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To the Board Chair Limestone Coast Local Health Network Incorporated

Opinion

I have audited the financial report of the Limestone Coast Local Health Network Incorporated and the consolidated entity comprising the Limestone Coast Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Limestone Coast Local Health Network Incorporated and its controlled entities as at 30 June 2022, their financial performance and their cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Acting 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 Limestone Coast 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 issues under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the entity's and consolidated entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The 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 Limestone Coast Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2022.

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

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

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



Andrew Richardson
Auditor-General

20 September 2022

**Certification of the financial statements
Limestone Coast Local Health Network**

We certify that the:

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



.....
Lindy Cook
Acting Board Chair



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Ngaire Buchanan
Chief Executive Officer



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Akhil Kapoor
Chief Finance Officer

Date ..14/09/2022.....

LIMESTONE COAST LOCAL HEALTH NETWORK
STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2022

	Note	Consolidated		Parent	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Income					
Revenues from SA Government	2	146,764	137,481	146,764	137,481
Fees and charges	3	15,499	17,172	15,499	17,172
Grants and contributions	4	23,537	22,096	23,749	22,526
Interest		68	144	66	136
Resources received free of charge	5	1,579	1,758	1,579	1,758
Net gain from disposal of non-current and other assets	6	-	2	-	2
Other revenues/income	7	3,302	2,110	3,234	1,776
Total income		190,749	180,763	190,891	180,851
Expenses					
Staff benefits expenses	8	111,441	103,450	111,441	103,450
Supplies and services	9	72,027	62,736	72,026	62,734
Depreciation and amortisation	18,19	6,752	6,130	5,310	4,747
Grants and subsidies	10	1,500	1,330	1,500	1,330
Borrowing costs	11	761	813	761	813
Impairment loss on receivables	14.1	(255)	882	(255)	882
Other expenses	12	293	237	323	1,272
Total expenses		192,519	175,578	191,106	175,228
Net result		(1,770)	5,185	(215)	5,623
Total comprehensive result		(1,770)	5,185	(215)	5,623

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

LIMESTONE COAST LOCAL HEALTH NETWORK
STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

	Note	Consolidated		Parent	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current assets					
Cash and cash equivalents	13	9,813	10,726	8,975	9,766
Receivables	14	3,848	3,655	3,849	3,665
Other financial assets	15	18,931	18,944	17,910	17,893
Inventories	16	958	852	958	852
Total current assets		33,550	34,177	31,692	32,176
Non-current assets					
Receivables	14	601	402	601	402
Property, plant and equipment	17,18	123,613	126,795	96,020	97,790
Intangible assets	17,19	311	-	311	-
Total non-current assets		124,525	127,197	96,932	98,192
Total assets		158,075	161,374	128,624	130,368
Current liabilities					
Payables	21	6,175	5,067	6,175	5,067
Financial liabilities	22	3,174	3,050	3,174	3,050
Staff benefits	23	14,878	13,867	14,878	13,867
Provisions	24	978	808	978	808
Contract liabilities and other liabilities	25	15,415	15,818	15,415	15,818
Total current liabilities		40,620	38,610	40,620	38,610
Non-current liabilities					
Payables	21	571	636	571	636
Financial liabilities	22	37,009	39,409	37,009	39,409
Staff benefits	23	13,755	16,046	13,755	16,046
Provisions	24	2,283	1,066	2,283	1,066
Total non-current liabilities		53,618	57,157	53,618	57,157
Total liabilities		94,238	95,767	94,238	95,767
Net assets		63,837	65,607	34,386	34,601
Equity					
Retained earnings		55,907	57,677	34,386	34,601
Asset revaluation surplus		7,930	7,930	-	-
Total equity		63,837	65,607	34,386	34,601

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

**LIMESTONE COAST LOCAL HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2022**

CONSOLIDATED

	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2020	7,930	52,492	60,422
Net result for 2020-21	-	5,185	5,185
Total comprehensive result for 2020-21	-	5,185	5,185
Balance at 30 June 2021	7,930	57,677	65,607
Net result for 2021-22	-	(1,770)	(1,770)
Total comprehensive result for 2021-22	-	(1,770)	(1,770)
Balance at 30 June 2022	7,930	55,907	63,837

PARENT

	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2020	-	28,978	28,978
Net result for 2020-21	-	5,623	5,623
Total comprehensive result for 2020-21	-	5,623	5,623
Balance at 30 June 2021	-	34,601	34,601
Net result for 2021-22	-	(215)	(215)
Total comprehensive result for 2021-22	-	(215)	(215)
Balance at 30 June 2022	-	34,386	34,386

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

LIMESTONE COAST LOCAL HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the period ended 30 June 2022

