



Audit Committee Meeting

26 August 2020



local councils working together to protect the health of the community



**EASTERN HEALTH AUTHORITY
AUDIT COMMITTEE MEETING**

WEDNESDAY 26 August 2020

Notice is hereby given that a meeting of the Audit Committee of Eastern Health Authority will be held at EHA's offices at **101 Payneham Road, St Peters** on Wednesday 26 August 2020 commencing at 3.00 pm.

**MICHAEL LIVORI
CHIEF EXECUTIVE OFFICER**



AGENDA

EASTERN HEALTH AUTHORITY AUDIT COMMITTEE MEETING

WEDNESDAY 26 August 2020
Commencing at 3.00 pm

| | | |
|-----|---|-----|
| 1 | Opening | |
| 2 | Apologies | |
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5.1 DRAFT GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Author: Michael Livori

Ref: AF20/43

Summary

This report presents the draft General Purpose Financial Statements for the year ended 30 June 2020 (the statements) for review by the Audit Committee (the Committee).

Eastern Health Authority's (EHA) Charter requires its books of accounts and financial statements to be audited annually by an external auditor. The audited financial statements must be provided to Constituent Councils to allow them to be incorporated into their own audited financial statements. The audited financial statements are then required to be incorporated into the EHA Annual Report.

The Terms of Reference for the Committee include at section 7.1.1 an expectation that the Committee monitors the integrity of the financial statements of EHA, including its annual report, reviewing significant reporting issues and judgements which they contain.

Report

The draft of the statements for the year ending 30 June 2020 have been prepared in accordance with the Local Government (Financial Management) Regulations 2011, Australian Accounting Standards and the South Australian Model Financial Statements for 2020. They reflect the operations of EHA between the period 1 July 2019 and 30 June 2020.

A copy of EHA General Purpose Financial Report for the year ending 30 June 2020 is provided as attachment 1 to this report.

There are four principal statements which are accompanied by notes which form part of the financial report:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows

The external auditors were on site conducting the balance date audit on 4 and 5 August 2020. The 2020 statements presented as part of this report are based on the draft provided to the external auditors. Some minor amendments may be required to be made prior to the meeting date and the results will continue to be refined until final audit sign-off. Any significant disclosure or presentation issues identified by the external auditors will be presented as an update at this committee meeting by David Francis who will be in attendance.

After their consideration of the statements the committee will be requested to recommend that:

- the external auditor be advised that the Committee is satisfied that the draft statements present fairly the state of affairs of the organisation
- the final audited statements be presented to the Board of Management, and
- the Chair of the Committee, Chief Executive Officer of EHA and each Constituent Council sign a statement to certify the independence of the external auditors.

A copy of the Audit Completion report has been received and is provided as attachment 3. Due to the timing of the receipt of the report, management responses to the Audit findings will be provided at the 9 September 2020 Board of Management meeting.

Subsequent to the outcomes of the Committee's review at this meeting a final draft of the 2020 statements will be prepared for presentation to the Board of Management at its 9 September 2020 meeting.

The report in relation to the statements will have a recommendation that the Board of Management authorise the Chair and the Chief Executive Officer to certify the financial statements in their final form.

Differences when comparing 2019 and 2020 Financial Statements

A full comparison of the 2019 and 2020 audited financial results is provided as attachment 2.

Impact of Australian Accounting Standards Board (AASB) Standard 16 Leases.

It should be noted that a significant number of variations between the two financial years are a result of the introduction of AAASB Standard 16 Leases (the new Standard) in January 2016. The new standard is effective for periods beginning on or after 1 January 2019, that is 30 June 2020 year-ends.

The new Standard introduces a new model requiring lessees to recognise all leases on their balance sheet (rather than being presented as operating leases), except for short-term leases and leases of low value assets. The changes have had an impact on the Balance Sheet and Income Statement.

Note 1, point 10 of the Financial Statements provides a table which details the impact of the standard over a five-year period.

Commentary in relation to material differences (where applicable) is provided in the table commencing on following page.

| Statement of Comprehensive Income | | | | |
|--|------------------|------------------|------------------|---|
| | 2019/2020 | 2018/2019 | Variation | Commentary |
| Income | | | | |
| Council Contributions | 1,803,571 | 1,723,013 | 80,558 | Regional Public Health Plan review costs. |
| Statutory Charges | 72,447 | 150,360 | (77,913) | Food Inspection fee relief in response to COVID-19. Reduction in fines issued. |
| User Charges | 330,134 | 394,577 | (64,443) | City of Unley Immunisation Contract concluded end of 2019. |
| Expenses | | | | |
| Employee Costs | 1,636,215 | 1,767,577 | (131,362) | Adjustment in staffing, staff on long term leave, time in replacing staff |
| Materials, contracts and other expenses | 594,507 | 716,069 | (121,562) | Application of AAASB Standard 16 Leases – impact on rent |
| Finance Costs | 56,305 | 12,811 | 43,494 | Application of AAASB Standard 16 Leases – recognise interest on leases |
| Depreciation, amortisation and impairment | 190,358 | 37,355 | 153,003 | Application of AAASB Standard 16 Leases – recognise amortisation of leases |
| Net Surplus/(Deficit) | (13,401) | 24,109 | (37,510) | Result was a 14,598 improvement on budgeted result of (28,000). Application of AASB Standard 16 Leases had a 35,910 negative impact on result. Net result is in effect 50,508 improvement on budget estimate. |
| Statement of Financial Position | | | | |
| Total Current Assets | 876,960 | 911,472 | (34,512) | Decrease in cash and receivables at year end. |
| Non-Current Assets | 1,491,511 | 324,192 | 1,167,319 | Increase due to - Application of AAASB Standard 16 Leases - value of leased assets |
| Total Assets | 2,368,471 | 1,235,664 | 1,132,807 | Increase due to - Application of AAASB Standard 16 Leases - value of leased assets |
| Total Current Liabilities | 657,617 | 536,166 | 121,450 | Increase due to - Application of AAASB Standard 16 Leases – value of leased borrowings |

| Statement of Financial Position | | | | |
|---|------------------|------------------|------------------|--|
| | 2019/2020 | 2018/2019 | Variation | Commentary |
| Total Non- Current Liabilities | 1,235,976 | 211,218 | 1,024,758 | Increase due to - Application of AAASB Standard 16 Leases – value of leased borrowings |
| Total Liabilities | 1,893,593 | 747,384 | 1,146,208 | Increase due to - Application of AAASB Standard 16 Leases – value of leased borrowings |
| Net Assets | 474,878 | 488,280 | (13,402) | Income Statement result |
| Statement of Cash Flows | | | | |
| Net Cash Provided / (used) by Operating Activities | 180,738 | (49,257) | 229,996 | See Note 7 |
| Net Cash Provided / (used) by Financing Activities | (178,023) | (64,392) | (113,631) | See Note 10 |
| Net (Decrease) in cash held | (21,962) | (133,282) | (111,320) | |
| Cash and cash equivalents at end of period | 721,310 | 743,310 | (21,962) | |
| Statement of Changes in Equity | | | | |
| Accumulated Surplus Balance at end of Period | 474,879 | 488,280 | (13,401) | Income Statement result |
| Total Equity Balance at end of Period | 474,879 | 488,280 | (13,401) | Income Statement result |

RECOMMENDATION

That:

1. The Draft General Purpose Financial Statements for the Year ending 30 June 2020 Report is noted.
2. The Committee is satisfied that the 2019/2020 draft statements present fairly the state of affairs of the organisation.
3. The 2019/2020 final audited statements are presented to the Board of Management.
4. The Chair of the Audit Committee is authorised to sign a statement to certify the independence of the external auditors.

Eastern Health Authority

General Purpose Financial Reports

for the year ended 30 June 2020

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**Eastern Health Authority
Annual Financial Statements
for the year ended 30 June 2020**

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by Eastern Health Authority (EHA) to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the EHA's financial position at 30 June 2020 and the results of its operations and cash flows for the financial year.
- the financial statements accurately reflect the EHA's accounting and other records.

.....
Michael Livori
CHIEF EXECUTIVE OFFICER

.....
Cr Peter Cornish
CHAIRPERSON
EHA BOARD OF MANAGEMENT

Date:

Eastern Health Authority
Statement of Comprehensive Income
for the year ended 30 June 2020

| | | 2020 | 2019 |
|---|-------|------------------|------------------|
| | Notes | \$ | \$ |
| INCOME | | | |
| Council contributions | 2 | 1,803,571 | 1,723,013 |
| Statutory charges | 2 | 72,447 | 150,360 |
| User charges | 2 | 330,134 | 394,577 |
| Grants, subsidies and contributions | 2 | 245,618 | 257,814 |
| Investment income | 2 | 8,183 | 16,316 |
| Other income | 2 | 4,031 | 15,841 |
| Total Income | | <u>2,463,984</u> | <u>2,557,921</u> |
| EXPENSES | | | |
| Employee costs | 3 | 1,636,215 | 1,767,577 |
| Materials, contracts & other expenses | 3 | 594,507 | 716,069 |
| Depreciation, amortisation & impairment | 3 | 190,358 | 37,355 |
| Finance costs | 3 | 56,305 | 12,811 |
| Total Expenses | | <u>2,477,385</u> | <u>2,533,812</u> |
| OPERATING (DEFICIT) / SURPLUS | | <u>(13,401)</u> | <u>24,109</u> |
| Other Comprehensive Income | | | |
| Total Other Comprehensive Income | | <u>-</u> | <u>-</u> |
| TOTAL COMPREHENSIVE INCOME | | <u>(13,401)</u> | <u>24,109</u> |

This Statement is to be read in conjunction with the attached Notes.

Eastern Health Authority
Statement of Financial Position
as at 30 June 2020

| | | 2020 | 2019 |
|---|-------|------------------|------------------|
| | Notes | \$ | \$ |
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 4 | 721,310 | 743,272 |
| Trade & other receivables | 4 | 155,650 | 168,200 |
| Total Current Assets | | 876,960 | 911,472 |
| Non-current Assets | | | |
| Infrastructure, property, plant & equipment | 5 | 1,491,511 | 324,192 |
| Total Non-current Assets | | 1,491,511 | 324,192 |
| Total Assets | | 2,368,471 | 1,235,664 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade & other payables | 6 | 157,719 | 149,195 |
| Borrowings | 6 | 192,012 | 64,393 |
| Provisions | 6 | 307,885 | 322,578 |
| Total Current Liabilities | | 657,616 | 536,166 |
| Non-current Liabilities | | | |
| Borrowings | 6 | 1,213,708 | 186,350 |
| Provisions | 6 | 22,268 | 24,868 |
| Total Non-current Liabilities | | 1,235,976 | 211,218 |
| Total Liabilities | | 1,893,592 | 747,384 |
| NET ASSETS | | 474,879 | 488,280 |
| EQUITY | | | |
| Accumulated Surplus | | 474,879 | 488,280 |
| TOTAL EQUITY | | 474,879 | 488,280 |

This Statement is to be read in conjunction with the attached Notes.

Eastern Health Authority
Statement of Changes in Equity
for the year ended 30 June 2020

| | | Acc'd Surplus | TOTAL EQUITY |
|---|-------|------------------|-----------------|
| 2020 | Notes | \$ | \$ |
| Balance at end of previous reporting period | | 488,280 | 488,280 |
| Net (Deficit) for Year | | (13,401) | (13,401) |
| Balance at end of period | | 474,879 | 474,879 |
| | | | |
| 2019 | | | |
| Balance at end of previous reporting period | | 464,171 | 464,171 |
| Net Surplus for Year | | 24,109 | 24,109 |
| Balance at end of period | | 488,280 | 488,280 |

This Statement is to be read in conjunction with the attached Notes

Eastern Health Authority
Statement of Cash Flows
for the year ended 30 June 2020

| | | 2020 | 2019 |
|---|--------------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | Notes | \$ | \$ |
| <i>Receipts:</i> | | | |
| Council contributions | | 1,983,928 | 1,895,314 |
| Fees & other charges | | 72,447 | 157,878 |
| User charges | | 373,345 | 372,381 |
| Investment receipts | | 7,234 | 16,316 |
| Grants utilised for operating purposes | | 245,618 | 257,814 |
| Other revenues | | 4,031 | 18,497 |
| <i>Payments:</i> | | | |
| Employee costs | | (1,645,676) | (1,779,142) |
| Materials, contracts & other expenses | | (802,416) | (974,102) |
| Finance payments | | (57,773) | (14,213) |
| Net Cash provided by (or used in) Operating Activities | 7 (b) | 180,738 | (49,257) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| <i>Payments:</i> | | | |
| Expenditure on renewal/replacement of assets | | (24,677) | (19,633) |
| Net Cash used in Investing Activities | | (24,677) | (19,633) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| <i>Payments:</i> | | | |
| Repayments of borrowings | | (67,488) | (64,392) |
| Repayment of lease liabilities | | (110,535) | - |
| Net Cash or used in Financing Activities | | (178,023) | (64,392) |
| Net (Decrease) in cash held | | (21,962) | (133,282) |
| Cash & cash equivalents at beginning of period | 7 | 743,272 | 876,554 |
| Cash & cash equivalents at end of period | 7 | 721,310 | 743,272 |

This Statement is to be read in conjunction with the attached Notes

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020
Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011*.

1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Eastern Health Authority's (EHA) accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollar (\$).

2 The Local Government Reporting Entity

Eastern Health Authority is incorporated under the SA Local Government Act 1999 and has its principal place of business at 101 Payneham Road, St Peters, SA 5069. These financial statements include EHA's direct operations and all entities through which EHA controls resources to carry on its functions. In the process of reporting on EHA as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income recognition

EHA recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which EHA expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the authority to acquire or construct a recognisable non-financial asset that is to be controlled by the authority. In this case, the authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at EHA's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments also form part of Note 8.

5 Property, Plant & Equipment

5.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by EHA for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 5.

5.3 Depreciation of Non-Current Assets

All property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of EHA, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

5.4 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if EHA were deprived thereof, are not assessed for impairment.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

5.5 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

6 Payables

6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

6.2 Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to EHA assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

7 Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates and is recorded as part of "Payables".

7.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based on costs) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based on costs) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

No accrual is made for sick leave as EHA experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. EHA does not make payment for untaken sick leave.

Superannuation

EHA makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and EHA's involvement with the schemes are reported in Note 11.

8 Leases

Accounting Policy applicable for the year ending 30 June 2019 (comparatives):

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117.

In respect of finance leases, where EHA substantially carries the entire risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class and are amortised to expense over the period during which EHA is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

Accounting policy applicable from 01 July 2019:

EHA assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

EHA as a lessee

EHA recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

EHA recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (5.4) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, EHA recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, EHA uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short-term leases and leases of low-value assets

EHA applies the short-term lease recognition exemption to its short-term leases of equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date).

It also applies the low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

9 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

10 New and amended standards and interpretations

Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities:

EHA applied AASB 15 and AASB 1058, for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service). Details of the accounting policy adopted for these standards can be found in section 10 of this note. EHA has elected to adopt the modified retrospective method on transition to the new standards with an initial application date of 1 July 2019. The cumulative effect of initially applying AASB 15 and AASB 1058 is recognised at the date of initial application as an adjustment to the opening balance of Accumulated Surplus. Therefore, the comparative information was not restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related Interpretations.

The impact of adopting the new standards as at 1 July 2019 was an increase to liabilities of nil and a decrease to Accumulated Surplus of nil.

Adoption of AASB 16 Leases (AASB 16)

EHA applied AASB 16 for the first time from 1 July 2019. AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease and other related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet under a single on-balance sheet model. EHA has lease contracts for a building and some equipment. Before the adoption of AASB 16, EHA classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

EHA adopted AASB 16 using the modified retrospective method of adoption. Under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of Accumulated Surplus as at 1 July 2019 and comparatives have not been restated.

EHA recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases with lease terms that end within 12 months of the date of initial application and leases of low-value assets. The right-of-use assets for all leases were recognised based on the amount equal to the lease liabilities. No adjustments were needed for any previously recognised prepaid or accrued lease expenses as there were none. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The effect of adoption AASB 16 as at 1 July 2019 (increase/(decrease)) is, as follows:

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|-----------------------|-------------|-------------|-----------|-----------|-----------|
| | \$ | \$ | \$ | \$ | \$ |
| Income Statement | | | | | |
| Interest expense | 46,655 | 42,786 | 38,525 | 34,934 | 32,063 |
| Depreciation | 146,445 | 151,278 | 119,277 | 100,833 | 100,833 |
| Lease expense | (157,190) | (164,067) | (141,414) | (117,175) | (113,543) |
| Profit or loss impact | 35,910 | 29,998 | 16,388 | 18,593 | 19,354 |
| Balance Sheet | | | | | |
| Right of use asset | 1,186,555 | 1,035,277 | 916,833 | 816,000 | 715,167 |
| Lease liability | (1,222,465) | (1,031,146) | (988,227) | (916,261) | (834,787) |

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 2 - INCOME

| | Notes | 2020 \$ | 2019 \$ |
|---|-------|------------------|------------------|
| COUNCIL CONTRIBUTIONS | | | |
| City of Burnside | | 437,022 | 444,498 |
| Campbelltown City Council | | 426,994 | 403,854 |
| City of Norwood, Payneham & St Peters | | 559,954 | 523,301 |
| City of Prospect | | 230,650 | 237,123 |
| Town of Walkerville | | 102,500 | 114,237 |
| Public Health Plan/Service Review (equal constituent share) | | 46,451 | - |
| | | 1,803,571 | 1,723,013 |
| STATUTORY CHARGES | | | |
| Inspection Fees: Food | | 53,213 | 108,095 |
| Inspection Fees: Legionella | | 8,603 | 9,795 |
| SRF Licences | | 1,520 | 2,200 |
| Fines & Expiation Fees | | 9,111 | 30,270 |
| | | 72,447 | 150,360 |
| USER CHARGES | | | |
| Immunisation: Clinic Vaccines | | 87,341 | 116,097 |
| Immunisation: Worksite Vaccines | | 98,799 | 98,419 |
| Food Auditing | | 84,428 | 79,538 |
| City of Unley | | 59,566 | 100,523 |
| | | 330,134 | 394,577 |
| INVESTMENT INCOME | | | |
| Interest on investments: | | | |
| Local Government Finance Authority | | 8,183 | 16,316 |
| | | 8,183 | 16,316 |
| OTHER INCOME | | | |
| Motor Vehicle Reimbursements | | 1,627 | 10,597 |
| Sundry Income | | 2,404 | 5,244 |
| | | 4,031 | 15,841 |
| GRANTS, SUBSIDIES, CONTRIBUTIONS | | | |
| Other grants, subsidies and contributions | | | |
| Immunisation: School Programme | | 220,308 | 169,874 |
| Meningoccal B Study | | - | 59,644 |
| Immunisation: AIR | | 25,310 | 28,296 |
| | | 245,618 | 257,814 |

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 3 - EXPENSE

| | Notes | 2020 \$ | 2019 \$ |
|--|-------|------------------|------------------|
| EMPLOYEE COSTS | | | |
| Salaries and Wages | | 1,453,727 | 1,521,123 |
| Employee leave expense | | 9,091 | 38,321 |
| Superannuation - defined contribution plan contributions | 11 | 124,020 | 117,126 |
| Superannuation - defined benefit plan contributions | 11 | 12,212 | 24,653 |
| Workers' Compensation Insurance | | 18,441 | 16,470 |
| Other - Agency staff and Consultant Medical Officer | | 18,724 | 49,884 |
| Total Operating Employee Costs | | 1,636,215 | 1,767,577 |
| Total Number of Employees | | 15 | 18 |
| <i>(Full time equivalent at end of reporting period)</i> | | | |
| MATERIALS, CONTRACTS & OTHER EXPENSES | | | |
| <u>Prescribed Expenses</u> | | | |
| Auditor's Remuneration | | | |
| - Auditing the financial reports | | 7,494 | 7,210 |
| Bad and Doubtful Debts | | 1,227 | 1,532 |
| Governance expenses | | 11,144 | 15,946 |
| Lease Expenses - short term leases | 10 | 6,000 | 60,708 |
| Subtotal - Prescribed Expenses | | 25,865 | 85,396 |
| <u>Other Materials, Contracts & Expenses</u> | | | |
| Accounting | | 5,473 | 5,971 |
| Contractors | | 26,466 | 26,506 |
| Energy | | 10,808 | 10,967 |
| Fringe benefit tax | | 12,447 | 17,165 |
| Human resources | | 18,983 | 11,742 |
| Income protection | | 24,177 | 22,430 |
| Insurance | | 28,817 | 27,248 |
| IT licencing & support | | 161,608 | 136,462 |
| Legal Expenses | | 13,605 | 17,484 |
| Motor vehicle expenses | | 14,250 | 26,293 |
| Office rent | | - | 104,829 |
| Parts, accessories & consumables | | 181,373 | 130,593 |
| Printing & stationery | | 15,088 | 17,557 |
| Staff training | | 6,843 | 13,254 |
| Sundry | | 21,889 | 33,703 |
| Telephone | | 18,923 | 17,638 |
| Work health & safety consultancy | | 7,892 | 10,831 |
| Subtotal - Other Materials, Contracts & Expenses | | 568,642 | 630,673 |
| Total Materials, Contracts & Expenses | | 594,507 | 716,069 |

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 3 - EXPENSE (cont.)

| | | 2020 | 2019 |
|--|-------|----------------|---------------|
| | Notes | \$ | \$ |
| DEPRECIATION, AMORTISATION & IMPAIRMENT | | | |
| Depreciation | | | |
| Buildings & Other Structures | | 23,642 | 23,642 |
| Office Equipment, Furniture & Fittings | | 20,271 | 13,713 |
| Right of Use Assets | 10 | 146,445 | - |
| | | <u>190,358</u> | <u>37,355</u> |
| FINANCE COSTS | | | |
| Interest on Loans | | 9,650 | 12,811 |
| Interest on Leases | 10 | 46,655 | - |
| | | <u>56,305</u> | <u>12,811</u> |

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 4 - CURRENT ASSETS

| | | 2020 | 2019 |
|--------------------------------------|--------------|----------------|----------------|
| CASH & EQUIVALENT ASSETS | Notes | \$ | \$ |
| Cash on Hand and at Bank | | 168,947 | 158,728 |
| Deposits at Call | | 552,363 | 584,544 |
| | | <u>721,310</u> | <u>743,272</u> |
| TRADE & OTHER RECEIVABLES | | | |
| Accrued Revenues | | 949 | - |
| Debtors - general | | 154,701 | 168,200 |
| Total | | 155,650 | 168,200 |
| Less: Allowance for Doubtful Debts | | - | - |
| | | <u>155,650</u> | <u>168,200</u> |

Amounts included in receivables that are not expected to be received within 12 months of reporting date.

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 5 - PROPERTY, PLANT & EQUIPMENT (PP&E)

| | 2019 | | | | 2020 | | | |
|--|------------|---------|------------|-----------------|------------|-----------|------------|-----------------|
| | \$ | | | | \$ | | | |
| | Fair Value | Cost | Acc' Dep'n | Carrying Amount | Fair Value | Cost | Acc' Dep'n | Carrying Amount |
| Buildings & Other Structures | - | 472,846 | (188,328) | 284,518 | - | 472,846 | (211,970) | 260,876 |
| Office Equipment, Furniture & Fittings | - | 239,509 | (199,835) | 39,674 | - | 264,186 | (220,106) | 44,080 |
| Right of Use Assets | - | - | - | - | - | 1,333,000 | (146,445) | 1,186,555 |
| Total PP&E | - | 712,355 | (388,163) | 324,192 | - | 2,070,032 | (578,521) | 1,491,511 |
| Comparatives | - | 809,838 | (467,924) | 341,914 | - | 712,355 | (388,163) | 324,192 |

| | 2019 | CARRYING AMOUNT MOVEMENTS DURING YEAR | | | | | 2020 | |
|--|-----------------|---------------------------------------|---------------|----------|-----------|-----------|----------|-----------|
| | \$ | \$ | | | | | \$ | |
| | Carrying Amount | Net Adjust AASB 16 | Additions | | Disposals | Dep'n | Impair't | Carrying |
| | | | New / Upgrade | Renewals | | | | |
| Buildings & Other Structures | 284,518 | - | - | - | - | (23,642) | - | 260,876 |
| Office Equipment, Furniture & Fittings | 39,674 | - | - | 24,677 | - | (20,271) | - | 44,080 |
| Right of Use Assets | - | 1,200,000 | - | - | - | (146,445) | - | 1,186,555 |
| Total PP&E | 324,192 | 1,200,000 | - | 24,677 | - | (190,358) | - | 1,491,511 |
| Comparatives | 341,914 | - | - | 19,633 | - | (37,355) | - | 324,192 |

This note continues on the following pages.

