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## To the Governing Board Chair Southern Adelaide Local Health Network Incorporated

### Opinion

I have audited the financial report of the Southern Adelaide Local Health Network Incorporated for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Southern Adelaide Local Health Network Incorporated as at 30 June 2023, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Governing Board Chair, the Chief Executive Officer and the Interim 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 Southern Adelaide Local Health Network Incorporated. 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 Governing 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 Governing 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 Southern Adelaide Local Health Network Incorporated for the financial year ended 30 June 2023.

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

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

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Southern Adelaide 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**

18 September 2023

**SOUTHERN ADELAIDE LOCAL HEALTH NETWORK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 30 June 2023**

	Note	2023 \$'000	2022 \$'000
<b>Income</b>			
Revenues from SA Government	2	1,327,331	1,220,410
Fees and charges	3	68,558	57,375
Grants and contributions	4	6,025	5,326
Interest	12	342	-
Resources received free of charge	5	7,439	7,265
Other revenues/income	6	23,198	25,849
<b>Total income</b>		<b>1,432,893</b>	<b>1,316,225</b>
<b>Expenses</b>			
Staff benefits expenses	7	941,040	846,804
Supplies and services	8	472,184	410,737
Depreciation and amortisation	16,17	45,371	43,499
Grants and subsidies	9	451	-
Borrowing costs	20	128	142
Net loss from disposal of non-current and other assets	11	137	1
Impairment loss on receivables	13.1	(263)	734
Other expenses	10	1,060	388
<b>Total expenses</b>		<b>1,460,108</b>	<b>1,302,305</b>
<b>Net result</b>		<b>(27,215)</b>	<b>13,920</b>
<b>Total comprehensive result</b>		<b>(27,215)</b>	<b>13,920</b>

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

**SOUTHERN ADELAIDE LOCAL HEALTH NETWORK**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2023**

	Note	2023 \$'000	2022 \$'000
<b>Current assets</b>			
Cash and cash equivalents	12	24,799	17,466
Receivables	13	26,314	26,815
Inventories	15	4,575	4,315
<b>Total current assets</b>		<b>55,688</b>	<b>48,596</b>
<b>Non-current assets</b>			
Receivables	13	8,345	6,505
Other financial assets	14	2,601	2,601
Property, plant and equipment	16,17	753,785	761,472
Intangible assets	16.5	8	15
<b>Total non-current assets</b>		<b>764,739</b>	<b>770,593</b>
<b>Total assets</b>		<b>820,427</b>	<b>819,189</b>
<b>Current liabilities</b>			
Payables	19	57,173	47,048
Financial liabilities	20	1,328	1,703
Staff benefits	21	140,351	128,196
Provisions	22	7,084	6,461
Contract liabilities and other liabilities	23	861	1,599
<b>Total current liabilities</b>		<b>206,797</b>	<b>185,007</b>
<b>Non-current liabilities</b>			
Payables	19	5,895	5,511
Financial liabilities	20	5,264	6,143
Staff benefits	21	134,753	130,967
Provisions	22	37,956	34,584
<b>Total non-current liabilities</b>		<b>183,868</b>	<b>177,205</b>
<b>Total liabilities</b>		<b>390,665</b>	<b>362,212</b>
<b>Net assets</b>		<b>429,762</b>	<b>456,977</b>
<b>Equity</b>			
Retained earnings		346,132	373,347
Asset revaluation surplus		83,630	83,630
<b>Total equity</b>		<b>429,762</b>	<b>456,977</b>

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

**SOUTHERN ADELAIDE LOCAL HEALTH NETWORK**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 June 2023**

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	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
<b>Balance at 30 June 2021</b>	<b>83,630</b>	<b>358,376</b>	<b>442,006</b>
<b>Net result for 2021-22</b>	-	<b>13,920</b>	<b>13,920</b>
<b>Total comprehensive result for 2021-22</b>	-	<b>13,920</b>	<b>13,920</b>
Net assets transferred out as a result of an administrative restructure	-	1,051	1,051
<b>Balance at 30 June 2022</b>	<b>83,630</b>	<b>373,347</b>	<b>456,977</b>
<b>Net result for 2022-23</b>	-	<b>(27,215)</b>	<b>(27,215)</b>
<b>Total comprehensive result for 2022-23</b>	-	<b>(27,215)</b>	<b>(27,215)</b>
<b>Balance at 30 June 2023</b>	<b>83,630</b>	<b>346,132</b>	<b>429,762</b>

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

**SOUTHERN ADELAIDE LOCAL HEALTH NETWORK**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 30 June 2023**

	2023	2022
Note	\$'000	\$'000
<b>Cash flows from operating activities</b>		
<b>Cash inflows</b>		
Receipts from SA Government	1,140,861	1,018,987
Fees and charges	65,737	57,140
Grants and contributions	8,621	7,757
Interest received	342	-
GST recovered from ATO	19,999	15,932
Other receipts	11,618	11,613
<b>Cash generated from operations</b>	<b>1,247,178</b>	<b>1,111,429</b>
<b>Cash outflows</b>		
Staff benefits payments	(914,161)	(874,576)
Payments for supplies and services	(314,255)	(244,140)
Payments of grants and subsidies	(468)	(16)
Interest paid	(128)	(142)
Other payments	(1,157)	(624)
<b>Cash used in operations</b>	<b>(1,230,169)</b>	<b>(1,119,498)</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>17,009</b>	<b>(8,069)</b>
<b>Cash flows from investing activities</b>		
<b>Cash inflows</b>		
Proceeds from sale of property, plant and equipment	53	-
<b>Cash generated from investing activities</b>	<b>53</b>	<b>-</b>
<b>Cash outflows</b>		
Purchase of property, plant and equipment	(7,939)	(8,675)
<b>Cash used in investing activities</b>	<b>(7,939)</b>	<b>(8,675)</b>
<b>Net cash provided by/(used in) investing activities</b>	<b>(7,886)</b>	<b>(8,675)</b>
<b>Cash flows from financing activities</b>		
<b>Cash outflows</b>		
Repayment of lease liabilities	(1,790)	(1,971)
<b>Cash used in financing activities</b>	<b>(1,790)</b>	<b>(1,971)</b>
<b>Net cash provided by/(used in) financing activities</b>	<b>(1,790)</b>	<b>(1,971)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,333</b>	<b>(18,715)</b>
Cash and cash equivalents at the beginning of the period	17,466	36,181
<b>Cash and cash equivalents at the end of the period</b>	<b>24,799</b>	<b>17,466</b>
Non-cash transactions	24	

The accompanying notes form part of these financial statements.