	Note	Consolidated		Parent	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash flows from operating activities					
Cash inflows					
Receipts from SA Government		123,778	112,014	123,778	112,014
Fees and charges		15,828	17,142	15,837	17,133
Grants and contributions		23,849	22,436	24,061	22,866
Interest received		35	78	35	76
Residential aged care bonds received		3,585	4,353	3,585	4,353
GST recovered from ATO		4,437	3,415	4,437	3,415
Other receipts		223	710	155	376
Cash generated from operations		171,735	160,148	171,888	160,233
Cash outflows					
Staff benefits payments		(111,178)	(102,832)	(111,178)	(102,832)
Payments for supplies and services		(50,326)	(40,986)	(50,325)	(40,985)
Payments of grants and subsidies		(1,660)	(1,454)	(1,660)	(1,454)
Interest paid		(761)	(813)	(761)	(813)
Residential aged care bonds refunded		(4,190)	(4,329)	(4,190)	(4,329)
Other payments		(384)	(313)	(384)	(313)
Cash used in operations		(168,499)	(150,727)	(168,498)	(150,726)
Net cash provided by operating activities		3,236	9,421	3,390	9,507
Cash flows from investing activities					
Cash inflows					
Proceeds from sale of property, plant and equipment		-	5	-	5
Proceeds from sale/maturities of investments		1,498	768	1,466	620
Cash generated from investing activities		1,498	773	1,466	625
Cash outflows					
Purchase of property, plant and equipment		(800)	(1,406)	(800)	(1,406)
Purchase of intangibles		(67)	-	(67)	-
Purchase of investments		(1,440)	(300)	(1,440)	(300)
Cash used in investing activities		(2,307)	(1,706)	(2,307)	(1,706)
Net cash provided by/(used in) investing activities		(809)	(933)	(841)	(1,081)
Cash outflows					
Repayment of borrowings		-	(81)	-	(81)
Repayment of lease liabilities		(3,340)	(3,112)	(3,340)	(3,112)
Cash used in financing activities		(3,340)	(3,193)	(3,340)	(3,193)
Net cash provided by/(used in) financing activities		(3,340)	(3,193)	(3,340)	(3,193)
Net increase/(decrease) in cash and cash equivalents		(913)	5,295	(791)	5,233
Cash and cash equivalents at the beginning of the period		10,726	5,431	9,766	4,533
Cash and cash equivalents at the end of the period	13	9,813	10,726	8,975	9,766
Non-cash transactions	26				

The accompanying notes form part of these financial statements.

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2022

1. About Limestone Coast Local Health Network

Limestone Coast 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 and accompanying notes include all controlled activities of the Hospital.

Parent Entity

The Parent Entity consists of the following:

- Bordertown Memorial Hospital
- Bordertown Charla Lodge
- Integrated Mental Health Inpatient Unit
- Kingston Soldiers Memorial Hospital Multi-Purpose Service
- Limestone Coast Country Health Connect
- Mental Health Intensive Community Program
- Millicent and Districts Hospital and Health Service
- Millicent Sheoak Lodge
- Mount Gambier and Districts Health Service
- Naracoorte Health Service
- Naracoorte Moreton Bay House
- Penola War Memorial Hospital Multi-Purpose Service

Consolidated Entity

The consolidated entity includes the Parent entity, the Incorporated Health Advisory Councils (HACs) and the Incorporated HAC Gift Fund Trusts (GFTs) as listed in note 34.

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

The consolidated financial statements have been prepared in accordance with AASB 10 *Consolidated Financial Statements*. Consistent accounting policies have been applied and all inter-entity balances and transactions arising within the consolidated entity have been eliminated in full. Information on the consolidated entity's interests in other entities is at note 34.

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 Limestone Coast region.

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

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2022

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 throughout the notes.

Prior year comparative values will follow current year values in brackets throughout the notes.

The Hospital has early adopted AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* which clarifies the requirements for disclosure of material accounting policy information and clarifies the distinction between accounting policies and accounting estimates. There has been no impact on the Hospital's financial statements.

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 2022, the Hospital had working capital deficiency of \$7.070 million (\$4.433 million). The SA Government is committed and has consistently demonstrated a commitment to ongoing funding of the Hospital to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annually produced and published *State Budget Papers* which presents the SA Government's current and estimated future economic performance, including forward estimates of revenue, expenses and performance by Agency.

1.5 Equity

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

1.6 Changes to reporting entity

There were no administrative restructures impacting on the reporting entity during 2020-21 and 2021-22.

1.7 Impact of COVID-19 pandemic

The COVID-19 pandemic continues to have an impact on the Hospital's operations. This includes an increase in costs associated with COVID-19 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. The net COVID-19 specific costs for the Hospital were \$6.836 million (\$2.109 million).

1.8 Changes in accounting policy

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

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2022

2. Revenues from SA Government

	Consolidated		2022 \$'000	Parent 2021 \$'000
	2022 \$'000	2021 \$'000		
Capital projects funding	2,980	4,282	2,980	4,282
Operational funding	143,784	133,199	143,784	133,199
Total revenues from SA Government	146,764	137,481	146,764	137,481

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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Patient and client fees	8,003	7,004	8,003	7,004
Private practice fees	401	613	401	613
Fees for health services	2,300	4,512	2,300	4,512
Residential and other aged care charges	4,449	4,194	4,449	4,194
Sale of goods - medical supplies	110	642	110	642
Other user charges and fees	236	207	236	207
Total fees and charges	15,499	17,172	15,499	17,172

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. All contracts with customers recognised goods and services transferred at a point in time, when the Hospital satisfies performance obligations by transferring the promised goods or services to its customers.

