

Riverland Mallee Coorong
Local Health Network Incorporated

Financial report
for the year ended
30 June 2021



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To the Board Chair Riverland Mallee Coorong Local Health Network Incorporated

Opinion

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

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

The consolidated financial report comprises:

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

Basis for opinion

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

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

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

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and 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 Riverland Mallee Coorong 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.

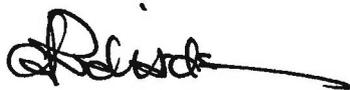
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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 Riverland Mallee Coorong Local Health Network Incorporated's and its controlled entities' internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- 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
Riverland Mallee Coorong Local Health Network**

We certify that the:

- financial statements of the Riverland Mallee Coorong Local Health Network Inc.:
 - are in accordance with the accounts and records of the authority; and
 - comply with relevant Treasurer’s instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the authority at the end of the financial year and the result of its operations and cash flows for the financial year.

- Internal controls employed by the Riverland Mallee Coorong Local Health Network Inc. over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



.....
Dr. Peter Joyner
Board Chair



.....
Wayne Champion
Chief Executive Officer



.....
Craig Lukeman
Chief Finance Officer

Date13.9.2021.....

RIVERLAND MALLEE COORONG 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
Income					
Revenues from SA Government	2	127,124	122,690	127,124	122,690
Fees and charges	3	14,307	14,854	14,307	14,854
Grants and contributions	4	39,267	36,231	40,305	37,528
Interest		159	409	131	321
Resources received free of charge	5	1,889	1,961	1,889	1,697
Net gain from disposal of non-current and other assets	6	9	-	9	-
Other revenues/income	7	1,609	1,083	1,346	870
Total income		184,364	177,228	185,111	177,960
Expenses					
Staff benefits expenses	8	110,418	102,241	110,418	102,241
Supplies and services	9	63,355	62,196	63,339	62,193
Depreciation and amortisation	17	8,152	7,822	1,567	1,479
Borrowing costs	10	31	41	31	41
Net loss from disposal of non-current and other assets	6	-	678	-	-
Impairment loss on receivables	13.1	77	61	77	61
Other expenses	11	641	376	14,799	6,683
Total expenses		182,674	173,415	190,231	172,698
Net result		1,690	3,813	(5,120)	5,262
Other Comprehensive Income					
Items that will be reclassified subsequently to net result when specific conditions are met					
Gains or losses recognised directly in equity		3	15	-	-
Total other comprehensive income		3	15	-	-
Total comprehensive result		1,693	3,828	(5,120)	5,262

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

	Note	Consolidated		Parent	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current assets					
Cash and cash equivalents	12	12,600	8,281	10,789	5,629
Receivables	13	3,793	3,854	3,830	4,033
Other financial assets	14	23,872	20,736	21,770	18,569
Inventories	15	940	861	940	861
Total current assets		41,205	33,732	37,329	29,092
Non-current assets					
Receivables	13	999	560	999	560
Other financial assets	14	149	142	-	-
Property, plant and equipment	16,17	162,681	160,454	13,357	18,700
Total non-current assets		163,829	161,156	14,356	19,260
Total assets		205,034	194,888	51,685	48,352
Current liabilities					
Payables	19	5,299	5,580	5,299	5,580
Financial liabilities	20	501	604	501	604
Staff benefits	21	14,978	13,695	14,978	13,695
Provisions	22	1,322	985	1,322	985
Contract liabilities and other liabilities	23	29,622	25,918	29,622	25,918
Total current liabilities		51,722	46,782	51,722	46,782
Non-current liabilities					
Payables	19	667	661	667	661
Financial liabilities	20	1,293	1,201	1,293	1,201
Staff benefits	21	16,825	17,184	16,825	17,184
Provisions	22	5,086	1,312	5,086	1,312
Total non-current liabilities		23,871	20,358	23,871	20,358
Total liabilities		75,593	67,140	75,593	67,140
Net assets		129,441	127,748	(23,908)	(18,788)
Equity					
Retained earnings		86,064	84,374	(23,908)	(18,788)
Asset revaluation surplus		43,359	43,359	-	-
Other reserves		18	15	-	-
Total equity		129,441	127,748	(23,908)	(18,788)