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

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## **1. About Southern Adelaide Local Health Network**

The Southern Adelaide Local Health Network (the Hospital) is a not-for-profit incorporated hospital established under the *Health Care Act 2008*. The financial statements include all controlled activities of the Hospital. The Hospital does not control any other entity. It does have an interest in an unconsolidated structured entity (Flinders Fertility). Information on the Hospital'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 are disclosed in the Schedule of Administered Financial Statements (note 34). Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for the Hospital's transactions.

### **1.1 Objectives and activities**

The Hospital is committed to protecting and improving the health of all South Australians by delivering a system that balances the provision of safe, high-quality and accessible services that are sustainable and reflective of local values, needs and priorities with strategic system leadership, regulatory responsibilities and an increased focus on wellbeing, illness prevention, early intervention and quality care.

The Hospital is part of the SA Health portfolio providing health services for Southern Adelaide, including those managed on a State-wide basis. The Hospital is structured to contribute to the outcomes for which the portfolio is responsible by providing hospital-based quaternary care including medical, surgical and other acute services, rehabilitation, mental health, palliative care and other community health services to veterans and other persons living within the Southern Adelaide metropolitan area and statewide as appropriate.

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 the 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 accordance with:

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

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

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

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

### **1.3 Taxation**

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

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

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

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

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

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

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**1.4 Continuity of Operations**

As at 30 June, the Hospital had a working capital deficiency of \$151.109 million (\$136.411 million deficiency). The SA Government is committed and has consistently demonstrated a commitment to the ongoing funding of the Hospital to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annually produce 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 Administrative restructures**

**2022-23**

There were no transfers during this period.

**2021-22**

As a result of administrative arrangements outlined in the Chief Executive Agreement (4 April 2022), the Metropolitan Referral Unit was transitioned from the Hospital to Wellbeing SA, effective 26 March 2022. Net liabilities of \$1.051 million were transferred out, consisting of payables (\$0.060 million) and staff benefits (\$0.991 million). This included the transfer of 32 staff.

Net liabilities transferred by the Hospital as a result of the administrative restructure were at the carrying amount immediately prior to transfer, and treated as a distribution to the SA Government as owner.

**1.7 Impact of COVID-19 pandemic on SA Health**

The COVID-19 pandemic has impacted the Hospital's operations to ensure that demand can be managed across South Australia and that necessary compliance measures are followed. COVID-19 specific costs have not been quantified for 2022-23 following revocation of the declaration of a major emergency COVID-19 and expiration of Commonwealth financial assistance to the Department via the National Partnership on COVID-19 Response. Net COVID-19 specific costs for the Hospital in 2021-22 were \$35.760 million.

**1.8 Change in accounting policy**

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

**2. Revenues from SA Government**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Operational funding	1,291,654	1,170,962
Capital projects funding	35,677	49,448
<b>Total revenues from Department for Health and Wellbeing</b>	<b>1,327,331</b>	<b>1,220,410</b>

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

**3. Fees and charges**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Car parking revenue	4,617	3,093
Commissions revenue	12	13
Fees for health services	13,149	12,396
Fines, fees and penalties	17	19
Patient and client fees	44,944	36,304
Private practice fees	2,804	2,912
Sale of goods - medical supplies	497	619
Training revenue	153	122
Other user charges and fees	2,365	1,897
<b>Total fees and charges</b>	<b>68,558</b>	<b>57,375</b>

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

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 either at a point in time or over time, when (or as) the Hospital satisfies performance obligations by transferring the promised goods or services to its customers.

All revenue from fees and charges is revenue recognised from contracts with customers except for fines, fees and penalties.

Contracts with Customers disaggregated by pattern of revenue recognition and type of customer	2023	2023	2022	2022
	\$'000	\$'000	\$'000	\$'000
	Goods/Services transferred at a point in time	Goods/Services transferred over a period of time	Goods/Services transferred at a point in time	Goods/Services transferred over a period of time
Car parking revenue	3,758	859	3,047	46
Commissions revenue	12	-	13	-
Patient and client fees	35,936	-	29,819	-
Private practice fees	2,804	-	2,912	-
Fees for health services	11,092	-	10,694	-
Sale of goods - medical supplies	94	-	77	-
Training revenue	85	-	17	-
Other user charges and fees	1,962	-	1,502	-
<b>Total contracts with external customers</b>	<b>55,743</b>	<b>859</b>	<b>48,081</b>	<b>46</b>
Patient and client fees	9,008	-	6,485	-
Fees for health services	2,057	-	1,702	-
Sale of goods - medical supplies	403	-	542	-
Training revenue	68	-	105	-
Other user charges and fees	403	-	395	-
<b>Total contracts with SA Government customers</b>	<b>11,939</b>	<b>-</b>	<b>9,229</b>	<b>-</b>
<b>Total contracts with customers</b>	<b>67,682</b>	<b>859</b>	<b>57,310</b>	<b>46</b>

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

The Hospital recognises 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.

*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 accounts receivable.

*Private practice fees*

The Hospital 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 specialists private practice. The Hospital disburses amounts collected on behalf of the specialist to the specialist via payroll (fortnightly) or accounts payable (monthly) depending on the rights of private practice scheme. Revenue from these services is recognised as it's collected as per the Rights of Private Practice Agreement.

*Car parking revenue*

The Hospital provides access to car parks directly to staff, patients and visitors. A discounted weekly ticket is also available. Revenue is recognised when control of the goods has transferred to the customer, being when the ticket is purchased. The Hospital also provides weekly, fortnightly and monthly car park passes to doctors, nurses and other staff.

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

**4. Grants and contributions**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Commonwealth grants and donations	1,789	1,148
Other SA Government grants and contributions	949	940
Private sector capital contributions	464	687
Private sector grants and contributions	2,823	2,551
<b>Total grants and contributions</b>	<b>6,025</b>	<b>5,326</b>

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

Of the \$6.025 million (\$5.326 million) total grants and contributions, \$1.641 million (\$2.033 million) was provided for specific purposes, such as research and associated activities.

**5. Resources received free of charge**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Buildings and improvements	502	562
Services	6,937	6,703
<b>Total resources received free of charge</b>	<b>7,439</b>	<b>7,265</b>

Buildings and improvements contributions relates to upgraded Hospital facilities shared with Central Adelaide Local Health Network.