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 6 - LIABILITIES

| | | 2020 | | 2019 | |
|--|--------------|----------------|--------------------|----------------|--------------------|
| | | \$ | | \$ | |
| TRADE & OTHER PAYABLES | Notes | Current | Non-current | Current | Non-current |
| Goods & Services | | 108,316 | - | 111,829 | - |
| Accrued expenses - employee entitlements | | 39,736 | - | 31,904 | - |
| Accrued expenses - other | | 3,994 | - | 5,462 | - |
| GST Payable | | 5,673 | - | - | - |
| | | 157,719 | - | 149,195 | - |

Amounts included in trade & other payables that are not expected to be settled within 12 months of reporting date.

BORROWINGS

| | | | | | |
|--------------------|----|----------------|------------------|---------------|----------------|
| Loans | | 70,732 | 112,523 | 64,393 | 186,350 |
| Leases Liabilities | 10 | 121,280 | 1,101,185 | - | - |
| | | 192,012 | 1,213,708 | 64,393 | 186,350 |

All interest bearing liabilities are secured over the future revenues of EHA.

PROVISIONS

| | | | | | |
|---|--|----------------|---------------|----------------|---------------|
| Employee entitlements (including oncosts) | | 307,885 | 22,268 | 322,578 | 24,868 |
| | | 307,885 | 22,268 | 322,578 | 24,868 |

Amounts included in provisions that are not expected to be settled within 12 months of reporting date.

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 7 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

| | Notes | 2020 \$ | 2019 \$ |
|----------------------------------|--------------|--------------------------|--------------------------|
| Total cash & equivalent assets | 4 | 721,310 | 743,272 |
| Balances per Cash Flow Statement | | <u>721,310</u> | <u>743,272</u> |

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

| | | |
|---|-----------------------|------------------------|
| Net (Deficit) Surplus | (13,401) | 24,109 |
| Non-cash items in Income Statement | | |
| Depreciation, amortisation & impairment | 190,358 | 37,355 |
| Net (decrease) in unpaid employee benefits | (9,461) | (11,565) |
| | <u>167,496</u> | <u>49,899</u> |
| Add (Less): Changes in Net Current Assets | | |
| Net decrease (increase) in receivables | 12,550 | (45,871) |
| Net increase (decrease) in trade & other payables | 692 | (53,285) |
| Net Cash provided by (or used in) operations | <u>180,738</u> | <u>(49,257)</u> |

(c) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

| | | |
|------------------------|--------------|-------|
| Corporate Credit Cards | 5,000 | 5,000 |
|------------------------|--------------|-------|

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 8 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as *loans and receivables*.

Accounting Policies - Recognised Financial Instruments

| | |
|--|--|
| Bank, Deposits at Call, Short Term Deposits | <p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned</p> <p>Terms & conditions: Deposits are returning fixed interest rates 0.45% (2019: 1.25%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p> |
| Receivables - Fees & other charges | <p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although EHA is not materially exposed to any individual debtor, credit risk exposure is concentrated within the EHA's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p> |
| Receivables - other levels of government | <p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p>Carrying amount: approximates fair value.</p> |
| Liabilities - Creditors and Accruals | <p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to EHA.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p> |
| Liabilities - Interest Bearing Borrowings | <p>Accounting Policy: initially recognised at fair value and subsequently at amortised cost, interest is charged as an expense using the effective interest rate</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 4% and 5% (2019: 4% and 5%)</p> <p>Carrying amount: approximates fair value.</p> |
| Liabilities - Finance Leases | <p>Accounting Policy: accounted for in accordance with AASB 16</p> |

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 8 - FINANCIAL INSTRUMENTS (cont.)

Liquidity Analysis

| 2020 | Due < 1 year | Due > 1 year ≤ 5 years | Due > 5 years | Total Contractual Cash Flows | Carrying Values |
|-------------------------------------|------------------------|--------------------------------------|-----------------------------|---|----------------------------|
| <u>Financial Assets</u> | \$ | \$ | \$ | \$ | \$ |
| Cash & Equivalents | 721,310 | | | 721,310 | 721,310 |
| Receivables | 155,650 | - | - | 155,650 | 155,650 |
| Total | 876,960 | - | - | 876,960 | 876,960 |
| <u>Financial Liabilities</u> | | | | | |
| Payables | 157,719 | - | - | 157,719 | 157,719 |
| Current Borrowings | 70,732 | - | - | 70,732 | 70,732 |
| Lease Liabilities | 121,280 | 386,361 | 714,824 | 1,222,465 | 1,222,465 |
| Non-Current Borrowings | - | 112,523 | - | 112,523 | 112,523 |
| Total | 349,731 | 498,884 | 714,824 | 1,563,439 | 1,563,439 |

| 2019 | Due < 1 year | Due > 1 year; ≤ 5 years | Due > 5 years | Total Contractual Cash Flows | Carrying Values |
|-------------------------------------|------------------------|---------------------------------------|-----------------------------|---|----------------------------|
| <u>Financial Assets</u> | \$ | \$ | \$ | \$ | \$ |
| Cash & Equivalents | 743,272 | | | 743,272 | 743,272 |
| Receivables | 168,200 | - | - | 168,200 | 168,200 |
| Total | 911,472 | - | - | 911,472 | 911,472 |
| <u>Financial Liabilities</u> | | | | | |
| Payables | 149,195 | - | - | 149,195 | 149,195 |
| Current Borrowings | 64,393 | - | - | 64,393 | 64,393 |
| Non-Current Borrowings | - | 186,350 | - | 186,350 | 186,350 |
| Total | 213,588 | 186,350 | - | 399,938 | 399,938 |

The following interest rates were applicable to EHA's borrowings at balance date:

| | 30 June 2020 | | 30 June 2019 | |
|----------------------|---|---------------------------|---|---------------------------|
| | Weighted Average Interest Rate | Carrying Value | Weighted Average Interest Rate | Carrying Value |
| | % | \$ | % | \$ |
| Fixed Interest Rates | 4.75 | 183,255 | 4.75 | 690,438 |
| | | 183,255 | | 690,438 |

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 8 - FINANCIAL INSTRUMENTS (cont.)

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of EHA.

Risk Exposures:

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of EHA is the carrying amount, net of any impairment. All EHA investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 4 in relation to individual classes of receivables, exposure is concentrated within EHA's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of EHA's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that EHA will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. EHA also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. EHA has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 9 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of EHA prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances

| | 2020 | 2019 |
|---|---------------------------|--------------------------|
| | \$ | \$ |
| Income | 2,463,984 | 2,557,921 |
| Expenses | <u>(2,477,385)</u> | <u>(2,533,812)</u> |
| Operating Surplus / (Deficit) | (13,401) | 24,109 |
| Net Outlays on Existing Assets | | |
| Capital Expenditure on renewal and replacement of Existing Assets | (24,677) | (19,633) |
| Add back Depreciation, Amortisation and Impairment | 190,358 | 37,355 |
| | <u>165,681</u> | <u>17,722</u> |
| Net Lending / (Borrowing) for Financial Year | <u>152,280</u> | <u>41,831</u> |

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 10 - OPERATING LEASES

EHA as a Lessee

Operating Lease Commitments

EHA leases various plant and equipment under finance leases expiring within 1 to 4 years. At expiry, EHA may re-lease, or return or acquire the leased assets.

Some leases provide for the payment of contingent rentals depending on actual use of the equipment. Contingent rental payments made are disclosed in Note 3.

Commitments under operating leases at the reporting date are as follows:

| | 2020 | 2019 |
|--|------------------|---------------|
| | \$ | \$ |
| Not later than one year | 191,319 | 64,188 |
| Later than one year and not later than 5 years | 42,919 | 73,861 |
| Later than 5 years | 988,227 | - |
| Minimum lease payments | 1,222,465 | 138,049 |
| Less: future finance charges | - | (45,644) |
| Net Lease Liability | 1,222,465 | 92,405 |

Right of Use Asset

Office Buildings & Motor Vehicles

Set out below are the carrying amounts (written down value) of right of use assets recognised within Property, Plant & Equipment

| Carrying Value | Building & Structures | Motor Vehicles |
|---|--------------------------|-------------------|
| At 1 July 2019 | 1,200,000 | 133,000 |
| Depreciation Charge | (96,000) | (50,445) |
| At 30 June 2020 | 1,104,000 | 82,555 |
| Depreciation expense right of use asset | 96,000 | 50,445 |
| Interest expense on lease liabilities | 42,000 | 4,655 |
| Total amount recognised in profit and loss | 144,000 | 55,100 |

Eastern Health Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 11 – SUPERANNUATION

EHA makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2018-19; 9.50% in 2019-20). No further liability accrues to EHA as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. EHA makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2018-19) of "superannuation" salary.

In addition, EHA makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), EHA does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2020. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to EHA's contribution rates at some future time.

Contributions to Other Superannuation Schemes

EHA also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to EHA.

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 12 – CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingencies, asset or liabilities not recognised in the financial statements for the year ended 30 June 2020.

Note 13 – EVENTS OCCURRING AFTER REPORTING DATE

There are no events subsequent to 30 June 2020 that need to be disclosed in the financial statements.

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 14 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of EHA include the Chairperson, Board Members, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, the Key Management Personnel were paid the following total compensation:

| | 2020 | 2019 |
|--|----------------|---------|
| | \$ | \$ |
| Salaries, allowances & other short term benefits | 182,847 | 182,054 |
| TOTAL | 182,847 | 182,054 |

Amounts received from Related Parties during the financial year:

| | 2020 | 2019 |
|---|------------------|-----------|
| | \$ | \$ |
| City of Burnside | 437,022 | 444,498 |
| Campbelltown City Council | 426,994 | 403,854 |
| City of Norwood, Payneham & St Peters | 559,954 | 523,301 |
| City of Prospect | 230,650 | 237,123 |
| Town of Walkerville | 102,500 | 114,237 |
| Public Health Plan/Service Review (equal constituent share) | 46,451 | - |
| TOTAL | 1,803,571 | 1,723,013 |

Amounts paid to Related Parties during the financial year:

| | 2020 | 2019 |
|---------------------------------------|----------------|---------|
| | \$ | \$ |
| City of Norwood, Payneham & St Peters | 106,978 | 104,829 |
| TOTAL | 106,978 | 104,829 |

Description of Services provided to all related parties above:

Assist the Constituent Councils to meet their legislative responsibilities in accordance with the SA Public Health Act 2011, the Food Act 2001 (SA), the Supported Residential Facilities Act 1992 (SA), the Expiation of Offences Act 1996 (SA), (or any successor legislation to these Acts) and any other legislation regulating similar matters that the Constituent Councils determine is appropriate within the purposes of EHA; Take action to preserve, protect and promote public and environmental health within the area of the Constituent Councils.

[Insert Audit Report]



**Eastern Health Authority
Annual Financial Statements
for the year ended 30 June 2020**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Eastern Health Authority for the year ended 30 June 2020, the Auditor, Bentleys SA Audit Partnership, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

.....
Michael Livori
CHIEF EXECUTIVE OFFICER

.....
**PRESIDING MEMBER
AUDIT COMMITTEE**

Date:



EASTERN HEALTH AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by Eastern Health Authority (EHA) to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of EHA's financial position at 30 June 2019 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.

.....
Michael Livori
CHIEF EXECUTIVE OFFICER

.....
Cr Peter Cornish
CHAIRPERSON
EHA BOARD OF MANAGEMENT

Date:

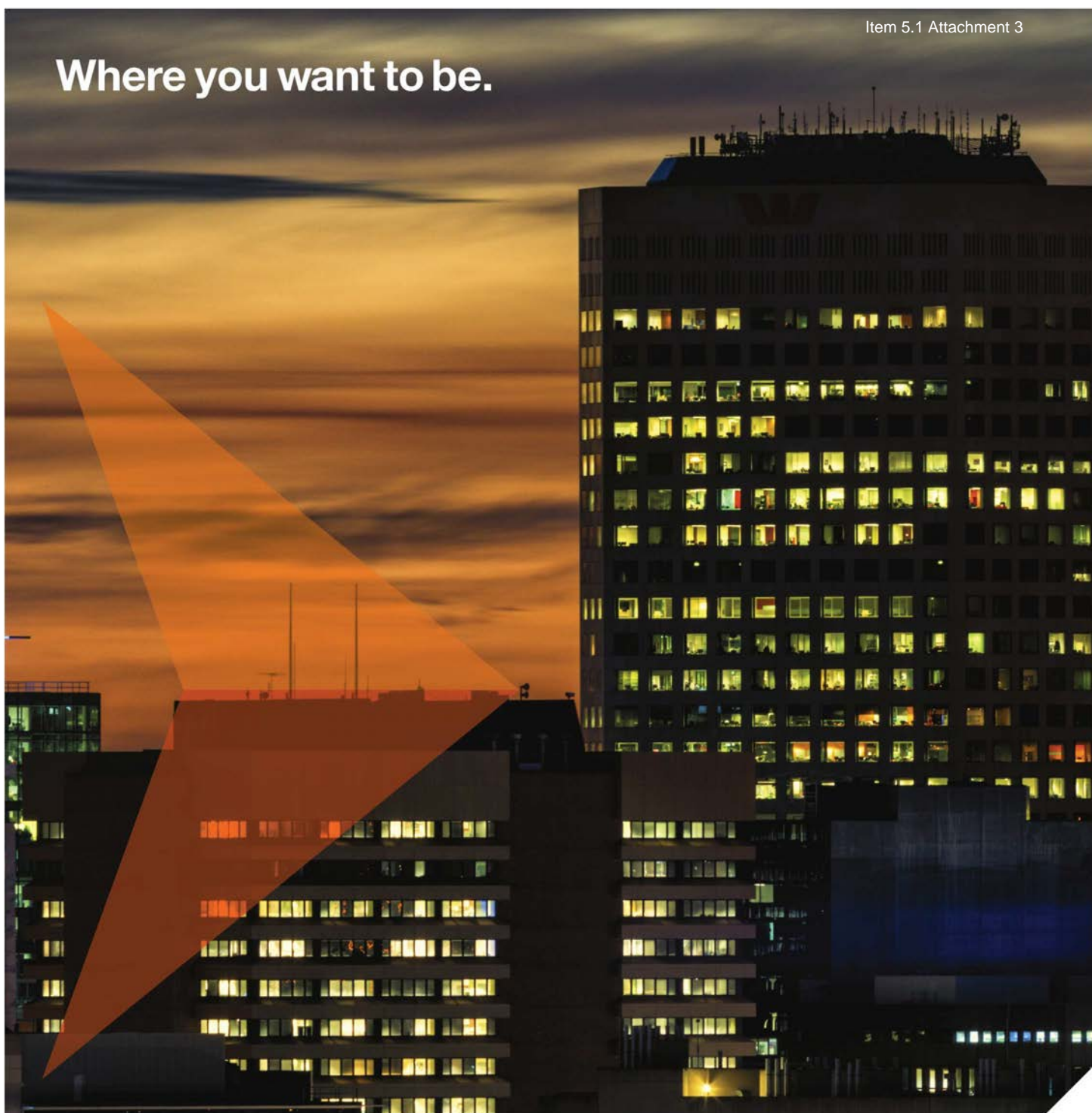
| EASTERN HEALTH AUTHORITY STATEMENT OF COMPREHENSIVE INCOME | | | | |
|--|------------------|---------------------|-----------------------------|-----------------------------|
| COMPARISON OF AUDITED RESULTS TO PREVIOUS YEARS RESULTS | | | | |
| FOR THE YEAR ENDING 30 JUNE 2020 | | | | |
| | Audited Result | Actual 2018/2019 | Variation from 2018/2019 | Variation from 2018/2019 |
| INCOME | | | \$ | % |
| Council Contributions (includes RPHP Review) | 1,803,571 | 1,723,013 | 80,558 | 4.5% |
| Statutory Charges | 72,447 | 150,360 | (77,913) | -107.5% |
| User Charges | 330,134 | 394,577 | (64,443) | -19.5% |
| Grants, subsidies and contributions | 245,618 | 257,814 | (12,196) | -5.0% |
| Investment Income | 8,183 | 16,316 | (8,133) | -99.4% |
| Other Income | 4,031 | 15,841 | (11,810) | -293.0% |
| TOTAL INCOME | 2,463,984 | 2,557,921 | (93,937) | -3.8% |
| EXPENSES | | | | |
| Employee Costs | 1,636,215 | 1,767,577 | (131,362) | -8.0% |
| Materials, contracts and other expenses | 594,507 | 716,069 | (121,562) | -20.4% |
| Finance Charges | 56,305 | 12,811 | 43,494 | 77.2% |
| Depreciation | 190,358 | 37,355 | 153,003 | 80.4% |
| TOTAL EXPENSES | 2,477,385 | 2,533,812 | (56,427) | -2.3% |
| Operating Surplus/(Deficit) | (13,401) | 24,109 | (37,510) | |
| Net gain (loss) on disposal of assets | - | | | |
| Net Surplus/(Deficit) | (13,401) | 24,109 | (37,510) | |
| Total Comprehensive Income | (13,401) | 24,109 | (37,510) | |

| EASTERN HEALTH AUTHORITY STATEMENT OF CASH FLOWS COMPARISON OF AUDITED RESULTS TO PREVIOUS YEARS RESULTS FOR THE YEAR ENDING 30 JUNE 2020 | | | | |
|---|------------------|---------------------|-----------------------------|-----------------------------|
| | Audited Result | Actual 2018/2019 | Variation from 2018/2019 | Variation from 2018/2019 |
| CASHFLOWS FROM OPERATING ACTIVITIES | | | \$ | % |
| Receipts | | | | |
| Council Contributions | 1,983,928 | 1,895,314 | 88,614 | 4.5% |
| Fees & other charges | 72,447 | 157,878 | (85,431) | -117.9% |
| User Charges | 373,345 | 372,381 | 964 | 0.3% |
| Investment Receipts | 7,234 | 16,316 | (9,082) | -125.5% |
| Grants utilised for operating purposes | 245,618 | 257,814 | (12,196) | -5.0% |
| Other | 4,031 | 18,497 | (14,466) | -358.9% |
| Payments | | | | |
| Employee costs | (1,645,676) | (1,779,142) | 133,466 | -8.1% |
| Materials, contracts & other expenses | (802,416) | (974,102) | 171,686 | |
| Interest Expense | (57,773) | (14,213) | (43,560) | 75.4% |
| Net Cash Provided/(Used) by Operating Activities | 180,738 | (49,257) | 229,995 | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Loans Received | - | - | - | |
| Loan Repayments | (67,488) | (64,392) | (3,096) | 4.6% |
| Repayment of Finance Lease Liabilities | (110,535) | - | (110,535) | |
| Net Cash Provided/(Used) by Financing Activities | (178,023) | (64,392) | (113,631) | 0 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Receipts | | | | |
| Sale of Replaced Assets | - | - | - | |
| Payments | | | | |
| Expenditure on renewal / replacements of assets | (24,677) | (19,633) | (5,044) | 20.4% |
| Expenditure on new / upgraded assets | - | - | - | |
| Distributions paid to constituent Councils | - | - | - | |
| Net Cash Provided/(Used) by Investing Activities | (24,677) | (19,633) | (5,044) | |
| NET INCREASE (DECREASE) IN CASH HELD | (21,962) | (133,282) | 111,320 | |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD | 743,272 | 876,554 | (133,282) | |
| CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD | 721,310 | 743,272 | (21,962) | |

| EASTERN HEALTH AUTHORITY STATEMENT OF FINANCIAL POSITION COMPARISON OF AUDITED RESULTS TO PREVIOUS YEARS RESULTS FOR THE YEAR ENDING 30 JUNE 2020 | | | | |
|---|------------------|---------------------|-----------------------------|-----------------------------|
| | Audited Result | Actual 2018/2019 | Variation from 2018/2019 | Variation from 2018/2019 |
| CURRENT ASSETS | | | \$ | % |
| Cash and Cash Equivalents | 721,310 | 743,272 | (21,962) | -3.0% |
| Trade & Other Receivables | 155,650 | 168,200 | (12,550) | -8.1% |
| TOTAL CURRENT ASSETS | 876,960 | 911,472 | (34,512) | -3.9% |
| NON-CURRENT ASSETS | | | | |
| Equipment | 1,491,511 | 324,192 | 1,167,319 | 78.3% |
| TOTAL NON-CURRENT ASSETS | 1,491,511 | 324,192 | 1,167,319 | 78.3% |
| TOTAL ASSETS | 2,368,471 | 1,235,664 | 1,132,807 | 47.8% |
| CURRENT LIABILITIES | | | | |
| Trade & Other Payables | 157,719 | 149,195 | 8,524 | 5.4% |
| Provisions | 307,885 | 322,578 | (14,693) | -4.8% |
| Borrowings | 192,012 | 64,393 | 127,619 | 66.5% |
| TOTAL CURRENT LIABILITIES | 657,616 | 536,166 | 121,450 | 18.5% |
| NON-CURRENT LIABILITIES | | | | |
| Provisions | 22,268 | 24,868 | (2,600) | -11.7% |
| Borrowings | 1,213,708 | 186,350 | 1,027,358 | 84.6% |
| TOTAL NON-CURRENT LIABILITIES | 1,235,976 | 211,218 | 1,024,758 | 82.9% |
| TOTAL LIABILITIES | 1,893,592 | 747,384 | 1,146,208 | 60.5% |
| NET CURRENT ASSETS/(CURRENT LIABILITIES) | 219,344 | 375,306 | (155,962) | -71.1% |
| NET ASSETS | 474,879 | 488,280 | (13,401) | -2.8% |
| EQUITY | | | | |
| Accumulated Surplus/(Deficit) | 474,878 | 488,280 | (13,402) | -2.8% |
| TOTAL EQUITY | 474,878 | 488,280 | (13,402) | -2.8% |

| EASTERN HEALTH AUTHORITY STATEMENT OF CHANGES IN EQUITY COMPARISON OF AUDITED RESULTS TO PREVIOUS YEARS RESULTS FOR THE YEAR ENDING 30 JUNE 2020 | | | | |
|--|----------------|---------------------|-----------------------------|-----------------------------|
| | Audited Result | Actual 2018/2019 | Variation from 2018/2019 | Variation from 2018/2019 |
| ACCUMULATED SURPLUS | | | \$ | |
| Balance at beginning of period | 488,280 | 464,171 | 24,109 | |
| Net Surplus/(Deficit) | (13,401) | 24,109 | (37,510) | |
| BALANCE AT END OF PERIOD | 474,879 | 488,280 | (13,401) | |
| TOTAL EQUITY | | | \$ | |
| Balance at beginning of period | 488,280 | 464,171 | 24,109 | |
| Net Surplus/(Deficit) | (13,401) | 24,109 | (37,510) | |
| BALANCE AT END OF PERIOD | 474,879 | 488,280 | (13,401) | |

Where you want to be.



August 2020

Eastern Health Authority

Report of Audit Findings

David Francis, Partner
Level 5, 63 Pirie St, Adelaide SA 5000
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Executive summary

We are providing our Final report on the audit of Eastern Health Authority for the year ended 30 June 2020.

