

**OFFICIAL**



**Government  
of South Australia**

**BAROSSA HILLS FLEURIEU  
LOCAL HEALTH NETWORK  
2020-21 Annual Report**

**Barossa Hills Fleurieu Local Health Network**

Mount Barker District Soldiers Memorial Hospital, 87 Wellington Road  
Mount Barker, South Australia, 5251

[www.sahealth.sa.gov.au/barossahillsfleurieulhn](http://www.sahealth.sa.gov.au/barossahillsfleurieulhn)

Contact phone number: (08) 8393 1777

Contact email: Health.BHFLHN@sa.gov.au

ISSN: 2652-6611

Date presented to Minister: 30 September 2021

**OFFICIAL**

**OFFICIAL**

2020-21 ANNUAL REPORT for the Barossa Hills Fleurieu Local Health Network

To:

Hon Stephen Wade MLC

Minister for Health and Wellbeing

This annual report will be presented to Parliament to meet the statutory reporting requirements of *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 Barossa Hills Fleurieu Local Health Network by:

Rebecca Graham

Chief Executive Officer

Date 30 September 2021

Signature

  
\_\_\_\_\_

## From the Governing Board Chair



Barossa Hills Fleurieu Local Health Network embarked on our second year focussed on COVID-19, driven by our goal of ensuring the safety and wellbeing of our communities. We are incredibly proud that our proactive measures, the dedication of our staff, and responsiveness of our services, have helped contribute to South Australia's currently and relatively enviable position.

In addition to our COVID-19 response, we have been proud to also channel our attention toward reinvigorating our values-based initiatives and foundational planning and development.

We launched our Strategic Intent 2020-2022 at the 2020 Annual Public Meeting. This document has formed the basis for our Strategic Plan development, which will now set our agenda and direction for the next four years.

Through extensive engagement with our staff, consumer groups and broader community, we are developing a plan built around agreed priorities, rich with the possibility of truly realising our vision of *shining new light on the health, healing and wellbeing of our communities through the provision of extraordinary services and care.*

The BHFLHN Governing Board and Executive came together to work through an appreciative enquiry approach - challenging ourselves to consider "*why* do you do *what* you do for BHFLHN - and *why* does it matter?" This fundamental question confirmed our shared passion for our communities, for making a difference, practicing empathy and building relationships.

The BHFLHN Strategic Plan will be launched alongside our Clinician Workforce Plan and Consumer and Community Engagement Plan at our Annual Public Meeting in November 2021.

The past year has also seen us welcome two new members to the BHFLHN Governing Board, Professor Jeff Fuller and Greg Russell. Their combined experience in rural health, Aboriginal and Torres Strait Islander health and business management has enriched our expertise and perspectives.

Our passion for building relationships is already guiding the priority work of our local health network, particularly when it comes to the important work of strengthening connections and earning the trust of First Nations peoples on whose land our health services reside and deliver services.

Our Governing Board and senior leadership staff have been meeting together with Aboriginal health service partners, along with community representatives and Elders

to hear their experiences of accessing our services and to understand how we can better meet their health and wellbeing needs.

BHFLHN is currently in the process of creating our first Reconciliation Action Plan, which will provide a framework for our organisation to support the national reconciliation movement. It will provide practical actions that will drive our contribution to reconciliation and has a strong focus on developing respectful relationships and meaningful opportunities with Aboriginal and Torres Islander peoples.

This past year has also demonstrated, once again, that BHFLHN over-achieves in several key performance areas, particularly as they relate to emergency department seen on time, elective surgery and consumer experience. Furthermore, our Strathalbyn and Torrens Valley aged care facilities both responded to two unannounced accreditation visits with exceptional leadership and dedication from their staff. Both accreditations were rigorous and demanding, but both sites stepped up and demonstrated that we provide exceptional, safe and quality care within our services.

I also wish to highlight our exceptional financial performance, which has continued to strengthen over the two years since our formation. BHFLHN is one of the strongest financially performing local health networks in South Australia.

These achievements combine to form a powerful launchpad for the coming year. I thank the Directors and Executive for their continued adaptability, resourcefulness and dedication to their staff and communities.

On behalf of the BHFLHN Governing Board, I express our sincere gratitude to our patients and consumers, staff, service partners and stakeholders for their trust, support and patience over what has, and continues to be, an extraordinary time for health and for our communities.



Carol Gaston AM  
**Governing Board Chair**  
**Barossa Hills Fleurieu Local Health Network**

## From the Chief Executive



The past year has seen us mature as a health network and our connection to one another strengthen, as together we have continued to navigate the challenges of a global pandemic.

Our COVID-19 testing and vaccination programs have seen us make a significant contribution to South Australia's public health strategy. We have conducted more COVID-19 tests than any other single South Australian local health network, excluding SA Health sponsored drive through clinics such as Victoria Park and the Repat Health Precinct.

Our vaccine program has also been extraordinarily successful. During 2020-21 we had delivered 7,415 vaccinations. Over 3,500 vaccinations have been administered on Kangaroo Island, as a result of a successful partnership with the Royal Flying Doctor Service, the Kangaroo Island Council and SA Health.

Our critical role as a peri-urban health network has seen us make a significant impact on the ramp-down of metropolitan hospitals, involving the transfer or repatriation of patients, including to our long-stay sites from metropolitan hospitals, making available critical bed space, whilst managing activity growth at our peri-urban sites. The role BHFLHN has in supporting the system is critical and we will continue to develop ways in which to support activity demand and management across the system.

Never has the resilience and dedication our staff been more evident – including the large portion of our staff who have continued the important work of business as usual while many of their colleagues were taken offline to dedicate their expertise and focus to COVID-19.

While delivering this pandemic response, our health network continues to aspire to be values-centred at every level, with our organisational values of trust, respect, integrity, collaboration and kindness guiding every part of our planning, decision-making and culture.

Despite all the challenges we have faced over the past year, I am particularly proud that our commitment to developing our culture and leadership has remained steadfast. Through our culture and leadership program, which commenced in October 2019, our executive team and senior managers have been able to build trust, foster bonds, and find a space to express their vulnerabilities throughout a period that tested all of us in unprecedented ways.

'Sustainable productivity' was identified as a collective challenge, and these themes have been developed and courageously explored through a combination of coaching circles, debriefing sessions and story circles; which enables deeper connection and relationships, and build psychological safety, where stories were shared about progress in stretching leadership 'edges' and improving leadership effectiveness.

Infrastructure and capital development remain an area of high activity, with multiple projects underway including major investments in Strathalbyn Residential Aged Care and surgical theatre upgrades in Gawler and Kapunda.

The emergency department at Mount Barker District Soldiers' Memorial Hospital is undergoing a \$8.6 million upgrade to expand current emergency service capability and deliver high quality and contemporary health services for the people of Mount Barker and surrounding communities.

Gawler Health Service looks forward to its own emergency department upgrade in 2022, as does Southern Fleurieu Health Service, which has recently received additional Federal and State funding that will enable the expansion of renal dialysis services and deliver essential upgrades to the Central Sterile Services Department, ensuring better healthcare, closer to home, for residents of the Southern Fleurieu.

Master planning of the Kangaroo Island Health Service continues with an exciting milestone recently celebrated with the acquisition of land adjacent to the hospital, worth \$1.5 million, which will allow us to explore future development opportunities to maximise health service delivery and ensure we can continue to provide high quality health and aged care services for Kangaroo Island residents in the future.

Another area of our activity this year that brings me enormous pride is our work in embedding a Yarning Circle model of engagement and connection, led by outstanding members of our network's Aboriginal workforce. This format of deep-listening and cultivation of respect has further supported the development of our Consumer and Community Engagement Strategy, which has actively centred the voices and experiences of First Nations people.

This journey of engagement ultimately led to the co-design of a stunning piece of artwork, led by artist-collaborators, Ngadli Arts, creating a piece named 'Ngallugu Wambana Yunggu' – Narrunga meaning '[to] walk as one and share our experiences'. We are thrilled to be launching this beautiful artwork as part of our Consumer and Community Engagement Strategy in the coming months.



Rebecca Graham  
**Chief Executive**  
**Barossa Hills Fleurieu Local Health Network**

<b>Contents Overview: about the agency</b>	<b>9</b>
Our strategic focus .....	9
Our organisational structure .....	9
Changes to the agency .....	11
Our Minister .....	12
Our Executive team .....	12
Legislation administered by the agency .....	15
Other related agencies (within the Minister's area/s of responsibility) .....	15
<b>The agency's performance</b>	<b>16</b>
Performance at a glance.....	17
Agency response to COVID-19 .....	<b>18</b>
Agency contribution to whole of Government objectives .....	20
Agency specific objectives and performance .....	23
Corporate performance summary .....	29
Employment opportunity programs .....	31
Agency performance management and development systems .....	31
Work health, safety and return to work programs .....	32
Executive employment in the agency.....	33
<b>Financial performance</b>	<b>34</b>
Financial performance at a glance .....	34
Consultants disclosure .....	35
Contractors disclosure .....	36
<b>Risk management</b>	
Risk and audit at a glance .....	40
Fraud detected in the agency .....	<b>40</b>
Strategies implemented to control and prevent fraud .....	40
Public interest disclosure .....	41
<b>Reporting required under any other act or regulation</b>	<b>42</b>
Reporting required under the <i>Carers' Recognition Act 2005</i> .....	42
<b>Public complaints</b>	<b>43</b>
Number of public complaints reported .....	43

Additional Metrics .....	44
Service Improvements .....	45
Compliance Statement.....	45
<b>Appendix: Audited financial statements 2020-21</b>	<b>46</b>

## Overview: about the agency

### Our strategic focus

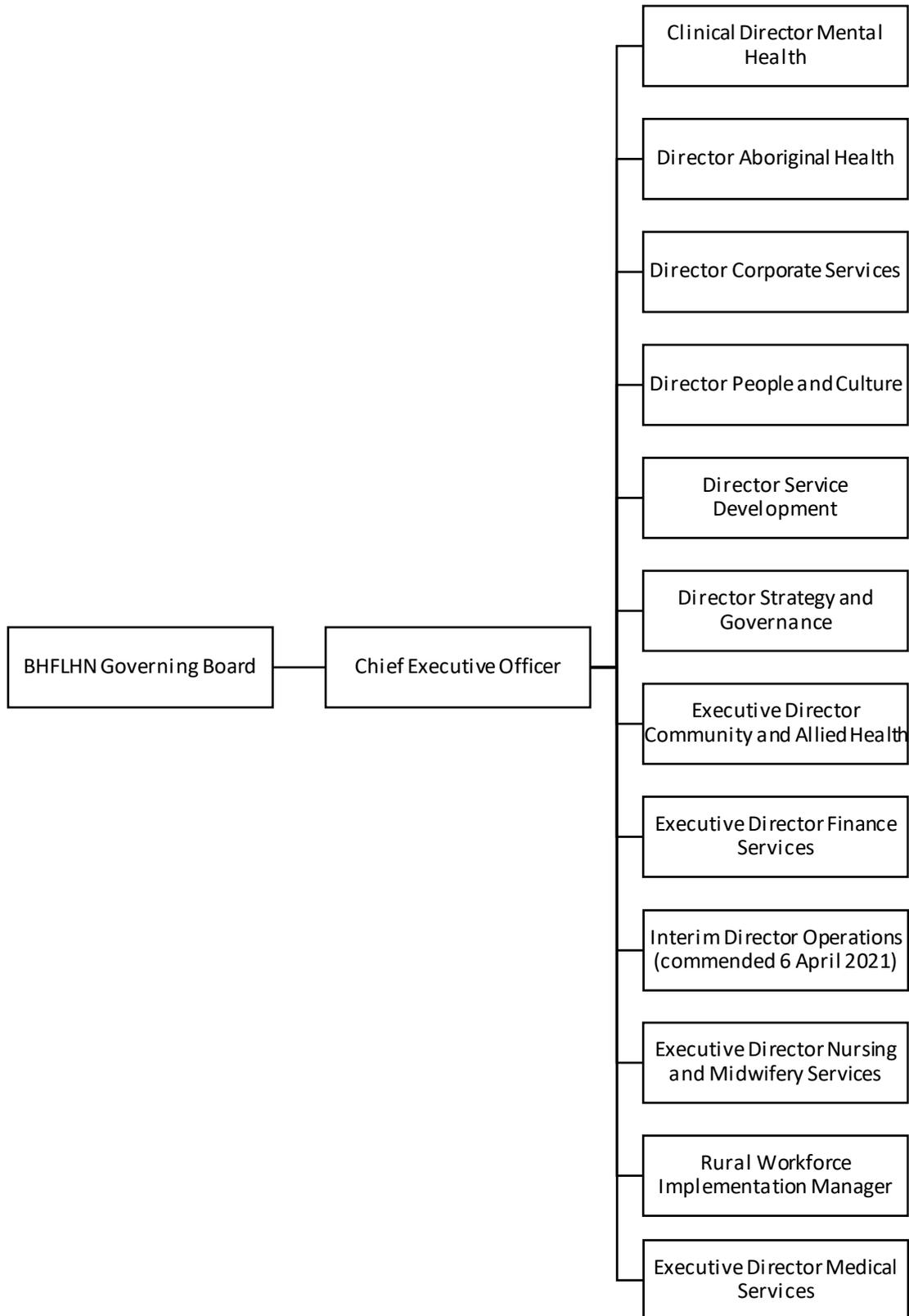
<b>Our Purpose</b>	Safe, effective, personal and connected health services for the communities of the Barossa, Adelaide Hills, Fleurieu and Kangaroo Island.
<b>Our Vision</b>	To shine new light on the health, healing and wellbeing of our communities through the provision of extraordinary services and care.
<b>Our Values</b>	<ul style="list-style-type: none"> <li>• Trust = A safe and reliable pair of hands for all that we hold.</li> <li>• Respect = Quality treatment and care that every person deserves, every time.</li> <li>• Integrity = Own up, open up, follow up.</li> <li>• Collaboration = Sharing improves our caring.</li> <li>• Kindness = Giving care and taking care in providing care.</li> </ul>
<b>Our functions, objectives and deliverables</b>	<p>To ensure that our community members receive extraordinary health services and care by delivering safe, effective, personal and connected services and care for every person, every time.</p> <p>Objectives:</p> <ul style="list-style-type: none"> <li>• Our Governance – to exemplify excellence, courage, agility and accountability.</li> <li>• Our Services – to be innovative and seek new ways to improve our services.</li> <li>• Our People – to grow a high-performing, sustainable workforce, with a positive workplace culture and high levels of leadership effectiveness.</li> <li>• Our Partners – to work with consumers, staff, clinicians, and other service providers to develop our services and find new ways of achieving our purpose.</li> </ul>

### Our organisational structure

BHFLHN Governing Board:

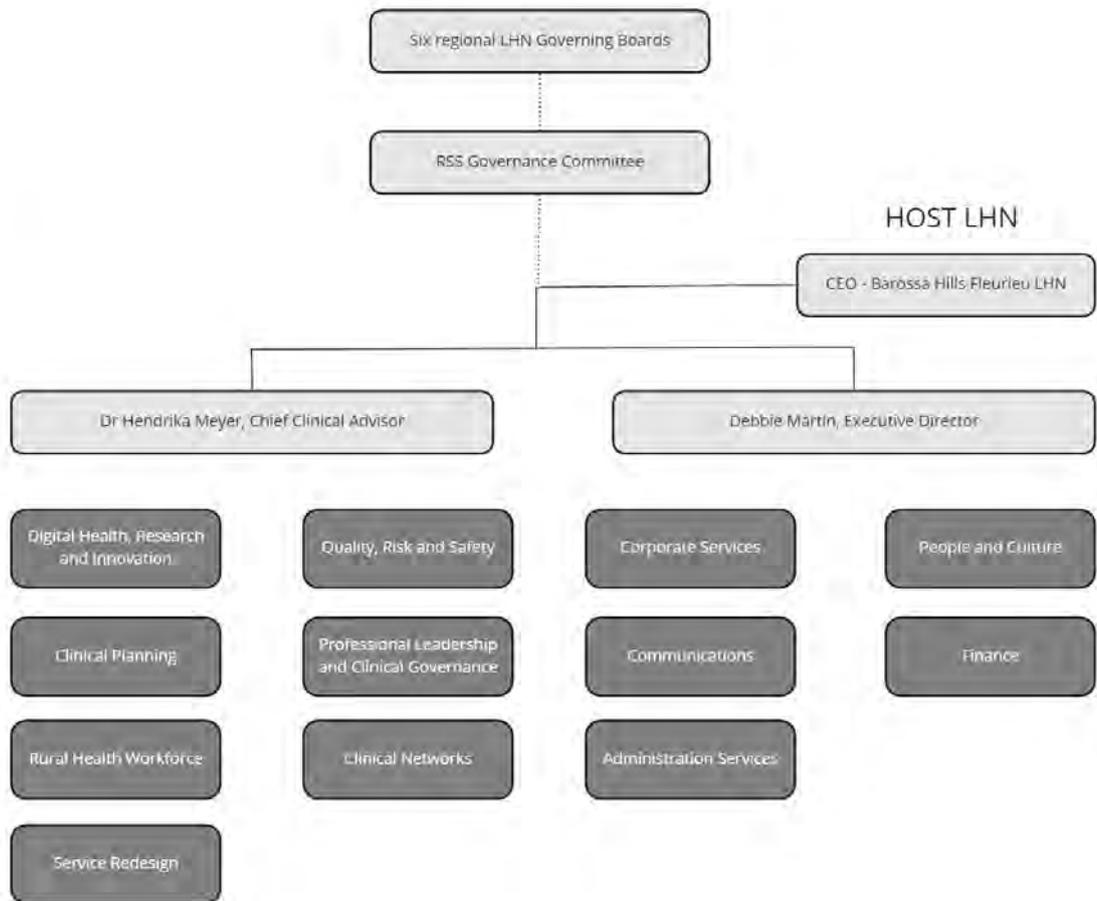
- Carol Gaston, AM (Chair)
- Pru Blackwell
- Roger Sexton
- Judy Curran
- Kevin Cantley, PSM
- Gregory Russell (appointed 12 October 2020)
- Jeffrey Fuller (appointed 12 October 2020)

BHFLHN was managed by the Chief Executive Officer (CEO), who reported to and was accountable to the BHFLHN Governing Board.



### Rural Support Service (RSS) Organisational Structure

The RSS is jointly managed by two co-directors, a Chief Clinical Advisor and an Executive Director. The co-directors report to the CEO, BHFLHN.



### Changes to the agency

During 2020-21 there were the following changes to the agency’s structure and objectives as a result of internal reviews or machinery of government changes.

- At a workshop with the regional Local Health Network (LHN) Governing Board Chairs and Chief Executive Officers (CEOs) in November 2020, it was agreed that the RSS should explore becoming an independent entity in the future, and that an interim governance arrangement should be put in place until such time as an independent entity could be approved. This involved replacing the Management Oversight Committee with the RSS Governance Committee, which is a Tier 1 committee of the BHFLHN Governing Board.

**Our Minister**

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

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



**Our Executive team**

As at the 30 June 2021, the BHFLHN Executive team consisted of:

<p><u>Chief Executive Officer</u></p> <p>Rebecca Graham is accountable to the Governing Board for the provision, management and administration of health services and achieving the overall performance of the public health system for BHFLHN.</p>	
<p><u>Director Aboriginal Health</u></p> <p>Peter Taylor is responsible for initiating, planning, implementing, coordinating and delivering Aboriginal Health programs across BHFLHN.</p>	
<p><u>Clinical Director Mental Health</u></p> <p>Dr Brian McKenny is responsible for the management of the Rural and Remote Mental Health Service within BHFLHN and Mental Health Clinical Governance for regional LHNs in country South Australia.</p>	

<p><u>Executive Director Community and Allied Health</u></p> <p>Brett Webster is responsible for the efficient and effective management of Community Health Services resulting in the provision of a range of community and hospital-based health services responsive to the identified needs of BHFLHN.</p>	
<p><u>Executive Director Medical Services</u></p> <p>Sharon Morton is responsible for the delivery of professional leadership and professional practice standards of medical staff across BHFLHN and is also the medical lead for the Quality, Risk and Safety Team.</p>	
<p><u>Executive Director Nursing and Midwifery Services</u></p> <p>Amy Lee is responsible for the delivery of Nursing and Midwifery professional services across BHFLHN and also leads the Quality, Risk and Safety Team.</p>	
<p><u>Interim Director Operations</u></p> <p>Bronwyn Masters is responsible for clinical Operations across BHFLHN with a specific focus on leading the eleven hospitals to perform to agreed standards and levels of performance. Bronwyn also takes on the role as network commander for BHFLHN and has an oversight role in Clinical Service Planning.</p>	
<p><u>Director Corporate Services</u></p> <p>Daniel Panic is responsible for managing, developing, coordinating and monitoring significant and critical, corporate and business services that support the effective operation of health units across BHFLHN.</p>	

<p><u>Executive Director Finance Services</u></p> <p>Lis Wilson is responsible for the provision of comprehensive financial services across BHFLHN and the Rural Support Service (RSS).</p>	
<p><u>Director People and Culture</u></p> <p>Mandy Palumbo is responsible for leading and managing the delivery of best practice human resources services within a business partnering framework, implementing proactive workforce strategies and interventions within services across BHFLHN in order to drive continuous improvement, performance and accountability of workforce goals and objectives.</p>	
<p><u>Director Service Development</u></p> <p>Alison King is responsible for leading and contributing to the design, planning, development, implementation, management, and evaluation of significant service development initiatives across BHFLHN. The position develops and manages overall service development project plans and provides project assistance.</p>	
<p><u>Director Strategy and Governance</u></p> <p>Kylie Williams is accountable for the provision of high quality and timely support to the Chief Executive Officer and the Governing Board. Kylie is also responsible for the Strategy and Governance team which is accountable for the delivery of secretariat support to board governance committees, project management, ministerials, performance analysis, communications and Freedom of Information (FOI).</p>	

<p><u>Rural Health Workforce Strategy Implementation Manager</u></p> <p>Kelly Borlase supports the regional LHNs and the RSS in achieving the delivery of the Rural Health Workforce Strategy. The position is responsible for the development and implementation of local strategies that align with the Rural Health Workforce Strategy and Local Health Network priorities.</p>	
--	--

Rural Support Service

As at the 30 June 2021, the RSS Executive team consisted of:

<p><u>Chief Clinical Advisor</u></p> <p>Dr Hendrika Meyer is responsible for co-directing the RSS with responsibility for delivering a comprehensive range of clinical, workforce, governance and business services that support regional LHNs.</p>	
<p><u>Executive Director</u></p> <p>Debbie Martin is responsible for co-directing the RSS with responsibility for delivering a comprehensive range of clinical, workforce, governance and business services that support regional LHNs.</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
- Eyre and Far North Local Health Network
- Flinders and Upper North Local Health Network
- Limestone Coast Local Health Network
- Northern Adelaide Local Health Network
- Riverland Mallee Coorong Local Health Network
- Southern Adelaide Local Health Network
- Women's and Children's Health Network
- Yorke and Northern Local Health Network
- South Australian Ambulance Service

## The agency's performance

### Performance at a glance

In 2020-21, BHFLHN achieved key performance in the following areas:

- Launched the BHFLHN Strategic Intent with a focus on Our Governance, Our Services, Our People, Our Partners.
- Continued to 'live' the BHFLHN values of Trust, Respect, Integrity, Collaboration and Kindness.
- All sites continue to be accredited with the Australian Council of Healthcare Standards.
- Tier 1 Governance Committees established and operational.
- All Residential Aged Care facilities continue to be accredited with Aged Care Quality and Safety Commission.
- Successfully completed an NDIS Audit.
- Won a SA Health Award in the category, 'Excellence and Innovation in Aboriginal Health' – for the outstanding first response delivered by the BHFLHN Aboriginal Health team to community members of the APY Lands, displaced due to COVID-19 restrictions and border controls
- Commenced the construction of Strathalbyn residential aged care precinct expansion to accommodate an extra 12 memory support unit places and 24 residential places.
- Procured a design team to undertake the design development of the Mount Barker Emergency Department.
- Engaged design consultants to develop a site development plan for the Southern Fleurieu Health Service.
- Opened four 'care pods' at Angaston and Tanunda providing restorative care to patients transferred from metropolitan hospitals.
- Welcomed the first three medical interns, who will work at Gawler, Mount Barker and Southern Fleurieu.
- Opened a Short Stay Unit at Gawler Health Service.
- Continued an emergency command structure for the COVID-19 pandemic.
- Achieved five out of six of the SA Health Work Health and Safety Injury Management (WHSIM) Performance Measures and 100% compliance for SA Health KPIs.
- Met or exceeding all targets for emergency department 'seen on time' triage categories, with 100% for Triage 1.
- Exceeded target for emergency department unplanned re-attendances within 48 hours and meeting targets for patients who left at their own risk both from ED and for admitted patients.
- Nil elective surgery overdue patients in category 1 despite the impact of COVID.

- Exceeded the target for mental health acute average length of stay and meeting targets for other mental health services such as readmission rates, seclusion and restraint and timeliness of care in the community.
- Achieved above target ratings for all key consumer experience indicators.
- Achieved improvements in other key performance indicators including the percentage of potentially preventable admissions, relative stay index, hospital acquired complication rate and hand hygiene compliance.
- Participation in a pilot project with the trial of CCTV in aged care at Torrens Valley Aged Care (Mount Pleasant).

In 2020-21, BHFLHN achieved key performance relating to COVID-19 as below:

- Provided a flexible COVID response including the provision of COVID testing and COVID vaccinations.
- Provided more COVID-19 tests for the community than any other LHN in metropolitan or country South Australia, 78,179 tests in 2020-21. Testing clinics operated in Gawler, Mount Barker, Victor Harbor and Kangaroo Island.
- Administered, as at 30 June 2021, a total of 7,415 vaccinations (6,124 Pfizer and 1,291 AstraZeneca).
- Operated, in partnership with the Royal Flying Doctor Service, Kangaroo Island Council, and SA Health, a pop-up vaccination clinic for the Kangaroo Island community.
- Provided mobile vaccination clinics to specific populations such as residential aged care residents and staff.

### Rural Support Service

In 2020-21, the RSS achieved key performance in the following areas:

- Developed and released, as part of implementing the Rural Health Workforce Strategy, the Rural SA Ambulance Service Plan 2020-25, SA Rural Nursing and Midwifery Workforce Plan 2021-26 and SA Rural Allied and Scientific Health Workforce Plan 2021-26.
- Established the South Australian Rural Generalist Program, Steering Committee and Rural Generalist Coordination Unit for the review and coordination of rural medical training in South Australia, as part of the Commonwealth's Governments National Rural Generalist Pathway and the South Australian Government's Rural Medical Workforce Plan 2019-24.
- Supported, through the Expanding Country Cancer Services Initiative, regional LHNs to achieve a 90% increase in cancer treatment episodes and a 94.9% increase in medical oncology consults across all regional LHNs since 2016-17.
- Developed rural stroke pathways for all rural and regional country hospitals.
- Secured \$880,000 to deliver a hospice in residential aged care facility services.
- Finalised the Child Health and Early Development Model of Care for the regional LHNs.

- Continued the South Australian Virtual Emergency Service (SAVES) with extended hours, operating between 7pm – 7am, with 2,776 calls in 2020-21.
- The RSS Infection Prevention and Control Nurse Manager acted as a key subject matter expert and communication conduit between DHW and the regional LHNs in the early stage of the COVID-19 pandemic.
- Provided clinical leadership in streamlining the COVID-19 vaccination service delivery models across the regional vaccination clinics.
- Coordinated and supported the implementation of the Allied Health Rural Generalist Training Pathway for 20 Allied Health Practitioners across the regional LHNs.
- Coordinated the use of the Digital Telehealth Network for 42,713 clinical and non-clinical video conferencing sessions during 2020-21.
- Continued to support telehealth service delivery across SA Health in response to COVID-19.
- Completed service profiles, incorporating latest demographic and health service activity, for each regional LHN and their respective health services.
- Made changes to the PATS eligibility criteria and Guidelines for Assessment to make them simpler and easier to understand.
- Continued to provide revenue and claiming services for regional LHN delivery of ageing and disability programs and identified cost saving opportunities.
- On behalf of the regional LHNs, led negotiations with the Australian Medical Association (SA) and Rural Doctors Association of South Australia regarding the new South Australian Rural Medical Fee Agreement.