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2021

CONSOLIDATED

	Note	Asset revaluation surplus \$ '000	Other reserves \$'000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2019		-	-	-	-
Net assets received from an administrative restructure	1.6	-	-	(24,050)	(24,050)
Net assets received on first time consolidation	1.6	44,127	-	103,843	147,970
Adjusted balance at 1 July 2019		44,127	-	79,793	123,920
Net result for 2019-20		-	-	3,813	3,813
Gain/(loss) on revaluation of other financial assets		-	15	-	15
Total comprehensive result for 2019-20		-	15	3,813	3,828
Transfer between equity components		(768)	-	768	-
Balance at 30 June 2020		43,359	15	84,374	127,748
Net result for 2020-21		-	-	1,690	1,690
Gain/(loss) on revaluation of other financial assets		-	3	-	3
Total comprehensive result for 2020-21		-	3	1,690	1,693
Balance at 30 June 2021		43,359	18	86,064	129,441

PARENT

	Note	Asset revaluation surplus \$ '000	Other reserves \$'000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2019		-	-	-	-
Net assets received from an administrative restructure	1.6	-	-	(24,050)	(24,050)
Adjusted balance at 1 July 2019		-	-	(24,050)	(24,050)
Net result for 2019-20		-	-	5,262	5,262
Total comprehensive result for 2019-20		-	-	5,262	5,262
Balance at 30 June 2020		-	-	(18,788)	(18,788)
Net result for 2020-21		-	-	(5,120)	(5,120)
Total comprehensive result for 2020-21		-	-	(5,120)	(5,120)
Balance at 30 June 2021		-	-	(23,908)	(23,908)

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

RIVERLAND AND MALLEE COORONG LOCAL HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the period ended 30 June 2021

	Note	Consolidated		Parent	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Cash inflows					
Receipts from SA Government		96,643	110,609	96,643	110,609
Fees and charges		14,783	14,198	14,930	14,160
Grants and contributions		39,352	37,328	40,390	38,473
Interest received		144	437	126	368
Residential aged care bonds received		9,122	7,412	9,122	7,412
GST recovered from ATO		3,433	3,217	3,433	3,217
Other receipts		784	477	525	268
Cash generated from operations		164,261	173,678	165,169	174,507
Cash outflows					
Staff benefits payments		(105,197)	(99,535)	(105,197)	(99,535)
Payments for supplies and services		(42,006)	(62,355)	(41,990)	(62,352)
Interest paid		(31)	(41)	(31)	(41)
Residential aged care bonds refunded		(6,106)	(4,893)	(6,106)	(4,893)
Other payments		(520)	(407)	(523)	(407)
Cash used in operations		(153,860)	(167,231)	(153,847)	(167,228)
Net cash provided by operating activities		10,401	6,447	11,322	7,279
Cash flows from investing activities					
Cash inflows					
Proceeds from sale of property, plant and equipment		9	118	9	-
Proceeds from sale/maturities of investments		185	183	-	-
Cash generated from investing activities		194	301	9	-
Cash outflows					
Purchase of property, plant and equipment		(2,258)	(2,371)	(2,258)	(2,371)
Purchase of investments		(3,300)	(1,623)	(3,195)	(1,500)
Cash used in investing activities		(5,558)	(3,994)	(5,453)	(3,871)
Net cash provided by/(used in) investing activities		(5,364)	(3,693)	(5,444)	(3,871)
Cash flows from financing activities					
Cash inflows					
Cash received from restructuring activities		-	6,254	-	2,948
Cash generated from financing activities		-	6,254	-	2,948
Cash outflows					
Repayment of borrowings		(98)	(96)	(98)	(96)
Repayment of lease liabilities		(620)	(631)	(620)	(631)
Cash used in financing activities		(718)	(727)	(718)	(727)
Net cash provided by/(used in) financing activities		(718)	5,527	(718)	2,221
Net increase/(decrease) in cash and cash equivalents		4,319	8,281	5,160	5,629
Cash and cash equivalents at the beginning of the period		8,281	-	5,629	-
Cash and cash equivalents at the end of the period	12	12,600	8,281	10,789	5,629
Non-cash transactions	24				

The accompanying notes form part of these financial statements.

**RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2021**

1. About Riverland Mallee Coorong Local Health Network

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

Parent Entity

The Parent entity consists of the following:

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

Consolidated Entity

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2021

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

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

Administered items

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

1.1 Objectives and activities

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

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

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

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

1.2 Basis of preparation

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

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

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

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

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

1.3 Taxation

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

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

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

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2021

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 \$10.517 million (\$13.050 million). The SA Government is committed to continuing the delivery of hospital services to country and regional SA and accordingly it has demonstrated a commitment to the ongoing funding of these hospitals.