The Hospital recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities (refer to note 25).

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

Patient and Client Fees

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

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 it collects 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 fee and daily accommodation fees. Residents pay fortnightly in arrears for services rendered and accommodation supplied. Residents are invoiced fortnightly in arrears as services and accommodations 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.

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2022

4. Grants and contributions

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Commonwealth grants and donations	14,905	13,515	14,905	13,515
Commonwealth aged care subsidies	8,181	7,925	8,181	7,925
SA Government capital contributions	-	-	-	240
Other SA Government grants and contributions	451	656	663	846
Total grants and contributions	23,537	22,096	23,749	22,526

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

All grants and contributions were provided for specific purposes such as aged care, community health services and other related health services and were recognized in accordance with AASB 1058 *Income of Not-for-Profit Entities*.

5. Resources received free of charge

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Plant and equipment	-	152	-	152
Services	1,579	1,606	1,579	1,606
Total resources received free of charge	1,579	1,758	1,579	1,758

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 \$1.275 million (\$1.310 million) and Information and Communication Technologies (ICT) services from Department of the Premier and Cabinet (DPC) valued at \$0.304 million (\$0.296 million).

In addition, although not recognised, Limestone Coast Local Health Network receives volunteer services from around 500 volunteers across the Limestone Coast whom provide patient and staff support services to individuals using the Hospitals services, and also support clients and staff for Country Health Connect and Mental Health directorates. The volunteer services include but are not limited to: patient guides, social support groups, Meals on Wheels, allied health services, and administrative assistance and patient visitations in the acute ward settings.

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

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Plant and equipment:				
Proceeds from disposal	-	5	-	5
Less carrying amount of assets disposed	-	(3)	-	(3)
Net gain/(loss) from disposal of plant and equipment	-	2	-	2

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.

7. Other revenues/income

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Donations	95	423	31	96
Health recoveries	2,959	1,533	2,959	1,533
Insurance recoveries	113	43	113	43
Other	135	111	131	104
Total other revenues/income	3,302	2,110	3,234	1,776

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2022

8. Staff benefits expenses

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	90,830	83,947	90,830	83,947
Long service leave	(496)	902	(496)	902
Annual leave	8,241	7,417	8,241	7,417
Skills and experience retention leave	356	347	356	347
Staff on-costs - superannuation*	9,731	8,665	9,731	8,665
Workers compensation	2,453	1,971	2,453	1,971
Board and committee fees	247	162	247	162
Other staff related expenses	79	39	79	39
Total staff benefits expenses	111,441	103,450	111,441	103,450

* 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 seven (six) 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 who have responsibility for the strategic direction and management of the Hospital.

The compensation detailed below excludes salaries and other benefits:

- 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	2022	2021
	\$'000	\$'000
Salaries and other short term employee benefits	2,087	1,676
Post-employment benefits	388	296
Total	2,475	1,972

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:

	2022	2021
	No. of Members	No. of Members
\$1 - \$20,000	1	1
\$20,001 - \$40,000	6	5
\$40,001 - \$60,000	1	1
Total	8	7

The total remuneration received or receivable by members was \$0.266 million (\$0.186 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax paid. 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 so exempted by the Minister.

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 35 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.

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8.3 Remuneration of staff

	Consolidated		Parent	
	2022	2021	2022	2021
The number of staff whose remuneration received or receivable fall within the following bands:	Number	Number	Number	Number
\$154,001 - \$157,000*	n/a	3	n/a	3
\$157,001 - \$177,000	13	10	13	10
\$177,001 - \$197,000	7	6	7	6
\$197,001 - \$217,000	2	1	2	1
\$217,001 - \$237,000	1	2	1	2
\$237,001 - \$257,000	2	5	2	5
\$257,001 - \$277,000	2	-	2	-
\$297,001 - \$317,000	1	1	1	1
\$337,001 - \$357,000	-	1	-	1
\$357,001 - \$377,000	1	-	1	-
\$377,001 - \$397,000	1	-	1	-
\$397,001 - \$417,000	-	1	-	1
\$417,001 - \$437,000	-	2	-	2
\$437,001 - \$457,000	1	1	1	1
\$457,001 - \$477,000	2	-	2	-
\$477,001 - \$497,000	1	1	1	1
\$497,001 - \$517,000	1	2	1	2
\$517,001 - \$537,000	1	-	1	-
\$537,001 - \$557,000	2	-	2	-
\$557,001 - \$577,000	1	2	1	2
\$577,001 - \$597,000	1	-	1	-
\$597,001 - \$617,000	1	1	1	1
\$637,001 - \$657,000	-	1	-	1
\$657,001 - \$677,000	1	-	1	-
\$677,001 - \$697,000	1	-	1	-
Total number of staff	43	40	43	40

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, fringe benefits and any related fringe benefits tax.