**Agency contribution to whole of Government objectives**

<b>Key objective</b>	<b>Agency's contribution</b>
More jobs	As part of implementing the Rural Health Workforce Strategy, developed and released the Rural SA Ambulance Service Plan 2020-25, SA Rural Nursing and Midwifery Workforce Plan 2021-26 and SA Rural Allied and Scientific Health Workforce Plan 2021-26.
Lower costs	<p>Costs for consumers were reduced through delivering programs such as:</p> <ul style="list-style-type: none"> <li>• The Patient Assistance Transport Scheme.</li> <li>• Timely elective surgery.</li> <li>• Increasing access to Telehealth services.</li> <li>• Home based chronic disease monitoring.</li> </ul>
Better Services	<p><u><b>BHFLHN</b></u></p> <p>Significant service outcomes achieved in 2020-21 included the following:</p> <ul style="list-style-type: none"> <li>• COVID-19 Testing - BHFLHN operated four COVID19 testing services at Kangaroo Island Health Service, Mount Barker District Soldiers' Memorial Hospital, Gawler Health Service and Southern Fleurieu Health Service and supported the SA Pathology operated COVID19 testing service at Tanunda Hospital. The services performed 78,179 tests in 2020-21 and delivered a flexible testing service based on demand and community needs, particularly during outbreak management and state lockdowns.</li> <li>• COVID-19 Vaccinations - since 29 March 2021, BHFLHN has been successfully operating vaccination clinics. Mobile clinics and pop-up clinics have been mobilised for specific populations including aged care residents and the Kangaroo Island community, whilst providing Pfizer and AstraZeneca to the community as per clinical recommendations.</li> <li>• Gawler Theatre upgrade.</li> <li>• Kapunda CSSD upgrade.</li> <li>• Fire Services upgrades at Kapunda and Eudunda Hospitals.</li> <li>• Development of a Gawler Short Stay Unit - to provide a short period of assessment, course of therapy or observations for a group of patients who no longer require ED care, 667 patients utilised the Short Stay Unit in the past year for their care.</li> </ul>

	<ul style="list-style-type: none"><li>• Orthopaedic surgeons visiting Kangaroo Island regularly identified patients who needed arthroplasty. This is not able to be performed on Kangaroo Island and therefore, these patients now visit Mount Barker and are operated on by the surgeon they consulted on Island.</li><li>• In collaboration with Northern Adelaide Health Service (NALHN), BHFLHN are repatriating patients from the NALHN elective surgery waitlist who can receive their care closer to home at Gawler Health Service. Gawler treated 69 NALHN patients between April – July 2021.</li><li>• An Elective Surgery collaboration with NALHN enabled patients who were overdue for a colonoscopy to receive their care at Gawler Health Service.</li><li>• Implementation of the Carepod Program to provide restorative care for metropolitan hospital long stay patients that are transferred to a Peri-Urban Care Pod site – Tanunda and Angaston. These patients are no longer acutely unwell, however for various reasons are unable to be discharged. 45 consumers were accepted into the program with 37 being successfully discharged. A formal evaluation of the program was completed which identified high levels of consumer satisfaction.</li><li>• BHFLHN has a significant role to play in supporting patients to receive care closer to home once their tertiary care requirements are no longer required in a metropolitan Adelaide hospital. A number of initiatives were trialled during 2020-21 to enable rapid transfer options including a liaison officer in Flinders Medical Centre and additional medical support into Southern Fleurieu Health Service. As a part of the state governments commitment to reducing ramping, in May, BHFLHN was allocated funds to open an additional sixteen beds at Gawler Health service to manage demand for services in the outer northern area.</li><li>• Partnering with the Department for Health and Wellbeing and six regional Local Health Networks in the development of an Aged Care Strategy for regional South Australia.</li></ul>
--	--

	<p><u>RSS</u></p> <p>Significant service outcomes achieved in 2020-21 included the following:</p> <ul style="list-style-type: none"><li>• Through the Rural Health Workforce Strategy, allocated \$16 million to critical rural health workforce projects across all regional local health networks, including the Allied Health Rural Generalist Pathway and a model for allied health leadership, the Mid North Midwifery Model of Care, support for registered nurse collaborative graduate programs and new nurse practitioner positions, technology and volunteer recruitment supports for SAAS, and the medical South Australian Rural Generalist Program.</li></ul>
--	--

**Agency specific objectives and performance**

<b>Agency objectives</b>	<b>Indicators</b>	<b>Performance</b>
Workforce	South Australian Rural Generalist Program 2020-21	<ul style="list-style-type: none"> <li>• Established the South Australian Rural Generalist Program, Steering Committee and Rural Generalist Coordination Unit for the review and coordination of rural medical training in South Australia, as part of the Commonwealth’s Governments National Rural Generalist Pathway and the South Australian Government’s Rural Medical Workforce Plan 2019-24.</li> <li>• Achieved the highest level of advanced skills training (AST) in regional SA since 2017; increased rural internships and overall recruitment with less positions going unfilled; new rural generalist designed PGY2 placements; maximisation and coordination of State and Commonwealth Government funding; development of AST for rural based GPs and “fellowed” GPs; streamlined AST recruitment processes; and improved visibility of all rural training positions.</li> </ul>

	Rural Health Workforce Strategy	<ul style="list-style-type: none"> <li>• Developed and released the Rural SA Ambulance Service Plan 2020-25, SA Rural Nursing and Midwifery Workforce Plan 2021-26 and SA Rural Allied and Scientific Health Workforce Plan 2021-26.</li> <li>• Continued implementation of the SA Rural Medical Workforce Plan 2019-24.</li> <li>• Commenced development of the SA Rural Aboriginal Health Workforce Plan.</li> </ul>
Improving access to health services in our community	South Australian Virtual Emergency Service (SAVES)	<ul style="list-style-type: none"> <li>• Continued SAVES with extended hours operating between 7pm – 7am, with 2,776 calls in 2020-21.</li> </ul>
	Virtual Clinical Care (VCC)	<ul style="list-style-type: none"> <li>• Partnered with Riverland Mallee Coorong LHN to reduce hospital readmissions through home care packages.</li> <li>• Avoided 129 emergency department presentations.</li> <li>• Avoided 195 preventable hospital admissions.</li> <li>• 15,963 client contacts.</li> </ul>
	Palliative Care	<ul style="list-style-type: none"> <li>• Secured \$880,000 to deliver a hospice in residential aged care facility service.</li> <li>• Secured an additional \$350,000 to deliver a GP Shared Care program to support the residential aged care hospice program.</li> <li>• Funded an additional \$70,000 by the Hospital Research Foundation to ensure timely access to medications to support the hospice program.</li> </ul>
	Child Health and Development	<ul style="list-style-type: none"> <li>• Finalised the Child Health and Early Development Model of Care for the regional LHNs.</li> </ul>

	<p>Integrated Cardiovascular Clinical Network SA (iCCnet)</p>	<ul style="list-style-type: none"> <li>• Provided 577 technical support calls for all sites across regional LHNs.</li> <li>• Implemented a home monitoring trial at the Mount Gambier medi hotel, monitoring guests who were potentially COVID positive. Supported by the Primary Health Network, the trial had the potential to identify the early deterioration of guests with COVID.</li> <li>• My Health Point of Care Innovative Technologies Trial supported 32 sites, with 56 patients commencing virtual home monitoring and 3,419 point of care tests performed.</li> <li>• 2,168 patients referred to CATCH (including telephone model, GP Hybrid and BCIC sites).</li> <li>• Technical support provided to VCC by iCCnet for 383 cases, with technical supports, administration tasks, taking on average of 25 minutes.</li> </ul>
	<p>Oncology</p>	<ul style="list-style-type: none"> <li>• Through the Expanding Country Cancer Services Initiative, supported the regional LHNs to achieve a 90% increase in cancer treatment episodes and a 94.9% increase in medical oncology consults across all regional LHNs since 2016-17.</li> <li>• In 2020-21, across all regional LHNs there were 7,458 cancer treatment episodes compared to 6,954 in 2019-20 (7.2% increase). The average treatment per month was 622 compared to 580 in 2019-20. There were 5,030 medical oncology consultations compared to 4,332 in 2019-20 (15.5% increase). The average number of consultations per month was 419 compared to 361 in 2019-20.</li> </ul>

	Renal Services	<ul style="list-style-type: none"> <li>The Mobile Dialysis Unit recommenced services after a closure period due to the COVID-19 restrictions with visits to Coober Pedy and Yalata.</li> </ul>
	Stroke Services	<ul style="list-style-type: none"> <li>Professor Tim Kleinig visited regional LHN sites in Berri, Mount Gambier, Naracoorte and Port Lincoln, presenting face-to-face education on acute stroke presentations.</li> <li>Developed rural stroke pathways for all rural and regional country hospitals.</li> </ul>
	Ageing and Disability	<ul style="list-style-type: none"> <li>26% increase in the number of Home Care Packages (HCP), with revenue increasing by 28%.</li> <li>16% increase in the number of National Disability Insurance Scheme packages, with revenue increasing by 34%.</li> </ul>
Hospital Services	Elective Surgery	<ul style="list-style-type: none"> <li>Regional LHN elective surgery KPIs were impacted by COVID lockdown and theatre cancellations, which commenced in March 2020. These theatre cancellations created numerous overdue patients. The RSS worked with regional LHNs to ensure patients were scheduled as soon as possible and the outcome was 0 overdue patients as at 30 June 2021.</li> </ul>

Hospital Services	Nursing	<ul style="list-style-type: none"> <li>• RSS Infection Prevention and Control Nurse Manager acted as a key subject matter expert and communication conduit between DHW and the regional LHNs in the early stage of the COVID-19 pandemic, particularly in relation to personal protective equipment (PPE) requirements, stock levels, and PPE matrix development.</li> <li>• Led the regionalisation of large volumes of essential COVID-19 information through SharePoint.</li> <li>• In conjunction with key partners, SA Pathology, regional LHNs and metropolitan LHNs, the BloodMove program continued to achieve outstanding results in the level of red blood cell wastage, achieving an average year to date wastage rate of 1.05%, well below the national target of 2.0%.</li> <li>• Established perinatal referral platform, which provides specialist advice and support to regional consumers.</li> <li>• Facilitated professional education and clinical placement opportunities for regional nurses and midwives.</li> <li>• Provided quality, innovative and flexible emergency education activities.</li> <li>• 16 participants completed Enrolled Nursing Cadet Program.</li> </ul>
Allied Health	Rural Support Service Country Allied Health Clinical Education Program plus (CAHCEP+)	<ul style="list-style-type: none"> <li>• Provided 439 occasions of training for allied health professionals (AHPs) working in regional LHNs.</li> </ul>

	<p>Credentialing</p>	<ul style="list-style-type: none"> <li>• Coordinated and streamlined regional LHN and RSS AHP triennial re-credentialing for over 800 AHPs.</li> <li>• Achieved an allied health credentialing average monthly KPI of 99.5%, and service improvements relating to credentialing reporting and procedures.</li> </ul>
	<p>Procedures and Training</p>	<ul style="list-style-type: none"> <li>• Developed procedures and training packages to support malnutrition screening and management across regional LHN acute, community and aged settings.</li> <li>• Established regional LHN Safeguarding Vulnerable People Workgroup and implemented staff training for support of vulnerable children and families.</li> </ul>
	<p>Country Consolidated Client Management Engine (CCCME)</p>	<ul style="list-style-type: none"> <li>• Led the rapid expansion of CCCME to enable the documentation of electronic progress notes, including design, testing, training and implementation across multiple regional LHNs.</li> </ul>
	<p>Allied Health Rural Generalist Training Pathway</p>	<ul style="list-style-type: none"> <li>• Coordinated and supported the implementation for 20 AHPs across the regional LHNs.</li> </ul>

## **Corporate performance summary**

BHFLHN achieved key corporate performance outcomes including:

- Implemented a Leadership and Culture Program for members of Executive and Senior Managers.
- Attendance of 203 staff at our Orientation program.
- Undertook a Digital Health Maturity assessment.
- In partnership with Digital Health SA, undertook Site Improvement Plan (SIP) visits at 8 of our 11 sites.
- Completed the refurbishment of the Mental Health building at the Kangaroo Island Health Service.
- Completed Body Protect electrical works at the Kangaroo Island Health Service.
- Undertook roof replacement to a portion of the Kangaroo Island Health Service.
- Completed a Fire Safety project at the Kangaroo Island Health Service, including fire tanks, pumps, hydrants and sprinklers.
- Completed an Emergency Generator upgrade at Strathalbyn and District Health Service.
- Completed installation of a new Emergency Generator at the Gawler Health Service that provides full essential power back up for the entire site.
- Installed external bushfire protection sprinklers at the rear of the Gumeracha District Soldiers Memorial Hospital.
- Completed renovations at the Gawler Health Service to the former Kiosk to accommodate Pharmacy, Pre-Surgical Clinics, Theatre and Elective Surgery management.
- Completed the refurbishment, fit out and reactivation of 50 High Street
- Commenced design and contractor procurement for Central Sterile Services Department (CSSD) upgrades for the Gawler Health Service, Kapunda Hospital and Angaston District Hospital.
- Following the 2019-20 bushfire season, investigated and completed additional risk control improvements and treatments to mitigate bushfire risks in relation to five high risk sites (Gumeracha, Mt Pleasant, Tanunda, Angaston, and Kangaroo Island).

The RSS achieved key corporate performance outcomes including:

### Telehealth

- Extended the Digital Telehealth Network (DTN) contract for 12 months to 30 June 2022.
- Coordinated the use of the DTN for 42,713 clinical and non-clinical video conferencing sessions during 2020-21.
- Continued to support telehealth service delivery across SA Health in response to COVID-19.

### Planning and population health

- Completed 2019-20 service profiles, incorporating latest demographic and health service activity, for each regional LHN and their respective health services.
- Provided health service planning support, including new partnership arrangement model established with Yorke and Northern LHN.

### Organisational Development

- Represented the RSS and regional LHNs for the request for tender procurement for the SA Health Employee Assistance Program.
- 60 emerging leaders from across all regional LHNs completed the Growing Leaders Program.
- Undertook the agency coordinator role in supporting the RSS and regional LHNs in the public sector I Work for SA Survey. The response rate in regional health increased from 13% in 2018 to 29% in 2021. The RSS had a total response rate of 82%, the highest within SA Health.
- 17 regional health scholarships were awarded across regional LHNs in 2020-21.

### Patient Assistance Transport Scheme (PATS)

- Made changes to the PATS eligibility criteria and Guidelines for Assessment to make them simpler and easier to understand.
- Improved how information is conveyed to consumers, rural GPs and medical specialists to help them better understand the scheme and submit eligible claims.
- Developed new PATS website and information materials.
- Developed PATS Aboriginal Engagement Strategy.
- Processing of online claims decreased to one-three days average.

### Ageing and disability

- Continued to provide revenue and claiming services for regional LHN delivery of ageing and disability programs and identified cost saving opportunities.
- Implemented new Home Care Package (HCP) revenue accrual method to more accurately account for revenue received in arrears and estimate revenue projections in readiness for Commonwealth reforms.
- Improved NDIS invoicing methodology for more accurate claiming and management.
- Implemented eHCP-CCME systems integration providing improved claiming and revenue generating outcomes.

### Revenue and Fee For Service

- Worked with regional LHNs to establish, implement and provide training to relevant staff for BPOINT, an online platform that enables LHN cashiers / revenue officers the ability to process over the phone credit card payments for client accounts.