Contribution of services are recognised only when the 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 \$5.462 million (\$5.055 million) and ICT services valued at \$1.475 million (\$1.648 million) from Department of the Premier and Cabinet following Cabinet's approval to cease intra-government charging.

In addition, although not recognised the Hospital received volunteer services from the Volunteer Service for Flinders Medical Centre Inc. There are several hundred volunteers who provide patient and staff support services to individuals using Hospital's services. The services include but are not limited to: childcare, respite care, transport, therapeutic activities, patient liaison gift shop support, kiosk support and café support.

**6. Other revenues/income**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Donations	8	37
Health recoveries	11,729	14,064
Other	11,461	11,748
<b>Total other income/revenue</b>	<b>23,198</b>	<b>25,849</b>

**7. Staff benefits expenses**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	742,529	698,314
Targeted voluntary separation packages	-	270
Long service leave	18,659	(7,090)
Annual leave	76,824	70,848
Skills and experience retention leave	3,489	3,295
Staff on-costs - superannuation*	85,249	75,473
Staff on-costs - other	3	3
Workers compensation	11,898	3,202
Board and committee fees	325	353
Other staff related expenses	2,064	2,136
<b>Total staff benefits expenses</b>	<b>941,040</b>	<b>846,804</b>

\* The superannuation staff 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.

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

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**7.1 Key Management Personnel**

Key management personnel (KMP) of the Hospital includes the Minister, eight members of the governing board, the Chief Executive of the Department, Chief Executive Officer of the Hospital and the five (three) 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 for Health and Wellbeing. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of South Australia, respectively, and are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*; and
- Chief Executive of the Department. The Chief Executive of the Department is remunerated by the Department and there is no requirement for the Hospital to reimburse those expenses.

<b>Compensation</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and other short term staff benefits	1,469	1,262
Post-employment benefits	196	152
<b>Total</b>	<b>1,665</b>	<b>1,414</b>

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

**7.2 Remuneration of board and committee members**

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

	<b>2023</b>	<b>2022</b>
	<b>No. of</b>	<b>No. of</b>
	<b>Members</b>	<b>Members</b>
\$0	349	303
\$1 - \$20,000	38	37
\$20,001 - \$40,000	6	7
\$40,001 - \$60,000	-	-
\$60,001 - \$80,000	1	1
<b>Total</b>	<b>394</b>	<b>348</b>

The total remuneration received or receivable by members was \$0.355 million (\$0.386 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and related fringe benefits tax. In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year. Board members ceasing membership during the reporting period are also included in the table above.

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.

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

**7.3 Remuneration of staff**

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
The number of staff whose remuneration received or receivable falls within the following bands:		
\$157,001 - \$160,000*	n/a	24
\$160,001 - \$180,000	140	143
\$180,001 - \$200,000	104	101
\$200,001 - \$220,000	67	71
\$220,001 - \$240,000	48	34
\$240,001 - \$260,000	40	49
\$260,001 - \$280,000	41	44
\$280,001 - \$300,000	37	33
\$300,001 - \$320,000	22	30
\$320,001 - \$340,000	33	27
\$340,001 - \$360,000	29	22
\$360,001 - \$380,000	20	22
\$380,001 - \$400,000	23	14
\$400,001 - \$420,000	20	20
\$420,001 - \$440,000	16	20
\$440,001 - \$460,000	27	23
\$460,001 - \$480,000	24	19
\$480,001 - \$500,000	14	25
\$500,001 - \$520,000	17	18
\$520,001 - \$540,000	18	13
\$540,001 - \$560,000	4	8
\$560,001 - \$580,000	8	5
\$580,001 - \$600,000	7	8
\$600,001 - \$620,000	6	7
\$620,001 - \$640,000	4	3
\$640,001 - \$660,000	2	1
\$660,001 - \$680,000	-	2
\$740,001 - \$760,000	-	1
<b>Total</b>	<b>771</b>	<b>787</b>

\* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2021-22.

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

**7.4 Remuneration of staff by classification**

The total remuneration received by these staff included in note 7.3:

	<b>2023</b>		<b>2022</b>	
	<b>No.</b>	<b>\$'000</b>	<b>No.</b>	<b>\$'000</b>
Nursing remuneration	71	12,599	63	10,920
Medical (excluding Nursing) remuneration	686	210,464	709	214,405
Non-medical (i.e. administration) remuneration	3	530	7	1,238
Executive remuneration	11	2,711	8	1,881
<b>Total</b>	<b>771</b>	<b>226,304</b>	<b>787</b>	<b>228,444</b>

**7.5 Targeted voluntary separation packages (TVSP)**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Amount paid to separated staff:		
Leave paid/payable to separated employees	-	70
Targeted voluntary separation packages	-	270
<b>Net cost to the Hospital</b>	<b>-</b>	<b>340</b>
The number of staff who received a TVSP during the reporting period	-	4

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

**8. Supplies and services**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Administration	518	531
Advertising	1,830	2,073
Communication	3,075	3,505
Computing	14,222	11,751
Consultants	1,460	1,148
Contract of services	18,057	17,501
Contractors	4,931	3,723
Contractors - agency staff	27,184	18,814
Drug supplies	28,310	26,638
Electricity, gas and fuel	7,800	6,986
Fee for service	73,528	47,500
Food supplies	14,850	13,376
Hotel quarantine - accommodation costs	-	13
Housekeeping	12,785	13,178
Insurance	8,097	6,515
Internal SA Health SLA payments	15,174	14,588
Legal	290	237
Low value lease expense	32	54
Medical, surgical and laboratory supplies	149,390	142,428
Minor equipment	4,896	5,941
Motor vehicle expenses	733	674
Occupancy rent and rates	4,177	3,378
Patient transport	5,207	5,374
Postage	1,584	1,612
Printing and stationery	2,314	2,381
Repairs and maintenance	22,024	19,948
Security	16,410	13,350
Services from Shared Services SA	5,529	5,120
Short term lease expense	158	181
Training and development	11,401	9,795
Travel expenses	5,260	1,293
Other supplies and services	10,958	11,131
<b>Total supplies and services</b>	<b>472,184</b>	<b>410,737</b>

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

**9. Grants and subsidies**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Subsidies	239	-
Funding to non-government organisations	212	-
<b>Total grants and subsidies</b>	<b>451</b>	<b>-</b>

The grants given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation. Contributions payable will be recognised as a liability and an expense when the Hospital has a present obligation to pay the contribution and the expense recognition criteria are met.