1.5 Equity

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

1.6 Changes to reporting entity

2020-21

There were no administrative restructures during the current reporting period.

2019-20

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

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

1.7 Impact of COVID-19 pandemic on SA Health

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 \$1.573 million (\$0.555 million).

1.8 Change in accounting policy

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

RIVERLAND MALLEE COORONG 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	9,131	13,654	9,131	13,654
Operational funding	117,993	109,036	117,993	109,036
Total revenues from SA Government	127,124	122,690	127,124	122,690

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 revenue when the Hospital obtains control over the funding. Control over the funding is normally obtained upon receipt.

3. Fees and charges

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Patient and client fees	4,087	4,025	4,087	4,025
Private practice fees	5	19	5	19
Fees for health services	1,032	1,107	1,032	1,107
Residential and other aged care charges	7,966	8,128	7,966	8,128
Sale of goods - medical supplies	23	45	23	45
Other user charges and fees	1,194	1,530	1,194	1,530
Total fees and charges	14,307	14,854	14,307	14,854

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).

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

Patient and Client Fees

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

Residential and other aged care charges

Long stay nursing home fees include daily care fees and daily accommodation fees. Residents pay fortnightly in arrears for services rendered and accommodation supplied. 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.

RIVERLAND MALLEE COORONG 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	24,550	21,430	24,550	21,430
Commonwealth aged care subsidies	13,746	13,805	13,746	13,805
SA Government capital contributions	-	-	887	1,095
Other SA Government grants and contributions	766	878	917	1,080
Private sector capital contributions	177	-	177	-
Private sector grants and contributions	28	118	28	118
Total grants and contributions	39,267	36,231	40,305	37,528

Grants provided for are usually subject to terms and conditions set out in the contract, correspondence, or by legislation. All grants and contributions received were provided for specific purposes such as aged care, community health services and other related health services and are recognised in accordance with AASB 1058 *Income of Not-for-Profit Entities*.

5. Resources received free of charge

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Land and buildings	-	264	-	-
Plant and equipment	68	296	68	296
Services	1,821	1,401	1,821	1,401
Total resources received free of charge	1,889	1,961	1,889	1,697

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

Contribution of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated. The Hospital receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$1.456 million (\$1.401 million) and ICT services from the Department of the Premier and Cabinet (DPC) valued at \$0.365 million (\$Nil), following Cabinet's approval to cease intra-government charging.

Although not recognised, the Hospital receives volunteer services from around 392 registered volunteers who provide patient and staff support services to individuals using the health facilities services. The services include but are not limited to: daily supper rounds, way finding services, stores replenishment, support in theatre/recovery/emergency departments, administration/medical records, on the wards, home delivered meals, transport and the Community Visitors Scheme (social support).

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

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Land and buildings:				
Proceeds from disposal	-	135	-	-
Less carrying amount of assets disposed	-	(796)	-	-
Less other costs of disposal	-	(17)	-	-
Net gain/(loss) from disposal of land and buildings	-	(678)	-	-
Plant and equipment				
Proceeds from disposal	10	-	10	-
Less carrying amount of assets disposed	-	-	-	-
Less other costs of disposal	(1)	-	(1)	-
Total net gain/(loss) from disposal of plant and equipment	9	-	9	-
Total assets:				
Total proceeds from disposal	10	135	10	-
Less total carrying amount of assets disposed	-	(796)	-	-
Less other costs of disposal	(1)	(17)	(1)	-
Total net gain/(loss) from disposal of assets	9	(678)	9	-

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.

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7. Other revenues/income

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Dividend revenue	4	4	-	-
Donations	399	414	147	212
Health recoveries	813	583	813	583
Insurance recoveries	183	37	183	37
Other	210	45	203	38
Total other revenues/income	1,609	1,083	1,346	870

8. Staff benefits expenses

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	86,265	81,953	86,265	81,953
Targeted voluntary separation packages (refer below)	135	122	135	122
Long service leave	1,151	1,950	1,151	1,950
Annual leave	7,826	7,287	7,826	7,287
Skills and experience retention leave	381	375	381	375
Staff on-costs - superannuation*	8,998	8,737	8,998	8,737
Staff on-costs - other	3	-	3	-
Workers compensation	5,486	1,603	5,486	1,603
Board and committee fees	161	179	161	179
Other staff related expenses	12	35	12	35
Total staff benefits expenses	110,418	102,241	110,418	102,241

* 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 Hospital includes the Minister, the six (six) members of the governing board, the Chief Executive of the Department, the Chief Executive Officer of the Hospital and the twelve (ten) members of the Executive Management Group who have responsibility for the strategic direction and management of the Hospital.