*The \$154,001 to \$157,000 band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2020-21.

8.4 Remuneration of staff by classification

The total remuneration received by staff included above:

	Consolidated				Parent			
	2022	2021	2022	2021	2022	2021	2022	2021
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Executive	1	246	1	237	1	246	1	237
Medical (excluding Nursing)	28	10,620	24	8,565	28	10,620	24	8,565
Non-medical (i.e. administration)	1	165	-	-	1	165	-	-
Nursing	13	2,219	15	2,642	13	2,219	15	2,642
Total	43	13,250	40	11,444	43	13,250	40	11,444

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9. Supplies and services

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Administration	152	156	152	156
Advertising	24	11	24	11
Communication	698	698	698	698
Computing	2,302	1,805	2,302	1,805
Consultants	8	-	8	-
Contract of services	410	176	410	176
Contractors	267	52	267	52
Contractors - agency staff	3,633	2,622	3,633	2,622
Drug supplies	2,529	2,368	2,529	2,368
Electricity, gas and fuel	1,502	1,579	1,502	1,579
Fee for service*	18,270	16,130	18,270	16,130
Food supplies	2,020	1,871	2,020	1,871
Housekeeping	1,384	1,338	1,384	1,338
Insurance	1,423	1,611	1,423	1,611
Internal SA Health SLA payments	6,331	6,053	6,331	6,053
Legal	11	44	11	44
Medical, surgical and laboratory supplies	16,222	13,643	16,222	13,643
Minor equipment	1,244	1,256	1,244	1,256
Motor vehicle expenses	344	341	344	341
Occupancy rent and rates	487	299	487	299
Patient transport	1,715	1,486	1,715	1,486
Postage	307	246	307	246
Printing and stationery	531	491	531	491
Repairs and maintenance	4,423	4,567	4,423	4,567
Security	939	248	939	248
Services from Shared Services SA	1,281	1,317	1,281	1,317
Short term lease expense	473	350	473	350
Training and development	610	491	610	491
Travel expenses	279	215	279	215
Variable lease payments	1	-	1	-
Other supplies and services	2,207	1,272	2,206	1,270
Total supplies and services	72,027	62,736	72,026	62,734

* 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			
	2022		2021		2022		2021	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Below \$10,000	1	8	-	-	1	8	-	-
Above \$10,000	-	-	-	-	-	-	-	-
Total	1	8	-	-	1	8	-	-

10. Grants and subsidies

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Funding to non-government organisations	1,500	1,330	1,500	1,330
Total grants and subsidies	1,500	1,330	1,500	1,330

The Hospital provided \$1.500 million (\$1.330 million) in funding to non-government organisations to assist in maintaining vital health services in the Limestone Coast region.

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11. Borrowing costs

The Hospital does not capitalise borrowing costs. The total borrowing costs from financial liabilities not at fair value through the profit and loss was \$0.761 million (\$0.813 million). Refer to note 22 for more information on financial liabilities.

12. Other expenses

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Debts written off	129	84	129	84
Bank fees and charges	4	4	4	4
Donated assets expense	-	-	30	1,035
Other*	160	149	160	149
Total other expenses	293	237	323	1,272

Donated assets expense includes transfer of buildings and improvements 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 \$0.095 million (\$0.100 million). No other services were provided by the Auditor-General's Department. Payments to Galpins Accountants Auditors and Business Consultants were \$0.025 million (\$0.024 million) for HAC and aged care audit services.

13. Cash and cash equivalents

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand	2,757	3,022	1,919	2,062
Deposits with Treasurer: general operating	6,696	7,350	6,696	7,350
Deposits with Treasurer: special purpose funds	360	354	360	354
Total cash	9,813	10,726	8,975	9,766

Cash is measured at nominal amounts. The Hospital operates through the Department's general operating account held with the Treasurer and does not earn interest on this account. Interest is earned on HAC and GFT bank accounts and accounts holding aged care funds, including refundable deposits. Of the \$9.813 million (\$10.726 million) held, \$1.315 million (\$1.911 million) relates to aged care refundable deposits.

14. Receivables

	Note	Consolidated		Parent	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Current					
Patient/client fees: compensable		410	729	410	729
Patient/client fees: aged care		1,239	452	1,239	452
Patient/client fees: other		851	749	851	749
Debtors		940	1,000	940	998
Less: allowance for impairment loss on receivables	14.1	(1,107)	(1,362)	(1,107)	(1,362)
Prepayments		133	78	133	78
Interest		30	42	31	43
Workers compensation provision recoverable		291	236	291	236
Sundry receivables and accrued revenue		887	1,550	887	1,561
GST input tax recoverable		174	181	174	181
Total current receivables		3,848	3,655	3,849	3,665
Non-current					
Debtors		52	21	52	21
Workers compensation provision recoverable		549	381	549	381
Total non-current receivables		601	402	601	402
Total receivables		4,449	4,057	4,450	4,067

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Receivables arise in the normal course of selling goods and services to other agencies and to the public. The Hospitals 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.