**10. Other expenses**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Debts written off	225	56
Bank fees and charges	42	43
Other*	793	289
<b>Total other expenses</b>	<b>1,060</b>	<b>388</b>

\* Includes audit fees paid or payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* of \$0.374 million (\$0.363 million). No other services were provided by the Auditor-General's Department. Also includes reversal of inventory write-down arising from an increase in net realisable value of \$0.002 million (\$0.348 million).

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

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

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Total assets:</b>		
Total proceeds from disposal	53	-
Less total carrying amount of assets disposed	(190)	(1)
<b>Total net gain/(loss) from disposal of plant and equipment</b>	<b>(137)</b>	<b>(1)</b>

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

**12. Cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank or on hand	970	1,735
Deposits with Treasurer: general operating	8,080	3,558
Deposits with Treasurer: special purpose funds	15,749	12,173
<b>Total cash and cash equivalents</b>	<b>24,799</b>	<b>17,466</b>

Cash is measured at nominal amounts. The Hospital receives specific purpose funds from various sources including government, private sector and individuals. The amounts are controlled by the Hospital and are used to help achieve the Hospital's objectives, notwithstanding that specific uses can be determined by the grantor or donor. Accordingly, the amounts are treated as revenue at the time they are earned or at the time control passes to the Hospital.

The Hospital earned interest on the special purpose funds deposit account of \$0.342 million (nil).

**13. Receivables**

		<b>2023</b>	<b>2022</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>			
Patient/client fees: compensable		2,268	3,195
Patient/client fees: other		13,108	9,576
Debtors		4,498	5,661
Less: allowance for impairment loss on receivables	13.1	(2,178)	(2,441)
Prepayments		4,139	5,836
Workers compensation provision recoverable		2,350	2,111
Sundry receivables and accrued revenue		1,325	1,720
GST input tax recoverable		804	1,157
<b>Total current receivables</b>		<b>26,314</b>	<b>26,815</b>
<b>Non-current</b>			
Debtors		815	798
Prepayments		1,376	1,432
Workers compensation provision recoverable		6,154	4,275
<b>Total non-current receivables</b>		<b>8,345</b>	<b>6,505</b>
<b>Total receivables</b>		<b>34,659</b>	<b>33,320</b>

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

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

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

**13.1 Impairment of receivables**

The Hospital has adopted the simplified impairment approach under AASB 9 *Financial Instruments* 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:

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	<b>2,441</b>	<b>1,707</b>
Increase/(Decrease) in allowance recognised in profit or loss	(263)	734
<b>Carrying amount at the end of the period</b>	<b>2,178</b>	<b>2,441</b>

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

**14. Other financial assets**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current</b>		
Joint venture	2,601	2,601
<b>Total other financial assets</b>	<b>2,601</b>	<b>2,601</b>

The joint venture represents the Hospital's share of beneficial entitlement of Flinders Reproductive Medicine Pty Ltd as trustee for Flinders Charitable Trust, trading as Flinders Fertility, which is the only joint arrangement in which the Hospital participates. The value of entitlement as at the reporting period is unchanged at \$2.601 million from the previous financial year.

According to the terms of the joint venture, profit earned during the financial year is to be distributed to the beneficiaries, resulting in immaterial net assets being held by the trust. However, it has previously been agreed that rather than paying out these distributions, they be retained in Flinders Fertility as a liability to the beneficiaries to facilitate growth within the business. Therefore the Hospital recognises their ownership interest of the distribution as a financial asset.

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

**15. Inventories**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Drug supplies	915	928
Inventory imprest stock	2,967	2,700
Other	693	687
<b>Total current inventories - held for distribution</b>	<b>4,575</b>	<b>4,315</b>

Inventories held for distribution at no or nominal consideration, 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 and intangible assets**

**16.1 Acquisition and recognition**

Property, plant and equipment 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. However, if the assets are acquired at no or nominal values 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 to or in excess of \$10,000. Assets recorded as works in progress represent projects physically incomplete as at the reporting date. Componentisation of complex assets is generally performed when the complex asset's fair value at the time of acquisition is equal to or greater than \$5 million for infrastructure assets and \$1 million for other assets.

**16.2 Depreciation and amortisation**

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

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

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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	40 – 80
Right-of-use buildings	Lease term
Accommodation and Leasehold improvements	Lease term
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	5 – 15
• Other plant and equipment	3 – 25
Right-of-use plant and equipment	Lease term
Intangible assets	5 – 30

### **16.3 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 assets fair value at the time of acquisition is greater than \$1.500 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 \$1.500 million materially differs from its fair value, then the asset will be revalued regardless of when the last valuation 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 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. For revalued assets, fair value is assessed each year.

There were no indications of impairment for property, plant and equipment or intangibles as at reporting date.

### **16.5 Intangible assets**

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The amortisation period and the amortisation method for intangible assets with finite useful lives are reviewed on an annual basis.

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

The Hospital has computer software with a carrying amount of \$0.008 million (\$0.015 million) at the end of reporting period after amortisation of \$0.007 million (\$0.007 million).

### **16.6 Land and building**

An independent valuation of land and buildings owned by the Hospital was performed in March 2018, within the regular valuation cycle, by a certified practising valuer from Jones Lang Lasalle (SA) Pty Ltd, as at 1 June 2018. Consistent with *Treasurer's Instructions*, a public authority must at least every 6 years obtain a valuation appraisal from a qualified valuer, the next independent valuation is scheduled to occur during the 2023-24 financial year.

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

Fair value of buildings 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.

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

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**16.7 Leased property, plant and equipment**

Right-of-use assets (including concessional arrangements) leased by the Hospital as lessee are measured at cost and there are no indications of impairment. Additions to right-of-use assets during the reporting period consists of addition to motor vehicles of \$0.536 million (\$0.630 million). Short-term leases of 12 months or less and low value leases, where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and disclosed in note 8.

The Hospital has a number of lease agreements. Lease terms vary in length from 2 to 10 years.

Major lease activities include the use of:

- Properties – Office accommodation and health clinics are generally leased from the private sector. Generally property leases are non-cancellable with many having the right of renewal. Rent is payable in arrears, with increases generally at a fixed rate. 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 arrangement that has not commenced. The Hospital has not entered into any sub-lease arrangements outside of the SA Health.

The lease liabilities related to the right-of-use assets, maturity analysis and interest expense are disclosed at note 20. Depreciation expense related to right-of-use assets is disclosed at note 17. Cash outflows related to right-of-use assets are disclosed at note 24.