Dear Board of Management

We have conducted our audit of Eastern Health Authority (EHA) for the year ended 30 June 2020 and report to management and those charged with governance the following matters for information purposes and for consideration of implementation or corrective action:

- At the conclusion of our testing, using the information obtained we determined if there were any material matters or concerns that would impact the decision-making ability of the users of the financial report.
- The following matters are reported to management:

| | Internal controls | Financial Statements |
|-----------------------------|-------------------|--|
| Critical | - | - |
| Significant | - | - |
| Area for Improvement | - | <ul style="list-style-type: none"> - Provision for doubtful debts - Credit balances in receivables - High level of annual leave accrued - Contract of employment |

Note: an empty comment means nothing to report

- We intend to issue an unmodified audit opinion over the financial report of Eastern Health Authority.

We would like to take this opportunity to thank management and staff for the assistance provided to us during the course of our audit.

Sincerely,



David Francis

Partner,
+61 8 8372 7900
dfrancis@adel.bentleys.com.au

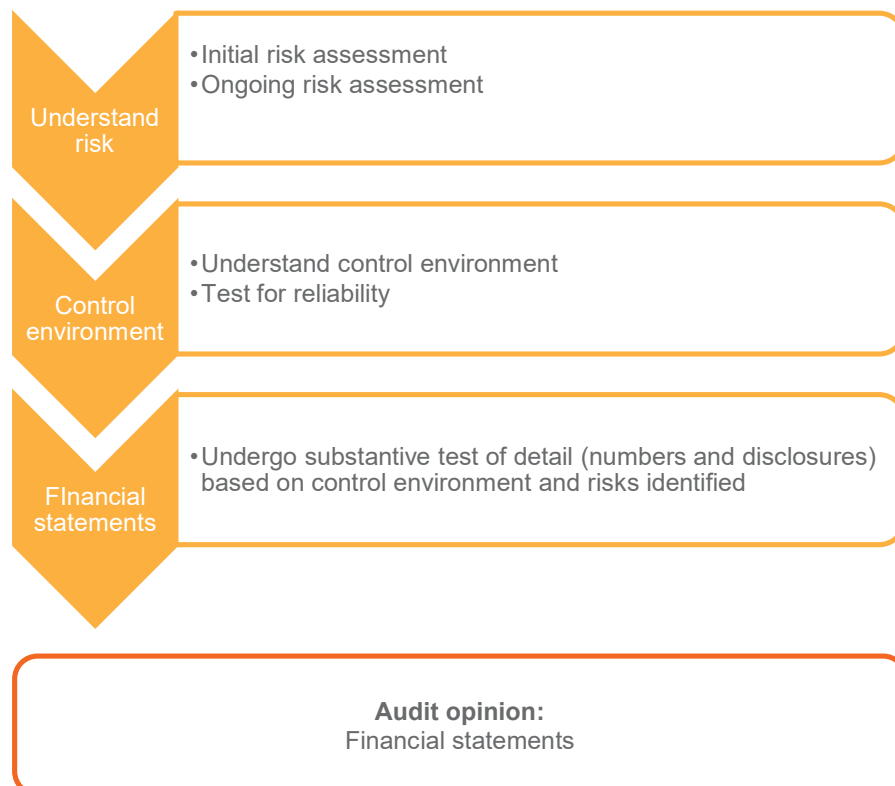


Audit approach

Helping businesses achieve their goals and aspirations.

Bentleys SA's audit approach is based on organisational and financial risk. We develop an understanding of risks for your organisation that relate to the financial statements based on our understanding of your people, your organisation and your sector. This understanding helps us build an audit program that is tailored to you each year and enables us to form an opinion on your financial statements through a target "risk based" approach. The benefits of this approach are:

- Audit efficiency
- Increased organisational assurance
- A review of your control environment
- Timely and effective audits



Identified audit risks

As your auditor, our requirement to identify risk commences at the planning phase of our audit and continues throughout the audit process until complete and the audit report is signed. Below we have detailed identified risks relating to the financial statements.

We have identified financial statement risk relating to this year's audit.

Risks identified at planning

Area

Adoption of new accounting standard

Risk

Risk that the adoption of new accounting standard (AASB 16 -Leases) is materially incorrect.

Risk that disclosure within the financial statements is insufficient and not in line with requirements of the new accounting standard.

Audit Approach

Assessed calculations over AASB 16 (Leases) and reviewed disclosures within the financial statements.

Outcome

Satisfactory results.

Identified audit risks

Area

Impact of COVID-19

Risk

Significant changes in work practices are occurring as organisations adapt to new working arrangements. This will likely result in a change to the control environment and therefore increase the risk of control failure.

Audit Approach

Conducted additional testing over the February to April period and tested changes in the control environment to ensure they were operating effectively.

Outcome

Satisfactory

Financial statement matters for the year

We bring the following financial statement matters to your attention in relation to your financial statements.

Issue

1. Provision for doubtful debts

Observation

The receivable balance as at 30 June 2020 includes long overdue accounts totalling \$22,160. Majority of these accounts relate to fines which are now being administered by the Fines and Recovery Unit who provides service to issuing authorities across South Australia in the recovery of debts owed on expiation notices issued. Some balances have been outstanding since 2012.

There is no provision for doubtful debts balance to recognise the possible non-recovery of these long outstanding balances.

Risk

There is a risk that receivable balances are not recorded at recoverable value.

Requirement

Under the accounting standard (AASB 9), management is required to assess provision for doubtful debts based on analysis of historical credit losses within a specific debtor category. The new impairment model under this new accounting standard allows entities to calculate credit losses on trade receivables using a provision matrix which is a current and forward-looking estimate.

Recommendation

We recommend that management should review the requirements under AASB 9 and assess provision for doubtful debts in accordance with the Standard. A formal doubtful debts policy should then be developed in line with the accounting standard.

It is also important that outstanding debts are periodically and consistently reviewed and assessed for recoverability. Account balances where probability of collection is considered remote should be written-off with prior Board approval.

Management response

Financial statement matters for the year

Issue

2. Credit account balances in Receivables

Observation

The MYOB debtor reconciliation report as at 30 June 2020 includes account balances in credit totalling \$6,409. Majority of this balance had long been outstanding with some credit balances dating back as far as 2010.

Risk

There are several implications of credit balances, including but not limited to:

- The customer overpaid the balance due, causing an immediate liability of Eastern Health Authority;
- A payment from another customer may be erroneously applied; and
- The customer had a balance and has been making payments but is given a discount or credit for a legitimate reason.

Recommendation

We recommend that management should investigate credit balances regularly as part of its periodic review of debtors to ensure they are actioned on a timely basis.

Management response

Financial statement matters for the year

Issue

3. Contract of employment

Observation

We noted an instance when an employee was remunerated at 0.8 FTE however, we were not able to obtain the employee's updated employment contract to support the FTE hours. The only available employment contract was dated April 2008 when the employee previously worked at 0.6 FTE.

Risk

Employment law changes regularly and if employee agreements are not updated and re-signed by the employee, there is a risk that they will become outdated and invalid.

Recommendation

We recommend that employment agreements should be updated on a periodic basis and re- signed by the employee and employer to document the understanding of the terms of employment.

Management response

Financial statement matters for the year

Issue

4. High level of annual leave accrued

Observation

There are 2 employees who each have accrued annual leave of more than 370 hours (approximately 10 weeks) as at 30 June 2020.

Significance

The high level of accrued annual leave indicate that employees are not taking their entitled leave on a regular basis. Taking leave is important for the health and wellbeing of the employees and allows for some rotation of duties. Keeping accrued leave entitlements low allows the organisation to better manage its commitments and its cash flow

Recommendation

We suggest that management consider the current leave backlog and consider implementing a plan to reduce the outstanding balances over a defined period. Although this may be difficult in the short term, we suggest that consideration be given to this matter over the medium to longer term.

We recommend that employees are encouraged to use their leave entitlements. The maintenance of low accrued leave entitlements will allow the entity to better manage its commitments and cash flow.

Management response

Financial statement matters for the year

Standard

AASB 16 - Leases

Audit Comments

We have reviewed and applied the requirements under AASB 16.

- The operating lease for Unit 3 St Peters Town Hall Complex is to June 2032 and this has resulted in the recognition of a “right of use asset” and lease liability on the balance sheet of \$1.1m at application date.
- There are 8 motor vehicle leases that have also resulted in the recognition of a “right of use asset” and lease liability on the balance sheet of \$87k at application date.

The right of use assets are depreciated on a straight-line basis over the remaining term of the lease and so has been depreciated by \$146k during the year. The lease liability was reduced by the notional principal payment of \$110k during the year.

The profit and loss statement has also been affected by the new accounting standard. The lease payment of \$157k has been replaced by an interest charge of \$47k and the depreciation charge of \$146k, resulting to a net impact of \$36k in the statement of comprehensive income.

Matters for those charged with governance

Fraud

Whilst fraud is not the primary consideration when conducting an external audit, we have not identified any fraud as a result of our audit.

We believe it is important for management to continually consider and assess the control environment of the entity to identify areas where fraud can occur and ensure that those opportunities are removed and or monitored to reduce the risk and impact of fraud.

Legal compliance

Through our audit procedures we have not become aware of any non-compliance with applicable laws and regulations.

Financial reporting and accounting policies

We believe the accounting policies elected for EHA are reasonable and their application provides sufficient information for use of the decision makers.

Going concern

As part of our assessment we considered the appropriateness of the going concern assumption concluded by EHA and management. Our procedures indicate that this assumption is fair and that the going concern convention is appropriate.

Cooperation with management

The management team has been helpful and co-operative throughout the conduct of this year's audit.

Where you want to be

Address a critical business issue. Gain efficiency. Achieve strategic growth. Propel your organisation's success.

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advice@adel.bentleys.com.au | bentleys.com.au



Advisors



Accountants



Auditors

5.2 REPORT ON FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2020

Author: Michael Livori

Ref: AF19/143

Summary

Section 10 of the Local Government (Financial Management) Regulations 2011 requires a regional subsidiary to prepare a report showing its audited financial results for the previous financial year compared with its estimated financial results set out in the budget in a manner consistent with the Model Financial Statements.

Report

The required comparison has been completed and is provided as attachment 1 to this report. Commentary in relation to the comparison is detailed below.

Statement of Comprehensive Income

- Total Operating Income was \$52,136 (-2%) less than budgeted.
- Total Operating Expenditure was \$66,735 (-3%) less than budgeted.
- More detail in relation to income and expenditure variations is provided later in the report (see Funding Statement section of report).
- The operating result estimate was a deficit of \$13,401 compared to a budgeted result of a \$28,000 deficit.
- The operating result is an improvement of \$14,599 on the budgeted result.
- The operating result was negatively impacted by the application of AAASB Standard 16 Leases by \$35,910.

Statement of Cash Flow

- Cash and Cash Equivalents (C&CE) at the End of Reporting Period was \$721,310.
- C&CE were \$53,526 more than the adopted budget estimate – refer Note 7

Statement of Financial Position

- Total Assets are \$2,368, 471.
- Total Assets are \$1,228,295 more than budgeted estimate.
- The significant variation is due to the application of AAASB Standard 16 Leases which requires the estimated value of leases to be treated as an asset (Equipment) on Balance Sheet. EHA has a long-term rental lease for its office facility in the St Peters

library Complex and a number of short-term motor vehicle leases (value of leases – see Note 10).

- Total liabilities are \$1,893,593.
- Total liabilities are \$1,213,696 more than budgeted estimate.
- The significant variation is due to the application of AAASB Standard 16 Leases which requires the estimated costs of maintaining leases to be treated as a liability (Borrowings) on Balance Sheet. EHA has a long-term rental lease for its office facility in the St Peters library Complex and a number of short-term motor vehicle leases (value of leases - see Note 10)

Total Equity is \$474,878 which is \$14,598 more than the budgeted estimate.

Statement of Changes in Equity

The net deficit was \$14,59 less (favourable) than the budgeted estimate.

Total Equity at the end of the reporting period is \$474,879, a \$14,599 improvement on the adopted budget estimate.

Eastern Health Authority Funding Statement 2019/2020

EHA's Funding Statement 2019/2020 provides more detailed information in relation to individual budget line performance against both the Original and Revised budget. The Funding Statement is provided as attachment 2.

The table below details income variations against the Revised Budget of greater than \$5,000 and where appropriate an explanation for the variation. Unfavourable variations are shown in red, while favourable variations are green.

| Income Variations | | |
|-----------------------------|------------|---|
| Budget Line | Variation | Reason |
| Food Inspection Fees | (\$16,788) | Food Inspection fee relief in response to COVID-19. |
| Fines | (\$15,889) | Less fines issued |
| Non-funded vaccines | \$12,341 | Sale of Men B vaccine at Public Clinics |
| Worksite Immunisation | (\$6,201) | Reduced numbers provided |
| Child Immunisation register | (\$6,690) | Less contribution received for 0-5 years of age |
| Interest | (\$6,817) | Reduced interest rates on cash holdings |

The variation in relation to total actual income received as compared to budgeted income is (\$52,136) or -2.1% (Actual \$2,463,984 / Budgeted \$2,516,120).

The following table details expenditure variations of greater than \$5,000 and where appropriate an explanation for the variation. Unfavourable variations are shown in red, while favourable variations are black.

| Expenditure Variations | | |
|---------------------------|-------------|---|
| Budget Line | Variation | Reason |
| Total Employee Costs | (\$76,785) | Adjustment in staffing, staff on long term leave, time in replacing staff |
| Vehicle Lease/Maintenance | (\$51,235) | Application of AAASB Standard 16 Leases – impact on vehicle leases |
| Rent | (\$106,700) | Application of AAASB Standard 16 Leases – impact on rent |
| IT Support | \$9,588 | Cyber Security improvements and Operational changes resulting from COVID-19 |
| Fringe Benefits Tax | (\$7,553) | Less Tax Paid |
| Legal | (\$6,395) | Reduced Legal Costs |
| Staff Training | (\$15,157) | Reduced training spend, impact of COVID-19 |
| Immunisation Consumables | \$6,307 | Additional equipment and supplies due to COVID-19 |
| Clinic Vaccines | \$8,082 | Increase demand for vaccines for sale at Public Clinics |
| Finance Charges | \$45,185 | Application of AAASB Standard 16 Leases – recognise interest on leases |
| Depreciation | \$140,358 | Application of AAASB Standard 16 Leases – recognise amortisation of leases |

The variation in relation to total operating expenditure as compared to budgeted expenditure is (\$66,735) or -2.6% (Actual \$2,477,385 Budgeted \$2,544,120).

The **Net Operating Result** was a deficit of \$13,401. The budgeted operating result estimate was a deficit of \$28,000. The result was an improvement of \$14,599.

Application of AASB Standard 16 Leases had a \$35,910 negative impact on result.

The Net Operating result is in effect equivalent to a \$50,509 improvement on budget estimate.

The Funding Result which considers depreciation add back, capital expenditure and loan repayments was (\$25,446). This was a \$50,022 improvement on the budgeted funding result estimate of (\$75,488).

RECOMMENDATION

That:

The report on Financial Results for the Year Ending 30 June 2020 is received.

| EASTERN HEALTH AUTHORITY STATEMENT OF COMPREHENSIVE INCOME | | | | | | | | |
|--|-----------------------------|---------------------|--------------------|------------------|-----------------------------|-----------------------------|--|--|
| COMPARISON OF AUDITED RESULTS TO BUDGET | | | | | | | | |
| FOR THE YEAR ENDING 30 JUNE 2020 | | | | | | | | |
| | ADOPTED BUDGET 2019/2020 | SEPTEMBER REVIEW | DECEMBER REVIEW | MARCH REVIEW | REVISED BUDGET 2019/2020 | AUDITED RESULT 2019/2020 | VARIATION AGAINST REVISED BUDGET | VARIATION AGAINST REVISED BUDGET |
| INCOME | | | | | | | \$ | % |
| Council Contributions (includes RPHP Review) | 1,807,120 | - | - | - | 1,807,120 | 1,803,571 | (3,549) | 0% |
| Statutory Charges | 180,000 | - | - | (75,000) | 105,000 | 72,447 | (32,553) | -31% |
| User Charges | 331,000 | - | - | (2,000) | 329,000 | 330,134 | 1,134 | 0% |
| Grants, subsidies and contributions | 244,000 | - | - | 7,000 | 251,000 | 245,618 | (5,382) | -2% |
| Investment Income | 15,000 | - | - | - | 15,000 | 8,183 | (6,817) | -45% |
| Other Income | 19,000 | - | - | (10,000) | 9,000 | 4,031 | (4,969) | -55% |
| TOTAL INCOME | 2,596,120 | - | - | (80,000) | 2,516,120 | 2,463,984 | (52,136) | -2% |
| EXPENSES | | | | | | | | |
| Employee Costs | 1,805,000 | - | - | (92,000) | 1,713,000 | 1,636,215 | (76,785) | -4% |
| Materials, contracts and other expenses | 758,000 | 40,000 | - | (28,000) | 770,000 | 594,507 | (175,493) | -23% |
| Finance Charges | 11,120 | - | - | - | 11,120 | 56,305 | 45,185 | 406% |
| Depreciation | 50,000 | - | - | - | 50,000 | 190,358 | 140,358 | 281% |
| TOTAL EXPENSES | 2,624,120 | 40,000 | - | (120,000) | 2,544,120 | 2,477,385 | (66,735) | -3% |
| Operating Surplus/(Deficit) | (28,000) | (40,000) | - | 40,000 | (28,000) | (13,401) | 14,599 | |
| Net gain (loss) on disposal of assets | - | - | - | - | - | - | - | |
| Net Surplus/(Deficit) | (28,000) | (40,000) | - | 40,000 | (28,000) | (13,401) | 14,599 | |
| Total Comprehensive Income | (28,000) | (40,000) | - | 40,000 | (28,000) | (13,401) | 14,599 | |

| EASTERN HEALTH AUTHORITY STATEMENT OF FINANCIAL POSITION | | | | | | | | |
|--|-----------------------------|---------------------|--------------------|-----------------|-----------------------------|------------------|--|--|
| COMPARISON OF AUDITED RESULTS TO BUDGET | | | | | | | | |
| FOR THE YEAR ENDING 30 JUNE 2020 | | | | | | | | |
| | ADOPTED BUDGET 2019/2020 | SEPTEMBER REVIEW | DECEMBER REVIEW | MARCH REVIEW | REVISED BUDGET 2019/2020 | AUDITED RESULT | VARIATION AGAINST REVISED BUDGET | VARIATION AGAINST REVISED BUDGET |
| CURRENT ASSETS | | | | | | | \$ | % |
| Cash and Cash Equivalents | 776,673 | (108,889) | | - | 667,784 | 721,310 | 53,526 | 8% |
| Trade & Other Receivables | 122,329 | 45,871 | - | - | 168,200 | 155,650 | (12,550) | -7% |
| TOTAL CURRENT ASSETS | 899,002 | (63,018) | - | - | 835,984 | 876,960 | 40,976 | 5% |
| NON-CURRENT ASSETS | | | | | | | | |
| Equipment | 281,914 | 22,278 | - | - | 304,192 | 1,491,511 | 1,187,319 | 390% |
| TOTAL NON-CURRENT ASSETS | 281,914 | 22,278 | - | - | 304,192 | 1,491,511 | 1,187,319 | 390% |
| TOTAL ASSETS | 1,180,916 | (40,740) | - | - | 1,140,176 | 2,368,471 | 1,228,295 | 395% |
| CURRENT LIABILITIES | | | | | | | | |
| Trade & Other Payables | 197,380 | (48,185) | - | - | 149,195 | 157,719 | 8,524 | 6% |
| Provisions | 325,421 | (2,843) | - | - | 322,578 | 307,885 | (14,693) | -5% |
| Borrowings | 67,488 | (3,095) | - | - | 64,393 | 192,012 | 127,619 | 198% |
| TOTAL CURRENT LIABILITIES | 590,289 | (54,123) | - | - | 536,166 | 657,616 | 121,450 | 23% |
| NON-CURRENT LIABILITIES | | | | | | | | |
| Provisions | 38,690 | (13,822) | - | - | 24,868 | 22,268 | (2,600) | -10% |
| Borrowings | 115,766 | 3,096 | - | - | 118,862 | 1,213,708 | 1,094,846 | 921% |
| TOTAL NON-CURRENT LIABILITIES | 154,456 | (10,726) | - | - | 143,730 | 1,235,976 | 1,092,246 | 760% |
| TOTAL LIABILITIES | 744,745 | (64,849) | - | - | 679,896 | 1,893,592 | 1,213,696 | 179% |
| NET CURRENT ASSETS/(CURRENT LIABILITIES) | 308,713 | (8,895) | - | - | 299,818 | 219,344 | (80,474) | -27% |
| NET ASSETS | 436,171 | 24,109 | - | - | 460,280 | 474,879 | 14,599 | 3% |
| EQUITY | | | | | | | | |
| Accumulated Surplus/(Deficit) | 436,171 | 24,109 | - | - | 460,280 | 474,878 | 14,598 | 3% |
| TOTAL EQUITY | 436,171 | 24,109 | - | - | 460,280 | 474,878 | 14,598 | 3% |

| EASTERN HEALTH AUTHORITY STATEMENT OF CASH FLOWS | | | | | | | | |
|---|-----------------------------|---------------------|--------------------|-----------------|-----------------------------|----------------|--|--|
| COMPARISON OF AUDITED RESULTS TO BUDGET | | | | | | | | |
| FOR THE YEAR ENDING 30 JUNE 2020 | | | | | | | | |
| | ADOPTED BUDGET 2019/2020 | SEPTEMBER REVIEW | DECEMBER REVIEW | MARCH REVIEW | REVISED BUDGET 2019/2020 | AUDITED RESULT | VARIATION AGAINST ADOPTED BUDGET | VARIATION AGAINST ADOPTED BUDGET |
| CASHFLOWS FROM OPERATING ACTIVITIES | | | | | | | \$ | % |
| Receipts | | | | | | | | |
| Council Contributions | 1,807,120 | 40,000 | - | (40,000) | 1,807,120 | 1,983,928 | 176,808 | 10% |
| Fees & other charges | 180,000 | - | - | (75,000) | 105,000 | 72,447 | (32,553) | -31% |
| User Charges | 331,000 | - | - | (2,000) | 329,000 | 373,345 | 44,345 | 13% |
| Investment Receipts | 15,000 | - | - | - | 15,000 | 7,234 | (7,766) | -52% |
| Grants utilised for operating purposes | 244,000 | - | - | 7,000 | 251,000 | 245,618 | (5,382) | -2% |
| Other | 19,000 | - | - | (10,000) | 9,000 | 4,031 | (4,969) | -55% |
| Payments | | | | | | | | |
| Employee costs | (1,805,000) | - | - | 92,000 | (1,713,000) | (1,645,676) | 67,324 | -4% |
| Materials, contracts & other expenses | (758,000) | (40,000) | - | 28,000 | (770,000) | (802,416) | (32,416) | 4% |
| Interest Expense | (11,120) | - | - | - | (11,120) | (57,773) | (46,653) | 420% |
| Net Cash Provided/(Used) by Operating Activities | 22,000 | - | - | - | 22,000 | 180,738 | 158,738 | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | |
| Loans Received | - | - | - | - | - | - | - | - |
| Loan Repayments | (67,488) | - | - | - | (67,488) | (67,488) | - | - |
| Repayment of Finance Lease Liabilities | - | - | - | - | - | (110,535) | (110,535) | - |
| Net Cash Provided/(Used) by Financing Activities | (67,488) | - | - | - | (67,488) | (178,023) | (110,535) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | |
| Receipts | | | | | | | | |
| Sale of Replaced Assets | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | |
| Expenditure on renewal / replacements of assets | (30,000) | - | - | - | (30,000) | (24,677) | 5,323 | |
| Expenditure on new / upgraded assets | - | - | - | - | - | - | - | - |
| Distributions paid to constituent Councils | - | - | - | - | - | - | - | - |
| Net Cash Provided/(Used) by Investing Activities | (30,000) | - | - | - | (30,000) | (24,677) | 5,323 | - |
| NET INCREASE (DECREASE) IN CASH HELD | (75,488) | - | - | - | (75,488) | (21,962) | 53,526 | |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD | 852,161 | (108,889) | - | - | 743,272 | 743,272 | - | |
| CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD | 776,673 | (108,889) | - | - | 667,784 | 721,310 | 53,526 | |