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

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

Compensation	2021	2020
	\$'000	\$'000
Salaries and other short term employee benefits	2,268	1,702
Post-employment benefits	286	232
Total	2,554	1,934

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	-
\$20,001 - \$40,000	5	5
\$40,001 - \$60,000	1	1
Total	7	6

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The total remuneration received or receivable by members was \$0.185 million (\$0.193 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any 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	2020	2021	2020
The number of staff whose remuneration received or receivable falls within the following bands:	Number	Number	Number	Number
\$154,678 - \$175,000	9	9	9	9
\$175,001 - \$195,000	2	1	2	1
\$215,001 - \$235,000	2	1	2	1
\$235,001 - \$255,000	1	-	1	-
\$295,001 - \$315,000	1	-	1	-
\$315,001 - \$335,000	1	-	1	-
\$355,001 - \$375,000	1	-	1	-
\$375,001 - \$395,000	1	-	1	-
\$415,001 - \$435,000	-	1	-	1
\$515,001 - \$535,000	-	1	-	1
\$535,001 - \$555,000	2	-	2	-
\$595,001 - \$615,000	-	1	-	1
Total number of staff	20	14	20	14

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

8.4 Remuneration of staff by classification

The total remuneration received by staff included above:

	Consolidated				Parent			
	2021		2020		2021		2020	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Executive	1	228	1	230	1	228	1	230
Medical (excluding Nursing)	8	2,780	5	1,881	8	2,780	5	1,881
Nursing	11	1,987	8	1,325	11	1,987	8	1,325
Total	20	4,995	14	3,436	20	4,995	14	3,436

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	135	122	135	122
Leave paid/payable to separated employees	62	114	62	114
	197	236	197	236

The number of staff who received a TVSP during the reporting period	1	4	1	4
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9. Supplies and services

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Administration	169	170	169	170
Advertising	78	18	78	18
Communication	791	499	791	499
Computing	1,791	1,903	1,791	1,903
Consultants	18	476	18	476
Contract of services	689	624	689	624
Contractors	85	11	85	11
Contractors - agency staff	2,375	5,022	2,375	5,022
Drug supplies	1,355	1,356	1,355	1,356
Electricity, gas and fuel	2,151	2,344	2,151	2,344
Fee for service*	15,767	14,561	15,767	14,561
Food supplies	2,422	2,349	2,422	2,349
Housekeeping	1,620	1,370	1,620	1,370
Insurance	1,034	823	1,034	823
Internal SA Health SLA payments	5,859	6,308	5,859	6,308
Legal	42	9	42	9
Medical, surgical and laboratory supplies	11,906	9,962	11,906	9,962
Minor equipment	1,788	1,237	1,788	1,237
Motor vehicle expenses	522	556	522	556
Occupancy rent and rates	629	726	629	726
Patient transport	2,984	3,155	2,984	3,155
Postage	237	208	237	208
Printing and stationery	581	557	581	557
Repairs and maintenance	4,461	4,418	4,461	4,418
Security	222	143	222	143
Services from Shared Services SA	1,463	1,405	1,463	1,405
Short term lease expense	100	43	100	43
Training and development	403	273	403	273
Travel expenses	135	248	135	248
Other supplies and services	1,678	1,422	1,662	1,419
Total supplies and services	63,355	62,196	63,339	62,193

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

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

Consultants

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

	Consolidated				Parent			
	2021		2020		2021		2020	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Below \$10,000	-	-	3	10	-	-	3	10
Above \$10,000	1	18	4	466	1	18	4	466
Total	1	18	7	476	1	18	7	476

10. Borrowing costs

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Interest expense on lease liabilities	30	38	30	38
Interest paid/payable on liabilities measured at amortised cost	1	3	1	3
Total borrowing cost	31	41	31	41

The Hospital does not capitalise borrowing costs. The total borrowing costs from financial liabilities not at fair value through the profit and loss was \$0.031 million (\$0.041 million).

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11. Other expenses

	Note	Consolidated		Parent	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
Debts written off	13	73	97	73	97
Bank fees and charges		5	3	5	3
Donated assets expense		152	-	14,310	6,307
Other*		411	276	411	276
Total other expenses		641	376	14,799	6,683

In 2020-21 donated assets expense relates to 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 \$0.100 million (\$0.148 million). No other services were provided by the Auditor-General's Department. Payments to Galpins Accountants Auditors and Business Consultants were \$0.054 million (\$0.057 million) for HAC and aged care audits.