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

**17. Reconciliation of property, plant and equipment**

The following table shows the movement :

2022-23	Land and buildings:				Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommod ation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
<b>Carrying amount at the beginning of the period</b>	<b>43,232</b>	<b>660,466</b>	<b>6,368</b>	<b>30,450</b>	<b>3,155</b>	<b>10,709</b>	<b>1,842</b>	<b>910</b>	<b>4,340</b>	<b>761,472</b>
Additions	-	-	-	32,426	-	2,227	91	536	2,085	<b>37,365</b>
Assets received free of charge	-	-	-	393	-	-	-	-	109	<b>502</b>
Disposals	-	-	-	(3)	-	(10)	(177)	-	-	<b>(190)</b>
Transfers between asset classes	-	45,788	-	(44,933)	-	3,181	200	-	(4,236)	<b>-</b>
<b>Subtotal:</b>	<b>43,232</b>	<b>706,254</b>	<b>6,368</b>	<b>18,333</b>	<b>3,155</b>	<b>16,107</b>	<b>1,956</b>	<b>1,446</b>	<b>2,298</b>	<b>799,149</b>
<b>Gains/(losses) for the period recognised in net result:</b>										
Depreciation and amortisation	-	(38,507)	(1,263)	-	(294)	(4,304)	(384)	(612)	-	<b>(45,364)</b>
<b>Subtotal:</b>	<b>-</b>	<b>(38,507)</b>	<b>(1,263)</b>	<b>-</b>	<b>(294)</b>	<b>(4,304)</b>	<b>(384)</b>	<b>(612)</b>	<b>-</b>	<b>(45,364)</b>
<b>Carrying amount at the end of the period</b>	<b>43,232</b>	<b>667,747</b>	<b>5,105</b>	<b>18,333</b>	<b>2,861</b>	<b>11,803</b>	<b>1,572</b>	<b>834</b>	<b>2,298</b>	<b>753,785</b>
<b>Gross carrying amount</b>										
Gross carrying amount	43,232	854,253	11,058	18,333	6,133	50,110	8,705	1,997	2,298	<b>996,119</b>
Accumulated depreciation / amortisation	-	(186,506)	(5,953)	-	(3,272)	(38,307)	(7,133)	(1,163)	-	<b>(242,334)</b>
<b>Carrying amount at the end of the period</b>	<b>43,232</b>	<b>667,747</b>	<b>5,105</b>	<b>18,333</b>	<b>2,861</b>	<b>11,803</b>	<b>1,572</b>	<b>834</b>	<b>2,298</b>	<b>753,785</b>

All assets are classified in the level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 16.7 for details about the right-of-use assets, and note 20 for details about the lease liability for right-of-use assets.

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

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	Accommod- ation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
<b>Carrying amount at the beginning of the period</b>	<b>43,232</b>	<b>646,262</b>	<b>7,877</b>	<b>36,532</b>	<b>3,459</b>	<b>11,836</b>	<b>2,036</b>	<b>869</b>	<b>643</b>	<b>752,746</b>
Additions	-	-	-	45,060	-	1,904	-	630	4,066	<b>51,660</b>
Assets received free of charge	-	-	-	562	-	-	-	-	-	<b>562</b>
Disposals	-	-	-	-	-	(1)	-	(3)	-	<b>(4)</b>
Transfers between asset classes	-	50,534	-	(51,704)	25	1,311	203	-	(369)	-
Other movements	-	-	-	-	-	-	-	-	-	-
<b>Subtotal:</b>	<b>43,232</b>	<b>696,796</b>	<b>7,877</b>	<b>30,450</b>	<b>3,484</b>	<b>15,050</b>	<b>2,239</b>	<b>1,496</b>	<b>4,340</b>	<b>804,964</b>
<b>Gains/(losses) for the period recognised in net result:</b>										
Depreciation and amortisation	-	(36,330)	(1,509)	-	(329)	(4,341)	(397)	(586)	-	<b>(43,492)</b>
<b>Subtotal:</b>	<b>-</b>	<b>(36,330)</b>	<b>(1,509)</b>	<b>-</b>	<b>(329)</b>	<b>(4,341)</b>	<b>(397)</b>	<b>(586)</b>	<b>-</b>	<b>(43,492)</b>
<b>Carrying amount at the end of the period</b>	<b>43,232</b>	<b>660,466</b>	<b>6,368</b>	<b>30,450</b>	<b>3,155</b>	<b>10,709</b>	<b>1,842</b>	<b>910</b>	<b>4,340</b>	<b>761,472</b>
<b>Gross carrying amount</b>										
Gross carrying amount	43,232	808,465	11,058	30,450	6,133	47,979	9,322	1,812	4,340	<b>962,791</b>
Accumulated depreciation / amortisation	-	(147,999)	(4,690)	-	(2,978)	(37,270)	(7,480)	(902)	-	<b>(201,319)</b>
<b>Carrying amount at the end of the period</b>	<b>43,232</b>	<b>660,466</b>	<b>6,368</b>	<b>30,450</b>	<b>3,155</b>	<b>10,709</b>	<b>1,842</b>	<b>910</b>	<b>4,340</b>	<b>761,472</b>

## **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 \$1.500 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 into hierarchy based on the level of inputs used in measurement as follows:

All assets are held at level 3 and are 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. Valuation techniques and inputs used to derive Level 2 and 3 fair values are at note 16 and 18.2.

During the reporting period, the Hospital had no valuations categorised into Level 1, there were no transfers of assets between Level 1, 2 and 3 fair value hierarchy levels.

### **18.2 Valuation techniques and inputs**

Land fair values were derived by using the market approach, being recent sales transactions of other similar land holdings within the region, adjusted for differences in key attributes such as property size, zoning and any restrictions on use, and then adjusted with a discount factor. For this reason they are deemed to have been valued using Level 3 valuation inputs.

Due to the predominantly specialised nature of health service assets, the majority of building and plant and equipment valuations have been undertaken using a cost approach (depreciated replacement cost), an accepted valuation methodology under AASB 13 *Fair Value Measurement*. 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.

Although there were some land and buildings valued using Level 2 inputs, the fair value of these was immaterial in comparison to the whole class, therefore all land and buildings have been classified as Level 3.