| EASTERN HEALTH AUTHORITY STATEMENT OF CHANGES IN EQUITY | | | | | | | | |
|---|-----------------------------|---------------------|--------------------|-----------------|-----------------------------|----------------|--|--|
| COMPARISON OF AUDITED RESULTS TO BUDGET | | | | | | | | |
| FOR THE YEAR ENDING 30 JUNE 2020 | | | | | | | | |
| | ADOPTED BUDGET 2019/2020 | SEPTEMBER REVIEW | DECEMBER REVIEW | MARCH REVIEW | REVISED BUDGET 2019/2020 | AUDITED RESULT | VARIATION AGAINST REVISED BUDGET | VARIATION AGAINST REVISED BUDGET |
| ACCUMULATED SURPLUS | | | | | | | \$ | % |
| Balance at beginning of period | 464,171 | 24,109 | | - | 488,280 | 488,280 | - | 0% |
| Net Surplus/(Deficit) | (28,000) | (40,000) | - | 40,000 | (28,000) | (13,401) | 14,599 | -52% |
| BALANCE AT END OF PERIOD | 436,171 | (15,891) | - | 40,000 | 460,280 | 474,879 | 14,599 | 3% |
| TOTAL EQUITY | | | | | | | \$ | % |
| Balance at beginning of period | 464,171 | 24,109 | | - | 488,280 | 488,280 | - | 0% |
| Net Surplus/(Deficit) | (28,000) | - | - | - | (28,000) | (13,401) | 14,599 | -52% |
| BALANCE AT END OF PERIOD | 436,171 | 24,109 | - | - | 460,280 | 474,879 | 14,599 | 3% |

| EASTERN HEALTH AUTHORITY FUNDING STATEMENT 2019/2020 | | | | |
|--|--------------------------|---------------------|---------------------|-----------------------------|
| COMPARISON OF BUDGET TO AUDITED RESULTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2020 | | | | |
| Income | Adopted Budget 2019-2020 | Revised Budget | Actual Result | Variation to Revised Budget |
| Constituent Council Income | | | | |
| City of Burnside | \$ 437,022 | \$ 437,022 | \$ 437,022 | \$ - |
| City of Campbelltown | \$ 426,994 | \$ 426,994 | \$ 426,994 | \$ - |
| City of NPS | \$ 559,954 | \$ 559,954 | \$ 559,954 | \$ - |
| City of Prospect | \$ 230,650 | \$ 230,650 | \$ 230,650 | \$ - |
| Town of Walkerville | \$ 102,500 | \$ 102,500 | \$ 102,500 | \$ - |
| Public Health Plan Review and Service Review (cc to share 5 x10K) | \$ 50,000 | \$ 50,000 | \$ 46,451 | \$ (3,549) |
| Total Constituent Council Contributions | \$ 1,807,120 | \$ 1,807,120 | \$ 1,803,571 | \$ (3,549) |
| | | | | |
| Statutory Charges | | | | |
| Food Inspection fees | \$ 120,000 | \$ 70,000 | \$ 53,213 | \$ (16,788) |
| Legionella registration and Inspection | \$ 8,000 | \$ 8,000 | \$ 8,603 | \$ 603 |
| SRF Licenses | \$ 2,000 | \$ 2,000 | \$ 1,520 | \$ (480) |
| Fines | \$ 50,000 | \$ 25,000 | \$ 9,111 | \$ (15,889) |
| Total Statutory Charges | \$ 180,000 | \$ 105,000 | \$ 72,447 | \$ (32,553) |
| | | | | |
| User Charges | | | | |
| Immunisation - non funded vaccines | \$ 45,000 | \$ 75,000 | \$ 87,341 | \$ 12,341 |
| Immunisation - Worksites | \$ 105,000 | \$ 105,000 | \$ 98,799 | \$ (6,201) |
| Food Auditing | \$ 70,000 | \$ 85,000 | \$ 84,428 | \$ (572) |
| City of Unley | \$ 107,000 | \$ 60,000 | \$ 59,566 | \$ (434) |
| Food Safety Training | \$ 4,000 | \$ 4,000 | \$ - | \$ (4,000) |
| Total User Charges | \$ 331,000 | \$ 329,000 | \$ 330,134 | \$ 1,134 |
| | | | | |
| Grants, Subsidies, Contributions | | | | |
| School Based immunisation Program | \$ 212,000 | \$ 219,000 | \$ 220,308 | \$ 1,308 |
| Meningococcal B Study | \$ - | \$ - | \$ - | \$ - |
| Child Immunisation register | \$ 32,000 | \$ 32,000 | \$ 25,310 | \$ (6,690) |
| Total Grants, Subsidies, Contributions | \$ 244,000 | \$ 251,000 | \$ 245,618 | \$ (5,382) |
| | | | | |
| Investment Income | | | | |
| Interest on investments | \$ 15,000 | \$ 15,000 | \$ 8,183 | \$ (6,817) |
| Total Investment Income | \$ 15,000 | \$ 15,000 | \$ 8,183 | \$ (6,817) |
| | | | | |
| Other Income | | | | |
| Motor Vehicle re-imbursements | \$ 12,000 | \$ 2,000 | \$ 1,627 | \$ (373) |
| Sundry Income | \$ 7,000 | \$ 7,000 | \$ 2,404 | \$ (4,596) |
| Total Other Income | \$ 19,000 | \$ 9,000 | \$ 4,031 | \$ (4,969) |
| | | | | |
| Total of non Constituent Council Income | \$ 789,000 | \$ 709,000 | \$ 660,413 | \$ (48,587) |
| | | | | |
| Total Income | \$ 2,596,120 | \$ 2,516,120 | \$ 2,463,984 | \$ (52,136) |

| EASTERN HEALTH AUTHORITY FUNDING STATEMENT 2019/2020 (CONT) | | | | |
|---|--------------------------|---------------------|---------------------|-----------------------------|
| COMPARISON OF BUDGET TO AUDITED RESULTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2019 (cont) | | | | |
| Expenditure | Adopted Budget 2019-2020 | Revised Budget | Actual Result | Variation to Revised Budget |
| Employee Costs | | | | |
| Salaries & Wages | \$ 1,616,000 | \$ 1,526,000 | \$ 1,453,727 | \$ (72,273) |
| Superannuation | \$ 135,000 | \$ 133,000 | \$ 136,232 | \$ 3,232 |
| Workers Compensation | \$ 17,000 | \$ 17,000 | \$ 18,441 | \$ 1,441 |
| Employee Leave Expense | \$ 34,000 | \$ 34,000 | \$ 9,091 | \$ (24,909) |
| Medical Officer Retainer and Agency Staff | \$ 3,000 | \$ 3,000 | \$ 18,724 | \$ 15,724 |
| Total Employee Costs | \$ 1,805,000 | \$ 1,713,000 | \$ 1,636,215 | \$ (76,785) |
| Prescribed Expenses | | | | |
| Auditing and Accounting | \$ 17,000 | \$ 17,000 | \$ 12,967 | \$ (4,034) |
| Bad and Doubtful Debts | \$ - | \$ - | \$ 1,227 | \$ 1,227 |
| Insurance | \$ 27,000 | \$ 27,000 | \$ 28,817 | \$ 1,817 |
| Maintenance | \$ 45,000 | \$ 45,000 | \$ 42,636 | \$ (2,364) |
| Vehicle Leasing/maintenance | \$ 76,000 | \$ 68,000 | \$ 16,765 | \$ (51,235) |
| Total Prescribed Expenses | \$ 165,000 | \$ 157,000 | \$ 102,412 | \$ (54,588) |
| Rent and Plant Leasing | | | | |
| Electricity | \$ 10,000 | \$ 10,000 | \$ 10,808 | \$ 808 |
| Plant Leasing Photocopier | \$ 3,500 | \$ 3,500 | \$ 3,485 | \$ (15) |
| Rent | \$ 106,700 | \$ 106,700 | \$ - | \$ (106,700) |
| Water | \$ 300 | \$ 300 | \$ 271 | \$ (29) |
| Gas | \$ 3,000 | \$ 3,000 | \$ 1,854 | \$ (1,146) |
| Total Rent and Plant Leasing | \$ 123,500 | \$ 123,500 | \$ 16,417 | \$ (107,083) |
| IT Licensing and Support | | | | |
| IT Licences | \$ 63,000 | \$ 63,000 | \$ 66,051 | \$ 3,051 |
| IT Support | \$ 68,000 | \$ 68,000 | \$ 77,588 | \$ 9,588 |
| Internet | \$ 10,000 | \$ 10,000 | \$ 11,906 | \$ 1,906 |
| IT Other | \$ 2,000 | \$ 2,000 | \$ 6,063 | \$ 4,063 |
| Total IT Licensing and Support | \$ 143,000 | \$ 143,000 | \$ 161,608 | \$ 18,608 |
| Administration | | | | |
| Administration Sundry | \$ 7,000 | \$ 7,000 | \$ 4,776 | \$ (2,224) |
| Accreditation Fees | \$ 3,000 | \$ 3,000 | \$ 3,656 | \$ 656 |
| Board of Management | \$ 13,000 | \$ 13,000 | \$ 11,144 | \$ (1,856) |
| Bank Charges | \$ 4,000 | \$ 4,000 | \$ 2,872 | \$ (1,128) |
| Public Health Sundry | \$ 5,000 | \$ 5,000 | \$ 1,616 | \$ (3,384) |
| Fringe Benefits Tax | \$ 20,000 | \$ 20,000 | \$ 12,447 | \$ (7,553) |
| Health promotion | \$ 5,000 | \$ 5,000 | \$ 3,214 | \$ (1,786) |
| Legal | \$ 20,000 | \$ 20,000 | \$ 13,605 | \$ (6,395) |
| Printing & Stationery & Postage | \$ 25,000 | \$ 20,000 | \$ 15,088 | \$ (4,912) |
| Telephone | \$ 19,000 | \$ 19,000 | \$ 18,923 | \$ (77) |
| Work Health and Safety | \$ 10,000 | \$ 10,000 | \$ 7,892 | \$ (2,108) |
| Rodenticide | \$ 2,000 | \$ 2,000 | \$ 1,224 | \$ (776) |
| Staff Amenities | \$ 7,000 | \$ 7,000 | \$ 2,407 | \$ (4,593) |
| Staff Training | \$ 22,000 | \$ 22,000 | \$ 6,843 | \$ (15,157) |
| Human Resource / Organisational Development | \$ 16,000 | \$ 16,000 | \$ 18,983 | \$ 2,983 |
| Total Administration | \$ 178,000 | \$ 173,000 | \$ 124,689 | \$ (48,311) |
| Immunisation | | | | |
| Immunisation SBP Consumables | \$ 10,000 | \$ 10,000 | \$ 16,307 | \$ 6,307 |
| Immunisation clinic vaccines | \$ 33,000 | \$ 58,000 | \$ 66,082 | \$ 8,082 |
| Immunisation worksite vaccines | \$ 30,000 | \$ 30,000 | \$ 34,623 | \$ 4,623 |
| Total Immunisation | \$ 73,000 | \$ 98,000 | \$ 117,013 | \$ 19,013 |
| Income protection | | | | |
| Income Protection | \$ 23,000 | \$ 23,000 | \$ 24,177 | \$ 1,177 |
| Total Uniforms/Income protection | \$ 23,000 | \$ 23,000 | \$ 24,177 | \$ 1,177 |
| Sampling | | | | |
| Legionella Testing | \$ 1,500 | \$ 1,500 | \$ 1,740 | \$ 240 |
| Food Sampling | \$ 1,000 | \$ 1,000 | \$ - | \$ (1,000) |
| Total Sampling | \$ 2,500 | \$ 2,500 | \$ 1,740 | \$ (760) |
| New Initiatives | | | | |
| Public Health Plan Review and Service Review | \$ 50,000 | \$ 50,000 | \$ 46,450 | \$ (3,550) |
| Service/Governance Review | \$ - | \$ - | \$ - | \$ - |
| Total New Initiatives | \$ 50,000 | \$ 50,000 | \$ 46,450 | \$ (3,550) |

| EASTERN HEALTH AUTHORITY FUNDING STATEMENT 2019/2020 (CONT) | | | | |
|---|--------------------------|----------------|---------------|-----------------------------|
| COMPARISON OF BUDGET TO AUDITED RESULTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2019 (cont) | | | | |
| Expenditure | Adopted Budget 2019-2020 | Revised Budget | Actual Result | Variation to Revised Budget |
| Total Materials, contracts and other expenses | \$ 758,000 | \$ 770,000 | \$ 594,507 | \$ (175,493) |
| Total Operating Expenditure | \$ 2,563,000 | \$ 2,483,000 | \$ 2,230,722 | \$ (252,278) |
| Finance Charges | \$ 11,120 | \$ 11,120 | \$ 56,305 | \$ 45,185 |
| Depreciation, amortisation and impairment | \$ 50,000 | \$ 50,000 | \$ 190,358 | \$ 140,358 |
| Total Expenditure | \$ 2,624,120 | \$ 2,544,120 | \$ 2,477,385 | \$ (66,735) |
| Total Income | \$ 2,596,120 | \$ 2,516,120 | \$ 2,463,984 | \$ (52,136) |
| Net Surplus/Deficit | \$ (28,000) | \$ (28,000) | \$ (13,401) | \$ 14,599 |
| Depreciation Add Back | \$ 50,000 | \$ 50,000 | \$ 43,913 | \$ (6,087) |
| Less Amortisation Add Back | \$ - | \$ - | \$ 36,188 | \$ - |
| Loans Received | \$ - | \$ - | \$ - | \$ - |
| Capital Expenditure - plant and Equipment | \$ (30,000) | \$ (30,000) | \$ (24,677) | \$ 5,323 |
| Capital Expenditure - Office Fit-out | \$ - | \$ - | \$ - | \$ - |
| Loan Repayments | \$ (67,488) | \$ (67,488) | \$ (67,489) | \$ (1) |
| Funding Result | \$ (75,488) | \$ (75,488) | \$ (25,466) | \$ 50,022 |

5.3 ANNUAL BUSINESS PLAN AND BUDGETED FINANCIAL STATEMENTS FOR 2020/2021

Author: Michael Livori

Ref: AF19/143

Summary

In accordance with the *Local Government Act 1999*, Schedule 2, Part 2 Section 25:

- (1) a regional subsidiary must have a budget for each financial year
- (2) each budget of a regional subsidiary
 - (a) must deal with each principal activity of the subsidiary on a separate basis; and
 - (b) must be consistent with its business plan; and
 - (c) must comply with standards and principles prescribed by the regulations; and
 - (d) must be adopted after 31 May for the ensuing financial year, and before a date fixed by the Constituent Councils; and
 - (e) must be provided to the Constituent Councils in accordance with the regulations.

Eastern Health Authority's (EHA) Charter requires pursuant to clause 7.3 that;

7.3. Budget

- a) EHA must prepare a proposed budget for each financial year in accordance with clause 25, Schedule 2 to the Act.
- b) The proposed budget must be referred to the Board at its April meeting and to the Chief Executive Officers of the Constituent Councils by 30 April each year.
- c) A Constituent Council may comment in writing to EHA on the proposed budget by 31 May each year.
- d) EHA must, after 31 May but before the end of June in each financial year, finalise and adopt an annual budget for the ensuing financial year in accordance with clause 25, Schedule 2 to the Act.

This report provided the Audit Committee with an update in relation to the development and adoption of the 2020/2021 Annual Business Plan and budget.

Report

At the 29 April 2020 Board of Management (BOM) meeting Board Members were provided with a report in relation to the Draft Annual Business Plan (DABP) that was developed for the 2020/2021 financial year (the report is provided to members as attachment 1).

At the meeting:

Cr S Whittington moved:

That:

1. The Draft Annual Business Plan and Budgeted Financial Statements for 2020/2021 Report is received.
2. The Draft Annual Business Plan and Budgeted Financial Statements for 2020/2021 as provided as attachment 4 to this report is endorsed and forwarded to Constituent Councils for comment.

Seconded by Cr J Kennedy

CARRIED UNANIMOUSLY 5: 29042020

On 30 April 2020 correspondence was provided to Constituent Councils requesting feedback on and endorsement for the DABP. A copy of the correspondence is provided as attachment 2.

Correspondence received from Constituent Councils is provided as attachment 3.

All Constituent Councils have endorsed the DABP for 2020/2021.

A summary of comments received, other than in relation to endorsement of the DABP and Budget were:

City of Prospect

A desire to see more promotions in relation to Immunisation programs, noting that a current heightened community awareness could be capitalised on.

Noting a key project for EHA during 2020/2021 includes the organisation service review and indicated that they were looking forward to receiving the details and findings in due course.

Town of Walkerville (ToW)

Endorses the DABP except for the proposed independent service review and refuses to make an \$8,000 commitment to the cost of the review.

ToW rationale for not supporting the proposed independent service review is:

- that Council is undertaking its own independent review and wishes to await that outcome before committing any further funds.
- Council was aware that the EHA Board, at its 29 April 2020 meeting, resolved to postpone the service review until such time that the COVID-19 pandemic period is over and EHA's operations return to relatively normal levels.

At a meeting held on 24 June 2020 the BOM were provided with a further report in relation to the 2020/2021 Annual Business Plan.

The BOM were informed that it generally has not been necessary to make significant changes (other than grammatical and graphical design changes) to the information presented to and considered by the Board of Management at its meeting of 29 April 2020.

Service Review Funding

In relation to the proposed Service Review and the impact of the ToW position (detailed above) on other Constituent Councils the BOM were provided with the following information.

In May 2019, ToW wrote to EHA requesting a range of information, including a request for a service (cost) review to be undertaken.

In July 2019 a draft Request for Quote (RFQ) document/specification for a service /cost review of EHA was provided to Constituent Councils for comment.

Subsequent to this, administrative contacts from Constituent Councils provided feedback (received between August 2019 and December 2019) and met and agreed on a final version of the RFQ document. It was also agreed that the costs for the review would be shared evenly among all Constituent Councils.

The process required to move forward was considered by Constituent Council administrative contacts which included the requirement to gain the appropriate approval for variations to the EHA and Constituent Council budgets to accommodate the review. The first opportunity to commence this process was at the 20 November 2019 Board meeting when the first EHA budget review for 2019/2020 was considered.

On 3 December 2019 EHA wrote to Constituent Councils requesting approval to amend its budget in line with its first budget review report and which included the costs associated with service review. This included the request for additional funds required from Constituent Council for the service review.

Approval from all Constituent Councils for the amendments to the budget to fund the service review was received between 18 December 2019 and 3 March 2020.

Due to the unfolding impacts of the COVID-19 Pandemic becoming evident in March 2020 a recommendation to postpone the service review was considered and endorsed by the EHA Board at its meeting of 29 April 2020. This in effect means that funds for the service review need to be contained within the 2020/2021 budget and will not be required in the 2019/2020 financial year.

ToW originally requested the service review and subsequently approved the budget review to contribute to the cost required for the work originally planned to occur in 2019/2020. ToW have now refused to contribute to the costs associated with the service review deferred to 2020/2021.

The impact on the remaining Constituent Councils is that they will be requested to make up the shortfall created by the ToW decision on an equal share basis.

EHA has now complied with clause 7.3 (b) & (c) of its Charter in seeking comment from its Constituent Councils in relation to its budget.

In accordance with the *Local Government Act 1999* and the Eastern Health Authority Charter, the Annual Business Plan and Budget for 2020/2021 (provided as attachment 5) are required to be adopted by the BOM.

At a meeting held on 26 June 2019 the Eastern Health Authority adopted its Annual Business Plan and Budget (ABP) for 2020/2021 (provided as attachment 4) as per the resolution provided below.

Cr J Davey moved:

That:

1. The report regarding the adoption of the Eastern Health Authority Annual Business Plan and Budgeted Financial Statements for 2019/2020 is received.
2. The Eastern Health Authority Annual Business Plan and Budget for 2020/2021 provided as attachment 4 to the report is adopted.
3. A copy of the Eastern Health Authority Annual Business Plan 2020/2021 incorporating the Budget are provided to the Chief Executive Officer of each Constituent Council within five business days.
4. The administration provides a report to a future meeting which considers options including rescoping the Service Review in light of the Town of Walkerville's decision to no longer contribute their share of funding for the review to be undertaken.

Seconded by Cr J Joshi

CARRIED UNANIMOUSLY 3: 24062020

RECOMMENDATION

That:

The report regarding the Eastern Health Authority Annual Business Plan and Budgeted Financial Statements for 2020/2021 is received.

5.3 DRAFT ANNUAL BUSINESS PLAN AND BUDGETED FINANCIAL STATEMENTS FOR 2020/2021

Author: Michael Livori
Ref: AF19/141

Summary

In accordance with the *Local Government Act 1999*, Schedule 2, Part 2 Section 25:

- (1) *a regional subsidiary must have a budget for each financial year*
- (2) *each budget of a regional subsidiary*
 - (a) *must deal with each principal activity of the subsidiary on a separate basis; and*
 - (b) *must be consistent with its business plan; and*
 - (c) *must comply with standards and principles prescribed by the regulations; and*
 - (d) *must be adopted after 31 May for the ensuing financial year, and before a date fixed by the constituent councils; and*
 - (e) *must be provided to the constituent councils in accordance with the regulations.*

The Eastern Health Authority (EHA) Charter requires pursuant to clause 8 the:

8.1 Contents of the Business Plan

- a) EHA must each year develop in accordance with this clause a business plan which supports and informs its annual budget.
- b) In addition to the requirements for the Business Plan set out in clause 24(6) of Schedule 2 to the Act, the Business Plan will include:
 - (a) a description of how EHA's functions relate to the delivery of the Regional Public Health Plan and the Business Plan;
 - (b) financial estimates of revenue and expenditure necessary for the delivery of the Regional Public Health Plan;
 - (c) performance targets which EHA is to pursue in respect of the Regional Public Health Plan.
- c) A draft of the Business Plan will be provided to the Constituent Councils on a date to be determined for the endorsement of the majority of those councils.

- d) The Board must provide a copy of the adopted annual Business Plan and budget to the Chief Executive Officers of each Constituent Council within five business days of its adoption.

Report

Development of the 2020/2021 EHA Annual Business Plan to date:

- On 26 February 2020, Board Members endorsed the Annual Business Plan development process and were requested to provide comments and suggestions in relation to the content of the Annual Business Plan and Budget.
- On 27 February 2020 Constituent Councils were requested via their nominated contact to provide comments and suggestions in relation to the development of the Annual Business Plan (email provided as attachment 1 and feedback received provided as attachment 2).
- Due to the required organisational response to the COVID-19 crisis the Budget workshop was rescheduled until immediately prior to the meeting to be held on 29 April 2020 to consider the draft budget.

Content of the Draft Annual Business Plan 2020/2021

The Draft 2020/2021 EHA Annual Business Plan includes the following:

- EHA's objectives for the financial year.
- The activities that the EHA intends to undertake to achieve those objectives.
- The measures (financial and non-financial) which EHA intends to use to assess its performance against its objectives over the financial year.

The draft plan is provided to members as attachment 3.

Budget Documents

The budget contained within the Annual Business Plan is required to be adopted by the Board of Management at the 24 June 2020 meeting as the EHA budget for 2020/2021.

An additional document entitled "Eastern Health Authority Funding Statement 2020/2021" which provides a greater level of detail in respect to budgeted income and expenditure has been provided as attachment 5.

The Funding Statement does not form part of the Annual Business Plan.