- Coordinated the successful implementation of the iExpense system, a professional development claims process for medical officers, in consultation with regional LHNs and the Department for Health and Wellbeing.
- Coordinated the transition of Rural and Remote Rights of Private Practice to using Power Billing and Revenue Collection system to submit medical officer claims.

### Employment opportunity programs

Program name	Performance
Aboriginal Employment Program	Through aboriginal employment initiatives, BHFLHN employed nine people who identified as Aboriginal or Torres Strait Islander.
Enrolled Nurse Cadet program	Four students commenced the program in 2020-21. This targeted recruitment strategy offers a training and employment pathway for rural people to commence their health career.
Growing Leaders	27 emerging leaders from BHFLHN and RSS completed the Growing Leaders Program.
Scholarships	17 scholarships were awarded across regional LHNs as part of the 2020/21 scholarship intake, this included: <ul style="list-style-type: none"> <li>• Six Rural Undergraduates with one awarded from each LHN.</li> <li>• One Margaret Tobin Mental Health Scholarship.</li> <li>• Ten regional LHN scholarships.</li> </ul>

### Agency performance management and development systems

Performance management and development system	Performance
Performance Review and Development is a process for supporting continuous improvement of employees' work performance to assist them to meet SA Health values and objectives	<p>2,024 BHFLHN employees (76.96%) have participated in a PRD review within the twelve months prior to 30 June 2021.</p> <p>1,395 BHFLHN employees (53.04%) have participated in a PRD review within the six months prior to 30 June 2021.</p>

- BHFLHN data includes Rural Support Service.

## Work health, safety and return to work programs

Program name	Performance
Total claims costs	Despite a 31% increase in new claims, there has been just a 3% increase in total claims costs. This is due to a collaborative approach between injury management practitioners, human resources practitioners, work health and safety practitioners and LHN Managers to support early intervention and proactive return to work.

- BHFLHN data includes Rural Support Service.

Workplace injury claims	Current year 2020-21	Past year 2019-20	% Change (+ / -)
Total new workplace injury claims	77	59	+30.5%
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)	22.53	11.92	+89.01%

\*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)

- BHFLHN data includes Rural Support Service.

Work health and safety regulations	Current year 2020-21	Past year 2019-20	% Change (+ / -)
Number of notifiable incidents ( <i>Work Health and Safety Act 2012, Part 3</i> )	4	4	0.0%
Number of provisional improvement, improvement and prohibition notices ( <i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i> )	0	0	0.0%

- BHFLHN data includes Rural Support Service.

<b>Return to work costs**</b>	<b>Current year 2020-21</b>	<b>Past year 2019-20</b>	<b>% Change (+ / -)</b>
Total gross workers compensation expenditure (\$)	\$1,024,204	\$990,528	+3.4%
Income support payments – gross (\$)	\$467,655	\$404,835	+15.5%

*\*\*before third-party recovery*

- BHFLHN data includes Rural Support Service.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/barossa-hills-fleurieu-local-health-network-bhflhn>

### **Executive employment in the agency**

<b>Executive classification</b>	<b>Number of executives</b>
Executive Level B	1
SAES 1	2

- BHFLHN data includes Rural Support Service.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/barossa-hills-fleurieu-local-health-network-bhflhn>

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. The information is unaudited. Full audited financial statements for 2020-2021 are attached to this report.

<b>Statement of Comprehensive Income</b>	<b>2020-21 Budget \$000s</b>	<b>2020-21 Actual \$000s</b>	<b>Variation \$000s</b>	<b>Past year 2019-20 Actual \$000s</b>
Total Income	301 771	319 014	17 243	275,584
Total Expenses	299 535	297 291	2 244	282,460
<b>Net Result</b>	<b>2,236</b>	<b>21,723</b>	<b>19,487</b>	<b>(6,876)</b>
<b>Total Comprehensive Result</b>	<b>2,236</b>	<b>21,723</b>	<b>19,487</b>	<b>(6,876)</b>

<b>Statement of Financial Position</b>	<b>2020-21 Budget \$000s</b>	<b>2020-21 Actual \$000s</b>	<b>Variation \$000s</b>	<b>Past year 2019-20 Actual \$000s</b>
Current assets	N/A	46,652	N/A	34,860
Non-current assets	N/A	158,871	N/A	149,213
<b>Total assets</b>	<b>N/A</b>	<b>205,523</b>	<b>N/A</b>	<b>184,073</b>
Current liabilities	N/A	57,640	N/A	57,087
Non-current liabilities	N/A	20,743	N/A	37,939
<b>Total liabilities</b>	<b>N/A</b>	<b>78,383</b>	<b>N/A</b>	<b>95,026</b>
<b>Net assets</b>	<b>N/A</b>	<b>127,140</b>	<b>N/A</b>	<b>89,047</b>
<b>Equity</b>	<b>N/A</b>	<b>127,140</b>	<b>N/A</b>	<b>89,047</b>

### Consultants disclosure

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

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

- BHFLHN data includes Rural Support Service.

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	\$3,231

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

- BHFLHN data includes Rural Support Service.

Consultancies	Purpose	\$ Actual payment
Standards Wise Australia	Audit of Strathalbyn Residential Aged Care Facility against Aged Care Quality Standards and provide a continuous improvement plan and training requirement based on the findings	\$ 164,144
BDO Advisory (SA) Pty Ltd	Create an alternative model which considers the criteria for assessment, demographic modelling and potential future demand for services	\$ 75,459
Aurora Meliora Pty Ltd	Providing strategic organisational development advice, coaching and facilitation.	\$ 32,780
Ernst & Young	Formulating a view and providing recommendations to changes in Leadership Structure	\$ 30,000
Leadership Pty Ltd	Development of Strategic plan and clinician and workforce engagement strategy	\$ 26,360
Destravis Australia Pty Ltd	Development and delivery of Strategic Development Plan for Mount Barker Soldiers Memorial Hospital	\$ 21,285
	<b>Total</b>	<b>\$ 353,259</b>

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/barossa-hills-fleurieu-local-health-network-bhflhn>

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

**Contractors disclosure**

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

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

- BHFLHN data includes Rural Support Service.

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
All contractors below \$10,000 each - combined	Various	\$137,191

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

- BHFLHN data includes Rural Support Service.

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
HCA - Healthcare Australia	Agency	\$1,454,409
Your Nursing Agency Pty Ltd	Agency	\$1,215,964
Hays Specialist Recruitment (Australia) Pty Limited	Agency	\$747,256
Randstad Pty Limited	Agency	\$287,412
Wavelength International Pty Limited	Agency	\$165,064
Avancii	Services provided to Barossa Hills Fleurieu Region	\$118,350

**OFFICIAL**

2020-21 ANNUAL REPORT for the Barossa Hills Fleurieu Local Health Network

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
Resthaven Inc	Transitional Care Packages and Day Therapy Services	\$111,915
Arcblue Consulting (Aus) Pty Ltd	Project management services	\$90,270
Trimast	Director Operations	\$67,800
Victoria Road Medical Clinic	Chief Obstetric Consultant	\$59,940
Kemp Recruitment Pty Ltd	Agency	\$55,839
Matthew Flinders Home Inc	Social Support Group and Transitional Care Packages	\$52,078
Natalie Bottroff & Associates Pty Ltd	Consultant Rehabilitation Services	\$46,920
Elizabeth Pengilly	Services provided for Barossa Hills Fleurieu Region Community Health Clients	\$46,392
The Clare Medical Service Trust	Anaesthetics expertise - Dr P Gribble	\$44,955
Barossa Village Incorporated	Transitional Care Packages	\$37,967
Steve Nicholls	Services provided for Barossa Hills Fleurieu Region Community Health Clients	\$36,188
People Vision Pty Ltd	Claims Management Service	\$35,791
Rexco People	Agency Staff	\$35,301
Mediserve Nursing Agency	Agency Staff	\$31,953
Boandik Lodge Inc	TCP Packages/End of Life Choices Funding	\$30,688
My Care Solution Pty Ltd	Client Care Support Services	\$29,763
Recruitment Solutions Group Australia Pty Ltd	Agency Staff (Catering)	\$29,381

**OFFICIAL**

2020-21 ANNUAL REPORT for the Barossa Hills Fleurieu Local Health Network

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
Susan Cash	Services provided for BHFR Community Health Clients	\$28,732
Rosemary Decker	Services provided for BHFR Community Health Clients	\$26,192
Villas on the Bay, Kingscote	Accommodation (Mental Health Nurses)	\$22,636
Sharon Cole	Domestic Assistance, Personal Care & Social Support	\$20,210
Michael Beckoff	Clinical Advisor Position	\$18,444
Leeanne Mcleod	Services provided for BHF Clients	\$18,305
Suzanne Henley	Personal Care	\$17,519
Andrew Chilver	IT Scientist	\$16,223
FBE Pty Lyd	Provision of Biomedical Technician	\$15,357
Sonia Schutz.	Clinical Leads Meetings	\$14,618
McArthur Management Services (SA) Pty Ltd	Agency Staff	\$14,088
Catherine King	Clinical Nurse	\$12,844
Kapunda Tourist Park	Agency Staff Accommodation	\$12,500
Martin Zhang	Medical Scientist	\$12,246
Jillian Rendell	Return to Work Consultancy	\$12,000
Yvonne Barnett	Services provided for BHFR Community Health Clients	\$11,620
Yellow Door Care Pty Ltd	Agency Staff	\$11,538
Strathalbyn Care @ Home	Care Provision	\$11,509
SEM Traffic Control Pty Ltd	Traffic Control	\$11,381

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
Acacia Apartments Pty Ltd	Accommodation (Mental Health Nurses)	\$10,848
Cileen Phay	Medical Scientist	\$10,204
	<b>Total</b>	<b>\$5,297,801</b>

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/barossa-hills-fleurieu-local-health-network-bhflhn>

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

BHFLHN has an established Audit and Risk Committee (ARC) with an independent Chair, reporting to the Governing Board to assist the Board in fulfilling its responsibilities regarding risk management, audit and assurance.

The ARC meets quarterly and receives regular risk reports from BHFLHN as well as reports resulting from audits conducted by the Auditor-General's office, Department for Health and Wellbeing (DHW), and internally by the Rural Support Service (RSS).

Following development of its Risk Appetite Statement, endorsed by the Governing Board in November 2020, BHFLHN finalised its Risk Management Framework. The Framework is consistent with the DHW Risk Management Policy Directive, providing specific guidance on context, identification, analysis, evaluation, treatment, monitoring and communication of risk.

### Fraud detected in the agency

Category/nature of fraud	Number of instances
Nil.	

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

### Strategies implemented to control and prevent fraud

BHFLHN Local Health Network processes implemented to help control and prevent fraud include the following:

- Audit and Risk Committee providing advice directly to the Governing Board about any instances of fraud reported to the Independent Commission Against Corruption and to the Department for Health and Wellbeing's Risk and Audits Branch.
- Internally, organisational finances are reviewed monthly by the Performance Committee chaired by the Executive Director Finance Services.
- The Corporate Governance Committee chaired by the Director Corporate Services reviews outstanding debts and debt write-offs on a monthly basis.
- An annual Financial Controls Self-Assessment is undertaken to ensure that controls are in place to avoid fraud.
- An Annual Declaration of Interests Procedure and registers exist to monitor any conflicts of interest.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/barossa-hills-fleurieu-local-health-network-bhflhn>

**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/barossa-hills-fleurieu-local-health-network-bhflhn>

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

## Reporting required under any other act or regulation

Act or Regulation	Requirement
Nil.	

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

BHFLHN is continuing to work towards their Consumer Engagement Strategy involving all aspects of the health service, including aged care services. While respecting consumer choice, carers are provided a choice in the caring capacity in all health services. They are regularly involved in case conferences regarding a consumer to operate as an advocate, contributing to the individual's health and well-being. Health services in BHFLHN respect the level of involvement of the next of kin or 'carer'. Where issues are identified support is gained from various services to ensure the carer's health and well-being is also acknowledged and catered for. An example of this is the availability of respite services within the aged care environment allowing the carer rest, while their loved one is receiving the care they require.

Information provided to carers is easy to read and understand making it possible for consultation when informed care decisions are required. All health care sites ensure support when requiring access to external providers to assist with care provision or advocacy.

Where the carer of a consumer identifies as an Aboriginal person or Torres Strait Islander, resources are allocated to ensure the consumers of the health service feel culturally safe. Resources available include the Aboriginal Health Team and community health services. Staff are provided with culturally safe health care provision which is mandatory, ensuring they are aware of issues that Aboriginal or Torres Strait Islander people may encounter when accessing health services in BHFLHN ensuring appropriate recognition and response.

BHFLHN is particularly interested in their health care environments and how consumers and their carers interact with our spaces. Dementia Support Australia resources have been gathered to audit all facilities to ensure they become 'Dementia friendly', while also ensuring our health services are culturally safe for all.

Ensuring all that are involved in the health service are able to reach their full potential to contribute to community and feel valued as an individual is of vital importance to BHFLHN.

BHFLHN has a staff orientation and induction program and a mandatory staff training program that ensures staff are educated about the Carers Charter.

BHFLHN has a comprehensive consumer engagement strategy and regularly consults with Health Advisory Councils and other representative groups when developing policies and programs that affect consumers or carers when undertaking strategic or operational planning.

BHFLHN actively encourages consumer and carer engagement in our health services and actively seeks feedback from consumers and carers about the services that we provide.

## Public complaints

### Number of public complaints reported

<b>Complaint categories</b>	<b>Sub-categories</b>	<b>Example</b>	<b>Number of Complaints 2020-21</b>
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	75
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	5
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	17
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	6
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	7
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	3
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	1
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0
Service quality	Information	Incorrect, incomplete, outdated or inadequate information; not fit for purpose	0

<b>Complaint categories</b>	<b>Sub-categories</b>	<b>Example</b>	<b>Number of Complaints 2020-21</b>
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	29
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	13
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	49
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	3
Treatment		Coordination of treatment; Inadequate treatment	110
Cost		Billing practices; Govt. subsidies	16
Corporate Services		Administrative services; lost property	17
Grievances		Patient Behaviour	4
		<b>Total</b>	<b>355</b>

- BHFLHN data includes RSS and Rural and Remote Mental Health Service

<b>Additional Metrics</b>	<b>Total</b>
Number of positive feedback comments	720
Number of negative feedback comments	355
Total number of feedback comments	1,115
% complaints resolved within policy timeframes	81.68%

- BHFLHN data includes Rural Support Service and Rural and Remote Mental Health Service and BHFLHN Community Mental Health.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/barossa-hills-fleurieu-local-health-network-bhflhn>

### Service Improvements

- Improvements that have occurred following 2020/21 complaints or consumer suggestions include:
- All communication Bulletins now go to all BHFLHN Health Advisory Council (HAC) members.
  - All HAC members are invited to participate in All Staff Forums.
  - Redesign of the quarterly HAC Performance Report.
  - Consumer chaired quarterly HAC Presiding Members forums.
  - Membership of Tier 1 Consumer and Community Engagement Committee includes a HAC Presiding Member.
  - Consumer reviewed HAC Induction Booklet update.
  - Consumer reviewed NDIS Consent Form.
  - Development of the BHFLHN Consumer and Community Engagement Activity Register.
  - Commencement of the Happy or Not feedback system.
  - Improvement around closing the loop with consumer feedback. Getting back to the consumer with what we have done with their feedback.
  - Improvement with ATSI engagement with the development of Yarning Circles.
  - Using CCTV in aged care settings for improving quality and safety.
  - Review of COVID-19 Concierge services at sites to reduce confusion for visitors.
  - Gawler – vending machines installed following closure of kiosk.
  - Community Health – dementia specific training arranged for care staff working in the community.
  - Community Health - client communication process improved (eg increase in message bank lines) following several complaints from clients unable to get through to speak to someone.
  - Mount Barker – early pregnancy loss education for staff.