14.1 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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1,362	480	1,362	480
Increase/(Decrease) in allowance recognised in profit or loss	(255)	882	(255)	882
Carrying amount at the end of the period	1,107	1,362	1,107	1,362

Impairment losses related to receivables arising from contracts with customers that are external to the SA Government Refer to note 32 for details regarding credit risk and the methodology for determining impairment.

15. Other financial assets

The consolidated and parent entity, hold term deposits of \$18.931 million (\$18.944 million) and \$17.910 million (\$17.893 million) respectively. Of these deposits \$11.203 million (\$11.229 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.

16. Inventories

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Drug supplies	198	162	198	162
Medical, surgical and laboratory supplies	618	559	618	559
Food and hotel supplies	106	100	106	100
Engineering supplies	14	11	14	11
Other	22	20	22	20
Total current inventories - held for distribution	958	852	958	852

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.

17. Property, plant and equipment and intangible assets

17.1 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 in excess of \$5 million for infrastructure assets and \$1 million for other assets.

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17.2 Depreciation and amortisation

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

Depreciation and amortisation is calculated on a straight line basis.

Property, plant and equipment 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	2-25
Leasehold improvements	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	2-3
Intangibles	5-30

17.3 Revaluation

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

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

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

17.4 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 2022.

17.5 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 any accumulated impairment losses. The amortisation period and the amortisation method for intangible assets with finite useful lives are reviewed on an annual basis.

The acquisition of, or internal development of, software is capitalized only when the expenditure meets the definition criteria and the 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.

17.6 Land and building

An independent valuation of owned land and buildings owned by the Hospital was performed in March 2018, within the regular valuation cycle, by a certified practising valuer from AssetVal as at June 2018. Consistent with *Treasurer's Instructions*, a public authority must at least every six years obtain a valuation appraisal from a qualified valuer, the timing and process of which will be considered in the 2022-23 financial year.

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

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

17.7 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.

17.8 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. 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.

Major lease activities include the use of:

- Properties – buildings are mainly leased from the private sector for office space or accommodation for clients, locums and students. 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.
- Health Facilities – Mount Gambier Hospital lease commenced in June 1997 and is for 25 years, with an option to renew for 10 years. After 35 years the land and building revert to the Hospital. The base rental for the 25 year term increases according to CPI each quarter. For the 10 year renewal the rental is set out as part of the new lease agreement.
- 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 kilometers, whichever occurs first.

The Hospital has not committed to any lease arrangements that have not commenced. The Hospital has entered into two sub-lease arrangements outside of SA Health, which have continued to be recognised as operating leases.

The lease liabilities related to the right-of-use assets (and the maturity analysis) are disclosed at note 22. Expenses related to right-of-use assets including depreciation and interest expense are disclosed at note 18 and 11. Cash outflows related to right-of-use assets are disclosed at note 26.

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18. Reconciliation of property, plant and equipment

The following table shows the movement:

Consolidated

2021-22	Land and buildings:			Capital works in progress land and buildings \$'000	Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of-use buildings \$'000		Accommodation and Leasehold improvements \$'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	4,154	54,531	43,893	3,365	17,624	1,584	1,006	493	145	126,795
Additions	-	-	702	2,342	-	131	-	279	277	3,731
Disposals	-	-	-	-	-	-	-	(4)	-	(4)
Transfers between asset classes	-	2,758	-	(3,176)	-	67	-	-	(67)	(418)
Remeasurement	-	-	87	-	-	-	-	-	-	87
Subtotal:	4,154	57,289	44,682	2,531	17,624	1,782	1,006	768	355	130,191
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(2,996)	(1,857)	-	(649)	(590)	(162)	(324)	-	(6,578)
Subtotal:	-	(2,996)	(1,857)	-	(649)	(590)	(162)	(324)	-	(6,578)
Carrying amount at the end of the period*	4,154	54,293	42,825	2,531	16,975	1,192	844	444	355	123,613
Gross carrying amount										
Gross carrying amount	4,154	64,514	48,072	2,531	18,464	3,217	1,302	1,006	355	143,615
Accumulated depreciation / amortisation	-	(10,221)	(5,247)	-	(1,489)	(2,025)	(458)	(562)	-	(20,002)
Carrying amount at the end of the period	4,154	54,293	42,825	2,531	16,975	1,192	844	444	355	123,613