Significant Influences

- COVID-19 response

- School Based Immunisation Program reduced to Year 8 and 10 students only (current year 11 catch-up program was finalised in 2019).
- Immunisation services to Unley ceased.
- Commencement of Adelaide PHN – Immunisation Community Engagement partnership project
- Enterprise Bargaining wage increase for staff.

EHA has set the following priorities as part of the 2020/2021 Annual Business Plan:

Priorities

- Implement the elements of the Regional Public Health Plan, 'Better Living, Better Health' as they apply to EHA.
- Where practicable, continue to undertake the necessary public health functions on behalf of Constituent Councils to protect the health and well-being of the community during the COVID-19 crisis.
- Attend and participate in Local Government COVID-19 meetings and forums to ensure consistency of approach in relation to public health and operational matters
- Review of the EHA Business Continuity Plan considering COVID-19.
- Ensure operational activities (inspections, investigations, immunisation services etc) are undertaken in line with required social distancing and hygiene measures to protect EHA employees and the community.
- Promotion of online immunisation appointment system.
- Conduct immunisation surveys to gain client feedback for use in development of the 2021 Clinic Immunisation Timetable.
- Implement process of improved recalls and reminders for overdue immunisation clients.

- Conduct organisation service review which considers the current scope and delivery of public and environmental health services by EHA to its Constituent Councils.

Funding the Business Plan and the Budget

EHA bases its expenditure on the services required to ensure its Constituent Councils are meeting their wide range of legislative responsibilities which are mandated in a range of legislation including the *South Australian (SA) Public Health Act 2011*; *Food Act 2001*; *Supported Residential Facilities Act 1992* and the *Local Government Act 1999*.

The forecast for the 2020/2021 financial year is that EHA's operating result will be a breakeven position. To achieve this operating budget result, a total of \$1,790,674 will be raised through contributions from our Constituent Councils for operational expenditure. Constituent Councils will be requested to collectively contribute a further \$40,000 (20% per council) for the service review which was postponed from 2019/2020.

EHA's Charter requires Constituent Councils to contribute to its operations in accordance with a formula that calculates the estimated proportion of overall activities it requires. The calculations are based on the previous year's activities.

The global increase in contributions for EHA operations requested from Constituent Councils for 2020/2021 based on the draft budget is 1.91% as detailed in Table 1 below.

As can also be seen in Table 1, the average increases in contributions requested for Constituent Councils over the last 7 financial years has been 1.84%.

Table 1: Global increase in contributions requested from Constituent Councils

| Combined Council Requested Contributions | Net Cost | \$ change previous year | % Change previous year |
|---|--------------|-------------------------|------------------------|
| 2013/2014 | \$ 1,576,207 | | |
| 2014/2015 | \$ 1,576,605 | \$ 398 | 0.03% |
| 2015/2016 | \$ 1,609,308 | \$ 32,703 | 2.07% |
| 2016/2017 | \$ 1,641,055 | \$ 31,747 | 1.97% |
| 2017/2018 | \$ 1,680,870 | \$ 39,815 | 2.43% |
| 2018/2019 | \$ 1,723,023 | \$ 42,153 | 2.51% |
| 2019/2020 | \$ 1,757,120 | \$ 34,097 | 1.98% |
| 2020/2021 | \$ 1,790,674 | \$ 33,554 | 1.91% |
| Average Annual Increase for 7 year period | | | 1.84% |

Table 2 details the contribution required from each Constituent Council using the formula contained in the 2016 Charter. It also details the change from the previous year for each Constituent Council.

Table 2: Constituent Council proportion and contributions for 2020/2021

| Eastern Health Authority Constituent Council Contribution Calculations 2020-2021 | | | | | | | |
|--|------------|--------------|------------|-------------|-------------|--------------|--|
| | Burnside | Campbelltown | NPSP | Prospect | Walkerville | Total | |
| Constituent Council Contribution proportion 2020/2021 | 24.47% | 25.27% | 32.74% | 11.76% | 5.75% | 100.00% | |
| Required Contribution 2020/2021 | \$ 438,131 | \$ 452,548 | \$ 586,308 | \$ 210,656 | \$ 103,032 | \$ 1,790,674 | |
| Change In Contribution from previous year | | | | | | | |
| Contribution proportion 2019/2020 | 24.87% | 24.30% | 31.87% | 13.13% | 5.83% | 100.00% | |
| Actual Contribution | \$ 437,022 | \$ 426,994 | \$ 559,954 | \$ 230,650 | \$ 102,500 | \$ 1,757,120 | |
| Change in Contribution Proportion from previous FY | -0.40% | 0.97% | 0.87% | -1.36% | -0.08% | | |
| Change in Contribution (\$) | \$ 1,108 | \$ 25,554 | \$ 26,354 | \$ (19,994) | \$ 532 | \$ 33,554 | |
| Change in contributions (%) | 0.25% | 5.98% | 4.71% | -8.67% | 0.52% | 1.91% | |

As can be seen in Table 2 the effect of the charter formula sees single year changes for individual council contributions varying from the overall change in contribution of 1.91%. These changes vary from -8.67% to 5.98% this year.

City of Prospect's contribution decreased by 8.67%, which relates to a lower proportion of environmental complaints and attendance at public immunisation clinics. The reduction in attendance at public immunisation clinics was most likely due to the temporary closure of the Prospect based clinic while the Civic Centre was being redeveloped.

City of Norwood Payneham and St Peters contributions have increased by 4.71%, driven by a greater proportion of environmental health complaints and school enrolment numbers.

Campbelltown City Council contributions have increased by 5.98%, driven by a significant increase (28.7%) in Campbelltown residents attending public immunisation clinics offered by EHA.

Table 4 below provide a longer-term perspective for each Constituent Council and details the average annual change in contributions over the last 7 years. As mentioned previously, the EHA average change in contributions over this period is 1.84%. The average for Constituent Councils over this period ranges from -0.36% to 2.77%.

Table 4: Seven-year average annual change to contributions by Constituent Council

| Burnside Requested Contributions | Net Cost | \$ change previous year | % Change previous year |
|---|------------|-------------------------|------------------------|
| 2013/2014 | \$ 400,742 | | |
| 2014/2015 | \$ 400,896 | \$ 154 | 0.04% |
| 2015/2016 | \$ 415,038 | \$ 14,142 | 3.53% |
| 2016/2017 | \$ 419,128 | \$ 4,090 | 0.99% |
| 2017/2018 | \$ 424,220 | \$ 5,092 | 1.21% |
| 2018/2019 | \$ 444,498 | \$ 20,278 | 4.78% |
| 2019/2020 | \$ 437,022 | \$ (7,476) | -1.68% |
| 2020/2021 | \$ 438,131 | \$ 1,109 | 0.25% |
| Average Annual Increase for 7 year period | | | 1.30% |

| Campbelltown Requested Contributions | Net Cost | \$ change previous year | % Change previous year |
|---|------------|-------------------------|------------------------|
| 2013/2014 | \$ 381,319 | | |
| 2014/2015 | \$ 376,996 | \$ (4,323) | -1.13% |
| 2015/2016 | \$ 389,840 | \$ 12,844 | 3.41% |
| 2016/2017 | \$ 379,026 | \$ (10,814) | -2.77% |
| 2017/2018 | \$ 406,328 | \$ 27,302 | 7.20% |
| 2018/2019 | \$ 403,854 | \$ (2,474) | -0.61% |
| 2019/2020 | \$ 426,994 | \$ 23,140 | 5.73% |
| 2020/2021 | \$ 452,548 | \$ 25,554 | 5.98% |
| Average Annual Increase for 7 year period | | | 2.54% |

| NPSP Requested Contributions | Net Cost | \$ change previous year | % Change previous year |
|--|-------------------|--------------------------------|-------------------------------|
| 2013/2014 | \$ 485,199 | | |
| 2014/2015 | \$ 487,613 | \$ 2,414 | 0.50% |
| 2015/2016 | \$ 490,646 | \$ 3,033 | 0.62% |
| 2016/2017 | \$ 515,322 | \$ 24,676 | 5.03% |
| 2017/2018 | \$ 512,052 | \$ (3,270) | -0.63% |
| 2018/2019 | \$ 523,301 | \$ 11,249 | 2.20% |
| 2019/2020 | \$ 559,954 | \$ 36,653 | 7.00% |
| 2020/2021 | \$ 586,308 | \$ 26,354 | 4.71% |
| Average Annual Increase for 7 year period | | | 2.77% |

| Prospect Requested Contributions | Net Cost | \$ change previous year | % Change previous year |
|--|-------------------|--------------------------------|-------------------------------|
| 2013/2014 | \$ 217,316 | | |
| 2014/2015 | \$ 222,291 | \$ 4,975 | 2.29% |
| 2015/2016 | \$ 219,622 | \$ (2,669) | -1.20% |
| 2016/2017 | \$ 220,952 | \$ 1,330 | 0.61% |
| 2017/2018 | \$ 225,470 | \$ 4,518 | 2.04% |
| 2018/2019 | \$ 237,123 | \$ 11,653 | 5.17% |
| 2019/2020 | \$ 230,650 | \$ (6,473) | -2.73% |
| 2020/2021 | \$ 210,656 | \$ (19,994) | -8.67% |
| Average Annual Increase for 7 year period | | | -0.36% |

| Walkerville Requested Contributions | Net Cost | \$ change previous year | % Change previous year |
|--|-------------------|--------------------------------|-------------------------------|
| 2013/2014 | \$ 91,631 | | |
| 2014/2015 | \$ 88,809 | \$ (2,822) | -3.08% |
| 2015/2016 | \$ 94,162 | \$ 5,353 | 6.03% |
| 2016/2017 | \$ 106,627 | \$ 12,465 | 13.24% |
| 2017/2018 | \$ 112,800 | \$ 6,173 | 5.79% |
| 2018/2019 | \$ 114,237 | \$ 1,437 | 1.27% |
| 2019/2020 | \$ 102,500 | \$ (11,737) | -10.27% |
| 2020/2021 | \$ 103,032 | \$ 532 | 0.52% |
| Average Annual Increase for 7 year period | | | 1.93% |

Process from here

- The Draft Annual Business Plan and Budget will be provided to Constituent Councils on 30 April 2020 requesting any comment by 15 June 2020.
- The final budget will be considered for adoption at the Board of Management meeting to be held on 24 June 2020.
- A copy of the budget will be provided to the Chief Executive Officer of each Constituent Council within 5 days of its adoption.

RECOMMENDATION

That:

1. The Draft Annual Business Plan and Budgeted Financial Statements for 2020/2021 Report is received.
2. The Draft Annual Business Plan and Budgeted Financial Statements for 2020/2021 as provided as attachment 4 to this report is endorsed and forwarded to Constituent Councils for comment.

D20/6048

30 April 2020

Mr Paul Di Iulio
Chief Executive Officer
City of Campbelltown
PO Box 1
CAMPBELLTOWN SA 5074

Dear Paul

RE: Eastern Health Authority (EHA) Draft Annual Business Plan and Budget for 2020/2021.

In accordance with clause 7 of the EHA Charter, the EHA Board of Management (Board) considered and endorsed a draft Eastern Health Authority Annual Business Plan and Budget (ABP) at its meeting held on 29 April 2020 (a copy of the report is enclosed).

The Board resolved that the ABP (attachment 1 to the enclosed report) is provided to Constituent Councils for review and comment.

The ABP details EHA's objectives and priorities for the financial year, the activities that the EHA intends to undertake to achieve those objectives and the measures that EHA intends to use to assess its performance against its objectives over the financial year.

The forecast for the 2020/2021 financial year is that EHA's operating result will be a breakeven position. To achieve this operating budget result, a total of \$1,790,674 will be raised through contributions from our Constituent Councils for operational expenditure. Constituent Councils will be requested to collectively contribute a further \$40,000 (20% per council) for the requested service review which was postponed from 2019/2020 due to the COVID-19 crisis.

The overall increase in contributions for EHA operations (excluding the Regional Public Health Plan Review and Service Review costs) requested from Constituent Councils for 2020/2021 based on the draft budget is 1.91% as detailed in Table 1. The change in total contributions is 1.3% when considering the Regional Public Health Plan Review and Service Review costs.

As can also be seen in Table 1, the average increases in contributions requested for Constituent Councils over the last 7 financial years has been 1.84%.

Table 1: Overall increase in contributions requested from Constituent Councils

| Combined Council Requested Contributions | Net Cost | \$ change previous year | % Change previous year |
|---|--------------|-------------------------|------------------------|
| 2013/2014 | \$ 1,576,207 | | |
| 2014/2015 | \$ 1,576,605 | \$ 398 | 0.03% |
| 2015/2016 | \$ 1,609,308 | \$ 32,703 | 2.07% |
| 2016/2017 | \$ 1,641,055 | \$ 31,747 | 1.97% |
| 2017/2018 | \$ 1,680,870 | \$ 39,815 | 2.43% |
| 2018/2019 | \$ 1,723,023 | \$ 42,153 | 2.51% |
| 2019/2020 | \$ 1,757,120 | \$ 34,097 | 1.98% |
| 2020/2021 | \$ 1,790,674 | \$ 33,554 | 1.91% |
| Average Annual Increase for 7 year period | | | 1.84% |

Table 2 details the contribution required from each Constituent Council using the formula contained in the 2016 Charter. It also details the change from the previous year for each Constituent Council.

Table 2: Constituent Council proportion and contributions for 2020/2021

| Eastern Health Authority Constituent Council Contribution Calculations 2020-2021 | | | | | | |
|--|------------|--------------|------------|-------------|-------------|--------------|
| | Burnside | Campbelltown | NPSP | Prospect | Walkerville | Total |
| Constituent Council Contribution proportion 2020/2021 | 24.47% | 25.27% | 32.74% | 11.76% | 5.75% | 100.00% |
| Required Contribution 2020/2021 | \$ 438,131 | \$ 452,548 | \$ 586,308 | \$ 210,656 | \$ 103,032 | \$ 1,790,674 |
| Contribution proportion 2019/2020 | 24.87% | 24.30% | 31.87% | 13.13% | 5.83% | 100.00% |
| Actual Contribution | \$ 437,022 | \$ 426,994 | \$ 559,954 | \$ 230,650 | \$ 102,500 | \$ 1,757,120 |
| Change in Contribution Proportion from previous FY | -0.40% | 0.97% | 0.87% | -1.36% | -0.08% | |
| Change in Contribution (\$) | \$ 1,108 | \$ 25,554 | \$ 26,354 | \$ (19,994) | \$ 532 | \$ 33,554 |
| Change in contributions (%) | 0.25% | 5.98% | 4.71% | -8.67% | 0.52% | 1.91% |

As can be seen in Table 2 the effect of the charter formula sees single year changes for individual council contributions varying from the overall change in contribution of 1.91%. The charter formula calculates a proportion of EHA activities estimated to be used by each council and this fluctuates from year to year. The single year changes in contributions vary from -8.67% to 5.98% this year.

Campbelltown City Council contributions have increased by 5.98%, driven by a significant increase (28.7%) in Campbelltown residents attending public immunisation clinics offered by EHA.

Due to the fluctuating nature of each council's contributions required when using the charter formula, I have provided Table 3 below which provides a longer-term view of the change in contributions required.

This shows that Campbelltown City Council has had an average increase of contributions of 2.54% over the last 7 years.

Table 3: Seven-year average annual change to contributions for your council

| Campbelltown Requested Contributions | Net Cost | \$ change previous year | % Change previous year |
|---|------------|-------------------------|------------------------|
| 2013/2014 | \$ 381,319 | | |
| 2014/2015 | \$ 376,996 | \$ (4,323) | -1.13% |
| 2015/2016 | \$ 389,840 | \$ 12,844 | 3.41% |
| 2016/2017 | \$ 379,026 | \$ (10,814) | -2.77% |
| 2017/2018 | \$ 406,328 | \$ 27,302 | 7.20% |
| 2018/2019 | \$ 403,854 | \$ (2,474) | -0.61% |
| 2019/2020 | \$ 426,994 | \$ 23,140 | 5.73% |
| 2020/2021 | \$ 452,548 | \$ 25,554 | 5.98% |
| Average Annual Increase for 7 year period | | | 2.54% |

If possible, it would be appreciated if feedback in relation to the ABP is received by 15 June 2020 so that it can be considered by the Board of Management at its meeting to be held on 24 June 2020 when it adopts the Annual Business Plan and Budget for 2020/2021.

If you need any more information or would like to discuss this further, please contact me on telephone 8132 3611.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Livori', written in a cursive style.

Michael Livori
Chief Executive Officer

Ref: D20/6041

30 April 2020

Mr Chris Cowley
Chief Executive Officer
City of Burnside
TUSMORE SA 5065

Dear Chris

RE: Eastern Health Authority (EHA) Draft Annual Business Plan and Budget for 2020/2021.

In accordance with clause 7 of the EHA Charter, the EHA Board of Management (Board) considered and endorsed a draft Eastern Health Authority Annual Business Plan and Budget (ABP) at its meeting held on 29 April 2020 (a copy of the report is enclosed).

The Board resolved that the ABP (attachment 1 to the enclosed report) is provided to Constituent Councils for review and comment.

The ABP details EHA's objectives and priorities for the financial year, the activities that the EHA intends to undertake to achieve those objectives and the measures that EHA intends to use to assess its performance against its objectives over the financial year.

The forecast for the 2020/2021 financial year is that EHA's operating result will be a breakeven position. To achieve this operating budget result, a total of \$1,790,674 will be raised through contributions from our Constituent Councils for operational expenditure. Constituent Councils will be requested to collectively contribute a further \$40,000 (20% per council) for the requested service review which was postponed from 2019/2020 due to the COVID-19 crisis.

The overall increase in contributions for EHA operations (excluding the Regional Public Health Plan Review and Service Review costs) requested from Constituent Councils for 2020/2021 based on the draft budget is 1.91% as detailed in Table 1. The change in total contributions is 1.3% when considering the Regional Public Health Plan Review and Service Review costs.

As can also be seen in Table 1, the average increases in contributions requested for Constituent Councils over the last 7 financial years has been 1.84%.

Table 1: Overall increase in contributions requested from Constituent Councils

| Combined Council Requested Contributions | Net Cost | \$ change previous year | % Change previous year |
|---|--------------|-------------------------|------------------------|
| 2013/2014 | \$ 1,576,207 | | |
| 2014/2015 | \$ 1,576,605 | \$ 398 | 0.03% |
| 2015/2016 | \$ 1,609,308 | \$ 32,703 | 2.07% |
| 2016/2017 | \$ 1,641,055 | \$ 31,747 | 1.97% |
| 2017/2018 | \$ 1,680,870 | \$ 39,815 | 2.43% |
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| 2019/2020 | \$ 1,757,120 | \$ 34,097 | 1.98% |
| 2020/2021 | \$ 1,790,674 | \$ 33,554 | 1.91% |
| Average Annual Increase for 7 year period | | | 1.84% |

Table 2 details the contribution required from each Constituent Council using the formula contained in the 2016 Charter. It also details the change from the previous year for each Constituent Council.

Table 2: Constituent Council proportion and contributions for 2020/2021

| Eastern Health Authority Constituent Council Contribution Calculations 2020-2021 | | | | | | |
|--|------------|--------------|------------|-------------|-------------|--------------|
| | Burnside | Campbelltown | NPSP | Prospect | Walkerville | Total |
| Constituent Council Contribution proportion 2020/2021 | 24.47% | 25.27% | 32.74% | 11.76% | 5.75% | 100.00% |
| Required Contribution 2020/2021 | \$ 438,131 | \$ 452,548 | \$ 586,308 | \$ 210,655 | \$ 103,032 | \$ 1,790,674 |
| Contribution proportion 2019/2020 | 24.87% | 24.30% | 31.87% | 13.13% | 5.83% | 100.00% |
| Actual Contribution | \$ 437,022 | \$ 426,994 | \$ 559,954 | \$ 230,650 | \$ 102,500 | \$ 1,757,120 |
| Change in Contribution Proportion from previous FY | -0.40% | 0.97% | 0.87% | -1.36% | -0.08% | |
| Change in Contribution (\$) | \$ 1,108 | \$ 25,554 | \$ 26,354 | \$ (19,994) | \$ 532 | \$ 33,554 |
| Change in contributions (%) | 0.25% | 5.98% | 4.71% | -8.67% | 0.52% | 1.91% |

As can be seen in Table 2 the effect of the charter formula sees single year changes for individual council contributions varying from the overall change in contribution of 1.91%. The charter formula calculates a proportion of EHA activities estimated to be used by each council and this fluctuates from year to year. The single year changes in contributions vary from -8.67% to 5.98% this year.

City of Burnside's contributions have increased by 0.25% for 2020/2021.

Due to the fluctuating nature of each council's contributions required when using the charter formula, I have provided Table 3 below which provides a longer-term view of the change in contributions required.

This shows that City of Burnside has had an average increase of contributions of 1.30% over the last 7 years.

Table 3: Seven-year average annual change to contributions for your council

| Burnside Requested Contributions | Net Cost | \$ change previous year | % Change previous year |
|---|------------|-------------------------|------------------------|
| 2013/2014 | \$ 400,742 | | |
| 2014/2015 | \$ 400,896 | \$ 154 | 0.04% |
| 2015/2016 | \$ 415,038 | \$ 14,142 | 3.53% |
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| Average Annual Increase for 7 year period | | | 1.30% |

If possible, it would be appreciated if feedback in relation to the ABP is received by 15 June 2020 so that it can be considered by the Board of Management at its meeting to be held on 24 June 2020 when it adopts the Annual Business Plan and Budget for 2020/2021.

If you need any more information or would like to discuss this further, please contact me on telephone 8132 3611.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Livori', written in a cursive style.

Michael Livori
Chief Executive Officer

Ref: D20/6051

30 April 2020

Mr Mario Barone
Chief Executive Officer
City of Norwood Payneham & St Peters
175 The Parade
NORWOOD SA 5067

Dear Mario

RE: Eastern Health Authority (EHA) Draft Annual Business Plan and Budget for 2020/2021.

In accordance with clause 7 of the EHA Charter, the EHA Board of Management (Board) considered and endorsed a draft Eastern Health Authority Annual Business Plan and Budget (ABP) at its meeting held on 29 April 2020 (a copy of the report is enclosed).

The Board resolved that the ABP (attachment 1 to the enclosed report) is provided to Constituent Councils for review and comment.

The ABP details EHA's objectives and priorities for the financial year, the activities that the EHA intends to undertake to achieve those objectives and the measures that EHA intends to use to assess its performance against its objectives over the financial year.

The forecast for the 2020/2021 financial year is that EHA's operating result will be a breakeven position. To achieve this operating budget result, a total of \$1,790,674 will be raised through contributions from our Constituent Councils for operational expenditure. Constituent Councils will be requested to collectively contribute a further \$40,000 (20% per council) for the requested service review which was postponed from 2019/2020 due to the COVID-19 crisis.

The overall increase in contributions for EHA operations (excluding the Regional Public Health Plan Review and Service Review costs) requested from Constituent Councils for 2020/2021 based on the draft budget is 1.91% as detailed in Table 1. The change in total contributions is 1.3% when considering the Regional Public Health Plan Review and Service Review costs.

As can also be seen in Table 1, the average increases in contributions requested for Constituent Councils over the last 7 financial years has been 1.84%.

Table 1: Overall increase in contributions requested from Constituent Councils

| Combined Council Requested Contributions | Net Cost | \$ change previous year | % Change previous year |
|---|--------------|-------------------------|------------------------|
| 2013/2014 | \$ 1,576,207 | | |
| 2014/2015 | \$ 1,576,605 | \$ 398 | 0.03% |
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| 2019/2020 | \$ 1,757,120 | \$ 34,097 | 1.98% |
| 2020/2021 | \$ 1,790,674 | \$ 33,554 | 1.91% |
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Table 2 details the contribution required from each Constituent Council using the formula contained in the 2016 Charter. It also details the change from the previous year for each Constituent Council.