### Compliance Statement

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

## **Appendix:**

Appendix A – Audited Financial Statements 2020-21



Appendix A

Our ref: A21/034

24 September 2021

Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
Tel +618 8226 9640  
Fax +618 8226 9688  
ABN 53 327 061 410  
audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

Ms C Gaston  
Board Chair  
Barossa Hills Fleurieu Local Health Network Incorporated  
PO Box 42  
MOUNT BARKER SA 5251

Dear Ms Gaston

**Audit of Barossa Hills Fleurieu Local Health Network Incorporated  
for the year to 30 June 2021**

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

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

**1 Independent Auditor's Report**

We are returning the financial statements for Barossa Hills Fleurieu Local Health Network Incorporated, with the Independent Auditor's Report. This report is unmodified.

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

**2 Audit management letter**

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

Significant matters related to:

- contracts with general practitioners needed updating
- specialists were working in BHFLHN without contractual agreements
- the unsupported patient administration system, Chiron, is considered by BHFLHN to be an extreme risk
- a contract was not established for a large medical imaging supplier

- procurement and contracting of acute pharmacy services needed improvement
- there were delays in updating information to the Credentialing and Scope of Clinical Practice System
- contracts were not established for some regular services
- the follow up of longstanding patient debtors was ineffective
- system access restrictions were insufficient
- invoices were paid without purchase orders.

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

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

### **What the audit covered**

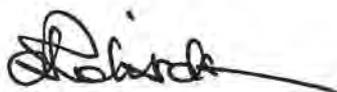
Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

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

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

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

Yours sincerely



Andrew Richardson  
**Auditor-General**

enc



Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
Tel +618 8226 9640  
Fax +618 8226 9688  
ABN 53 327 061 410  
audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

## To the Board Chair Barossa Hills Fleurieu Local Health Network Incorporated

### Opinion

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

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

The consolidated financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Board Chair, the Acting Chief Executive Officer and the Interim Executive Director Finance.

### 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 Barossa Hills Fleurieu Local Health Network Incorporated and its controlled entities. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

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

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

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

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

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

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

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

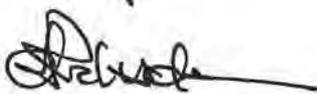
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Barossa Hills Fleurieu Local Health Network Incorporated's and its controlled entities' internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I communicate with the Chief Executive Officer 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

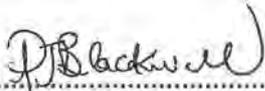
**Auditor-General**

24 September 2021

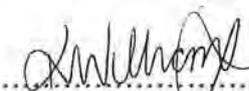
**Certification of the financial statements  
Barossa Hills Fleurieu Local Health Network**

We certify that the:

- financial statements of the Barossa Hills Fleurieu 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 Barossa Hills Fleurieu Local Health Network Inc. over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



for Carol Gaston  
Board Chair



Kylie Williams  
Acting Chief Executive Officer



Rose Dickinson  
Interim Executive Director  
Finance

Date: 14/09/2021.....

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
For the period ended 30 June 2021

	Note	Consolidated		Parent	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Income</b>					
Revenues from SA Government	2	236,370	192,915	236,370	192,915
Fees and charges	3	18,262	19,010	18,262	19,010
Grants and contributions	4	32,843	29,113	33,049	29,328
Interest		162	447	94	313
Resources received free of charge	5	3,196	2,528	3,046	2,493
Net gain from disposal of non-current and other assets	6	-	33	-	33
Other revenues/income	7	28,346	31,538	28,056	31,251
<b>Total income</b>		<b>319,179</b>	<b>275,584</b>	<b>318,877</b>	<b>275,343</b>
<b>Expenses</b>					
Staff benefits expenses	8	176,606	168,467	176,606	168,467
Supplies and services	9	109,676	102,571	109,672	102,571
Depreciation and amortisation	16,17	8,808	9,427	4,443	5,080
Grants and subsidies	10	426	697	297	398
Borrowing costs	20	43	49	43	49
Net loss from disposal of non-current and other assets	6	14	-	14	-
Impairment loss on receivables	13.1	814	61	814	61
Other expenses	11	861	1,188	2,197	1,240
<b>Total expenses</b>		<b>297,248</b>	<b>282,460</b>	<b>294,086</b>	<b>277,866</b>
<b>Net result</b>		<b>21,931</b>	<b>(6,876)</b>	<b>24,791</b>	<b>(2,523)</b>
<b>Total comprehensive result</b>		<b>21,931</b>	<b>(6,876)</b>	<b>24,791</b>	<b>(2,523)</b>

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

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2021**

	Note	Consolidated		Parent	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current assets</b>					
Cash and cash equivalents	12	18,238	8,069	16,929	6,579
Receivables	13	4,732	4,628	4,749	4,626
Other financial assets	14	22,578	21,282	16,461	15,233
Inventories	15	1,103	881	1,103	881
<b>Total current assets</b>		<b>46,651</b>	<b>34,860</b>	<b>39,242</b>	<b>27,319</b>
<b>Non-current assets</b>					
Receivables	13	756	777	756	777
Property, plant and equipment	16,17	158,116	148,436	77,865	65,307
<b>Total non-current assets</b>		<b>158,872</b>	<b>149,213</b>	<b>78,621</b>	<b>66,084</b>
<b>Total assets</b>		<b>205,523</b>	<b>184,073</b>	<b>117,863</b>	<b>93,403</b>
<b>Current liabilities</b>					
Payables	19	8,596	9,058	8,596	8,908
Financial liabilities	20	1,106	970	1,106	970
Staff benefits	21	24,912	24,202	24,912	24,202
Provisions	22	1,522	1,369	1,522	1,369
Contract liabilities and other liabilities	23	21,026	21,488	21,026	21,488
<b>Total current liabilities</b>		<b>57,162</b>	<b>57,087</b>	<b>57,162</b>	<b>56,937</b>
<b>Non-current liabilities</b>					
Payables	19	1,268	1,275	1,268	1,275
Financial liabilities	20	2,117	1,711	2,117	1,711
Staff benefits	21	31,992	33,131	31,992	33,131
Provisions	22	2,006	1,822	2,006	1,822
<b>Total non-current liabilities</b>		<b>37,383</b>	<b>37,939</b>	<b>37,383</b>	<b>37,939</b>
<b>Total liabilities</b>		<b>94,545</b>	<b>95,026</b>	<b>94,545</b>	<b>94,876</b>
<b>Net assets</b>		<b>110,978</b>	<b>89,047</b>	<b>23,318</b>	<b>(1,473)</b>
<b>Equity</b>					
Retained earnings		84,679	62,748	23,318	(1,473)
Asset revaluation surplus		26,299	26,299	-	-
<b>Total equity</b>		<b>110,978</b>	<b>89,047</b>	<b>23,318</b>	<b>(1,473)</b>

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

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the period ended 30 June 2021**

**CONSOLIDATED**

	Note	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
<b>Balance at 30 June 2019</b>		-	-	-
Net assets received from an administrative restructure	1.6	-	1,050	1,050
Net assets received on first time consolidation		26,299	68,574	94,873
<b>Adjusted balance at 1 July 2019</b>		<b>26,299</b>	<b>69,624</b>	<b>95,923</b>
Net result for 2019-20		-	(6,876)	(6,876)
<b>Total comprehensive result for 2019-20</b>		<b>-</b>	<b>(6,876)</b>	<b>(6,876)</b>
<b>Balance at 30 June 2020</b>		<b>26,299</b>	<b>62,748</b>	<b>89,047</b>
Net result for 2020-21		-	21,931	21,931
<b>Total comprehensive result for 2020-21</b>		<b>-</b>	<b>21,931</b>	<b>21,931</b>
<b>Balance at 30 June 2021</b>		<b>26,299</b>	<b>84,679</b>	<b>110,978</b>

**PARENT**

	Note	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
<b>Balance at 30 June 2019</b>		-	-	-
Net assets received from an administrative restructure	1.6	-	1,050	1,050
<b>Adjusted balance at 1 July 2019</b>		<b>-</b>	<b>1,050</b>	<b>1,050</b>
Net result for 2019-20		-	(2,523)	(2,523)
<b>Total comprehensive result for 2019-20</b>		<b>-</b>	<b>(2,523)</b>	<b>(2,523)</b>
<b>Balance at 30 June 2020</b>		<b>-</b>	<b>(1,473)</b>	<b>(1,473)</b>
Net result for 2020-21		-	24,791	24,791
<b>Total comprehensive result for 2020-21</b>		<b>-</b>	<b>24,791</b>	<b>24,791</b>
<b>Balance at 30 June 2021</b>		<b>-</b>	<b>23,318</b>	<b>23,318</b>

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

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**STATEMENT OF CASH FLOWS**  
**For the period ended 30 June 2021**

	Note	Consolidated		Parent	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
<b>Cash inflows</b>					
Receipts from SA Government		223,128	192,780	223,128	192,780
Fees and charges		15,818	18,566	15,817	18,503
Grants and contributions		33,584	31,103	33,790	31,318
Interest received		130	329	92	347
Residential aged care bonds received		4,979	5,170	4,979	5,170
GST recovered from ATO		6,074	6,063	6,074	6,063
Other receipts		598	597	309	303
<b>Cash generated from operations</b>		<b>284,311</b>	<b>254,608</b>	<b>284,189</b>	<b>254,484</b>
<b>Cash outflows</b>					
Staff benefits payments		(176,528)	(163,514)	(176,528)	(163,514)
Payments for supplies and services		(87,723)	(85,815)	(87,568)	(85,967)
Payments of grants and subsidies		(437)	7,357	(308)	7,656
Interest paid		(41)	(49)	(41)	(49)
Residential aged care bonds refunded		(5,827)	(5,896)	(5,827)	(5,896)
Other payments		(384)	(415)	(384)	(415)
<b>Cash used in operations</b>		<b>(270,940)</b>	<b>(248,332)</b>	<b>(270,656)</b>	<b>(248,185)</b>
<b>Net cash provided by operating activities</b>		<b>13,371</b>	<b>6,276</b>	<b>13,533</b>	<b>6,299</b>
<b>Cash flows from investing activities</b>					
<b>Cash inflows</b>					
Proceeds from sale of property, plant and equipment		-	33	-	33
Proceeds from sale/maturities of investments		31	3,172	-	2,950
<b>Cash generated from investing activities</b>		<b>31</b>	<b>3,205</b>	<b>-</b>	<b>2,983</b>
<b>Cash outflows</b>					
Purchase of property, plant and equipment		(765)	(3,933)	(765)	(3,931)
Purchase of investments		(1,275)	-	(1,225)	-
<b>Cash used in investing activities</b>		<b>(2,040)</b>	<b>(3,933)</b>	<b>(1,990)</b>	<b>(3,931)</b>
<b>Net cash provided by/(used in) investing activities</b>		<b>(2,009)</b>	<b>(728)</b>	<b>(1,990)</b>	<b>(948)</b>
<b>Cash flows from financing activities</b>					
<b>Cash inflows</b>					
Cash received from restructuring activities		-	3,240	-	1,947
<b>Cash generated from financing activities</b>		<b>-</b>	<b>3,240</b>	<b>-</b>	<b>1,947</b>
<b>Cash outflows</b>					
Repayment of lease liabilities		(1,193)	(719)	(1,193)	(719)
<b>Cash used in financing activities</b>		<b>(1,193)</b>	<b>(719)</b>	<b>(1,193)</b>	<b>(719)</b>
<b>Net cash provided by/(used in) financing activities</b>		<b>(1,193)</b>	<b>2,521</b>	<b>(1,193)</b>	<b>1,228</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>10,169</b>	<b>8,069</b>	<b>10,350</b>	<b>6,579</b>
Cash and cash equivalents at the beginning of the period		8,069	-	6,579	-
<b>Cash and cash equivalents at the end of the period</b>	12	<b>18,238</b>	<b>8,069</b>	<b>16,929</b>	<b>6,579</b>
Non-cash transactions	24				

The accompanying notes form part of these financial statements.

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

---

**1. About Barossa Hills Fleurieu Local Health Network**

Barossa Hills Fleurieu Local Health Network Incorporated (the Hospital) is a not-for-profit incorporated health service established under the *Health Care (Local Health Networks) Proclamation 2019* which was an amendment to the *Health Care Act 2008 (the Act)*. The Hospital commenced service delivery on 1 July 2019 following the dissolution of Country Health SA Local Health Network (CHSALHN). Relevant assets, rights and liabilities were transferred from CHSALHN to the Hospital. The financial statements include all controlled activities of the Hospital.

**The Parent Entity**

The Parent Entity consists of the following:

- Angaston District Hospital
- Eudunda Hospital
- Gawler Health Service
- Gumeracha District Soldiers' Memorial Hospital
- Hills Southern Fleurieu Kangaroo Island Community Health Service located in Mount Barker, Goolwa, Kangaroo Island and Victor Harbor
- Inner North Country Community Health Services located in Angaston, Gawler, Kapunda, Nuriootpa, Tanunda
- Kangaroo Island Health Service
- Kapunda Hospital
- Mount Barker District Health Service
- Mount Pleasant District Hospital
- Tanunda War Memorial Hospital
- Southern Fleurieu Health Service, located in Victor Harbor
- Strathalbyn and District Health Service
- Eudunda Senior Citizens Hostel
- Kapunda Homes
- Torrens Valley Aged Care
- Strathalbyn & District Aged Care Facility

Publicly funded health services in country South Australia are supported by the Rural Support Service (RSS), hosted within the Hospital. The service brings together clinical and corporate advisory services focused on improving quality and safety for the regional Local Health Networks (LHNs). The RSS includes highly specialist, system wide clinical and corporate capabilities, clinical leadership and expertise.