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

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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	Accommodation 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	4,154	54,049	45,663	5,297	15,880	1,403	974	589	16	128,025
Additions	-	36	-	3,578	-	566	190	272	145	4,787
Assets received free of charge	-	-	-	-	-	-	-	-	152	152
Disposals	-	-	-	-	-	-	(3)	(25)	-	(28)
Transfers between asset classes	-	3,346	-	(5,510)	2,164	168	-	-	(168)	-
Remeasurement	-	-	(11)	-	-	-	-	-	-	(11)
Subtotal:	4,154	57,431	45,652	3,365	18,044	2,137	1,161	836	145	132,925
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(2,900)	(1,759)	-	(420)	(553)	(155)	(343)	-	(6,130)
Subtotal:	-	(2,900)	(1,759)	-	(420)	(553)	(155)	(343)	-	(6,130)
Carrying amount at the end of the period*	4,154	54,531	43,893	3,365	17,624	1,584	1,006	493	145	126,795
Gross carrying amount										
Gross carrying amount	4,154	61,756	47,481	3,365	18,464	3,019	1,302	923	145	140,609
Accumulated depreciation / amortisation	-	(7,225)	(3,588)	-	(840)	(1,435)	(296)	(430)	-	(13,814)
Carrying amount at the end of the period	4,154	54,531	43,893	3,365	17,624	1,584	1,006	493	145	126,795

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

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Parent

2021-22

	Land and buildings:				Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommodation 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	2,517	27,162	43,893	3,366	17,624	1,584	1,006	493	145	97,790
Additions	-	-	702	2,342	-	131	-	279	277	3,731
Disposals	-	-	-	-	-	-	-	(4)	-	(4)
Donated assets disposal	-	-	-	(30)	-	-	-	-	-	(30)
Transfers between asset classes	-	2,728	-	(3,146)	-	67	-	-	(67)	(418)
Remeasurement	-	-	87	-	-	-	-	-	-	87
Subtotal:	2,517	29,890	44,682	2,532	17,624	1,782	1,006	768	355	101,156
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(1,554)	(1,857)	-	(649)	(590)	(162)	(324)	-	(5,136)
Subtotal:	-	(1,554)	(1,857)	-	(649)	(590)	(162)	(324)	-	(5,136)
Carrying amount at the end of the period*	2,517	28,336	42,825	2,532	16,975	1,192	844	444	355	96,020
Gross carrying amount										
Gross carrying amount	2,517	32,863	48,072	2,532	18,464	3,217	1,302	1,006	355	110,328
Accumulated depreciation / amortisation	-	(4,527)	(5,247)	-	(1,489)	(2,025)	(458)	(562)	-	(14,308)
Carrying amount at the end of the period	2,517	28,336	42,825	2,532	16,975	1,192	844	444	355	96,020

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

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Parent
2020-21

	Land and buildings:			Capital works in progress land and buildings \$'000	Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of-use buildings \$'000		Accommodation and Leasehold improvements \$'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	2,517	26,332	45,663	5,297	15,880	1,403	974	589	16	98,671
Additions	-	36	-	3,578	-	566	190	272	145	4,787
Assets received free of charge	-	-	-	-	-	-	-	-	152	152
Disposals	-	-	-	-	-	-	(3)	(25)	-	(28)
Donated assets disposal	-	(36)	-	(999)	-	-	-	-	-	(1,035)
Transfers between asset classes	-	2,347	-	(4,510)	2,164	168	-	-	(168)	1
Remeasurement	-	-	(11)	-	-	-	-	-	-	(11)
Subtotal:	2,517	28,679	45,652	3,366	18,044	2,137	1,161	836	145	102,537
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(1,517)	(1,759)	-	(420)	(553)	(155)	(343)	-	(4,747)
Subtotal:	-	(1,517)	(1,759)	-	(420)	(553)	(155)	(343)	-	(4,747)
Carrying amount at the end of the period*	2,517	27,162	43,893	3,366	17,624	1,584	1,006	493	145	97,790
Gross carrying amount										
Gross carrying amount	2,517	30,135	47,481	3,366	18,464	3,019	1,302	923	145	107,352
Accumulated depreciation / amortisation	-	(2,973)	(3,588)	-	(840)	(1,435)	(296)	(430)	-	(9,562)
Carrying amount at the end of the period	2,517	27,162	43,893	3,366	17,624	1,584	1,006	493	145	97,790

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

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19. Reconciliation of intangible assets

The following table shows the movement:

Consolidated			
2021-22			
	Computer software \$'000	Capital works in progress intangibles \$'000	Total \$'000
Carrying amount at the beginning of the period	-	-	-
Additions	-	67	67
Amortisation	(174)	-	(174)
Transfers between asset classes	418	-	418
Carrying amount at the end of the period*	244	67	311
Gross carrying amount			
Gross carrying amount	418	67	485
Accumulated amortisation	(174)	-	(174)
Carrying amount at the end of the period	244	67	311
Parent			
2021-22			
Carrying amount at the beginning of the period	-	-	-
Additions	-	67	67
Amortisation	(174)	-	(174)
Transfers between asset classes	418	-	418
Carrying amount at the end of the period*	244	67	311
Gross carrying amount			
Gross carrying amount	418	67	485
Accumulated amortisation	(174)	-	(174)
Carrying amount at the end of the period	244	67	311

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20. Fair value measurement

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

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

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

Refer to notes 17 and 20.2 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

20.1 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 2021 and 2022, the Hospital had no valuations categorised into level 1 or level 2.

20.2 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.