12. Cash and cash equivalents

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand	4,982	5,589	3,171	2,937
Deposits with Treasurer: general operating	7,203	2,322	7,203	2,322
Deposits with Treasurer: special purpose funds	415	370	415	370
Total cash and cash equivalents	12,600	8,281	10,789	5,629

Cash is measured at nominal amounts. The Hospital operates through the Department's general operating account held with the Treasurer and does not earn interest on this account. Interest is earned on HAC and GFT bank accounts and accounts holding aged care funds, including refundable deposits. Of the \$12.600 million (\$8.281 million) held, \$2.389 million (\$2.321 million) relates to aged care refundable deposits.

13. Receivables

Current	Note	Consolidated		Parent	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
Patient/client fees: compensable		119	118	119	118
Patient/client fees: aged care		1,044	1,934	1,044	1,934
Patient/client fees: other		391	311	391	311
Debtors		530	440	538	442
Less: allowance for impairment loss on receivables	13.1	(293)	(216)	(293)	(216)
Prepayments		85	244	85	244
Interest		24	30	18	19
Workers compensation provision recoverable		494	326	494	326
Sundry receivables and accrued revenue		1,312	509	1,347	697
GST input tax recoverable		87	158	87	158
Total current receivables		3,793	3,854	3,830	4,033
Non-current					
Debtors		141	16	141	16
Workers compensation provision recoverable		858	544	858	544
Total non-current receivables		999	560	999	560
Total receivables		4,792	4,414	4,829	4,593

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

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

13.1 Impairment of receivables

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

Movement in the allowance for impairment of receivables:

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Transfer through administrative restructure	-	155	-	155
Carrying amount at the beginning of the period	216	-	216	-
Increase/(Decrease) in allowance recognised in profit or loss	77	61	77	61
Carrying amount at the end of the period	293	216	293	216

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

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Current				
Term deposits	23,872	20,736	21,770	18,569
Total current investments	23,872	20,736	21,770	18,569
Non-current				
Other investments FVOCI	149	142	-	-
Total non-current investments	149	142	-	-
Total investments	24,021	20,878	21,770	18,569

Of these deposits \$16.570 million (\$13.875 million) relates to aged care refundable deposits, with the remaining funds primarily relating to aged care. These deposits are measured at amortised cost. Listed equities and other investments are measured at fair value represented by market value.

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

15. Inventories

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Drug supplies	258	241	258	241
Medical, surgical and laboratory supplies	462	415	462	415
Food and hotel supplies	163	151	163	151
Other	57	54	57	54
Total current inventories - held for distribution	940	861	940	861

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

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

16.1 Acquisition and recognition

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

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

16.2 Depreciation and amortization

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

Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	10 - 80
Right-of-use buildings	Lease Term
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	2 - 25
• Computing equipment	3 - 5
• Vehicles	2 - 25
• Other plant and equipment	3 - 50
Right-of-use plant and equipment	Lease Term

16.3 Revaluation

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

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

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

16.4 Impairment

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

16.5 Land and buildings

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

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

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16.6 Plant and equipment

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

16.7 Leased property, plant and equipment

Right-of-use assets leased by the Hospital as lessee are measured at cost and there were no indications of impairment. Additions to right-of-use assets during 2020-21 were \$0.738 million (\$0.372 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 recorded 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. Lease terms vary in length from 2 to 17 years.

Major lease activities include the use of:

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

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

The lease liabilities related to the right-of-use assets (and the maturity analysis) are disclosed at note 20. Expenses related to leases including depreciation and interest expense are disclosed at note 17 and 10. Cash outflows related to leases are disclosed at note 24.