**The Consolidated Entity**

The Consolidated Entity includes the Parent Entity as well as the Health Advisory Councils (HACs) and Gift Fund Trusts (GFTs).

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.

HACs may be incorporated or unincorporated. The incorporated HACs and GFTs are separate reporting entities within our health service. The Hospital hosts the unincorporated HACs and GFTs (on behalf of Eyre and Far North Local Health Network, Flinders and Upper North Local Health Network and Yorke and Northern Local Health Network) via the Country Health Gift Fund Health Advisory Council Inc and the Country Health Gift Fund Health Advisory Council Gift Fund Trust Inc. Refer to note 32 for details.

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

*Administered items*

The Hospital has administered activities and resources. Transactions and balances relating to administered resources are presented separately and disclosed in note 34. 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.

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

---

**1.1 Objectives and activities**

The Hospital supports the delivery of safe, effective and accountable high quality health care.

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

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

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

**1.2 Basis of preparation**

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

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

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

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

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

**1.3 Taxation**

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

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

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

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

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

**1.4 Continuity of operations**

As at 30 June 2021, the Hospital had working capital deficiency of \$10.511 million (\$22.227 million). The SA Government is committed to continuing the delivery of hospital services to country and regional SA and accordingly it has demonstrated a commitment to the ongoing funding of the Hospital.

**1.5 Equity**

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

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
For the period ended 30 June 2021

**1.6 Changes to reporting entity**

**Administrative Restructure - Transferred In**

**2020-21**

There were no administrative restructures during this period.

**2019-20**

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

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

This resulted in the transfer in of net liabilities of \$0.594 million, consisting of staff benefits liabilities of \$0.589 million, Payables - staff on-costs of \$0.031 million and property plant and equipment of \$0.026 million. Fourteen full time equivalent employees were also transferred.

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

CHSALHN was dissolved on 1 July 2019. Six new entities were established to provide hospital, health and aged care services to country and regional SA. As per the Health Care (Local Health Networks) Proclamation 2019 contained in the South Australian Government Gazette No 30, dated 27 June 2019, assets, rights and liabilities were transferred from CHSALHN to the relevant entity, effective 1 July 2019. This resulted in the transfer of 2,559 employees, and net assets of \$95.923 million to be received by the Hospital as detailed below.

	<b>Consolidated</b>	<b>Parent</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Assets and liabilities transferred in were:		
<b>Assets:</b>		
Cash	3,240	1,947
Receivables	5,518	5,486
Property, plant and equipment	150,684	63,298
Other assets	25,836	19,668
<b>Total assets</b>	<b>185,278</b>	<b>90,399</b>
<b>Liabilities:</b>		
Payables	12,340	12,338
Staff benefits	53,546	53,544
Provisions	2,683	2,683
Other liabilities	20,786	20,784
<b>Total liabilities</b>	<b>89,355</b>	<b>89,349</b>
<b>Total net assets transferred in</b>	<b>95,923</b>	<b>1,050</b>

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

The COVID-19 pandemic continues to have an impact on the Hospital's operations. This includes an increase in costs associated with COVID capacity and preparation, the readiness of COVID-19 testing clinics, establishment of vaccine clinics, increased demand for personal protective equipment, increased staffing costs (including agency) to ensure necessary compliance measures are followed. Net COVID-19 specific costs for the Hospital was \$7.049 million (\$2.451 million).

**1.8 Changes in accounting policy**

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

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

**2. Revenues from SA Government**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Capital projects funding	17,069	3,515	17,069	3,515
Operational funding	219,301	189,400	219,301	189,400
<b>Total revenues from SA Government</b>	<b>236,370</b>	<b>192,915</b>	<b>236,370</b>	<b>192,915</b>

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

**3. Fees and charges**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Patient and client fees	4,117	4,452	4,117	4,452
Private practice fees	504	603	504	603
Fees for health services	3,712	3,594	3,712	3,594
Residential and other aged care charges	5,274	5,297	5,274	5,297
Sale of goods - medical supplies	1,485	1,373	1,485	1,373
Other user charges and fees	3,170	3,691	3,170	3,691
<b>Total fees and charges</b>	<b>18,262</b>	<b>19,010</b>	<b>18,262</b>	<b>19,010</b>

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

The Hospital recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities (refer to note 23). Similarly, if the Hospital satisfies a performance obligation before it receives the consideration, the Hospital recognises either a contract asset or a receivable, depending on whether something other than the passage of time is required before the consideration is due (refer to note 13).

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

*Patient and Client Fees*

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

*Private practice fees*

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

*Residential and other aged care charges*

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

*Fees for health services*

Where the Hospital has incurred an expense on behalf of another entity, payment is recovered from the other entity by way of a recharge of the cost incurred. These fees can relate to the recharge of salaries and wages or various goods and services. Revenue is recognised on a time-and-material basis as provided. Any amounts remaining unpaid at the end of the reporting period are treated as an accounts receivable.

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
For the period ended 30 June 2021

**4. Grants and contributions**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Commonwealth grants and donations	19,073	16,458	19,005	16,458
Commonwealth aged care subsidies	11,131	10,763	11,131	10,763
SA Government capital contributions	-	-	59	39
Other SA Government grants and contributions	2,226	1,642	2,441	1,818
Private sector grants and contributions	413	250	413	250
<b>Total grants and contributions</b>	<b>32,843</b>	<b>29,113</b>	<b>33,049</b>	<b>29,328</b>

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

Of the \$32.843 million (\$29.113 million) provided during the reporting period for grants and contributions, \$30.657 million (\$22.231 million) was provided for specific purposes such as aged care, community health services and other related health services.

**5. Resources received free of charge**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Land and buildings	150	35	-	-
Plant and equipment	12	217	12	217
Services	3,034	2,276	3,034	2,276
<b>Total resources received free of charge</b>	<b>3,196</b>	<b>2,528</b>	<b>3,046</b>	<b>2,493</b>

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

Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated. The Hospital receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$2,133 million (\$2.276 million) and ICT services from the Department of Premier and Cabinet (DPC) valued at \$0.901 million (\$Nil), following Cabinet's approval to cease intra-government charging.

Although not recognised, the Hospital receives volunteer services from around 400 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, chaplain and library services, pet therapy, transport, community activities, gardening, kiosks, and community advocacy.

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

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Plant and equipment:</b>				
Proceeds from disposal	-	33	-	33
Less carrying amount of assets disposed	(14)	-	(14)	-
<b>Net gain/(loss) from disposal of plant and equipment</b>	<b>(14)</b>	<b>33</b>	<b>(14)</b>	<b>33</b>
<b>Total assets:</b>				
Total proceeds from disposal	-	33	-	33
Less total carrying amount of assets disposed	(14)	-	(14)	-
Less other costs of disposal	-	-	-	-
<b>Total net gain/(loss) from disposal of assets</b>	<b>(14)</b>	<b>33</b>	<b>(14)</b>	<b>33</b>

Gains or losses on disposal are recognised at the date control of the asset is passed from the Hospital and are determined after deducting the carrying amount of the asset from the proceeds at that time. When revalued assets are disposed, the revaluation surplus is transferred to retained earnings.

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

**7. Other revenues/income**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Donations	422	394	145	108
Health recoveries	27,771	31,010	27,771	31,010
Insurance recoveries	12	26	12	26
Other	141	108	128	107
<b>Total other revenues/income</b>	<b>28,346</b>	<b>31,538</b>	<b>28,056</b>	<b>31,251</b>

**8. Staff benefits expenses**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	143,491	134,819	143,491	134,819
Targeted voluntary separation packages (refer below)	522	-	522	-
Long service leave	1,837	3,803	1,837	3,803
Annual leave	13,289	12,909	13,289	12,909
Skills and experience retention leave	764	749	764	749
Staff on-costs - superannuation*	15,110	14,514	15,110	14,514
Staff on-costs - other	-	3	-	3
Workers compensation	1,312	1,443	1,312	1,443
Board and committee fees	217	227	217	227
Other staff related expenses	64	-	64	-
<b>Total staff benefits expenses</b>	<b>176,606</b>	<b>168,467</b>	<b>176,606</b>	<b>168,467</b>

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

**8.1 Key Management Personnel**

Key management personnel (KMP) of the consolidated and parent entity includes the Minister, the seven (five) members of the Governing Board, the Chief Executive of the Department, the Chief Executive Officer of the Hospital and the eleven (nine) members of the Executive Management Group.

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

- The Minister for Health and Wellbeing. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of 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 of the Department is compensated by the Department and there is no requirement for the Hospital to reimburse those expenses.

Compensation	2021	2020
	\$'000	\$'000
Salaries and other short term employee benefits	2,964	1,989
Post-employment benefits	366	235
<b>Total</b>	<b>3,330</b>	<b>2,224</b>

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

**8.2 Remuneration of Boards and Committees**

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

	2021	2020
	No. of Members	No. of Members
\$0	1	-
\$1 - \$20,000	10	12
\$20,001 - \$40,000	4	5
\$40,001 - \$60,000	1	-
<b>Total</b>	<b>16</b>	<b>17</b>

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

The total remuneration received or receivable by members was \$0.207 million (\$0.227 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and related fringe benefits tax. In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

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.

**8.3 Remuneration of staff**

	Consolidated		Parent	
	2021 Number	2020 Number	2021 Number	2020 Number
The number of staff whose remuneration received or receivable falls within the following bands:				
\$154,678 - \$175,000	16	17	16	17
\$175,001 - \$195,000	5	3	5	3
\$195,001 - \$215,000	2	2	2	2
\$215,001 - \$235,000	2	1	2	1
\$235,001 - \$255,000	3	1	3	1
\$255,001 - \$275,000	1	-	1	-
\$275,001 - \$295,000	3	3	3	3
\$295,001 - \$315,000	2	3	2	3
\$315,001 - \$335,000	3	2	3	2
\$335,001 - \$355,000	5	3	5	3
\$355,001 - \$375,000	-	1	-	1
\$375,001 - \$395,000	3	5	3	5
\$395,001 - \$415,000	2	1	2	1
\$415,001 - \$435,000	3	3	3	3
\$435,001 - \$455,000	3	2	3	2
\$475,001 - \$495,000	1	1	1	1
\$495,001 - \$515,000	1	-	1	-
\$515,001 - \$535,000	1	1	1	1
\$555,001 - \$575,000	-	2	-	2
\$575,001 - \$595,000	1	1	1	1
\$595,001 - \$615,000	1	-	1	-
\$635,001 - \$655,000	-	1	-	1
\$655,001 - \$675,000	1	-	1	-
\$715,001 - \$735,000	1	-	1	-
<b>Total number of staff</b>	<b>60</b>	<b>53</b>	<b>60</b>	<b>53</b>

The table includes all staff who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of staff reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax. This does not include any offsets or recharges to other entities.

**8.4 Remuneration of staff by classification**

The total remuneration received by staff included above:

	Consolidated				Parent			
	2021 No.	2021 \$'000	2020 No.	2020 \$'000	2021 No.	2021 \$'000	2020 No.	2020 \$'000
Executive	3	687	2	490	3	687	2	490
Medical (excluding Nursing)	40	14,481	38	13,228	40	14,481	38	13,228
Non-medical (i.e. administration)	4	883	4	633	4	883	4	633
Nursing	13	2,154	9	1,473	13	2,154	9	1,473
<b>Total</b>	<b>60</b>	<b>18,205</b>	<b>53</b>	<b>15,824</b>	<b>60</b>	<b>18,205</b>	<b>53</b>	<b>15,824</b>

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

**8.5 Targeted voluntary separation packages**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Amount paid/payable to separated staff:				
Targeted voluntary separation packages	522	-	522	-
Leave paid/payable to separated employees	192	-	192	-
<b>Net cost to the Hospital</b>	<b>714</b>	<b>-</b>	<b>714</b>	<b>-</b>

The number of staff who received a TVSP during the reporting period	5	-	5	-
---	---	---	---	---

**9. Supplies and services**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Administration	512	591	511	591
Advertising	429	507	429	507
Communication	1,817	1,412	1,817	1,412
Computing	3,135	3,441	3,135	3,441
Consultants	353	298	353	298
Contract of services	8,604	7,764	8,604	7,764
Contractors	1,151	1,249	1,151	1,249
Contractors - agency staff	11,205	7,368	11,205	7,368
Drug supplies	3,084	2,736	3,084	2,736
Electricity, gas and fuel	1,767	1,937	1,767	1,937
Fee for service	22,987	22,074	22,987	22,074
Food supplies	2,390	2,238	2,390	2,238
Housekeeping	2,111	1,875	2,111	1,875
Insurance	2,621	2,387	2,621	2,387
Internal SA Health SLA payments	1,556	1,518	1,556	1,518
Legal	32	39	32	39
Medical, surgical and laboratory supplies	14,112	12,159	14,112	12,159
Minor equipment	1,951	1,726	1,951	1,726
Motor vehicle expenses	601	639	601	639
Occupancy rent and rates	1,471	1,401	1,471	1,401
Patient transport	13,291	14,115	13,291	14,115
Postage	614	572	614	572
Printing and stationery	930	822	930	822
Repairs and maintenance	5,477	5,644	5,476	5,644
Security	685	394	685	394
Services from Shared Services SA	2,153	2,276	2,153	2,276
Short term lease expense	230	173	230	173
Training and development	1,755	1,829	1,755	1,829
Travel expenses	825	729	825	729
Other supplies and services	1,827	2,658	1,825	2,658
<b>Total supplies and services</b>	<b>109,676</b>	<b>102,571</b>	<b>109,672</b>	<b>102,571</b>

- (1) Fee for Service primarily relates to medical services provided by doctors not employed by the Hospital.
- (2) Accommodation – a part of the Hospital's accommodation is provided by the Department for Infrastructure and Transport (DIT) under a Memorandum of Administrative Arrangement issued in accordance with Government wide accommodation policies, these arrangements do not meet the definition of a lease and accordingly are disclosed within Occupant rent and rates.
- (3) Patient transport includes costs incurred under the Patient Assisted Transport Scheme (PATS), a transport subsidy scheme established to assist rural and remote residents to access medical specialist care not available locally. This service is provided across all regional SA as part of RSS.

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.

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

**Consultants**

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

	Consolidated				Parent			
	2021		2020		2021		2020	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Below \$10,000	2	3	5	27	2	3	5	27
Above \$10,000	6	350	4	271	6	350	4	271
<b>Total</b>	<b>8</b>	<b>353</b>	<b>9</b>	<b>298</b>	<b>8</b>	<b>353</b>	<b>9</b>	<b>298</b>

**10. Grants and subsidies**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Subsidies	2	3	2	3
Funding to non-government organisations	295	395	295	395
Other	129	299	-	-
<b>Total grants and subsidies</b>	<b>426</b>	<b>697</b>	<b>297</b>	<b>398</b>

Other grants largely relate to grants paid by unincorporated HACs to the LHN with which the HAC is associated. The grants given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation.