21. Payables

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Creditors and accrued expenses	4,542	3,631	4,542	3,631
Paid Parental Leave Scheme	37	17	37	17
Staff on-costs*	1,494	1,321	1,494	1,321
Other payables	102	98	102	98
Total current payables	6,175	5,067	6,175	5,067
Non-current				
Staff on-costs*	571	636	571	636
Total non-current payables	571	636	571	636
Total payables	6,746	5,703	6,746	5,703

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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 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 at 38% and the average factor for the calculation of employer superannuation on-costs has increased from the 2021 rate (10.1%) to 10.6% to reflect the increase in super guarantee. These rates are used in the staff on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the staff on-cost liability and staff benefits expenses of \$0.080 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

Refer to note 32 for information on risk management.

22. Financial liabilities

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Lease liabilities	3,174	3,050	3,174	3,050
Total current financial liabilities	3,174	3,050	3,174	3,050
Non-current				
Lease liabilities	37,009	39,409	37,009	39,409
Total non-current financial liabilities	37,009	39,409	37,009	39,409
Total financial liabilities	40,183	42,459	40,183	42,459

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 DTF's incremental borrowing rate. There were no defaults or breaches on any of the above liabilities throughout the year.

Refer to note 32 for information on risk management.

Refer note 18 for details about the right-of-use assets (including depreciation) and note 11 for financing costs associated with these leasing activities.

22.1 Concessional lease arrangements

The Hospital has no concessional lease arrangements.

22.2 Maturity analysis

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

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Lease Liabilities				
1 to 3 years	8,376	7,566	8,376	7,566
3 to 5 years	8,432	8,069	8,432	8,069
5 to 10 years	23,574	22,777	23,574	22,777
More than 10 years	-	5,045	-	5,045
Total lease liabilities (undiscounted)	40,382	43,457	40,382	43,457

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23. Staff benefits

	Consolidated		Parent	
	2022	2021	2022	2021
Current	\$'000	\$'000	\$'000	\$'000
Accrued salaries and wages	3,388	3,087	3,388	3,087
Annual leave	9,658	8,798	9,658	8,798
Long service leave	1,217	1,411	1,217	1,411
Skills and experience retention leave	615	571	615	571
Total current staff benefits	14,878	13,867	14,878	13,867
Non-current				
Long service leave	13,755	16,046	13,755	16,046
Total non-current staff benefits	13,755	16,046	13,755	16,046
Total staff benefits	28,633	29,913	28,633	29,913

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

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

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

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

As a result of the actuarial assessment performed by DTF, the salary inflation rate has decreased from the 2021 rate (2.0%) to 1.50% for annual leave and skills and experience retention leave liability. As a result, there is a decrease in the employee staff benefits liability and employee benefits expenses of \$0.054 million.

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.

23.2 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 the Department of Treasury and Finance 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 2021 (1.50%) to 3.75%. 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 \$2.530 million, payables (staff on-costs) of \$0.102 million and staff benefits expense of \$2.632 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.

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24. Provisions

Provisions represent workers compensation.

Reconciliation of workers compensation (statutory and non-statutory)

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1,874	1,651	1,874	1,651
Increase in provisions recognised	1,683	1,239	1,683	1,239
Reductions arising from payments/other sacrifices of future economic benefits	(296)	(1,016)	(296)	(1,016)
Carrying amount at the end of the period	3,261	1,874	3,261	1,874

Workers compensation provision (statutory and additional compensation schemes)

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

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes). The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

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

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

Measurement of the workers compensation provision as at 30 June 2022 includes the impacts of the decision of the Full Court of the Supreme Court of South Australia in *Return to Work Corporation of South Australia vs Summerfield* (Summerfield decision). The Summerfield decision increased the liabilities of the Return to Work Scheme (the Scheme) and the workers compensation provision across government.

Legislation to reform the *Return to Work Act 2014* was proclaimed in July 2022, with the reforms expected to reduce the overall liability of the Scheme. The impacts of these reforms on the workers compensation provision will be considered when measuring the provision as at 30 June 2023.

25. Contract liabilities and other liabilities

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Contract liabilities	2,033	2,511	2,033	2,511
Residential aged care bonds	13,377	13,295	13,377	13,295
Other	5	12	5	12
Total contract liabilities and other liabilities	15,415	15,818	15,415	15,818

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.

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.

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26. Cash flow reconciliation

Reconciliation of cash and cash equivalents at the end of the reporting period

Reconciliation of cash and cash equivalents at the end of the reporting period	Consolidated		Parent	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	9,813	10,726	8,975	9,766
Cash as per Statement of Financial Position	9,813	10,726	8,975	9,766
Balance as per Statement of Cash Flows	9,813	10,726	8,975	9,766
Reconciliation of net cash provided by operating activities to net result:				
Net cash provided by (used in) operating activities	3,236	9,421	3,390	9,507
Add/less non-cash items				
Asset donated free of charge	-	-	(30)	(1,035)
Capital revenues	1,918	3,477	1,918	3,477
Depreciation and amortisation expense of non-current assets	(6,752)	(6,130)	(5,310)	(4,747)
Gain/(loss) on sale or disposal of non-current assets	-	2	-	2
Interest credited directly to investments	45	58	43	49
Resources received free of charge	-	152	-	152
Movement in assets/liabilities				
Increase/(decrease) in inventories	106	164	106	164
Increase/(decrease) in receivables	392	187	383	199
(Increase)/decrease in other liabilities	403	(893)	403	(893)
(Increase)/decrease in payables and provisions	(2,398)	(989)	(2,398)	(988)
(Increase)/decrease in staff benefits	1,280	(264)	1,280	(264)
Net result	(1,770)	5,185	(215)	5,623

Total cash outflows for leases is \$4.101 million (\$3.926 million).