Table 2: Constituent Council proportion and contributions for 2020/2021

| Eastern Health Authority Constituent Council Contribution Calculations 2020-2021 | | | | | | | |
|--|--|------------|--------------|------------|-------------|-------------|--------------|
| | | Burnside | Campbelltown | NPSP | Prospect | Walkerville | Total |
| Constituent Council Contribution proportion 2020/2021 | | 24.47% | 25.27% | 32.74% | 11.76% | 5.75% | 100.00% |
| Required Contribution 2020/2021 | | \$ 438,131 | \$ 452,548 | \$ 586,308 | \$ 210,656 | \$ 103,032 | \$ 1,790,674 |
| Change in Contribution from previous year | | | | | | | |
| Contribution proportion 2019/2020 | | 24.87% | 24.30% | 31.87% | 13.13% | 5.83% | 100.00% |
| Actual Contribution | | \$ 437,022 | \$ 426,994 | \$ 559,954 | \$ 230,650 | \$ 102,500 | \$ 1,757,120 |
| Change in Contribution Proportion from previous FY | | -0.40% | 0.97% | 0.87% | -1.36% | -0.08% | |
| Change in Contribution (\$) | | \$ 1,108 | \$ 25,554 | \$ 26,354 | \$ (19,994) | \$ 532 | \$ 33,554 |
| Change in contributions (%) | | 0.25% | 5.98% | 4.71% | -8.67% | 0.52% | 1.91% |

As can be seen in Table 2 the effect of the charter formula sees single year changes for individual council contributions varying from the overall change in contribution of 1.91%. The charter formula calculates a proportion of EHA activities estimated to be used by each council and this fluctuates from year to year. The single year changes in contributions vary from -8.67% to 5.98% this year.

City of Norwood Payneham & St Peter's contributions have increased by 4.71%, driven by a greater proportion of environmental health complaints and school enrolment numbers.

Due to the fluctuating nature of each council's contributions required when using the charter formula, I have provided Table 3 below which provides a longer-term view of the change in contributions required.

This shows that City of Norwood Payneham & St Peters has had an average increase of contributions of 2.77% over the last 7 years.

Table 3: Seven-year average annual change to contributions for your council

| NPSP Requested Contributions | Net Cost | \$ change previous year | % Change previous year |
|---|------------|-------------------------|------------------------|
| 2013/2014 | \$ 485,199 | | |
| 2014/2015 | \$ 487,613 | \$ 2,414 | 0.50% |
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If possible, it would be appreciated if feedback in relation to the ABP is received by 15 June 2020 so that it can be considered by the Board of Management at its meeting to be held on 24 June 2020 when it adopts the Annual Business Plan and Budget for 2020/2021.

If you need any more information or would like to discuss this further, please contact me on telephone 8132 3611.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Livori', with a stylized flourish at the end.

Michael Livori
Chief Executive Officer

Ref: D20/6050

30 April 2020

Nigel McBride
Chief Executive Officer
City of Prospect
PO Box 171
PROSPECT SA 5082

Dear Nigel

RE: Eastern Health Authority (EHA) Draft Annual Business Plan and Budget for 2020/2021.

In accordance with clause 7 of the EHA Charter, the EHA Board of Management (Board) considered and endorsed a draft Eastern Health Authority Annual Business Plan and Budget (ABP) at its meeting held on 29 April 2020 (a copy of the report is enclosed).

The Board resolved that the ABP (attachment 1 to the enclosed report) is provided to Constituent Councils for review and comment.

The ABP details EHA's objectives and priorities for the financial year, the activities that the EHA intends to undertake to achieve those objectives and the measures that EHA intends to use to assess its performance against its objectives over the financial year.

The forecast for the 2020/2021 financial year is that EHA's operating result will be a breakeven position. To achieve this operating budget result, a total of \$1,790,674 will be raised through contributions from our Constituent Councils for operational expenditure. Constituent Councils will be requested to collectively contribute a further \$40,000 (20% per council) for the requested service review which was postponed from 2019/2020 due to the COVID-19 crisis.

The overall increase in contributions for EHA operations (excluding the Regional Public Health Plan Review and Service Review costs) requested from Constituent Councils for 2020/2021 based on the draft budget is 1.91% as detailed in Table 1. The change in total contributions is 1.3% when considering the Regional Public Health Plan Review and Service Review costs.

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Table 2 details the contribution required from each Constituent Council using the formula contained in the 2016 Charter. It also details the change from the previous year for each Constituent Council.

Table 2: Constituent Council proportion and contributions for 2020/2021

| Eastern Health Authority Constituent Council Contribution Calculations 2020-2021 | | | | | | |
|--|------------|--------------|------------|-------------|-------------|--------------|
| | Burnside | Campbelltown | NPSP | Prospect | Walkerville | Total |
| Constituent Council Contribution proportion 2020/2021 | 24.67% | 25.27% | 32.74% | 11.76% | 5.75% | 100.00% |
| Required Contribution on 2020/2021 | \$ 438,131 | \$ 452,548 | \$ 586,308 | \$ 210,656 | \$ 103,032 | \$ 1,790,674 |
| Contribution proportion 2019/2020 | 24.87% | 24.30% | 31.87% | 13.13% | 5.83% | 100.00% |
| Actual Contribution | \$ 437,022 | \$ 426,994 | \$ 569,954 | \$ 230,650 | \$ 102,500 | \$ 1,757,120 |
| Change in Contribution Proportion from previous FY | -0.40% | 0.97% | 0.87% | -1.36% | -0.08% | |
| Change in Contribution (\$) | \$ 1,108 | \$ 25,554 | \$ 26,354 | \$ (19,994) | \$ 532 | \$ 33,554 |
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As can be seen in Table 2 the effect of the charter formula sees single year changes for individual council contributions varying from the overall change in contribution of 1.91%. The charter formula calculates a proportion of EHA activities estimated to be used by each council and this fluctuates from year to year. The single year changes in contributions vary from -8.67% to 5.98% this year.

City of Prospect's contribution decreased by 8.67%, which relates to a lower proportion of environmental complaints and attendance at public immunisation clinics. The reduction in attendance at public immunisation clinics was most likely due to the temporary closure of the Prospect based clinic while the Civic Centre was being redeveloped.

Due to the fluctuating nature of each council's contributions required when using the charter formula, I have provided Table 3 below which provides a longer-term view of the change in contributions required.

This shows that City of Prospect has had an average decrease of contributions of 0.36% over the last 7 years.

Table 3: Seven-year average annual change to contributions for your council

| Prospect Requested Contributions | Net Cost | \$ change previous year | % Change previous year |
|---|------------|-------------------------|------------------------|
| 2013/2014 | \$ 217,316 | | |
| 2014/2015 | \$ 222,291 | \$ 4,975 | 2.29% |
| 2015/2016 | \$ 219,622 | \$ (2,669) | -1.20% |
| 2016/2017 | \$ 220,952 | \$ 1,330 | 0.61% |
| 2017/2018 | \$ 225,470 | \$ 4,518 | 2.04% |
| 2018/2019 | \$ 237,123 | \$ 11,653 | 5.17% |
| 2019/2020 | \$ 230,650 | \$ (6,473) | -2.73% |
| 2020/2021 | \$ 210,656 | \$ (19,994) | -8.67% |
| Average Annual Increase for 7 year period | | | -0.36% |

If possible, it would be appreciated if feedback in relation to the ABP is received by 15 June 2020 so that it can be considered by the Board of Management at its meeting to be held on 24 June 2020 when it adopts the Annual Business Plan and Budget for 2020/2021.

If you need any more information or would like to discuss this further, please contact me on telephone 8132 3611.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Livori', written over a horizontal line.

Michael Livori

Chief Executive Officer

Ref: D20/6033

30 April 2020

Ms Kiki Cristol
Chief Executive Officer
Corporation of the Town of Walkerville
PO Box 55
WALKERVILLE SA 5081

Dear Kiki

RE: Eastern Health Authority (EHA) Draft Annual Business Plan and Budget for 2020/2021.

In accordance with clause 7 of the EHA Charter, the EHA Board of Management (Board) considered and endorsed a draft Eastern Health Authority Annual Business Plan and Budget (ABP) at its meeting held on 29 April 2020 (a copy of the report is enclosed).

The Board resolved that the ABP (attachment 1 to the enclosed report) is provided to Constituent Councils for review and comment.

The ABP details EHA's objectives and priorities for the financial year, the activities that the EHA intends to undertake to achieve those objectives and the measures that EHA intends to use to assess its performance against its objectives over the financial year.

The forecast for the 2020/2021 financial year is that EHA's operating result will be a breakeven position. To achieve this operating budget result, a total of \$1,790,674 will be raised through contributions from our Constituent Councils for operational expenditure. Constituent Councils will be requested to collectively contribute a further \$40,000 (20% per council) for the requested service review which was postponed from 2019/2020 due to the COVID-19 crisis.

The overall increase in contributions for EHA operations (excluding the Regional Public Health Plan Review and Service Review costs) requested from Constituent Councils for 2020/2021 based on the draft budget is 1.91% as detailed in Table 1. The change in total contributions is 1.3% when considering the Regional Public Health Plan Review and Service Review costs.

As can also be seen in Table 1, the average increases in contributions requested for Constituent Councils over the last 7 financial years has been 1.84%.

Table 1: Overall increase in contributions requested from Constituent Councils

| Combined Council Requested Contributions | Net Cost | \$ change previous year | % Change previous year |
|---|--------------|-------------------------|------------------------|
| 2013/2014 | \$ 1,576,207 | | |
| 2014/2015 | \$ 1,576,605 | \$ 398 | 0.03% |
| 2015/2016 | \$ 1,609,308 | \$ 32,703 | 2.07% |
| 2016/2017 | \$ 1,641,055 | \$ 31,747 | 1.97% |
| 2017/2018 | \$ 1,680,870 | \$ 39,815 | 2.43% |
| 2018/2019 | \$ 1,723,023 | \$ 42,153 | 2.51% |
| 2019/2020 | \$ 1,757,120 | \$ 34,097 | 1.98% |
| 2020/2021 | \$ 1,790,674 | \$ 33,554 | 1.91% |
| Average Annual Increase for 7 year period | | | 1.84% |

Table 2 details the contribution required from each Constituent Council using the formula contained in the 2016 Charter. It also details the change from the previous year for each Constituent Council.

Table 2: Constituent Council proportion and contributions for 2020/2021

| Eastern Health Authority Constituent Council Contribution Calculations 2020-2021 | | | | | | |
|--|------------|-------------|------------|-------------|-------------|--------------|
| | Burnside | Campbeltown | NPSP | Prospect | Walkerville | Total |
| Constituent Council Contribution proportion 2020/2021 | 24.47% | 25.27% | 32.74% | 11.76% | 5.75% | 100.00% |
| Required Contribution 2020/2021 | \$ 438,131 | \$ 452,548 | \$ 586,308 | \$ 210,656 | \$ 103,032 | \$ 1,790,674 |
| Contribution proportion 2019/2020 | 24.87% | 24.30% | 31.87% | 13.13% | 5.83% | 100.00% |
| Actual Contribution | \$ 437,022 | \$ 426,994 | \$ 559,954 | \$ 230,650 | \$ 102,500 | \$ 1,757,120 |
| Change in Contribution Proportion from previous FY | -0.40% | 0.97% | 0.87% | -1.36% | -0.08% | |
| Change in Contribution (\$) | \$ 1,108 | \$ 25,554 | \$ 26,354 | \$ (19,994) | \$ 532 | \$ 33,554 |
| Change in contributions (%) | 0.25% | 5.98% | 4.71% | -8.67% | 0.52% | 1.91% |

As can be seen in Table 2 the effect of the charter formula sees single year changes for individual council contributions varying from the overall change in contribution of 1.91%. The charter formula calculates a proportion of EHA activities estimated to be used by each council and this fluctuates from year to year. The single year changes in contributions vary from -8.67% to 5.98% this year.

Town of Walkerville contributions have increased by 0.52% for 2020/2021.

Due to the fluctuating nature of each council's contributions required when using the charter formula, I have provided Table 3 below which provides a longer-term view of the change in contributions required.

This shows that Town of Walkerville has had an average increase of contributions of 1.93% over the last 7 years.

Table 3: Seven-year average annual change to contributions for your council

| Walkerville Requested Contributions | Net Cost | \$ change previous year | % Change previous year |
|---|------------|-------------------------|------------------------|
| 2013/2014 | \$ 91,631 | | |
| 2014/2015 | \$ 88,809 | \$ (2,822) | -3.08% |
| 2015/2016 | \$ 94,162 | \$ 5,353 | 6.03% |
| 2016/2017 | \$ 106,627 | \$ 12,465 | 13.24% |
| 2017/2018 | \$ 112,800 | \$ 6,173 | 5.79% |
| 2018/2019 | \$ 114,237 | \$ 1,437 | 1.27% |
| 2019/2020 | \$ 102,500 | \$ (11,737) | -10.27% |
| 2020/2021 | \$ 103,032 | \$ 532 | 0.52% |
| Average Annual Increase for 7 year period | | | 1.93% |

If possible, it would be appreciated if feedback in relation to the ABP is received by 15 June 2020 so that it can be considered by the Board of Management at its meeting to be held on 24 June 2020 when it adopts the Annual Business Plan and Budget for 2020/2021.

If you need any more information or would like to discuss this further, please contact me on telephone 8132 3611.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Livori', written in a cursive style.

Michael Livori
Chief Executive Officer

From: Robert Dabrowski <RDabrowski@burnside.sa.gov.au>
Sent: Monday, 1 June 2020 6:25 PM
To: Michael Livori; 'Rob Gregory'; 'trevor@tjhms.com.au'
Cc: Chris Cowley; Kelly Vandermoer
Subject: Council consideration of subsidiary financial matters

Dear Michael / Rob / Trevor

At the meeting held 26 May 2020 Council considered the various reports as provided from your offices or through recent Board material, regarding financial matters in the form of either quarterly reviews or budgets for the upcoming financial year.

The following was resolved:

Regional Subsidiaries – Financial Updates

C12565

That Council:

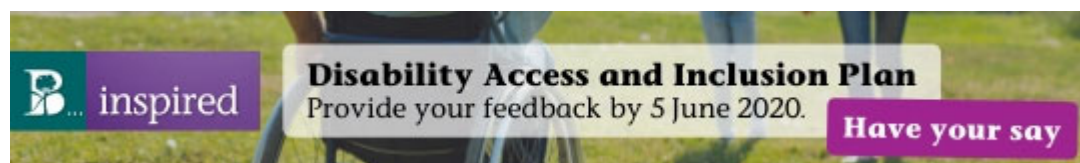
1. Approve the Eastern Health Authority Third Budget Review for 2019/20, noting the Forecast result remains at a \$28,000 Operating Deficit position.
2. Approve the Eastern Health Authority draft Budget for 2020/21, noting the Budgeted result is a breakeven position.
3. Approve the East Waste Management Authority Third Budget Review for 2019/20, noting the result is a decreased \$256,000 Operating Surplus position.
4. Approve the Highbury Landfill draft Budget for 2020/21, noting the result is an increased \$19,032 Operating Surplus position.

I trust this enables you to finalise the required processes at your end; please feel free to communicate to other Board Members or internally as needed.

Kind regards
 Rob



Robert Dabrowski | Principal Executive Officer
 City of Burnside | 401 Greenhill Road Tasmore SA 5065
 P: 08 8366 4205 | M: 0477 228 844
RDabrowski@burnside.sa.gov.au
www.burnside.sa.gov.au





Enq: Simon Zbierski
Ph: 8366 9289

18 June 2020

Mr Michael Livori
Chief Executive Officer
Eastern Health Authority
PO Box 275
STEPNEY SA 5069

Via email: mlivori@eha.sa.gov.au and eha@eha.sa.gov.au

Dear Mr Livori

I refer to your correspondence dated 30 April 2020 and wish to advise that Council endorsed the Authority's draft 2020/2021 Annual Business Plan and Budget at its meeting held on Tuesday 16 June 2020, noting that the words 'Adopted Budget' being amended to 'Draft Budget' in the Budgeted Financial Statements 2020/2021 section.

If you have any queries, please contact Council's Manager Finance, Mr Simon Zbierski, on the above number.

Yours sincerely

Paul Di Iulio
Chief Executive Officer

File Number: qA1934 (A22821)
 Enquiries To: Sharon Perkins
 Direct Telephone: 8366 4539



**City of
 Norwood
 Payneham
 & St Peters**

25 May 2020

Mr Michael Livori
 Chief Executive Officer
 Eastern Health Authority
 PO Box 275
 STEPNEY SA 5069

Dear Michael

**EASTERN HEALTH AUTHORITY DRAFT 2020-2021 ANNUAL BUSINESS PLAN
 AND BUDGET**

Thank you for your letter dated 30 April 2020, regarding the Draft 2020-2021 Annual Business Plan and Budget.

I wish to advise that the Council considered the EHA Draft 2020-2021 Annual Business Plan and Budget at its meeting held on 19 May 2020.

Following the consideration of the Draft 2020-2021 Annual Business Plan and Budget, the Council resolved that the Eastern Health Authority be advised that pursuant to Clause 8(1)(c) of the Charter, the Council has considered and hereby approves the Authority's Draft 2020-2021 Annual Business Plan and Budget.

Should you wish to discuss the above further, please do not hesitate to contact me.

Yours sincerely

Sharon Perkins
GENERAL MANAGER, CORPORATE SERVICES

175 The Parade
 Norwood SA 5067

PO Box 204
 Kent Town SA 5071

Telephone
 8366 4555

Facsimile
 8332 6338

Email
townhall@npsp.sa.gov.au

Website
www.npsp.sa.gov.au



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27 May 2020

Payinthe

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Telephone (08) 8269 5355

admin@prospect.sa.gov.au

www.prospect.sa.gov.au

Mr Michael Livori
Chief Executive Officer
Eastern Health Authority
PO Box 275
STEPNEY SA 5069

Via email: MLivori@eha.sa.gov.au

Dear Michael

EHA DRAFT ANNUAL BUSINESS PLAN 2020/2021

I am pleased to advise that Council, at its meeting on 26 May 2020, resolved that;

- (1) *Council having considered Item 10.4 Eastern Health Authority Draft Annual Business Plan 2020-2021, receive and note the report.*
- (2) *Council endorses the Draft Eastern Health Authority Annual Business Plan 2020/2021 (as presented in Attachments 1-32).*
- (3) *The Chief Executive Officer writes to the Eastern Health Authority advising of Council's decision to endorse their draft Annual Business Plan for 2020/2021 ahead of its final adoption by the Eastern Health Authority Board of Management.*

During the discussions, the Council members expressed a desire to see more promotions in relation to Immunisation programs, noting that a current heightened community awareness could be capitalised on.

I also note that a key project for EHA during 2020/2021 includes the organisation service and efficiency review and we very much look forward to receiving the details and findings in due course.

Yours sincerely



Nigel McBride
Chief Executive Officer

From: Kiki Cristol <kcristol@walkerville.sa.gov.au>
Sent: Tuesday, 19 May 2020 1:38 PM
To: Michael Livori
Cc: Andreea Caddy; Vanessa Davidson; Jennifer Joshi; Hayley Lambi
Subject: RE: Draft EHA Annual Business Plan and Budget for 2020/2021

Good afternoon Michael,

I wish to advise that at the ordinary meeting of Council held on 18 May 2020 (last night), the Eastern Health Authority Draft Budget and Annual Business Plan 2020/21 was presented. After considered debate Council subsequently resolved as follows:

1. *That Council endorses the 2020/21 Eastern Health Authority Draft Budget and Annual Business Plan shown in Annexure One with the exception that Council does not support the proposed independent service review proposed by EHA by refusing to make an \$8,000 commitment to the cost of the review.*

And

2. *That Administration write to Eastern Health Authority advising of Council's decision and rationale.*

Council's rationale in not supporting the proposed independent service review as proposed by EHA was twofold:

1. that Council is undertaking its own independent review and wishes to await that outcome before committing any further funds.
2. Council was aware that the EHA Board, at its 29 April 2014 meeting, resolved to postpone the service review until such time that the COVID-19 pandemic period is over and EHA's operations return to relatively normal levels.

I invite you to contact me, should you have any questions in relation to Council's decision.

Kind regards,

Kiki Cristol
 Chief Executive Officer

Town of Walkerville

Executive and Leadership | 66 Walkerville Terrace, Gilberton SA 5081
 PO Box 55 | Walkerville SA 5081
 T +61 8 8342 7102 | F +61 8 8269 7820 | M +61 419 842 154
www.walkerville.sa.gov.au | kcristol@walkerville.sa.gov.au

From: Hayley Lambi <hlambi@eha.sa.gov.au>
Sent: Thursday, 30 April 2020 2:54 PM
To: Kiki Cristol <kcristol@walkerville.sa.gov.au>
Cc: Andreea Caddy <acaddy@walkerville.sa.gov.au>
Subject: Draft EHA Annual Business Plan and Budget for 2020/2021

Dear Kiki,

Please find attached correspondence in relation to the draft EHA Annual Business Plan and Budget for 2020/2021.

If you have any queries, please do not hesitate to contact Michael Livori on 8132 3611

Kind regards

Hayley Lambi
Administration Officer
T / 8132 3601



101 Payneham Road, St Peters SA 5069
PO Box 275 Stepney SA 5069
www.eha.sa.gov.au



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Annual Business Plan 2020/21





Local councils working together to protect the health of the community.

| | |
|--|----|
| Introduction | 1 |
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| Funding the Annual Business Plan and Budget | 5 |
| Financial Indicators | 6 |
| <i>Activities for 2020/21</i> | |
| 1.0 — \$ — Governance and Organisational Development | 10 |
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| Eastern Health Authority Budget Financial Statements 2020/21 | 28 |

Introduction



The Eastern Health Authority (EHA) Charter requires an Annual Business Plan to support and inform its Annual Budget which:

- includes an outline of:
 - i. EHA's objectives for the financial year
 - ii. the activities that EHA intends to undertake to achieve those objectives
 - iii. the measures (financial and non-financial) which EHA intends to use to assess its performance against its objectives over the financial year
- assesses the financial requirements of EHA for the financial year and taking those requirements into account, sets out a summary of its proposed operating expenditure, capital expenditure and sources of revenue
- sets out the structure for determining Constituent Council contributions for the financial year

The Budgeted Financial Statements can be found on pages 28 and consist of a Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows and Statement of Changes in Equity.

This document presents the Annual Business Plan for EHA for the 2020-2021 financial year.



About Eastern Health Authority (EHA)

Section 43 of the *Local Government Act 1999* enables two or more councils (known as Constituent Councils) to establish a regional subsidiary to perform a function of the council in a joint service delivery arrangement.

The Constituent Councils listed below established Eastern Health Authority in 1986 to discharge their respective environmental health responsibilities that are mandated in the *South Australian (SA) Public Health Act 2011*, *Food Act 2001* and *Supported Residential Facilities Act 1992*.

EHA undertakes a wide range of functions on behalf of its Constituent Councils to protect the health and wellbeing of approximately 160,000 residents plus those people who visit the region. These functions include the provision of immunisation services, hygiene and sanitation control, licensing and monitoring of Supported Residential Facilities (SRFs) and surveillance of food premises.

The table below provides a snapshot of the environmental health services provided for each Constituent Council.

| |
|--|
| City of Burnside (Burnside) |
| Campbelltown City Council (Campbelltown) |
| City of Norwood Payneham and St Peters (NPSP) |
| City of Prospect (Prospect) |
| The Corporation of the Town of Walkerville (Walkerville) |

Table 1: Snapshot of the environmental health services provided for each Constituent Council

| Activity Data | Burnside | C/Town | NPSP | Prospect | Walkerville | Total |
|--|----------|--------|-------|----------|-------------|-------|
| No. of Food Premises | 285 | 296 | 485 | 182 | 43 | 1,291 |
| Swimming Pools | 19 | 6 | 13 | 2 | 3 | 43 |
| High Risk Manufactured Water Systems | 9 | 8 | 10 | 2 | 0 | 29 |
| Supported Residential Facilities | 1 | 2 | 1 | 1 | 0 | 5 |
| Environmental Health Complaints | 32 | 35 | 64 | 12 | 9 | 152 |
| Hairdresser/Beauty Treatment Premises | 72 | 61 | 106 | 32 | 10 | 281 |
| Number of high school student enrolments | 2,268 | 1,749 | 2,429 | 379 | 291 | 7,116 |
| Average clients receiving vaccines at public clinics | 1,114 | 1,422 | 1,429 | 329 | 275 | 4,569 |



Overview of the Business Plan

EHA develops an Annual Business Plan for the purposes of translating strategic directions into actions, outputs and outcomes for the relevant financial year. In preparing this years' Annual Business Plan a number of key influences were taken into consideration.