**11. Other expenses**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Debts written off	79	48	79	48
Bank fees and charges	12	19	12	18
Donated assets expense	518	768	1,854	821
Other*	252	353	252	353
<b>Total other expenses</b>	<b>861</b>	<b>1,188</b>	<b>2,197</b>	<b>1,240</b>

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

\* Includes Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act* of \$0.119 million (\$0.170 million). No other services were provided by the Auditor-General's Department. Also includes fees paid or payable to Galpins Accountants Auditors and Business Consultants of \$0.050 million (\$0.058 million) for audits of the HACs and aged care.

**12. Cash and cash equivalents**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand	2,045	3,570	736	2,080
Deposits with Treasurer: general operating	16,183	4,492	16,183	4,492
Deposits with Treasurer: special purpose funds	10	7	10	7
<b>Total cash and cash equivalents</b>	<b>18,238</b>	<b>8,069</b>	<b>16,929</b>	<b>6,579</b>

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

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

**13. Receivables**

	Consolidated		Parent	
	2021	2020	2021	2020
Current	\$'000	\$'000	\$'000	\$'000
Patient/client fees: compensable	237	201	237	201
Patient/client fees: aged care	688	902	688	902
Patient/client fees: other	585	511	585	511
Debtors	1,889	947	1,890	947
Less: allowance for impairment loss on receivables	(1,154)	(339)	(1,154)	(339)
Prepayments	401	817	401	817
Interest	16	34	12	13
Workers compensation provision recoverable	445	453	445	453
Sundry receivables and accrued revenue	1,456	936	1,476	955
GST input tax recoverable	169	166	169	166
<b>Total current receivables</b>	<b>4,732</b>	<b>4,628</b>	<b>4,749</b>	<b>4,626</b>
<b>Non-current</b>				
Debtors	39	22	39	22
Workers compensation provision recoverable	717	755	717	755
<b>Total non-current receivables</b>	<b>756</b>	<b>777</b>	<b>756</b>	<b>777</b>
<b>Total receivables</b>	<b>5,488</b>	<b>5,405</b>	<b>5,505</b>	<b>5,403</b>

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

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

**13.1 Impairment of receivables**

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

Movement in the allowance for impairment loss on receivables:

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Transfer through administrative restructure	-	278	-	278
Carrying amount at the beginning of the period	339	-	339	-
Increase/(Decrease) in allowance recognised in profit or loss	814	61	814	61
<b>Carrying amount at the end of the period</b>	<b>1,154</b>	<b>339</b>	<b>1,154</b>	<b>339</b>

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

**14. Other financial assets**

The consolidated and parent entity holds term deposits of \$22.578 million (\$21.282 million) and \$16.461 million (\$15.233 million) respectively. Of these deposits \$14.997 million (\$13.891 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.

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
For the period ended 30 June 2021

**15. Inventories**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Drug supplies	400	292	400	292
Medical, surgical and laboratory supplies	579	477	579	477
Food and hotel supplies	101	90	101	90
Engineering supplies	1	-	1	-
Other	22	22	22	22
<b>Total current inventories - held for distribution</b>	<b>1,103</b>	<b>881</b>	<b>1,103</b>	<b>881</b>

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

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

**16.1 Acquisition and recognition of non-current assets**

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

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

**16.2 Depreciation and 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 the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

Depreciation and amortisation are calculated on a straight line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	10 - 80
Right-of-use buildings	Lease term
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	2 - 20
• Computing equipment	3 - 5
• Vehicles	2 - 20
• Other plant and equipment	3 - 30
Right-of-use plant and equipment	Lease term
Intangibles	5 - 10

**16.3 Revaluation**

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

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

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

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

---

**16.4 Impairment**

The Hospital holds its property, plant and equipment and intangible assets for their service potential (value in use). Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be closer to or greater than fair value. Where there is an indication of impairment, the recoverable amount is estimated. Fair value is assessed each year. There were no indications of impairment for property, plant and equipment or intangibles as at 30 June 2021.

**16.5 Intangible assets**

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The amortisation period and the amortisation method for intangible assets with finite useful lives is reviewed on an annual basis. Amortisation is not recognised against these intangible assets.

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

**16.6 Land and buildings**

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

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

**16.7 Plant and equipment**

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

**16.8 Leased property, plant and equipment**

Right-of-use assets (including concessional arrangements) leased by the Hospital as lessee are measured at cost and there were no indications of impairment. Additions to right-of-use assets during 2020-21 were \$1.199 million (\$0.198 million). Short-term leases of 12 months or less and low value leases, where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and disclosed in note 9.

The Hospital has a number of lease agreements including concessional. Lease terms vary in length from 2 to 5 years. Major lease activities include the use of:

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

The Hospital has not committed to any lease arrangements that have not commenced. The Hospital has not entered into any sub-lease arrangements outside of the Consolidated Entity.

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

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 For the period ended 30 June 2021

17. Reconciliation of property, plant and equipment

The following table shows the movement:

Consolidated

2020-21

	Land and buildings:			Plant and equipment:						Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommod- ation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of-use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	12,511	123,946	1,777	4,427	-	2,360	1,914	871	630	148,436
Additions	1,100	400	1,199	14,630	-	462	-	500	528	18,819
Assets received free of charge	-	150	-	-	-	-	-	-	12	162
Disposals	-	-	-	-	-	(9)	(5)	(6)	-	(20)
Donated assets disposal	-	-	-	-	-	(83)	-	-	(435)	(518)
Transfers between asset classes	-	2,023	-	(2,390)	367	208	-	-	(208)	-
Other movements	-	1	44	-	-	-	-	-	-	45
<b>Subtotal:</b>	<b>13,611</b>	<b>126,520</b>	<b>3,020</b>	<b>16,667</b>	<b>367</b>	<b>2,938</b>	<b>1,909</b>	<b>1,365</b>	<b>527</b>	<b>166,924</b>
<b>Gains/(losses) for the period recognised in net result:</b>										
Depreciation and amortisation	-	(6,331)	(658)	-	(96)	(853)	(276)	(594)	-	(8,808)
<b>Subtotal:</b>	<b>-</b>	<b>(6,331)</b>	<b>(658)</b>	<b>-</b>	<b>(96)</b>	<b>(853)</b>	<b>(276)</b>	<b>(594)</b>	<b>-</b>	<b>(8,808)</b>
<b>Carrying amount at the end of the period*</b>	<b>13,611</b>	<b>120,189</b>	<b>2,362</b>	<b>16,667</b>	<b>271</b>	<b>2,085</b>	<b>1,633</b>	<b>771</b>	<b>527</b>	<b>158,116</b>
<b>Gross carrying amount</b>										
Gross carrying amount	13,611	137,444	3,535	16,667	367	4,342	2,171	1,556	527	180,220
Accumulated depreciation / amortisation	-	(17,255)	(1,173)	-	(96)	(2,257)	(538)	(785)	-	(22,104)
<b>Carrying amount at the end of the period</b>	<b>13,611</b>	<b>120,189</b>	<b>2,362</b>	<b>16,667</b>	<b>271</b>	<b>2,085</b>	<b>1,633</b>	<b>771</b>	<b>527</b>	<b>158,116</b>

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

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
For the period ended 30 June 2021

Consolidated

2019-20

	Land and buildings:			Plant and equipment:						Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommod- ation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of-use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	12,511	129,293	2,160	3,660	-	2,507	1,780	1,240	911	154,062
Additions	-	12	198	1,961	-	423	73	224	644	3,535
Assets received free of charge	-	35	-	-	-	217	-	-	-	252
Disposals	-	-	-	-	-	-	-	(9)	-	(9)
Donated assets disposal	-	-	-	(277)	-	-	-	-	(491)	(768)
Acquisition / (disposal) through administrative restructuring	-	-	-	-	-	26	-	-	-	26
Transfers between asset classes	-	917	-	(917)	-	110	324	-	(434)	-
<b>Subtotal:</b>	<b>12,511</b>	<b>130,257</b>	<b>2,358</b>	<b>4,427</b>	<b>-</b>	<b>3,283</b>	<b>2,177</b>	<b>1,455</b>	<b>630</b>	<b>157,098</b>
<b>Gains/(losses) for the period recognised in net result:</b>										
Depreciation and amortisation	-	(6,311)	(581)	-	-	(923)	(263)	(584)	-	(8,662)
<b>Subtotal:</b>	<b>-</b>	<b>(6,311)</b>	<b>(581)</b>	<b>-</b>	<b>-</b>	<b>(923)</b>	<b>(263)</b>	<b>(584)</b>	<b>-</b>	<b>(8,662)</b>
<b>Carrying amount at the end of the period*</b>	<b>12,511</b>	<b>123,946</b>	<b>1,777</b>	<b>4,427</b>	<b>-</b>	<b>2,360</b>	<b>1,914</b>	<b>871</b>	<b>630</b>	<b>148,436</b>
<b>Gross carrying amount</b>										
Gross carrying amount	12,511	134,870	2,292	4,427	-	3,803	2,177	1,390	630	162,100
Accumulated depreciation / amortisation	-	(10,924)	(515)	-	-	(1,443)	(263)	(519)	-	(13,664)
<b>Carrying amount at the end of the period</b>	<b>12,511</b>	<b>123,946</b>	<b>1,777</b>	<b>4,427</b>	<b>-</b>	<b>2,360</b>	<b>1,914</b>	<b>871</b>	<b>630</b>	<b>148,436</b>

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

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 For the period ended 30 June 2021

Parent

2020-21

	Land and buildings:			Plant and equipment:						Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommod- ation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of-use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	3,078	50,250	1,777	4,427	-	2,360	1,914	871	630	65,307
Additions	1,100	400	1,199	14,630	-	462	-	500	528	18,819
Assets received free of charge	-	-	-	-	-	-	-	-	12	12
Disposals	-	-	-	-	-	(9)	(5)	(6)	-	(20)
Donated assets disposal	-	-	-	(1,336)	-	(83)	-	-	(435)	(1,854)
Transfers between asset classes	-	687	-	(1,054)	367	208	-	-	(208)	-
Other movements	-	-	44	-	-	-	-	-	-	44
<b>Subtotal:</b>	<b>4,178</b>	<b>51,337</b>	<b>3,020</b>	<b>16,667</b>	<b>367</b>	<b>2,938</b>	<b>1,909</b>	<b>1,365</b>	<b>527</b>	<b>82,308</b>
<b>Gains/(losses) for the period recognised in net result:</b>										
Depreciation and amortisation	-	(1,966)	(658)	-	(96)	(853)	(276)	(594)	-	(4,443)
<b>Subtotal:</b>	<b>-</b>	<b>(1,966)</b>	<b>(658)</b>	<b>-</b>	<b>(96)</b>	<b>(853)</b>	<b>(276)</b>	<b>(594)</b>	<b>-</b>	<b>(4,443)</b>
<b>Carrying amount at the end of the period*</b>	<b>4,178</b>	<b>49,371</b>	<b>2,362</b>	<b>16,667</b>	<b>271</b>	<b>2,085</b>	<b>1,633</b>	<b>771</b>	<b>527</b>	<b>77,865</b>
<b>Gross carrying amount</b>										
Gross carrying amount	4,178	53,301	3,535	16,667	367	4,342	2,171	1,556	527	86,644
Accumulated depreciation / amortisation	-	(3,930)	(1,173)	-	(96)	(2,257)	(538)	(785)	-	(8,779)
<b>Carrying amount at the end of the period</b>	<b>4,178</b>	<b>49,371</b>	<b>2,362</b>	<b>16,667</b>	<b>271</b>	<b>2,085</b>	<b>1,633</b>	<b>771</b>	<b>527</b>	<b>77,865</b>

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

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 For the period ended 30 June 2021

Parent

2019-20

	Land and buildings:			Plant and equipment:						Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommod- ation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of-use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	3,078	51,338	2,160	3,660	-	2,507	1,780	1,240	911	66,674
Additions	-	12	198	1,961	-	423	73	224	644	3,535
Assets received free of charge	-	-	-	-	-	217	-	-	-	217
Disposals	-	-	-	-	-	-	-	(9)	-	(9)
Donated assets disposal	-	(12)	-	(318)	-	-	-	-	(491)	(821)
Acquisition / (disposal) through administrative restructuring	-	-	-	-	-	26	-	-	-	26
Transfers between asset classes	-	876	-	(876)	-	110	324	-	(434)	-
<b>Subtotal:</b>	<b>3,078</b>	<b>52,214</b>	<b>2,358</b>	<b>4,427</b>	<b>-</b>	<b>3,283</b>	<b>2,177</b>	<b>1,455</b>	<b>630</b>	<b>69,622</b>
<b>Gains/(losses) for the period recognised in net result:</b>										
Depreciation and amortisation	-	(1,964)	(581)	-	-	(923)	(263)	(584)	-	(4,315)
<b>Subtotal:</b>	<b>-</b>	<b>(1,964)</b>	<b>(581)</b>	<b>-</b>	<b>-</b>	<b>(923)</b>	<b>(263)</b>	<b>(584)</b>	<b>-</b>	<b>(4,315)</b>
<b>Carrying amount at the end of the period*</b>	<b>3,078</b>	<b>50,250</b>	<b>1,777</b>	<b>4,427</b>	<b>-</b>	<b>2,360</b>	<b>1,914</b>	<b>871</b>	<b>630</b>	<b>65,307</b>
<b>Gross carrying amount</b>										
Gross carrying amount	3,078	52,214	2,292	4,427	-	3,803	2,177	1,390	630	70,011
Accumulated depreciation / amortisation	-	(1,964)	(515)	-	-	(1,443)	(263)	(519)	-	(4,704)
<b>Carrying amount at the end of the period</b>	<b>3,078</b>	<b>50,250</b>	<b>1,777</b>	<b>4,427</b>	<b>-</b>	<b>2,360</b>	<b>1,914</b>	<b>871</b>	<b>630</b>	<b>65,307</b>

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

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

---

**18. Fair value measurement**

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

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

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

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

**18.1 Fair value hierarchy**

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

There are no non-recurring fair value measurements.

The Hospital's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. During 2020 and 2021, the Hospital had no valuations categorised into Level 1 or Level 2.