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

**19. Payables**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors and accrued expenses	38,836	31,914
Paid Parental Leave Scheme	230	193
Staff on-costs*	17,138	13,212
Other payables	969	1,729
<b>Total current payables</b>	<b>57,173</b>	<b>47,048</b>
<b>Non-current</b>		
Staff on-costs*	5,838	5,438
Other payables	57	73
<b>Total non-current payables</b>	<b>5,895</b>	<b>5,511</b>
<b>Total payables</b>	<b>63,068</b>	<b>52,559</b>

Payables are measured at nominal amounts. Creditors and accruals are recognised for all amounts owed and unpaid. Contractual payables are normally settled within 30 days from the date the invoice is first received. 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 are discharged. These on-costs primarily relate to the balance of leave owing to staff. The Hospital makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed superannuation schemes.

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave is unchanged at 38% and the average factor for the calculation of employer superannuation on-costs has increased from the 2022 rate (10.6%) to 11.1% to reflect the increase in super guarantee. These rates are used in the staff on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the staff on-cost liability and staff benefits expense of \$0.627 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 30 for information on risk management.

**20. Financial liabilities**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Lease liabilities	1,328	1,703
<b>Total current financial liabilities</b>	<b>1,328</b>	<b>1,703</b>
<b>Non-current</b>		
Lease liabilities	5,264	6,143
<b>Total non-current financial liabilities</b>	<b>5,264</b>	<b>6,143</b>
<b>Total financial liabilities</b>	<b>6,592</b>	<b>7,846</b>

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

The Hospital incurred borrowing costs associated with leasing activities of \$0.128 million (\$0.142 million). Refer to note 16 for details about the right-of-use assets (including depreciation).

Refer to note 30 for information on risk management.

**20.1 Concessional lease arrangements**

The Hospital has no concessional lease arrangements.

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

**20.2 Maturity analysis**

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

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Lease Liabilities</b>		
1 to 3 years	2,894	3,865
3 to 5 years	2,174	1,628
5 to 10 years	1,938	2,864
<b>Total lease liabilities (undiscounted)</b>	<b>7,006</b>	<b>8,357</b>

**21. Staff benefits**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued salaries and wages	21,289	17,914
Annual leave	100,653	93,010
Long service leave	12,181	11,590
Skills and experience retention leave	5,897	5,391
Other	331	291
<b>Total current staff benefits</b>	<b>140,351</b>	<b>128,196</b>
<b>Non-current</b>		
Long service leave	134,753	130,967
<b>Total non-current staff benefits</b>	<b>134,753</b>	<b>130,967</b>
<b>Total staff benefits</b>	<b>275,104</b>	<b>259,163</b>

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

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

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

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

As a result of the actuarial assessment performed by DTF, the salary inflation rate has increased from the 2022 rate (1.50%) to 2.00% for annual leave and skills and experience retention leave liability. As a result, there is an increase in the staff benefits liability and staff benefits expenses of \$0.522 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.

**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 2022 (3.75%) to 4.00%. This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability. The actuarial assessment performed by DTF increased the salary inflation rate from 2022 (2.50%) to 3.50% for long service leave.

The net financial effect of the changes to actuarial assumptions is a decrease in the long service leave liability of \$2.724 million, payables (staff on-costs) of \$0.115 million and staff benefits expense of \$2.839 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.

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

**22. Provisions**

All provisions are for workers compensation.

*Reconciliation of workers compensation (statutory and additional compensation)*

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	<b>41,045</b>	<b>44,664</b>
Payments	(5,673)	(5,430)
Remeasurments	2,571	(4,330)
Additions	7,097	6,141
<b>Carrying amount at the end of the period</b>	<b>45,040</b>	<b>41,045</b>

**22.1 Workers Compensation**

The Hospital, as an exempt employer, is responsible for the payment of workers compensation claims and the implementation and funding of preventative programs. 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 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

The additional compensation scheme 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 nonserious 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.

**23. Contract liabilities and other liabilities**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Unclaimed monies	4	4
Unearned revenue	35	55
Contract liabilities	512	1,522
Other	310	18
<b>Total contract liabilities and other liabilities</b>	<b>861</b>	<b>1,599</b>

Revenue relating to services/treatments for drug and alcohol abuse support is recognised over time although all funds are received upfront for these services. A contract liability is recognised for this revenue at the time of initial receipt and is released over the time as and when service obligations are met. 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.

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

**24. Cash flow reconciliation**

Reconciliation of cash and cash equivalents at the end of the reporting period	2023	2022
	\$'000	\$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	24,799	17,466
<b>Cash as per Statement of Financial Position</b>	<b>24,799</b>	<b>17,466</b>
<b>Balance as per Statement of Cash Flows</b>	<b>24,799</b>	<b>17,466</b>
<b>Reconciliation of net cash provided by/(used in) operating activities to net result:</b>		
Net cash provided by/(used in) operating activities	17,009	(8,069)
<b>Add/less non-cash items</b>		
Capital revenues	27,477	41,439
Depreciation and amortisation expense of non-current assets	(45,371)	(43,499)
Gain/(loss) on sale or disposal of non-current assets	(137)	(1)
Resources received free of charge	502	562
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	1,339	1,662
Increase/(decrease) in inventories	260	543
(Increase)/decrease in staff benefits	(15,941)	26,180
(Increase)/decrease in payables and provisions	(13,091)	(5,377)
(Increase)/decrease in other liabilities	738	480
<b>Net result</b>	<b>(27,215)</b>	<b>13,920</b>

The total cash outflows for leases were \$2.107 million (\$2.346 million).

**25. Unrecognised contractual commitments**

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

**25.1 Contractual commitments to acquire property, plant and equipment**

	2023	2022
	\$'000	\$'000
Within one year	895	1,006
<b>Total capital commitments</b>	<b>895</b>	<b>1,006</b>

The Hospital's capital commitments are for plant and equipment ordered but not received and capital works. Capital commitments for major infrastructure works are recognised in the Department for Infrastructure and Transport financial statements.

**25.2 Other contractual commitments**

	2023	2022
	\$'000	\$'000
Within one year	85,552	89,423
Later than one year but not longer than five years	175,914	179,732
Later than five years	387	5
<b>Total expenditure commitments</b>	<b>261,853</b>	<b>269,160</b>

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

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

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## 26. Trust funds

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

	2023	2022
	\$'000	\$'000
<b>Carry amount at the beginning of period</b>	<b>59</b>	<b>43</b>
Client trust receipts	401	419
Client trust payments	(427)	(403)
<b>Carrying amount at the end of the period</b>	<b>33</b>	<b>59</b>

## 27. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed within this note and, if quantifiable are measured at nominal value. The Hospital is not aware of any contingent assets and contingent liabilities. The Hospital has made no guarantees.

