

Minutes Governing Board



Date: Thursday 4 May 2023
Time: 8:45am – 10:00am
Location: Microsoft Teams

Present: Mr Mark Butcher (Chair), Ms Jenny Richter (Deputy Chair), Ms Virginia Hickey (Member), Assoc Professor Tamara Mackean (Member), Ms Julie Mitchell (Member), Ms Jill Noble (Member), Professor Judy Searle (Member), Dr Tony Sherbon (Member)

SALHN Executive: Dr Kerrie Freeman (Chief Executive Officer), Ms Jani Baker (Chief Strategy Officer), Mr Wayne Gadd (Executive Director, Infrastructure Services and Digital Health)

Guests: Mr Sam Felkl (Lead Project Manager, Southern Redevelopment), Mr Tom Bernard (Director, Rider Levett Bucknall) (*from 9:00am to 10:00am*)

Secretariat: Ms Karen Mugford (Manager Corporate Governance and Risk)

Apologies: Mr Tim Packer (Executive Director Infrastructure, DHW)

1. Acknowledgement of Country

The Chair opened the meeting at 8:45am and delivered an Acknowledgement of Country.

We acknowledge the Kurna people are the traditional custodians of the Adelaide Plains and pay respects to Elders past, present and future.

We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kurna people living today.

2. Welcome, Present and Apologies

The Chair welcomed all present to the meeting and advised that Mr Flekl and Mr Bernard will be joining the meeting at 9:00am. Mr Packer's apologies were noted.

The Chair and CEO framed the intended discussion for the meeting with a particular focus on:

- *The connectivity of delivering on government commitments and the needs of the southern community;*
- *Budget and scope optimisation measures to be progressed over coming weeks to advise government; and*
- *Clarification on the role of the Board in the governance of capital planning in the absence of policy contemporary to the Health Care Act 2019 (SA).*

3. Declarations of Interest

Nil.

Mr Felkl and Mr Bernard joined the meeting at 9:00am.

3. Southern Redevelopment Program – Stage 1

The Chair reiterated the intended discussion for the meeting with Mr Felkl and Mr Bernard.

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The Board noted that discussions of the SALHN Board Finance and Performance Committee in relation to the original draft minute, specifically the approach, safety and quality issues proposed to be deferred as well as the risk of the optimisation measures not being realised, therefore understating the budget variance in the draft minute. These matters were raised to the Southern Redevelopment Stage 1 Executive Steering Committee (ESC) where slippage in some of project timeframes were also reported. This precipitated the calling of this extraordinary meeting of the Board.

Highlights of the discussion included:

- *Outcomes from recent discussions at the ESC in relation to the variation to budget and governance responsibilities of the Board.*
- *That the CEO will sign off the briefing to the CE SA Health and Government.*

Financial

- *Outcomes of analysis of the budget variation drivers.*
- *Options inclusive but not limited to bringing forward timing of plans (restaged), rescoping plans within budget parameters, and delivering original scope with additional resources.*
- *Notification to original provider of infrastructure master planning costing of the impact to SALHN in relying on their costing estimate and offering an opportunity to respond. The opportunity to pursue their professional indemnity policy was noted.*

Assurance

- *Frameworks used internationally and other States for independent gated assurance to capital planning and works, the role and deliverables of Infrastructure SA.*
- *Timeliness and processes for gated checks associated with this project and in general for capital projects through Infrastructure SA.*

Governance

- *Confirmation that capital planning policy was made operational prior to the Board's establishment and requires updating.*
- *Consistent interpretation across SA Health of the Health Care Act 2008 (SA) governance and management arrangements in relation to the functions of a governing body and strategic planning.*

The Board:

- noted the report titled 'Southern Redevelopment Program – Stage 1' and the revised draft minute.
- recommended to the Chief Executive Officer that the minute to the Minister for Health and Wellbeing is inclusive of statements to the effect that:
 - SALHN recognises it shares responsibility in the financial management of the capital works projects.
 - system improvements are maximised to the capital governance structure through learnings including:
 - earlier gated checks within current arrangements.
 - establishment of independent assurance teams which provide checks starting at gate 1 to make timely recommendations to Government and the Boards.
 - the update of capital planning policy to recognise the role of the Board in strategic planning to guide the delivery of services and to approve those plans.
 - options for moving forward are being examined with key stakeholders and will be presented to the Minister for Health and Wellbeing.

5. Any Other Business

Nil.

6. Meeting close

The Chair closed the meeting at 10:00am.

A handwritten signature in black ink that reads "Alan Butler". The signature is written in a cursive style.

18 May, 2023 4:08:10 PM GMT+9:30

**Approved as an accurate record of proceedings
BOARD CHAIR**