**18.2 Valuation techniques and inputs**

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

Unobservable inputs used to arrive at final valuation figures included:

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

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

**19. Payables**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Creditors and accrued expenses	6,050	6,697	6,050	6,547
Paid Parental Leave Scheme	27	51	27	51
Staff on-costs*	2,357	2,205	2,357	2,205
Other payables	162	105	162	105
<b>Total current payables</b>	<b>8,596</b>	<b>9,058</b>	<b>8,596</b>	<b>8,908</b>
<b>Non-current</b>				
Staff on-costs*	1,268	1,275	1,268	1,275
<b>Total non-current payables</b>	<b>1,268</b>	<b>1,275</b>	<b>1,268</b>	<b>1,275</b>
<b>Total payables</b>	<b>9,864</b>	<b>10,333</b>	<b>9,864</b>	<b>10,183</b>

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

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

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave is unchanged from 38% and the average factor for the calculation of employer superannuation on-costs has also changed from the 2020 rate (9.8%) to 10.1% to reflect the increase in super guarantee. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employee benefits expenses and the employment on-cost liability of \$0.090 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

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

Refer to note 30 for information on risk management.

**20. Financial liabilities**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Lease liabilities	1,106	970	1,106	970
<b>Total current financial liabilities</b>	<b>1,106</b>	<b>970</b>	<b>1,106</b>	<b>970</b>
<b>Non-current</b>				
Lease liabilities	2,117	1,711	2,117	1,711
<b>Total non-current financial liabilities</b>	<b>2,117</b>	<b>1,711</b>	<b>2,117</b>	<b>1,711</b>
<b>Total financial liabilities</b>	<b>3,223</b>	<b>2,681</b>	<b>3,223</b>	<b>2,681</b>

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. Borrowing costs of \$0.043 million (\$0.049 million) relate to interest on lease liabilities. There were no defaults or breaches on any of the above liabilities throughout the year.

Refer to note 30 for information on risk management.

Refer note 16 and 17 for details about the right of use assets (including depreciation) and note 20 for financing costs associated with these leasing activities.

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

*20.1 Maturity analysis*

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

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Lease Liabilities</b>				
1 to 3 years	1,510	1,275	1,510	1,275
3 to 5 years	215	460	215	460
5 to 10 years	411	13	411	13
<b>Total lease liabilities (undiscounted)</b>	<b>2,136</b>	<b>1,748</b>	<b>2,136</b>	<b>1,748</b>

**21. Staff benefits**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Accrued salaries and wages	5,212	5,205	5,212	5,205
Annual leave	15,569	14,769	15,569	14,769
Long service leave	2,812	2,999	2,812	2,999
Skills and experience retention leave	1,307	1,229	1,307	1,229
Other	12	-	12	-
<b>Total current staff benefits</b>	<b>24,912</b>	<b>24,202</b>	<b>24,912</b>	<b>24,202</b>
<b>Non-current</b>				
Long service leave	31,992	33,131	31,992	33,131
<b>Total non-current staff benefits</b>	<b>31,992</b>	<b>33,131</b>	<b>31,992</b>	<b>33,131</b>
<b>Total staff benefits</b>	<b>56,904</b>	<b>57,333</b>	<b>56,904</b>	<b>57,333</b>

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

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

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

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

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

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

**21.2 Long service leave**

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

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

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

The net financial effect of the changes to actuarial assumptions is a decrease in the long service leave liability of \$2.163 million, payables (staff on-costs) of \$0.083 million and staff benefits expense of \$2.246 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption being the long-term discount rate.

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

**22. Provisions**

**22.1 Workers Compensation**

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

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Transfer through administrative restructuring	-	2,683	-	2,683
Carrying amount at the beginning of the period	3,191	-	3,191	-
Increase in provisions recognised	480	830	480	830
Reductions arising from payments/other sacrifices of future economic benefits	(143)	(322)	(143)	(322)
<b>Carrying amount at the end of the period</b>	<b>3,528</b>	<b>3,191</b>	<b>3,528</b>	<b>3,191</b>

*Workers compensation*

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

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

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

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

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

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

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

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

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

**23. Contract liabilities and other liabilities**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Unclaimed monies	5	-	5	-
Contract liabilities	5,985	5,330	5,985	5,330
Residential aged care bonds	15,027	16,142	15,027	16,142
Other	9	16	9	16
<b>Total contract liabilities and other liabilities</b>	<b>21,026</b>	<b>21,488</b>	<b>21,026</b>	<b>21,488</b>

A contract liability is recognised for revenue relating to home care packages, training programs and other health programs received 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. The majority of residential aged care bonds are held in term deposits with the remainder primarily held as cash. Refer to Note 12.

**24. Cash flow reconciliation**

Reconciliation of cash and cash equivalents at the end of the reporting period	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	18,238	8,069	16,929	6,579
<b>Cash as per Statement of Financial Position</b>	<b>18,238</b>	<b>8,069</b>	<b>16,929</b>	<b>6,579</b>
<b>Balance as per Statement of Cash Flows</b>	<b>18,238</b>	<b>8,069</b>	<b>16,929</b>	<b>6,579</b>
<b>Reconciliation of net cash provided by operating activities to net result:</b>				
Net cash provided by (used in) operating activities	13,371	6,276	13,533	6,299
<b>Add/less non-cash items</b>				
Asset donated free of charge	(518)	(775)	(1,854)	(828)
Capital revenues	15,776	138	15,776	138
Depreciation and amortisation expense of non-current assets	(8,808)	(9,427)	(4,443)	(5,080)
Gain/(loss) on sale or disposal of non-current assets	(14)	33	(14)	33
Interest credited directly to investments	51	116	3	14
Resources received free of charge	162	252	12	217
<b>Movement in assets/liabilities</b>				
Increase/(decrease) in inventories	222	146	222	146
Increase/(decrease) in receivables	84	(115)	103	(82)
(Increase)/decrease in other liabilities	465	(694)	463	(704)
(Increase)/decrease in payables and provisions	711	962	561	1,112
(Increase)/decrease in staff benefits	429	(3,788)	429	(3,788)
<b>Net result</b>	<b>21,931</b>	<b>(6,876)</b>	<b>24,791</b>	<b>(2,523)</b>

Total cash outflows for leases is \$1.237 million (\$0.768) million.

**25. Unrecognised contractual commitments**

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

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

**25.1 Expenditure commitments**

Expenditure commitments	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Within one year	11,959	10,501	11,959	10,501
Later than one year but not longer than five years	380	163	380	163
<b>Total expenditure commitments</b>	<b>12,339</b>	<b>10,664</b>	<b>12,339</b>	<b>10,664</b>

The Hospital's expenditure commitments are for agreements for goods and services ordered but not received and MOAAs with DIT for accommodation and are disclosed at nominal amounts.

**25.2 Capital commitments**

Capital commitments	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Within one year	349	-	349	-
<b>Total capital commitments</b>	<b>349</b>	<b>-</b>	<b>349</b>	<b>-</b>

The Hospital expenditure commitments are for agreements for goods and services ordered but not received related to Strathalbyn aged care and are disclosed at nominal amounts.

**26. Trust funds**

The Hospital holds money in trust on behalf of consumers that reside in LHN facilities whilst the consumer is receiving residential mental health services, residential drug and alcohol rehabilitation services, or residential aged care services. As the Hospital only performs 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.

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Carry amount at the beginning of period	14	15	14	15
Client trust receipts	-	-	-	-
Client trust payments	(3)	(1)	(3)	(1)
<b>Carrying amount at the end of the period</b>	<b>11</b>	<b>14</b>	<b>17</b>	<b>14</b>

**27. Contingent assets and liabilities**

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

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

**28. Events after balance date**

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

## **29. Impact of Standards not yet implemented**

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

Amending Standard AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments* will apply from 1 July 2022 and Amending Standard AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* will apply from 1 July 2023. Although applicable to the Hospital, these amending standards are not expected to have an impact on the Hospital's general purpose financial statements. SA Health will update its policies, procedures and work instructions, where required, to reflect the additional clarification requirements.

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

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

### **30.1 Financial risk management**

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

#### Liquidity Risk

The Hospital is funded principally from appropriation by the SA Government. The Hospital works with DTF to determine the cash flows associated with the SA Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows. Refer to note 1.4, 19 and 20 for further information.

#### Credit risk

The Hospital has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Hospital has minimal concentration of credit risk. No collateral is held as security and no credit enhancements relate to financial assets held by the Hospital. Refer to notes 13 and 14 for further information.

#### Market risk

The Hospital does not engage in high risk hedging for its financial assets. Exposure to interest rate risk may arise through interest bearing liabilities, including borrowings. There is no exposure to foreign currency or other price risks.

### **30.2 Categorisation of financial instruments**

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

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

Financial assets and financial liabilities are measured at amortised cost. Amounts relating to statutory receivables and payables (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 \$4.359 million (\$3.325 million) and \$6.085 million (\$6.952 million) respectively.

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

---

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

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

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

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

To measure the expected credit loss, receivables are grouped based on shared risks characteristics and the days past due. When estimated expected credit loss, the Consolidated entity 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 the 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:

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
For the period ended 30 June 2021

CONSOLIDATED AND PARENT	30 June 2021			30 June 2020		
	Expected credit loss rate(s) %	Gross carrying amount S'000	Expected credit losses S'000	Expected credit loss rate(s) %	Gross carrying amount S'000	Expected credit losses S'000
<b>Days past due</b>						
Current	0.1 -5.3 %	613	6	0.1 -8.3 %	782	8
<30 days	0.7 -6.4 %	223	3	0.5 -10.9 %	234	8
31-60 days	1.5 -8.3 %	95	3	1.9 -22.3 %	152	6
61-90 days	1.9 -9.9 %	112	5	2.2 -25.8 %	79	5
91-120 days	2.2 -11.1 %	84	4	2.2 -25.8 %	291	19
121-180 days	2.9 - 16.1 %	126	13	2.9 - 33.9 %	107	11
181-360 days	5.5 - 100 %	349	142	4.4 - 46.8 %	331	50
361-540 days	7.4 - 100%	271	271	7.4 - 70.1%	181	43
>540 days	8.7 - 100%	707	707	8.7 - 85.4%	409	189
<b>Total</b>		<b>2,580</b>	<b>1,154</b>		<b>2,566</b>	<b>339</b>

### 31. Significant transactions with government related entities

The Hospital is controlled by the SA Government.

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

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

The Hospital received funding from the SA Government via the Department (note 2), and incurred significant expenditure via the Department for medical, surgical and laboratory supplies, computing and insurance (note 9). The Department transferred capital works in progress of \$15.776 million (\$0.138 million) to the Hospital. The Hospital incurred significant expenditure with the Department for Infrastructure and Transport (DIT) for property repairs and maintenance of \$1.096 million (\$2.909 million) (note 9) and occupancy rent and rates \$0.796 million (\$0.791 million) (note 25).

### 32. Interests in other entities

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

#### Controlled Entities

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

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

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

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

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

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

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

<b>Health Advisory Council</b>		
<b>Incorporated HACs</b>		
Barossa and Districts Health Advisory Council Inc	Country Health Gift Fund Health Advisory Council Inc*	Eudunda Kapunda Health Advisory Council Inc
Gawler District Health Advisory Council Inc	Hills Area Health Advisory Council Inc	Kangaroo Island Health Advisory Council Inc
Southern Fleurieu Health Advisory Council Inc		
<b>*Unincorporated HACs included in the Country Health Gift Fund Health Advisory Council Inc</b>		
Far North Health Advisory Council	Hawker District Memorial Health Advisory Council	Leigh Creek Health Service Health Advisory Council
Port Augusta, Roxby Downs, Woomera Health Advisory Council	Port Lincoln Health Advisory Council	Port Pirie Health Service Health Advisory Council
Quorn Health Services Health Advisory Council	Southern Flinders Health Advisory Council	Whyalla Hospital and Health Services Health Advisory Council

<b>Gift Fund Trusts</b>		
<b>Incorporated GFTs</b>		
The trustee for Country Health Gift Fund Health Advisory Council Inc Gift Fund Trust **	The trustee for Barossa and Districts Health Advisory Council Inc Gift Fund Trust	The trustee for Eudunda Kapunda Health Advisory Council Inc Gift Fund Trust
The trustee for Gawler District Health Advisory Council Inc Gift Fund Trust	The trustee for Hills Area Health Advisory Council Inc Gift Fund Trust	The trustee for Kangaroo Island Health Advisory Council Inc Gift Fund Trust
The trustee for Southern Fleurieu Health Advisory Council Inc Gift Fund Trust		
<b>**Unincorporated GFTs included in the Country Health Gift Fund Health Advisory Council Gift Fund Trust Inc</b>		
Far North Health Advisory Council Gift Fund Trust	Hawker District Memorial Health Advisory Council Gift Fund Trust	Leigh Creek Health Service Health Advisory Council Gift Fund Trust
Port Augusta, Roxby Downs, Woomera Health Advisory Council Gift Fund Trust	Port Lincoln Health Advisory Council Gift Fund Trust	Port Pirie Health Service Health Advisory Council Gift Fund Trust
Quorn Health Services Health Advisory Council Gift Fund Trust	Southern Flinders Health Advisory Council Gift Fund Trust	Whyalla Hospital and Health Services Health Advisory Council Gift Fund Trust

\*\*On 27 May 2021 the Minister for Health and Wellbeing declared these unincorporated HACs to be incorporated. The transfer of assets from Country Health Gift Fund Health Advisory Council Inc to the newly incorporated HACs is yet to be formalised but is expected to occur in the 2021-22 financial year. While a formal decision is yet to be made regarding Leigh Creek Health Service Health Advisory Council, it is anticipated that it will be dissolved. That being the case, once all assets of the unincorporated HACs and their associated GFTs are transferred, Country Health Gift Fund Health Advisory Council Inc and its associated GFT will be dissolved.

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

---

**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:

<b>Board/Committee name:</b>	<b>Government employee members</b>	<b>Other members</b>
Country Health Gift Fund Health Advisory Council Inc	-	Fuller J, Healy R, Mackay M, Mearthur A.
Barossa Hills Fleurieu Local Health Network Governing Board	1	Blackwell P, Curran J, Fuller J (appointed 12/10/2020), Gaston C (Chair), Russell G (appointed 12/10/2020), Sexton R.
Barossa Hills Fleurieu Risk Management and Audit Committee	1	Powell, D (Chair) *

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

Refer to note 2.2 for remuneration of board and committee members

**BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the period ended 30 June 2021**

---

**34. Administered items**

The Hospital administers Private Practice arrangements. This represents funds billed on behalf of salaried medical officers. The Net Assets will be subsequently distributed to the Hospital and salaried medical officers according to individual Rights of Private Practice Deeds of Agreement.

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue from fees and charges	4,392	4,079
Other expenses	(4,372)	(4,067)
<b>Net result</b>	<b>20</b>	<b>12</b>
Cash and cash equivalents	341	319
Receivables	2	2
Payables	(1)	-
<b>Net assets</b>	<b>342</b>	<b>321</b>
Cash at 1 July	319	309
Cash inflows	4,393	4,077
Cash outflows	(4,371)	(4,067)
<b>Cash at 30 June</b>	<b>341</b>	<b>319</b>