## 28. Events after balance date

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

## 29. Impact of Standards not yet effective

Australian Accounting Standards and Interpretations not yet effective have not been adopted by the Hospital for the reporting period ended 30 June 2023, except for AASB 2021-2 which was adopted from 1 July 2021.

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* will apply from 1 July 2024. Given the complexity and level of judgement required in applying AASB 13 and the new amending standard, together with the need to liaise with valuers, the Hospital has not yet determined the impact.

The Hospital does not expect any other standards issued but not yet effective to have a material impact on the financial statements.

## 30. Financial instruments/financial risk management

### 30.1 Financial risk management

Risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management - Guidelines*.

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 SA Government via the Department. The Department works with DTF to determine the cash flows associated with this Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to note 1.4, 19 and 20 for further information.

#### Credit risk

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

Refer to notes 12, 13 and 14 for further information.

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

*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.

There have been no changes in risk exposure since the last reporting period.

**30.2 Categorisation of financial instruments**

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

The carrying amounts of each of the following categories of financial assets and liabilities: financial assets measured at amortised cost; financial assets measured at fair value through profit or loss; 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.

A financial asset is measured at amortised cost if:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

<b>Category of financial asset and financial liability</b>	<b>Notes</b>	<b>2023 Carrying amount/ Fair value \$'000</b>	<b>2022 Carrying amount/ Fair value \$'000</b>
<b>Financial assets</b>			
Cash and equivalent			
Cash and cash equivalents	12	24,799	17,466
Amortised cost			
Receivables <sup>(1)(2)</sup>	13	18,982	17,654
Fair value through profit or loss			
Other financial assets	14	2,601	2,601
<b>Total financial assets</b>		<b>46,382</b>	<b>37,721</b>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost			
Payables <sup>(1)</sup>	19	39,488	33,353
Financial liabilities	20	6,592	7,846
Other liabilities	23	314	22
<b>Total financial liabilities</b>		<b>46,394</b>	<b>41,221</b>

(1) Receivable and payable amounts disclosed here 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 staff related receivables and payables such as payroll tax, 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 *Financial Instruments: Disclosures* will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc. they will be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

(2) Receivables amount disclosed 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 amount previously written off are credited against the same line items.

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.

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

To measure the expected credit loss, receivables are grouped based on shared risk characteristics and for 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 evidence and informed credit assessment including any forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss 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:

	30 June 2023			30 June 2022		
	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
<b>Days past due</b>						
Current	0.1 - 1.9 %	6,782	53	0.1 - 1.9 %	6,242	48
<30 days	0.2 - 2.2 %	3,652	175	0.2 - 2.1 %	2,556	29
31-60 days	0.4 - 3.8 %	2,682	305	0.4 - 3.7%	1,224	38
61-90 days	0.6 - 6.0 %	861	125	0.6 - 5.7 %	1,124	95
91-120 days	0.9 - 8.6 %	529	41	0.9 - 8.3 %	777	123
121-180 days	1.7 - 12.7 %	583	149	1.6 - 12.2 %	827	58
181-360 days	3.4 - 39.0 %	433	58	2.8 - 37.6 %	1,671	864
361-540 days	23.6 - 55.5 %	487	242	23.0 - 53.5 %	464	292
>540 days	28.7 - 74.2 %	1,476	1,030	28.1 - 71.5 %	1,237	894
<b>Total</b>		<b>17,485</b>	<b>2,178</b>		<b>16,122</b>	<b>2,441</b>

### 31. Significant transactions with Government related entities

The Hospital is controlled by the SA Government.

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

Significant transactions with SA Government are identifiable throughout this financial report. The Hospital received funding from the SA Government via the Department (note 2), incurred expenditure with the Department for medical, surgical and laboratory supplies, computing and insurance (note 8), and incurred significant capital expenditure with DIT of \$21.586 million (\$50.979 million).

### 32. Interests in other entities

Equity accounted investment

Long Entity Name: Flinders Reproductive Medicine Pty Ltd as trustee for Flinders Charitable Trust, trading as Flinders Fertility

Ownership interest: 50%

Flinders Reproductive Medicine Pty Ltd as trustee for Flinders Charitable Trust, trading as Flinders Fertility is the only joint arrangement in which the Hospital participates.

Flinders Fertility is structured as a private trust which is not a reporting entity and is not publicly listed. The Hospital and Flinders University each have a 50% beneficial entitlement to the net assets of the trust. Accordingly, the interest is classified as a joint venture with the investment measured using the equity accounting method.

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

The Hospital's share in the equity of the Flinders Fertility is calculated based on the draft financial statements provided as at the reporting period and subsequently adjusted when the final Audited financial statements are available.

The profits have not been distributed for this reporting period as accumulated losses from previous financial years are yet to be recouped.

The following table summarises the financial information of Flinders Fertility based on currently available information:

	<b>2023</b>	<b>2022</b>
Percentage ownership interest	50 %	50 %
	<b>\$'000</b>	<b>\$'000</b>
Current assets	1,512	1,996
Current liabilities	(1,404)	(1,531)
Non-current assets	2,919	2,347
Non-current liabilities	(5,460)	(5,620)
<b>Net assets</b>	<b>(2,433)</b>	<b>(2,808)</b>
Groups share of net assets (50%)		
Share of beneficial entitlement	2,601	2,601
<b>Carrying amount of interest in joint venture</b>	<b>2,601</b>	<b>2,601</b>
Expenses	(6,666)	(6,540)
Revenue	7,039	6,810
<b>Profit/(loss) and total comprehensive income</b>	<b>373</b>	<b>270</b>
<b>Entity's share of profit and total comprehensive income (50%)*</b>	<b>186</b>	<b>135</b>

\* The profit and loss have not been distributed at this stage.