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17. Reconciliation of property, plant and equipment

The following table shows the movement:

Consolidated

2020-21	Land and buildings:			Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of-use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	8,015	139,200	992	8,806	1,522	909	683	327	160,454
Additions	-	-	-	9,096	74	200	738	387	10,495
Assets received free of charge	-	-	-	-	26	-	-	42	68
Disposals	-	-	(34)	-	-	-	(14)	-	(48)
Donated assets disposal	-	-	-	-	-	-	-	(152)	(152)
Transfers between asset classes	-	14,158	-	(14,236)	296	-	-	(218)	-
Other movements	-	-	19	-	-	-	-	-	19
Subtotal:	8,015	153,358	977	3,666	1,918	1,109	1,407	386	170,836
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(6,814)	(80)	-	(490)	(219)	(549)	-	(8,152)
Subtotal:	-	(6,814)	(80)	-	(490)	(219)	(549)	-	(8,152)
Gains/(losses) for the period recognised in other comprehensive income:									
Impairment (losses) / reversals	-	(3)	-	-	-	-	-	-	(3)
Subtotal:	-	(3)	-	-	-	-	-	-	(3)
Carrying amount at the end of the period*	8,015	146,541	897	3,666	1,428	890	858	386	162,681
Gross carrying amount									
Gross carrying amount	8,015	166,664	1,031	3,666	2,756	1,276	1,523	386	185,317
Accumulated depreciation / amortisation	-	(20,123)	(134)	-	(1,328)	(386)	(665)	-	(22,636)
Carrying amount at the end of the period	8,015	146,541	897	3,666	1,428	890	858	386	162,681

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

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Consolidated
2019-20

	Land and buildings:			Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of-use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	8,055	139,957	1,107	1,346	1,283	819	863	-	153,430
Additions	-	113	-	13,654	530	106	372	327	15,102
Assets received free of charge	-	264	-	-	145	151	-	-	560
Disposals	(40)	(756)	-	-	-	-	(20)	-	(816)
Transfers between asset classes	-	6,194	-	(6,194)	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Subtotal:	8,015	145,772	1,107	8,806	1,958	1,076	1,215	327	168,276
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(6,572)	(115)	-	(436)	(167)	(532)	-	(7,822)
Subtotal:	-	(6,572)	(115)	-	(436)	(167)	(532)	-	(7,822)
Carrying amount at the end of the period*	8,015	139,200	992	8,806	1,522	909	683	327	160,454
Gross carrying amount									
Gross carrying amount	8,015	152,509	1,107	8,806	2,353	1,076	1,148	327	175,341
Accumulated depreciation / amortisation	-	(13,309)	(115)	-	(831)	(167)	(465)	-	(14,887)
Carrying amount at the end of the period	8,015	139,200	992	8,806	1,522	909	683	327	160,454

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

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Parent
2020-21

	Land and buildings:			Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of-use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	714	4,747	992	8,806	1,522	909	683	327	18,700
Additions	-	-	-	9,096	74	200	738	387	10,495
Assets received free of charge	-	-	-	-	26	-	-	42	68
Disposals	-	-	(34)	-	-	-	(14)	-	(48)
Donated assets disposal	-	-	-	(14,158)	-	-	-	(152)	(14,310)
Transfers between asset classes	-	-	-	(78)	296	-	-	(218)	-
Other movements	-	-	19	-	-	-	-	-	19
Subtotal:	714	4,747	977	3,666	1,918	1,109	1,407	386	14,924
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(229)	(80)	-	(490)	(219)	(549)	-	(1,567)
Subtotal:	-	(229)	(80)	-	(490)	(219)	(549)	-	(1,567)
Carrying amount at the end of the period*	714	4,518	897	3,666	1,428	890	858	386	13,357
Gross carrying amount									
Gross carrying amount	714	4,976	1,031	3,666	2,756	1,276	1,523	386	16,328
Accumulated depreciation / amortisation	-	(458)	(134)	-	(1,328)	(386)	(665)	-	(2,971)
Carrying amount at the end of the period	714	4,518	897	3,666	1,428	890	858	386	13,357

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

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Parent
2019-20

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

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

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18. Fair value measurement

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

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

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

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

18.1 Fair value hierarchy

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

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

18.2 Valuation techniques and inputs

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

Unobservable inputs used to arrive at final valuation figures included:

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

19. Payables

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Current				
Creditors and accrued expenses	3,731	4,213	3,731	4,213
Paid Parental Leave Scheme	24	23	24	23
Staff on-costs*	1,426	1,255	1,426	1,255
Other payables	118	89	118	89
Total current payables	5,299	5,580	5,299	5,580
Non-current				
Staff on-costs*	667	661	667	661
Total non-current payables	667	661	667	661
Total payables	5,966	6,241	5,966	6,241

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

*Staff on-costs include Return to Work SA levies and superannuation contributions and are settled when the respective staff 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 at 38% and the average factor for the calculation of employer superannuation on-costs has increased from the 2020 rate (9.8%) to 10.1% to reflect the increase in super guarantee. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the staff on-cost liability and staff benefits expenses of \$0.052 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
Current	\$'000	\$'000	\$'000	\$'000
Borrowings from SA Government	17	97	17	97
Lease liabilities	484	507	484	507
Total current financial liabilities	501	604	501	604
Non-current	\$'000	\$'000	\$'000	\$'000
Borrowings from SA Government	-	18	-	18
Lease liabilities	1,293	1,183	1,293	1,183
Total non-current financial liabilities	1,293	1,201	1,293	1,201
Total financial liabilities	1,794	1,805	1,794	1,805

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

Refer to note 30 for information on risk management.