27. Unrecognised contractual commitments

Expenditure commitments	Consolidated		Parent	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Within one year	2,366	3,913	2,366	3,913
Later than one year but not longer than five years	74	843	74	843
Total expenditure commitments	2,440	4,756	2,440	4,756

The Hospital expenditure commitments are for agreements for goods and services ordered but not received and are disclosed as 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 2022 has not been quantified.

28. Trust funds

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

Carry amount at the beginning of period	Consolidated		Parent	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Client trust receipts	11	10	11	10
Client trust payments	(11)	(8)	(11)	(8)
Carrying amount at the end of the period	37	37	37	37

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29. 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.

29.1 Contingent Assets

The Hospital is not aware of any contingent assets.

29.2 Contingent Liabilities

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

29.3 Guarantees

The Hospital has made no guarantees.

30. 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.

31. Impact of Standards not yet implemented

The Hospital continues to assess 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.

- 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 long service leave and whether or not the Hospital has a substantive right to defer settlement. Where applicable, these liabilities will be classified as current. Application of this standard is not expected to have a material impact.

32. Financial instruments/financial risk management

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

Refer to note 1.4, 21 and 22 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, 14 and 15 for further information.

Market risk

The Hospital does not engage in high risk hedging for its financial assets. Exposure to interest rate risk may arise through interest bearing liabilities, including borrowings. The Hospital's interest bearing liabilities are managed through SAFA and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

32.2 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, maturity analysis 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.

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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 costs are \$3.242 million (\$3.158 million) and \$4.524 million (\$3.931 million) respectively.

32.3 Credit risk exposure and impairment of financial assets

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

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

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

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

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

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

Consolidated

	30 June 2022			30 June 2021		
	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	0.3-3.5%	920	19	0.1 -100%	1,461	699
<30 days	0.6-4.2%	395	9	0.3 -5%	285	9
31-60 days	2.9-8.3%	180	9	1.9-11.2%	207	12
61-90 days	4.1-12.6%	173	16	3.1-13.2%	68	6
91-120 days	4.8-17.2%	139	19	3.7-17.3%	85	10
121-180 days	6.3-23.9%	251	26	5-22.5%	217	38
181-360 days	15.2-100%	656	573	7.1-42.4%	265	87
361-540 days	37.1-100%	220	206	28.1-100%	224	223
>540 days	43.1-100%	339	230	33.7-100%	332	278
Total		3,273	1,107		3,144	1,362

33. Significant transactions with government related entities

The Hospital is controlled by the SA Government.

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

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

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The Hospital received funding from the SA Government via the Department (refer to note 2), and incurred significant expenditure via the Department for medical, surgical and laboratory supplies, computing and insurance (refer to note 9). The Department transferred capital works in progress of \$1.983 million (\$3.476 million) to the Hospital. The Hospital incurred significant expenditure with the Department for Infrastructure and Transport (DIT) for property repairs and maintenance of \$1.373 million (\$2.035 million) (refer to note 9).

34. 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 associated 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 Limestone Coast Local Health Network.

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

Health Advisory Council		
Incorporated HACs and GFTs		
Bordertown and District Health Advisory Council Inc	Kingston/Robe Health Advisory Council Inc	Millicent and Districts Health Advisory Council Inc
Mount Gambier and Districts Health Advisory Council Inc	Naracoorte Area Health Advisory Council Inc	Penola and Districts Health Advisory Council Inc
Bordertown and District Health Advisory Council Inc Gift Fund Trust	Kingston/Robe Health Advisory Council Inc Gift Fund Trust	Millicent and Districts Health Advisory Council Inc Gift Fund Trust
Mount Gambier and Districts Health Advisory Council Inc Gift Fund Trust	Naracoorte Area Health Advisory Council Inc Gift Fund Trust	Penola and Districts Health Advisory Council Inc Gift Fund Trust

**LIMESTONE COAST LOCAL HEALTH NETWORK
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 For the year ended 30 June 2022**

35. 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
Limestone Coast Local Health Network Governing Board	-	King G (Chair), Birtwistle-Smith A (appointed 01/07/2021), Brown G, Cook L, Irving J, Johnson A, Saies A
Limestone Coast Local Health Network Audit and Risk Management Committee*	-	Kortum D

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

Refer to note 8.2 for remuneration of board and committee members