at the end of the period	2,577	2,167	2,577	2,167

Workers compensation provision (statutory and additional compensation schemes)

The Hospital is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the Hospital is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs. Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

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.

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

22. Contract liabilities and other liabilities

	Consolidated		Parent	
	2023	2022	2023	2022
Current	\$'000	\$'000	\$'000	\$'000
Contract liabilities	1,741	3,206	1,741	3,206
Residential aged care bonds	15,951	15,928	15,951	15,928
Total current contract liabilities and other liabilities	17,692	19,134	17,692	19,134

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.

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23. Cash flow reconciliation

Reconciliation of cash and cash equivalents at the end of the reporting period	Consolidated		Parent	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	13,029	10,370	12,965	10,096
Cash as per Statement of Financial Position	13,029	10,370	12,965	10,096
Balance as per Statement of Cash Flows	13,029	10,370	12,965	10,096
Reconciliation of net cash provided by operating activities to net result:				
Net cash provided by (used in) operating activities	4,081	2,197	4,482	2,204
Add/less non-cash items				
Asset donated free of charge	-	-	-	(2,455)
Capital revenues	1,168	1,514	1,168	1,514
Depreciation and amortisation expense of non-current assets	(7,276)	(7,189)	(3,995)	(4,035)
Interest credited directly to investments	50	20	45	19
Movement in assets/liabilities				
Increase/(decrease) in inventories	12	293	12	293
Increase/(decrease) in receivables	7,825	1,400	7,669	1,408
(Increase)/decrease in other liabilities	1,442	(2,298)	1,442	(2,298)
(Increase)/decrease in payables and provisions	(3,009)	(3,223)	(3,009)	(3,223)
(Increase)/decrease in staff benefits	(805)	230	(805)	230
Net result	3,488	(7,056)	7,009	(6,343)

Total cash outflows for leases is \$0.311 million (\$0.350 million).

24. 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Within one year	1,104	1,129	1,104	1,129
Later than one year but not longer than five years	80	37	80	37
Total other contractual commitments	1,184	1,166	1,184	1,166

The Hospital contractual 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 2023 has not been quantified.

25. Trust funds

The Hospital holds money in trust on behalf of consumers that reside in its facilities whilst the consumer is receiving residential aged care services. As the Hospital only performs 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.

Carry amount at the beginning of period	Consolidated		Parent	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Client trust payments	6	-	6	-
Carrying amount at the end of the period	12	18	12	18

26. Contingent assets and liabilities

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

26.1 Contingent Assets

The Hospital is not aware of any contingent assets.

26.2 Contingent Liabilities

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.

26.3 Guarantees

The Hospital has made no guarantees.

27. Events after balance date

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

28. Impact of Standards not yet implemented

The Hospital is assessing the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and does not expect these to have a material impact on the Hospital's financial statements.

29. Financial instruments/financial risk management

29.1 Financial risk management

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

Liquidity Risk

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

Refer to note 18 and 19 for further information.

Credit risk

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

Refer to notes 12 and 13 for further information.

Market risk

The Hospital does not engage in 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.

29.2 Categorisation of financial instruments

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

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 \$11.454 million (\$3.894 million) and \$7.530 million (\$5.165 million) respectively.

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29.3 Credit risk exposure and impairment of financial assets

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

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

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

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

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

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

CONSOLIDATED and PARENT

	30 June 2023			30 June 2022		
	Expected credit loss rate(s)	Gross carrying amount	Expected credit losses	Expected credit loss rate(s)	Gross carrying amount	Expected credit losses
	%	\$'000	\$'000	%	\$'000	\$'000
Days past due						
Current	0.2-8.1%	403	21	0.2-10%	472	25
<30 days	0.9-9.8%	163	11	1-11.8%	99	6
31-60 days	3.1-15%	64	9	3.2-15.9 %	33	3
61-90 days	4.1-22.6%	27	5	4-24.4%	27	5
91-120 days	4.6-28.4%	18	3	4.5-30.6 %	23	4
121-180 days	5.8-37.4%	28	8	5.5-40.1 %	42	10
181-360 days	18.9-63.7%	93	41	17.4-63.8 %	136	45
361-540 days	22.7-90.1%	54	33	22.9-89.8 %	48	22
>540 days	24.6-99.5%	148	87	24.8-99.4 %	171	111
Total		998	218		1,051	231

30. Significant transactions with government related entities

The Hospital is controlled by the SA Government.

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

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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 8). The Department transferred capital works in progress of \$0.807 million (\$1.514 million) to the Hospital.

31. Interests in other entities

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

Controlled Entities

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

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

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

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

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

*The transfer of net assets of the Far North Health Advisory Council Gift Fund Trust and Port Lincoln Health Advisory Council Gift Fund Trust occurred in 22-23. Prior to this transfer the net assets were vested in Country Health Gift Fund Health Advisory Council Inc Gift Fund Trust and were reported as part of Barossa Hills Fleurieu Local Health Network Inc.

EYRE AND FAR NORTH LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

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

	2023	2022
	\$'000	\$'000
Revenue from fees and charges	1,872	2,495
Other expenses	(1,872)	(2,495)
Net result	-	-
Cash and cash equivalents	2,616	1,092
Payables	(2,616)	(1,092)
Net assets	-	-
Cash at 1 July	1,092	995
Cash inflows	1,872	2,495
Cash outflows	(348)	(2,398)
Cash at 30 June	2,616	1,092

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023**

33. Board and committee members

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

Board/Committee name:	Government employee members	Other members
Eyre and Far North Local Health Network Governing Board	-	Smith M (Chair), Dunchue L, Mills D Dr, Siviour J, Sweet C, Thyer C, Smith T, Auhl P (appointed 1/7/22)
Audit and Risk Management Committee*	-	van der Wel, O (Chair – resigned 31/12/22), Sweet C (Chair), Smith T, Auhl P
Clinical Governance Committee*	-	Mills D Dr (Chair), Blacker P, Jackson T (resigned 30/11/22)
Finance and Performance Committee*	-	Dunchue L (Chair), Sweet C, Auhl P
Consumer, Community and Clinician Engagement Committee*	-	Siviour J (Co Chair), Thyer C (Co Chair)

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

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


**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.


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Michele Smith
Board Chair


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Julie Marron
Acting - Chief Executive
Officer


.....
Judy Pink
Acting - Chief Finance
Officer

Date 15/09/2023
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