Refer note 16 for details about the right-of-use assets (including depreciation) and note 10 for financing costs associated with these leasing activities.

20.1 Concessional lease arrangements for right-of-use assets

The Hospital has no concessional arrangements for right-of-use assets as lessee.

20.2 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
Lease Liabilities	\$'000	\$'000	\$'000	\$'000
1 to 3 years	570	429	570	429
3 to 5 years	159	162	159	162
5 to 10 years	351	346	351	346
More than 10 years	344	394	344	394
Total lease liabilities (undiscounted)	1,424	1,331	1,424	1,331

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21. Staff benefits

	Consolidated		Parent	
	2021	2020	2021	2020
Current	\$'000	\$'000	\$'000	\$'000
Accrued salaries and wages	3,160	3,099	3,160	3,099
Annual leave	9,636	8,386	9,636	8,386
Long service leave	1,479	1,555	1,479	1,555
Skills and experience retention leave	703	655	703	655
Total current staff benefits	14,978	13,695	14,978	13,695
Non-current				
Long service leave	16,825	17,184	16,825	17,184
Total non-current staff benefits	16,825	17,184	16,825	17,184
Total staff benefits	31,803	30,879	31,803	30,879

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 at 2.0% for annual leave and skills, experience and 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 staff 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 staff 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 decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave. 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 effect resulting from changes in the salary inflation rate.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$1.089 million, payables (staff on-costs) of \$0.042 million and staff benefits expense of \$1.131 million. The impact on the future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption being the long-term discount rate.

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22. Provisions

Provisions represent workers compensation.

Reconciliation of workers compensation (statutory and non-statutory)

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	2,297	1,910	2,297	1,910
Increase in provisions recognised	4,162	905	4,162	905
Reductions arising from payments/other sacrifices of future economic benefits	(51)	(518)	(51)	(518)
Carrying amount at the end of the period	6,408	2,297	6,408	2,297

22.1 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 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 at 30 June. The liability comprises an estimate for known claims and an estimate of incurred but not reported applications. No risk margin is included in the estimate.

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

23. Contract liabilities and other liabilities

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Current				
Contract liabilities	3,864	2,544	3,864	2,544
Residential aged care bonds	25,731	23,348	25,731	23,348
Other	27	26	27	26
Total contract liabilities and other liabilities	29,622	25,918	29,622	25,918

A contract liability is recognized for revenue relating to home care packages 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.

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

24. Cash flow reconciliation

Reconciliation of cash and cash equivalents at the end of the reporting period	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	12,600	8,281	10,789	5,629
Cash as per Statement of Financial Position	12,600	8,281	10,789	5,629
Balance as per Statement of Cash Flows	12,600	8,281	10,789	5,629
Reconciliation of net cash provided by operating activities to net cost of providing services:				
Net cash provided by (used in) operating activities	10,401	6,447	11,322	7,279
Add/less non-cash items				
Asset donated free of charge	(152)	-	(14,310)	(6,307)
Capital revenues	7,653	12,073	7,653	12,073
Depreciation and amortisation expense of non-current assets	(8,152)	(7,822)	(1,567)	(1,479)
Gain/(loss) on sale or disposal of non-current assets	9	(678)	9	-
Impairment of non-current assets	(3)	-	-	-
Interest credited directly to investments	21	54	6	17
Resources received free of charge	68	560	68	296
Dividends received via reinvestment plan	4	4	-	-
Movement in assets/liabilities				
Increase/(decrease) in inventories	79	8	79	8
Increase/(decrease) in receivables	378	1,512	236	1,720
(Increase)/decrease in other liabilities	(3,704)	(4,243)	(3,704)	(4,243)
(Increase)/decrease in payables and provisions	(3,988)	(2,150)	(3,988)	(2,150)
(Increase)/decrease in staff benefits	(924)	(1,952)	(924)	(1,952)
Net result	1,690	3,813	(5,120)	5,262

Total cash outflows for leases is \$0.661 million (\$0.669 million).