Significant Influences

- COVID-19 Response
- School Based Immunisation Program reduced to Year 8 and 10 students only (current year 11 catch-up program was finalised in 2019).
- Enterprise Bargaining wage increase for staff.
- No longer providing immunisation services to the City of Unley.
- Commencement of Adelaide Primary Health Network (PHN) – Immunisation Community Engagement partnership project.

EHA has set the following priorities as part of the 2020-2021 Annual Business Plan:

Priorities

- Implement the elements of the Regional Public Health Plan, 'Better Living, Better Health' as they apply to EHA.
- Where practicable, continue to undertake the necessary public health functions on behalf of Constituent Councils to protect the health and well-being of the community during the COVID-19 crisis.

- Attend and participate in Local Government COVID-19 meetings and forums to ensure consistency of approach in relation to public health and operational matters.
- Review of the EHA Business Continuity Plan considering COVID-19.
- Ensure operational activities (inspections, investigations, immunisation services etc) are undertaken in line with required social distancing and hygiene measures to protect EHA employees and the community.
- Promotion of online immunisation appointment system.
- Conduct immunisation surveys to gain client feedback for use in development of the 2021 Clinic Immunisation Timetable.
- Implement process of improved recalls and reminders for overdue immunisation clients.
- Conduct organisation service review which considers the current scope and delivery of public and environmental health services by EHA, to ensure that these services fulfil the legislative obligations of EHA's Constituent Councils, are aligned to community needs, are delivered efficiently and provide value to the public and Constituent Councils.



Funding the Business Plan and the Budget

EHA bases its expenditure on the services required to ensure its Constituent Councils are meeting their wide range of legislative responsibilities which are mandated in a range of legislation including the *SA Public Health Act 2011*, *Food Act 2001*, *Supported Residential Facilities Act 1992* and the *Local Government Act 1999*.

The forecast for the 2020-2021 financial year is that EHA's operating result will be a breakeven position. To achieve this operating budget result, a total of \$1,790,674 will be raised through

contributions from our Constituent Councils for operational expenditure. Constituent Councils will be requested to collectively contribute a further \$40,000 (20% per council) for the service review which was postponed from 2020-2021.

Sources of revenue other than Constituent Council contributions which are utilised to fund the activities of EHA are listed below.

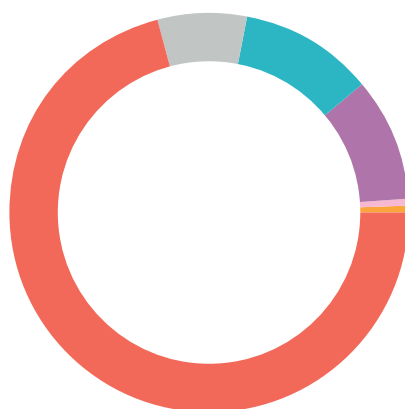
Statutory Charges relate mainly to fees and fines levied in accordance with legislation and include food inspection fees, supported residential facility licences, and environmental health related fines.

User Charges relate to the recovery of service delivery costs through the charging of fees to users of EHA's services. These include the provision of food safety audit services, workplace immunisation programs and fee vaccines at community immunisation clinics.

Grants which include monies received from State and Federal Governments for the purposes of funding the delivery of the programs such as immunisation services.

Investment income which includes interest on operating cash held with the Local Government Finance Authority.

Other Revenues relate to a range of unclassified items which do not fit within the main income categories.



Graph 1 – Funding Sources 2020-2021

| | |
|-----------------------------------|-------|
| Statutory Charges | 7.0% |
| User Charges | 11.0% |
| Grants | 10.0% |
| Investment Income | 0.6% |
| Other Revenues | 0.3% |
| Constituent Council Contributions | 71.0% |



Financial Indicators



A series of financial indicators have been developed by local government to assist in determining whether a local government organisation is financially sustainable or moving to a position of financial sustainability.

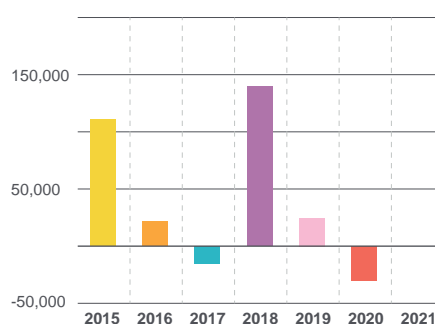
Indicators with relevance to EHA are set out below.

Operating Surplus (Deficit) indicates the difference between day-to-day income and expenses for the particular financial year.

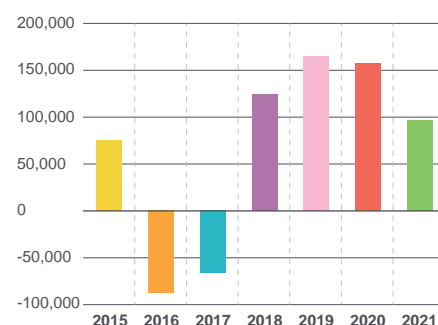
Net Financial Assets indicates the money held, invested or owed to EHA less money owed to others (including provisions for employee entitlements).

Net Financial Assets Ratio indicates the extent to which net financial assets of a subsidiary can meet its operating revenue.

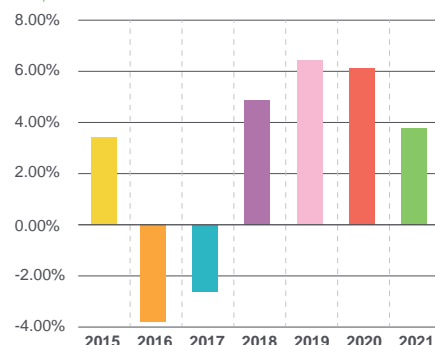
Graph 2: Operating Surplus / (Deficit)



Graph 3: Net Financial Assets



Graph 4: Net Financial Assets Ratio



Another useful financial indicator is the percentage of Constituent Council total expenditure used on Public Health services provided by EHA as seen in Table 2 below.

Table 2: Each Constituent Council's expenditure on Public Health services provided by EHA

| | Contribution 2019-20 | Total Expenses Budgeted 2019-20 | EHA % of expenses |
|--|-------------------------|------------------------------------|----------------------|
| Burnside | \$439,648 | \$48,019,000 | 0.92% |
| Campbelltown | \$429,328 | \$51,260,050 | 0.84% |
| NPSP | \$562,871 | \$42,671,084 | 1.32% |
| Prospect | \$222,773 | \$25,093,000 | 0.89% |
| Walkerville | \$102,500 | \$10,143,000 | 1.01% |
| Total Constituent Council Expenditure | \$1,757,120 | \$177,186,134 | 0.99% |

Activities for 2020/21



The following information reflects the actions which will be performed to achieve the objectives for EHA over the next 12 months.





1.0 – Governance and Organisational Development



Background

Practices which ensure EHA conducts its business in an effective manner include the provision of appropriate support to the Board of Management, sound financial and human resource management and good governance and administration procedures.

Objective 1.0

Administration of legislative and corporate governance requirements

| | Actions | Performance Measures |
|------|---|---|
| 1.1 | <ul style="list-style-type: none"> Monitor the compliance of statutory requirements identified in the Charter. | <ul style="list-style-type: none"> Statutory requirements complied with as per Charter. |
| 1.2 | <ul style="list-style-type: none"> Properly convene Board meetings providing agendas and minutes. Minimum of 5 ordinary meetings conducted. Notice of meeting given 3 clear days prior to meeting. Minutes provided within 5 days of meeting. | <ul style="list-style-type: none"> 5 meetings conducted. Appropriate notice given. Timeframe met. |
| 1.3 | <ul style="list-style-type: none"> Conduct election for Chair and Deputy Chair of Board of Management in February. | <ul style="list-style-type: none"> Election conducted at February meeting. |
| 1.4 | <ul style="list-style-type: none"> In accordance Clause 6.5 of EHA's Charter 2016, undertake the required strategies to attain any priority or goal which the Regional Public Health Plan, 'Better Living, Better Health' specifies as EHA's responsibility. | <ul style="list-style-type: none"> As detailed in 'Better Health, Better Living' the section 'Protection for Health'. |
| 1.5 | <ul style="list-style-type: none"> Implement the second iteration of the Regional Public Health Plan, 'Better Living, Better Health' in accordance with <i>section 51(19) SA Public Health Act, 2011</i>. | <ul style="list-style-type: none"> Implementation of Regional Public Health Plan |
| 1.6 | <ul style="list-style-type: none"> Provide administrative assistance to the Public Health Plan Advisory Committee and coordinate reports to the Board of Management. | <ul style="list-style-type: none"> Reports provided to Board meetings as required. |
| 1.7 | <ul style="list-style-type: none"> Annual Business Plan to be developed with detailed objectives for the year in consultation with Constituent Councils. | <ul style="list-style-type: none"> Draft considered at May meeting and adopted at June meeting. |
| 1.8 | <ul style="list-style-type: none"> Develop budgeted financial statements to implement the Annual Business Plan of EHA. Draft Budgeted Financial Statements considered at May meeting. Budgeted Financial Statements adopted at June meeting. | <ul style="list-style-type: none"> Budget and Financial Statements adopted. Copy of budget provided to CEO of Constituent Councils within 5 days of adoption. |
| 1.9 | <ul style="list-style-type: none"> Keep proper books of account, regularly report on the financial position of EHA, and apply prudent financial management as required by the Charter. | <ul style="list-style-type: none"> Financial reports provided at each Board meeting. Budget reviews presented at October, February and May meetings. |
| 1.10 | <ul style="list-style-type: none"> Conduct Audit Committee meetings as required by Charter. | <ul style="list-style-type: none"> Audit committee meet minimum of two times per annum. |
| 1.11 | <ul style="list-style-type: none"> Ensure the financial statements are audited annually as per the requirements of the Charter. | <ul style="list-style-type: none"> Audited financial statements adopted at August meeting and provided to Constituent Councils within 5 days. |
| 1.12 | <ul style="list-style-type: none"> Monitor Long Term Financial Plan. | <ul style="list-style-type: none"> Plan reviewed annually as part of budget process. |

| Actions | Performance Measures |
|--|---|
| 1.13 ○ Provide regular statistical reports to Board Members and Constituent Councils. | ○ Reports provided at scheduled Board meetings. |
| 1.14 ○ Conduct annual review of delegations. Lead Constituent Councils in process. Resolutions and Instruments of delegation provided to Constituent Councils. | ○ Documents provided to Constituent Councils. ○ Delegations from EHA to CEO reviewed annually. |
| 1.15 ○ Provide information to the Board of Management in relation to public health reforms and provide written responses on behalf of EHA and Constituent Councils to State Government. | ○ Information reports provided to Board and distributed to Constituent Councils as required. |
| 1.16 ○ Compile annual report in relation to the operations of EHA as required by the Charter. | ○ Annual report adopted at August meeting and provided to Constituent Councils and other stakeholders. |
| 1.17 ○ Compile report pursuant to the <i>SA Public Health Act 2011</i> in relation to the operations of EHA as required by legislation. | ○ Report adopted at relevant Board meeting and provided to Public Health Council. |
| 1.18 ○ Compile annual reports pursuant to the <i>Food Act 2001</i> and <i>Safe Drinking Water Act 2011</i> in relation to the operations of EHA as required by legislation. | ○ Report adopted at August meeting and provided to SA Health. |
| 1.19 ○ Compare Annual Business Plan against performance measures. | ○ Report presented to August meeting. |
| 1.20 ○ Provide delegates report to CEO of each Constituent Council following Board meetings for tabling at subsequent council meeting. | ○ Reports provided following Board meetings. |
| 1.21 ○ Properly convene meetings of Constituent Council nominated contacts including providing agendas and minutes. | ○ 4 meetings conducted per year. |
| 1.22 ○ Maintenance of electronic records management system to properly maintain records and reference documents of EHA. | ○ System developed to ensure appropriate standards are being met. |
| 1.23 ○ Continually review the EHA website to improve the functionality and available information and educational material. | ○ Improved website functionality and available information. |
| 1.24 ○ Explore the potential for the expansion of service provision to areas outside of its current Constituent Council areas. | ○ Report to Board on expansion opportunities. |
| 1.25 ○ Maintenance of Health Manager (electronic database) and Mobile Health (inspection App). Continue to expand Health Manager and Mobile Health internal and external functionality, to improve inspection, complaint and administrative efficiency and reporting capabilities. | ○ Introduce new applications and reporting capabilities where required. Continue to liaise with Open Office to discuss new applications. |
| 1.26 ○ EHO's to continue to utilise the handheld electronic tablets with access to Mobile Health during routine and follow-up food inspections. ○ Expand the use of the electronic tablets in other EHO onsite field work. | ○ Continue to utilise the handheld electronic tablets during routine and follow-up food inspections. ○ Explore the opportunities to expand the use of the electronic tablets in other EHO onsite field work. |
| 1.27 ○ Participate in the Environmental Health Managers Forum to address environmental health issues and promote uniformity and professional consistency. | ○ Management to attend and participate in the Environmental Health Managers Forum meetings. |
| 1.28 ○ Engage and participate with LGA, Environmental Health Australia, state and local government authorities, and other non-Government authorities to review best practice standards and promote uniformity and professional consistency. | ○ Engage, attend and actively participate. |
| 1.29 ○ Continue membership and actively participate in the Eastern Adelaide Zone Emergency Management Committee to develop and finalise the Eastern Zone Emergency Management Plan. | ○ Attend the Eastern Adelaide Zone Emergency Management Committee and actively contribute towards the development of the Eastern Zone Emergency Management Plan. |

Objective 1.1

Professional, skilled and committed staff providing valued services to the community

A work environment which helps to promote a dynamic and committed workforce is a priority for EHA. Organisational capacity is created through encouraging collaboration and peer support. Our staff who create and retain our knowledge capital are our most valuable asset.

| Actions | Performance Measures |
|---|---|
| 1.1.1 ○ Ensure that EHA is properly staffed and resourced in order to carry out its responsibilities. | ○ Continually review staff resources and report to Board if required. |
| 1.1.2 ○ Performance development framework used to support staff and link to day-to-day and long-term activities within the Annual Business Plan and Public Health Plan and to provide for an equitable workload. | ○ Performance development framework and staff portfolios reviewed annually. |
| 1.1.3 ○ Provide continuing professional development opportunities through ongoing education and training which is relevant to roles within EHA. | ○ Training and education opportunities provided to staff. |
| 1.1.4 ○ Continue to foster team cohesiveness and support effective teamwork. | ○ Training and team building activities provided to staff. |
| 1.1.5 ○ Encourage staff to be members of their relevant professional organisation. Support participation and EHA representation at professional Special Interest Groups to promote uniformity, professional consistency and to discuss the latest information in relation to public health issues affecting local government. | ○ Encourage membership and active participation. |
| 1.1.6 ○ Provide systems for a safe working environment with appropriate Work Health and Safety (WHS) practices in place. | ○ WHS to be discussed at all team and general staff meetings. ○ Provide appropriate training and equipment to new staff. |
| 1.1.7 ○ Review the WHS action plan outlining program of improvements required in EHA's WHS 3 Year Plan. | ○ Action plan reviewed with input from staff. |
| 1.1.8 ○ Annual review of EHA's induction program to ensure EHA staff are and familiar with EHA's methods of operation upon commencement of employment. | ○ Annual review and induction program updated. |



2.0 – Public and Environmental Health



Background

Environmental Health is the branch of public health that focuses on the interrelationships between people and their environment, promotes human health and well-being, and fosters healthy and safe communities.

website: NEHA

The *South Australian Public Health Act 2011* (the Act) and Regulations aims to provide a modernised, flexible, legislative framework to respond to both traditional and contemporary public health issues. The Act and Regulations are mechanisms employed by EHA to fulfil its duty of care on behalf of the Constituent Councils with the following public health issues:

- management of domestic squalor and hoarding
- clandestine drug laboratory
- vector control
- surveillance of swimming pool, spa pool, cooling tower and warm water system operations
- assessment of hairdressing salons, beauty salons, acupuncture clinics and tattoo parlours
- approval and inspection of waste control systems
- prevention and control of notifiable diseases
- discharge of waste to stormwater

An extension to public health is the licensing of Supported Residential Facilities (SRF's). SRF's provide accommodation to people in the community who require personal care and support. EHA is the licensing authority of all SRF's within the Constituent Councils. The *SRF Act 1992* ensures adequate standards of care and amenity are provided at these facilities to protect the health and wellbeing and rights of the residents.

Environmental health professionals also have a critical function in mitigating public health risks during a response to a disaster. An emergency management plan that integrates with the Eastern Regional Disaster Management Plan has been developed to ensure appropriate linkages are in place with emergency service agencies and the councils EHA serves.

To protect the health and well-being of the community during the COVID-19 crisis, it is imperative for EHA to continue to undertake the necessary functions on behalf of its Constituent Councils. These functions include the provision of hygiene and sanitation control, licensing and monitoring of supporting of residential facilities. Currently, these functions are controlled by the limitations set by the Federal Government Restrictions and State Government Directions.

The surveillance and investigation of the necessary environmental health provisions during the COVID-19 crisis will be modified to acknowledge the advice received from the LGA who are considered as our lead agency.

Where inspections and investigations are undertaken, the Environmental Health Officers ensure they practice the required social distancing and hygiene measures to protect themselves and the community.

Objective 2.0

Promote healthy communities by managing the risk from communicable and infectious disease and environmental impacts

| Actions | Performance Measures |
|---|---|
| 2.1 <ul style="list-style-type: none"> ◦ Maintain and update a register of all public health related premises. ◦ Public Health related premises are: <ul style="list-style-type: none"> ◦ premises with public swimming pools and spas ◦ premises with cooling tower systems and warm water systems ◦ personal care and body art premises ◦ waste control systems | <ul style="list-style-type: none"> ◦ Register maintained and updated as required. |
| 2.2. <ul style="list-style-type: none"> ◦ Undertake assessments and investigate complaints to determine that appropriate standards of public swimming pools and spas are maintained in accordance with the <i>South Australian Public Health (General) Regulations 2013</i>. | <ul style="list-style-type: none"> ◦ All indoor pools assessed twice a year and outdoor pools once a year. ◦ Investigate and respond to complaints in accordance with the customer service standards. |
| 2.3 <ul style="list-style-type: none"> ◦ Undertake assessments and collect water samples for analysis to determine appropriate standards of cooling towers and warm water systems for the management of <i>Legionella</i> in accordance with <i>South Australian Public Health (Legionella) Regulations 2013</i>. | <ul style="list-style-type: none"> ◦ Assessments performed at least annually. |
| 2.4 <ul style="list-style-type: none"> ◦ Investigate notifiable <i>Legionella</i> incidences and high <i>Legionella</i> counts in accordance with SA Health guidance and internal procedures. | <ul style="list-style-type: none"> ◦ Investigate incidences in accordance with EHA service standards and SA Health guidance. |
| 2.5 <ul style="list-style-type: none"> ◦ Undertake assessments to and investigate complaints determine that appropriate standards at personal care and body art premises are maintained in accordance with guidelines and legislation. | <ul style="list-style-type: none"> ◦ Assessments performed according to risk-based schedule. ◦ Investigate and respond to complaints in accordance with the customer service standards. |
| 2.6 <ul style="list-style-type: none"> ◦ Assess applications for the installation of on-site wastewater systems in accordance with <i>South Australian Public (Wastewater) Regulations 2013</i>, the On-site Wastewater System Code 2013 and AS 1547 internal procedures, and service standards. | <ul style="list-style-type: none"> ◦ Applications assessed against with legislative requirements and customer service standards. |
| 2.7 <ul style="list-style-type: none"> ◦ Monitor service reports for aerobic waste water treatment systems to identify non-compliances. Ensure non-compliances are addressed in accordance with <i>South Australian Public (Wastewater) Regulations 2013</i> | <ul style="list-style-type: none"> ◦ Monitor service reports for waste water treatment systems to identify non-compliances. |
| 2.8 <ul style="list-style-type: none"> ◦ Respond to public health enquiries/complaints within the built environment that give rise to a risk to health in relation to: <ul style="list-style-type: none"> ◦ hoarding and squalor ◦ sanitation ◦ vector control ◦ hazardous and infectious substances ◦ clandestine drug laboratory ◦ asbestos ◦ syringes ◦ on-site wastewater systems ◦ notifiable diseases ◦ refuse storage ◦ Co-ordinate a multi-agency response where necessary. ◦ Enquire into a collaborative working group with operational staff from Constituent Councils to assist with complex case investigation/resolution in public health hoarding and squalor. | <ul style="list-style-type: none"> ◦ Enquiries/complaints are investigated in accordance with the customer service standards and guidelines. |

| Actions | Performance Measures |
|--|---|
| 2.9 ◦ Undertake joint investigations with Constituent Councils where there may be an overlap relating to offences relating to <i>SA Public Health Act 2011</i> , <i>Environmental Protection (Water Quality) Policy 2015</i> and the <i>Local Nuisance and Litter Control Act 2017</i> . | ◦ Undertake joint investigations where required. |
| 2.10 ◦ Provide information to households informing them of localised pests/vector issues that can be minimised. | ◦ Provide information as required. |
| 2.11 ◦ Undertake relevant notifiable disease investigations in collaboration with SA Health. | ◦ Respond to disease notifications in accordance with customer service standards and SA Health guidance. |
| 2.12 ◦ Provide advice and information materials to residents about air quality concerns including the installation, operation and standards of solid fuel burning appliances. | ◦ Information available to community and via website as required. |
| 2.13 ◦ Provide rodent bait to residents upon request. | ◦ Rodent bait provision maintained. |
| 2.14 ◦ Assist members of the community by offering approved sharps containers at cost price. Free disposal for residents of full and approved sharps containers delivered to EHA. | ◦ Provide sharps containers at cost price and free disposal service to residents as required. |
| 2.15 ◦ Continue to co-ordinate and attend the Eastern Hoarding and Squalor Committee meetings to promote interagency management of residents affected by hoarding and squalor. | ◦ Coordinate and attend the Eastern Hoarding and Squalor meetings. |
| 2.16 ◦ Maintain the hoarding and squalor contacts database. | ◦ Update where required. |
| 2.17 ◦ Participate in Metropolitan Fire Service fire risk notification system. | ◦ Notify MFS when required as per the notification process. |
| 2.18 ◦ Respond to development application referrals from councils regarding public health related premises and activities. | ◦ Respond to all referrals in accordance with the customer service standards. |
| 2.19 ◦ Monitor providers who supply water to the public under the <i>Safe Drinking Water Act 2012</i> meet the requirements set out by the Act and <i>Safe Drinking Water Regulations 2012</i> . | ◦ Continue to monitor potential water providers to ensure compliance with the Act and associated regulations. |

Objective 2.1

An innovative approach to public and environmental health through community and business education and interaction to increase awareness and understanding

| Actions | Performance Measures |
|--|---|
| 2.1.1 ◦ Develop and maintain a comprehensive range of health education and promotional material targeting public health issues incorporating the resources of other health related agencies. | ◦ Information resources maintained. |
| 2.1.2 ◦ Promote EHA services and educate the community on matters of public health in conjunction with Constituent Councils. | ◦ Provide information updates and articles to Constituent Councils as required. |
| 2.1.3 ◦ Participate in State/National proactive educational initiatives that raise awareness of public health related issues amongst the community. | ◦ Number of proactive educational activities conducted each year. |