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

**33. Board and committee members**

Members of boards/committees that served for all or part of the financial year and were entitled to receive income from membership in accordance with APS 124.B were:

<b>Board/Committee name:</b>	<b>Government employee members</b>	<b>Other members</b>
Southern Adelaide Local Health Network Governing Board	-	Butcher M (Chair), Hickey V, Mackean T, Mitchell J, Noble J, Richter J (Deputy Chair), Sherbon A, Searle J (appointed 01/07/2022)
DASSA Clinical Executive Committee	11	Newrick K
DASSA Community Advisory Council	2	Bealing D, Cornish M (ceased 25/09/2022), Dwyer Scott (Chair - appointed 28/09/2022), Halls A, Holly C, Honeyman L (appointed 28/09/2022), Mclean J, Moncrieff D (appointed 28/09/2022), Newrick K (ceased 27/05/2023), Nimmo E, O'Brien J, Petracco C, Randle M (ceased 25/09/2022), Sherif M, Vega L, Whiteway L, Cotter B (appointed 31/05/2023)
DASSA Drug and Therapeutics Committee (Sub Committee of the DASSA Clinical Executive Committee)	12	Randle M (ceased 28/06/2023)
DASSA Executive Group	11	O'Brien J
DASSA Audit and Risk Committee	4	Davies T
Consumer and Community Operational Committee (formerly Partnering with Consumer Advisory Group)	26	King P (Co Chair), Ball R, Dame T, Duke J (ceased 27/06/2023), Hofhius C (ceased 30/04/2023), Hoiles J (ceased 30/04/2023), Klinge N (ceased 30/04/2023), Oudih E (ceased 30/04/2023), Pascoe P, Rankine J (ceased 28/02/2023), Voss D, Gray H (appointed 01/06/2023), Wharton J (appointed 01/06/2023)
Mental Health Consumer and Carer Advisory Group	10	Braund S, Clarke W, Corena M, Harrison J, Hofhius C, Hopkins R, King P
Southern Adelaide Clinical Human Research Ethics Committee	23	Arnold G, Cahalan P, Dykes L, Berg M, Ingleson V (ceased 18/01/2023), Lange B (Deputy Chair), Lister C, Lower K, McEvoy M, Miliotis B, Mudd A, Phillips C, Putsey T, Sharma S, Shepheard S, Souzeau E, Spencer M, Thomas J, Treloar H (ceased 25/06/2023), Trethewey C, Trethewey Y, Van Lueven J, Velayudham P, Watt B, Were L, Yip L, Zhou Y
Southern Adelaide Local Health Network Asset and Infrastructure Planning Sub-Committee	-	Butcher M (Chair), Mitchell J, Richter J, Sherbon A
Southern Adelaide Local Health Network Audit and Risk Sub Committee (Sub Committee of the Governing Board)	-	Hickey V (Chair), Forman A, Noble J
Southern Adelaide Local Health Network Clinical Council	53	Dame T, Duong M

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

<b>Board/Committee name:</b>	<b>Government employee members</b>	<b>Other members</b>
Southern Adelaide Local Health Network Clinical Governance (Sub-Committee of the Governing Board)	-	Richter J (Chair), Baggoley C, Eckert M, Mackean T, Searl J, Voss D, Mitchell J (appointed 03/11/2022)
Southern Adelaide Local Health Network Communicating for Patient Safety Committee	41	Dame T
Southern Adelaide Local Health Network Community Engagement (Sub-Committee of the Governing Board)	-	Mitchell J (Chair), Butcher M, King P
Southern Adelaide Local Health Network Comprehensive Care Committee	38	Stankowski C
Southern Adelaide Local Health Network Drugs and Therapeutics Committee	31	Burdenuik C (appointed 23/01/2023)
Southern Adelaide Local Health Network End of Life Steering Committee	15	Barrington D, Phelan C
Southern Adelaide Local Health Network Falls Prevention Management Committee	36	Cohen M (ceased 06/06/2023)
Southern Adelaide Local Health Network Marion Lived Experience Group Mental Health Services	4	Brooke B (Chair), English L, Hofhuis C (Chair) (ceased 17/04/2023), Police D
Southern Adelaide Local Health Network Mental Health Services Noarlunga Lived Experience Group	3	Buer S (Chair), Healy S, Hopkins R, Hutchison S (appointed 01/02/2023), Smith K
Southern Adelaide Local Health Network New Technology and Clinical Practice Innovation Committee	12	Holly C, Kaambwa B, King P, Burtnik L (appointed 23/11/2022)
Southern Adelaide Local Health Network Older Persons Lived Experience Group Mental Health Services	11	Clark W (Chair), Eckert N, Lillecrapp D, Schetters J, Wener J (appointed 01/07/2022), Whitmore A, Cavenett K (ceased 01/05/2023)
Southern Adelaide Local Health Network SEDS	1	Corena M(Chair), McGregor A, Goddard G, James S (appointed 02/03/2023), Rouvray L, Woolford L, Braund S, Witt K (appointed 02/03/2023), Higgins K (appointed 04/05/2023)
Southern Adelaide Local Health Network Veterans Lived Experience Group Mental Health Services	4	Frampton R (Chair) (appointed 28/02/2023), Daley G, Damare M, Hall R, Hill-Paul C, O'Malley J, Royals N, Schofield M, Tregea J (ceased 01/07/2022), Warren S
Southern Adelaide Local Health Network Finance and Performance Committee (Sub-Committee of the Governing Board)	-	Richter J (Chair), Sherbon T, Noble J, Fletcher A
Southern Adelaide Local Health Network Board Executive Committee (Sub-Committee of the Governing Board)	-	Butcher M (Chair), Mitchell J

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

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<b>Board/Committee name:</b>	<b>Government employee members</b>	<b>Other members</b>
Southern Adelaide Local Health Network Ramping Committee (Sub-Committee of the Governing Board)	-	Butcher M (Chair), Richter J, Sherbon T

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

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

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**34. Administered items**

The Hospital administers private practice arrangements, representing funds billed on behalf of salaried medical officers and subsequently distributed to the Hospital and salaried medical officers according to Rights of Private Practice Deeds of Agreement.

	<b>Rights of Private Practice</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Other expenses	(11,385)	(12,288)
Revenue from fees and charges	12,032	11,855
<b>Net result</b>	<b>647</b>	<b>(433)</b>
Cash and cash equivalents	1,716	1,265
Receivables	818	633
Other current provisions/liabilities	(6)	(17)
<b>Net assets</b>	<b>2,528</b>	<b>1,881</b>
Cash at the beginning of the reporting period	1,265	1,555
Other receipts	11,847	12,002
Other payments	(11,396)	(12,292)
<b>Cash at the end of the reporting period</b>	<b>1,716</b>	<b>1,265</b>

## Certification of the financial statements

We certify that the:

- financial statements of the Southern Adelaide 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 Southern Adelaide Local Health Network Inc. over its financial reporting and its preparation of the financial statements have been effective.



.....  
Kerrie Freeman  
Chief Executive Officer



.....  
Matt Rooney  
Interim Chief Finance Officer



.....  
Mark Butcher  
Governing Board Chair

Date 14 September 2023