25. Unrecognised contractual commitments

Expenditure commitments	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Within one year	974	624	974	624
Later than one year but not longer than five years	176	105	176	105
Total other expenditure commitments	1,150	729	1,150	729

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

The Hospital also has commitments to provide funding to various non-government organisations in accordance with negotiated service agreements. The value of these commitments as at 30 June 2021 has not been quantified.

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26. Trust funds

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

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Carry amount at the beginning of period	49	51	49	51
Client trust receipts	43	69	43	69
Client trust payments	(38)	(71)	(38)	(71)
Carrying amount at the end of the period	54	49	54	49

27. Contingent assets and liabilities

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

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

28. Events after balance date

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 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 notes 1.4, 19 and 20 for further information.

Credit risk

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

Refer to notes 13 and 14 for further information.

Market risk

The Hospital does not engage in high risk hedging for its financial assets. Exposure to interest rate risk may arise through interest bearing liabilities, including borrowings. Residential Aged Care bonds become interest bearing when a refunding event occurs as per note 23. There is no exposure to foreign currency or other price risks.

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30.2 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 2 or the respective financial asset / financial liability note.

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

Category of financial asset and financial liability	Notes	Consolidated		Parent	
		2021 Carrying amount/ Fair value \$'000	2020 Carrying amount/ Fair value \$'000	2021 Carrying amount/ Fair value \$'000	2020 Carrying amount/ Fair value \$'000
Financial assets					
Cash and equivalent					
Cash and cash equivalents	12,24	12,600	8,281	10,789	5,629
Amortised Cost					
Receivables ⁽¹⁾⁽²⁾	13	3,116	3,124	3,153	3,303
Other financial assets*	14	23,872	20,736	21,770	18,569
Fair Value through other comprehensive income					
Other financial assets	14	149	142	-	-
Total financial assets		39,737	32,283	35,712	27,501
Financial liabilities					
Financial liabilities at amortised cost					
Payables ⁽¹⁾	19	3,694	4,146	3,694	4,146
Borrowings	20	17	115	17	115
Lease liabilities	20	1,777	1,609	1,777	1,690
Other financial liabilities	23	27	26	27	26
Total financial liabilities		5,515	5,977	5,515	5,977

⁽¹⁾ Receivable and payable amounts disclosed exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and fees and charges. This is in addition to employee related receivables and payables such as fringe benefits tax etc. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the disclosure requirements of AASB 7 will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

⁽²⁾ Receivable amount disclosed here excludes prepayments as they are not financial assets.

30.3 Credit risk exposure and impairment of financial assets

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

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

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

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

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

CONSOLIDATED AND PARENT	30 June 2021			30 June 2020		
	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000
Days past due						
Current	0.1 - 11.1 %	604	15	0.1 - 14.9 %	1,158	13
<30 days	0.4 - 14.1 %	163	6	0.4 - 20.5 %	199	14
31-60 days	0.8 - 18.5 %	68	4	0.8 - 31.1%	100	3
61-90 days	1.1 - 21.3 %	69	5	1.1 - 39.1 %	85	5
91-120 days	1.3 - 23.1 %	70	7	1.3 - 43.1 %	74	8
121-180 days	1.8 - 31.4 %	82	10	1.8 - 55.4 %	166	21
181-360 days	3.5 - 73.6 %	256	88	3.5 - 72.1 %	538	67
361-540 days	4.6 - 88.4 %	140	45	4.6 - 87.4%	181	25
>540 days	5.3 - 99.4 %	495	113	5.3 - 98.9%	331	60
Total		1,947	293		2,832	216

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 \$7.652 million (\$12.073 million) to the Hospital. The Hospital incurred significant expenditure with the Department for Infrastructure and Transport (DIT) for property repairs and maintenance of \$3.844 million (\$3.543 million) (note 9). As at 30 June the outstanding balance payable to DIT was \$0.396 million (\$0.734 million) (note 19).

32. Interests in other entities

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

Controlled Entities

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

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

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

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

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

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

33. Schedules of administered items

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

	2021	2020
	\$'000	\$'000
Other expenses	(186)	(164)
Revenue from fees and charges	186	164
Net result	-	-
Cash at 1 July	-	-
Opening cash	-	-
Cash inflows	186	164
Cash outflows	(186)	(164)
Cash at 30 June	-	-

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34. Board and committee members

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

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

Refer to note 8.2 for remuneration of board and committee members