Objective 2.2

Promote a safe and home-like environment for residents by ensuring quality of care in supported residential facilities

| Actions | Performance Measures |
|--|--|
| 2.2.1 ◦ Assess applications for new licences, licence renewals and transfer of licence with regard to SRF legislation and within legislative timeframes. | ◦ Applications processed within legislative timeframes. |
| 2.2.2 ◦ Assess applications for manager and acting manager with regard to SRF legislation. | ◦ Applications processed in accordance with the customer service standards. |
| 2.2.3 ◦ Conduct relicensing audits of facilities with regard to SRF legislation. ◦ Incorporate appropriate annual fire safety requirements from the Constituent Councils Building Fire and Safety Officers. | ◦ Unannounced audits conducted at all facilities. Issue of licences annually with conditions where required. ◦ Fire safety advice obtained annually. If required, include as licence conditions as agreed between EHA and Constituent Councils. |
| 2.2.4 ◦ Conduct follow-up inspections to ensure facilities continue to operate at satisfactory standards in accordance with the legislation. | ◦ Unannounced inspections and follow-ups conducted at SRFs where required. |
| 2.2.5 ◦ Respond to enquiries/complaints in relation to SRFs. | ◦ Respond to all enquiries and complaints in accordance with the customer service standards. |
| 2.2.6 ◦ Liaise with service providers to ensure residents receive appropriate levels of care. | ◦ Liaise where required. |
| 2.2.7 ◦ Liaise with Constituent Councils and other relevant stakeholders in relation to potential SRF closures and surrender of licence, strategic management options and appropriate alternative accommodation options. | ◦ Issues investigated and reported to Board of Management and relevant council as necessary. |
| 2.2.8 ◦ Liaise with LGA and State Government to ensure legislation applicable to SRFs is appropriate and that local government receives appropriate support for its licensing role. | ◦ Continue discussion with LGA and State Government regarding these issues. |

Objective 2.3

Minimise the public health consequences of emergencies through a planned and prepared response

| Actions | Performance Measures |
|---|---|
| 2.3.1 <ul style="list-style-type: none">◦ Liaise with the Constituent Councils and Eastern Adelaide Zone Emergency Management Committee to ensure integration of emergency management arrangements. | <ul style="list-style-type: none">◦ Attend and participate in committee meetings. |
| 2.3.2 <ul style="list-style-type: none">◦ Conduct exercises with staff to test the Emergency Management Plan and Business Continuity Plan.◦ Participate in any relevant exercises conducted by the Constituent Councils or by other organisations. | <ul style="list-style-type: none">◦ Conduct or participate in one exercise a year. |
| 2.3.3 <ul style="list-style-type: none">◦ Conduct exercises with staff to test the Emergency Management Plan and Business Continuity Plan. Participate in any relevant exercises conducted within the region by other organisations. | <ul style="list-style-type: none">◦ Conduct or participate in one exercise a year. |
| 2.3.4 <ul style="list-style-type: none">◦ Review and update emergency management information and proactively provide public health and food safety information to the community and businesses via the website or email. | <ul style="list-style-type: none">◦ Review and update as required. |
| 2.3.5 <ul style="list-style-type: none">◦ Finalise the review of the Emergency Management Plan. | <ul style="list-style-type: none">◦ Plan Finalised. |
| 2.3.6 <ul style="list-style-type: none">◦ Review of Business Continuity Plan considering COVID-19. | <ul style="list-style-type: none">◦ Plan Finalised. |
| 2.3.7 <ul style="list-style-type: none">◦ Emergency Management Plan strategies to be reflected in the Public Health Plan and Risk and Opportunity Management Policy and Framework to ensure consistency over the three strategic plans. | <ul style="list-style-type: none">◦ Emergency Management Plan incorporated in the Risk and Opportunity Management Policy and Framework. The Emergency Management Plan to be recognised during the public health planning process. |



3.0 – Immunisation



Background

Immunisation is the most cost-effective public health initiative and saves millions of lives each year and is critical for the health of children and the wider community. Immunisation is a safe and effective way of protecting people against harmful diseases that can cause serious health problems.

The National Immunisation Program (NIP) Schedule is a series of immunisations given at specific times for children, adolescents and adults. The NIP provides free vaccines against 17 diseases (including shingles) for eligible people and EHA delivers these vaccinations at its public clinics. EHA also offers the Annual Influenza Vaccine at its public clinics to prevent the highly contagious respiratory illnesses caused by Influenza A and B.

Each school year vaccines are provided to adolescents through the NIP's consenting School Immunisation Program (SIP). Year 8 students are vaccinated with two doses of human papillomavirus (HPV) and diphtheria, tetanus and whooping cough vaccine (dTpa). While consenting Year 10 students will receive two doses of the Meningococcal B vaccine and one dose of the Meningococcal ACWY vaccine. EHA will undertake approximately 64 visits to 17 high schools offering vaccinations to 2,225 Year 8 students and 2,361 Year 10 students.

Workplace Immunisation programs are conducted on a fee for service basis. A total of 4,216 vaccinations were provided to EHA clients in 2019. EHA is working to increase the number of vaccinations provided by promotion of its quality on-site service. EHA offers a convenient online quote and booking system on its website where businesses, government agencies, child care centres, schools and aged care facilities can easily coordinate a program with minimal downtime for their staff.

Objective 3.0

The provision of a comprehensive, accessible, and efficient immunisation service valued by the community

| Actions | Performance Measures |
|--|---|
| 3.1 <ul style="list-style-type: none"> ◦ Ensure effective governance and delivery of a public clinic immunisation program in accordance with: ◦ the current National Health and Medical Research Council (NHMRC) "Australian Immunisation Handbook" ◦ National Vaccine Storage Guidelines 'Strive for 5, 2nd Edition' ◦ the <i>Controlled Substances Act 1984</i> and the <i>Controlled Substances (Poisons) Regulations 2011</i> ◦ Vaccine Administration Code October 2018 v 1.7 ◦ South Australia's Child Protection Legislation – Child Safe Environment Guidelines ◦ Immunisation Records and Inventory System (IRIS) ◦ Immunisation Nurses are provided with opportunities to participate in appropriate professional development opportunities | <ul style="list-style-type: none"> ◦ Annual clinical performance evaluation. ◦ Annual Cold Chain audit and pharmaceutical refrigerator maintenance. ◦ Annual review of Child Safe Environment Guidelines and Procedures. ◦ Review of Immunisation Nurses CPD annually. |
| 3.2 <ul style="list-style-type: none"> ◦ Promotion of EHA's public immunisation clinic program through channels identified in the EHA Marketing Plan. ◦ Build social media presence through Constituent Council platforms to promote immunisation clinics. ◦ EHA website used as a tool for communication of up to date information relating to immunisation. ◦ Provide Constituent Councils with educational and promotional materials relating to immunisation for circulation. | <ul style="list-style-type: none"> ◦ Increased number of clinic timetables required and distributed. ◦ Regular updates on immunisation information and matters provided on the website homepage. ◦ Source and distribute to Constituent Councils promotional and educational materials on immunisation in conjunction with Constituent Councils. |
| 3.3 <ul style="list-style-type: none"> ◦ Improve customer experience at EHA public immunisation clinics. ◦ Conduct an annual review of EHA's public clinic venues and timetable taking into account client feedback and satisfaction surveys. ◦ Continual development and promotion of online immunisation appointment booking system. | <ul style="list-style-type: none"> ◦ Review and evaluate each public clinic venue and times offered. ◦ Clinic timetable reviewed and published in November. ◦ Increase mailout of Clinic timetable. ◦ Report and expand website analytical tools to monitor usage. ◦ Improve the access and increase in use of the online immunisation booking system. ◦ Implement program of review and reminders for residents of overdue vaccinations. |
| 3.4 <ul style="list-style-type: none"> ◦ Deliver School Immunisation Program (SIP) in accordance with the SA Health Service Agreement contract. ◦ Liaise with school coordinators and SA Health regarding implementation and evaluation of program. ◦ Immunisation statistics submitted via IRIS to SA Health and the Australian Immunisation Register (AIR) in accordance with contractual arrangements. | <ul style="list-style-type: none"> ◦ Statistics reported to AIR within 5 days of clinics. ◦ All students offered vaccinations. If vaccination missed at school visit then public clinics offered. ◦ Statistics uploaded onto IRIS for the SIP within 10 days of school visit. ◦ Monitor and report on coverage data for the SIP compared to the SA Average. ◦ Delivery of SIP with ongoing improvement and evaluation of coverage data. Follow up of students who missed vaccination at school. ◦ Further promote EHA clinics and catch up facilities offered in regular school newsletter updates and electronic reminders to parents. |

| Actions | Performance Measures |
|--|--|
| 3.5 <ul style="list-style-type: none"> Promote and provide a professional and quality Workplace Immunisation Program on a fee for service basis. Continual development and promotion of online workplace immunisation appointment booking system. | <ul style="list-style-type: none"> Target services to organisations whose staff are at high risk of acquiring vaccine preventable diseases. Increase of new clients and regular annual clients. Income generated. Review program annually. |
| 3.6 <ul style="list-style-type: none"> The CEO/Team Leader Immunisation lobby through LGA for appropriate funding for sustainability of local government delivery of immunisation services. | <ul style="list-style-type: none"> Meet with LGA and SA Health to discuss funding and support from governments. |
| 3.7 <ul style="list-style-type: none"> Facilitate the Community Engagement Project which forms part of a broader Adelaide PHN Immunisation Hub initiative. The initiative aims to increase immunisation coverage and reduce vaccine preventable hospitalisations in the Adelaide metropolitan region. Increase community awareness and knowledge of the benefits of childhood immunisation, increasing coverage within the eastern and inner northern suburbs of metropolitan Adelaide. Conduct on-site education and awareness raising sessions at participating childcare centres. Provide education and training on immunisation information and immunisation services for health professionals. | <ul style="list-style-type: none"> Comply with the Adelaide PHN project specific requirements, including submission of periodic reports as required. Meet with PHN periodically to monitor and review compliance against project schedule. |



4.0 – Food Safety



Background

The *Food Act 2001* in conjunction with the Food Safety Standards (Chapter 3 of the Australia New Zealand Food Standards Code) aims to:

- ensure food for sale is both safe and suitable for human consumption
- prevent misleading conduct in connection with the sale of food
- provide for the application of the Food Standards Code

EHA is an enforcement agency under the *Food Act 2001* and is responsible for ensuring that appropriate food hygiene standards are maintained within its area and all food businesses meet their legislative obligations.

As consumers, we all have the right to expect that the food we eat is protected from microbiological contamination, foreign matter, poor hygiene and handling practices. While Australia has one of the safest food supplies in the world, the incidences of our two most prevalent foodborne diseases *Salmonella* and *Campylobacter* is on the increase. Illness caused by food is a significant public health problem and has major social and economic impacts.

Campylobacter is the most commonly notified cause of gastroenteritis in Australia and foodborne illness caused by *Salmonella* has been significantly increasing over the past 20 years and, compared to many similar countries, Australia has one of the highest rates.

Australia's Foodborne Illness Reduction Strategy 2018-2021+ was endorsed by the Australia and New Zealand Ministerial Forum on Food Regulation in June 2018. The aim of the Strategy is to reduce the number of food-related human cases of *Campylobacter* and *Salmonella* in Australia.

SA Health is leading a national project on food safety culture and raw or lightly-cooked egg foods. EHA was a part of the working group and actively participated in the state project. EHA will continue to support SA Health and the national Strategy in improving the food safety culture in food service.

To prevent food borne outbreaks and protect the health and well-being of the community during the COVID-19 crisis, it is imperative for EHA to continue to undertake the surveillance of food premises and investigations of food related complaints on behalf of its Constituent Councils.

The execution of these functions will be controlled by limitations set by the Federal Government Restrictions and State Government Directions. Assessments undertaken will be modified to acknowledge the advice received from the LGA who are considered as our lead agency.

Where inspections and investigations are undertaken, the Environmental Health Officers ensure they practice the required social distancing and hygiene measures to protect themselves and the community.

Objective 4.0

Minimise food borne illness by ensuring that safe and suitable food is available to the community

| Actions | Performance Measures |
|--|---|
| 4.1 <ul style="list-style-type: none"> Assign and where required update food businesses risk classification in accordance with the SA Health Food Business Risk Classification framework. | <ul style="list-style-type: none"> Apply relevant risk rating to new businesses and undertake assessments in accordance with SA Health Food Business Risk Classification framework. Monitor and identify new food processing practices during routine assessments. Update the risk classification to reflect the changes. |
| 4.2 <ul style="list-style-type: none"> Routine food business assessments conducted using an appropriate food safety rating tool to ensure compliance with the <i>Food Act 2001</i> and Food Safety Standards. Frequency of routine assessments is determined by the food business risk classification framework. | <ul style="list-style-type: none"> Assessments performed using the appropriate food safety rating tool. Assessments conducted in accordance with the assigned risk rating and frequency. |
| 4.3 <ul style="list-style-type: none"> Monitor food businesses during inspections to assess if they are captured by the Primary Production Standards. | <ul style="list-style-type: none"> Inform SA Health of new food businesses that may be captured under the Primary Production Standards as required. |
| 4.4 <ul style="list-style-type: none"> Ensure appropriate enforcement action is taken in relation to breaches of the <i>Food Act 2001</i> and associated standards in accordance with EHA's enforcement policy. | <ul style="list-style-type: none"> Number of enforcement actions taken. |
| 4.5 <ul style="list-style-type: none"> Investigate food related complaints in relation to: <ul style="list-style-type: none"> alleged food poisoning microbiological and chemical contamination foreign matter found in food poor personal hygiene and handling practices unclean premises vermin, insects and pest activity refuse storage allergens Liaise with SA Health and other councils to ensure a consistent approach as required. | <ul style="list-style-type: none"> Respond to complaints in accordance with customer service standards and where necessary SA Health guidance. |
| 4.6 <ul style="list-style-type: none"> Respond to food recalls in accordance with SA Health recommendations. | <ul style="list-style-type: none"> Number of recalls actioned when required. |
| 4.7 <ul style="list-style-type: none"> Ensure all businesses servicing vulnerable populations within the Constituent Councils have their food safety plan audited in accordance with Food Safety Standard 3.2.1 and the <i>Food Act 2001</i>. | <ul style="list-style-type: none"> Number of audits conducted in accordance to audit frequency. |
| 4.8 <ul style="list-style-type: none"> Provide professional auditing services to businesses servicing vulnerable populations outside of EHA's of Constituent Councils. | <ul style="list-style-type: none"> Number of audits conducted in accordance to audit frequency. |
| 4.9 <ul style="list-style-type: none"> Review plans and liaise with the applicant regarding structural fit out of a food business. | <ul style="list-style-type: none"> Respond to requests as required. |
| 4.10 <ul style="list-style-type: none"> Provide feedback to Constituent Councils when requested as per the development assessment sharing process. | <ul style="list-style-type: none"> Respond and provide feedback to Constituent Councils as required. |
| 4.11 <ul style="list-style-type: none"> Provide new food businesses with a welcome pack to acknowledge their notification and to introduce EHA. The welcome pack to provide resources and information on safe food practice and inform businesses of EHA's inspection fee policy. | <ul style="list-style-type: none"> Information provided following receipt of notification. |

| Actions | Performance Measures |
|---|--|
| 4.12 ○ Conduct food safety assessments of fairs and festivals and temporary events in collaboration with the Constituent Councils and relevant event co-ordinators. Provide written correspondence and feedback to all stall holders assessed at these events. | ○ Food safety assessments are undertaken based on risk. Provide correspondence and feedback to stall holders where required. |
| 4.13 ○ Liaise with Constituent Council and relevant event coordinators to ensure all stall holders at fairs, festivals and temporary events are well informed of the legislative requirements. ○ Manage temporary stall notification forms and ensure temporary food businesses are provided with adequate resources and information in safe food practices. ○ Conduct stall holder meetings and food safety training for stall holders upon request by the Constituent Councils and relevant event coordinators. | ○ Liaise with Constituent Council and relevant event coordinators prior to the event. Provide stall holder presentations where required. |
| 4.14 ○ Following the assessment of food stalls at Constituent Councils special events, provide feedback to the relevant council on the food safety standards observed at the event. | ○ Provide feedback to council where necessary. |
| 4.15 ○ Ensure businesses provide notification of their business details. Monitor and maintain a register of all food businesses operating within EHA's jurisdiction. | ○ Update in accordance with the customer service policy. |
| 4.16 ○ Assessments, investigations and actions are updated in Health Manager to ensure effective reporting to the Board of Management, Constituent Councils and SA Health. | ○ Update in accordance with the customer service policy. |
| 4.17 ○ Provide information to the Board of Management in relation to food safety reforms and provide written responses on behalf of EHA and Constituent Councils to State Government. | ○ Information reports provided to Board and distributed to Constituent Councils as required. |

Objective 4.1

An innovative approach to food safety through business and community education and interaction to increase awareness and understanding

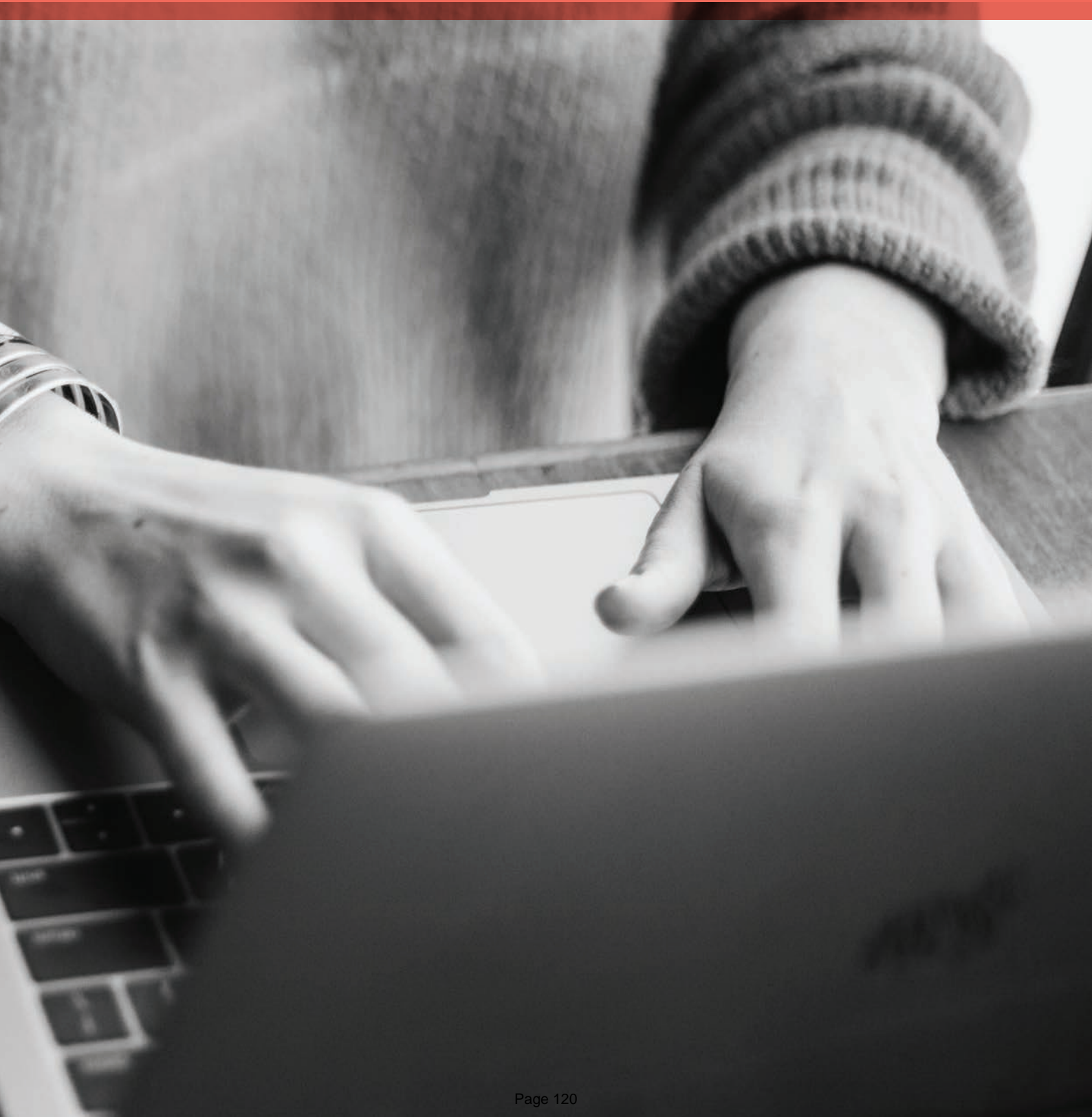
| Actions | Performance Measures |
|--|---|
| 4.1.1 ○ Continue to provide the food safety training program for food businesses. | ○ Continue to provide the food safety training program. |
| 4.1.2 ○ Continue to implement the food safety training program targeting specific food businesses that serve food to the vulnerable population and require a Food Safety Program. | ○ Continue to provide the food safety training program. |
| 4.1.3 ○ Develop and maintain a comprehensive range of health education and promotional material targeting public health issues incorporating the resources of other health related agencies. | ○ Information resources maintained. |
| 4.1.4 ○ Participate in State/National proactive educational initiatives that raise awareness of public health related issues amongst the community. | ○ Number of proactive educational activities conducted each year. |
| 4.1.5 ○ Collate the results from the customer service survey and investigate the feedback to identify areas of improvement and development of further educational materials. | ○ Collate the customer service feedback. |



Eastern Health Authority

Budget Financial Statements 2020/21





Eastern Health Authority Statement of Comprehensive Income

for the year ending 30 June 2021

| | Revised (Mar 20) 2019/20 | Adopted Budget 2020/21 |
|---|-----------------------------|---------------------------|
| Income | | |
| Council contributions | 1,757,120 | 1,790,674 |
| Public Health Plan / Service Review contributions | 50,000 | 40,000 |
| Statutory charges | 105,000 | 180,500 |
| User charges | 329,000 | 272,000 |
| Grants, subsidies and contributions | 251,000 | 252,000 |
| Investment income | 15,000 | 15,000 |
| Other income | 9,000 | 7,000 |
| Total income | 2,516,120 | 2,557,174 |
| Expenses | | |
| Employee costs | 1,713,000 | 1,762,000 |
| Materials, contracts and other expenses | 770,000 | 737,300 |
| Finance charges | 11,120 | 7,874 |
| Depreciation | 50,000 | 50,000 |
| Total expenses | 2,544,120 | 2,557,174 |
| Operating Surplus/(Deficit) | (28,000) | — |
| Net gain (loss) on disposal of assets | | — |
| Net Surplus/(Deficit) | (28,000) | — |
| Total comprehensive income | (28,000) | — |

Eastern Health Authority Statement of Cash Flows

for the year ending 30 June 2021

| | Revised (Mar 20) 2019/20 | Adopted Budget 2020/21 |
|--|-----------------------------|---------------------------|
| Cash Flows from Operating Activities | | |
| Receipts | | |
| Council contributions | 1,807,120 | 1,830,674 |
| Fees and other charges | 105,000 | 180,500 |
| User charges | 329,000 | 272,000 |
| Investment receipts | 15,000 | 15,000 |
| Grants utilised for operating purposes | 251,000 | 252,000 |
| Other | 9,000 | 7,000 |
| Payments | | |
| Employee costs | (1,713,000) | (1,762,000) |
| Materials, contracts and other expenses | (770,000) | (737,300) |
| Interest expense | (11,120) | (7,874) |
| Net cash Provided/(Used) by Operating Activities | 22,000 | 50,000 |
| Cash Flows from Financing Activities | | |
| Loans received | – | – |
| Loan repayments | (67,488) | 69,090 |
| Net cash Provided/(Used) by Financing Activities | (67,488) | (69,090) |
| Cash Flows from Investing Activities | | |
| Receipts | | |
| Sale of replaced assets | – | – |
| Payments | | |
| Expenditure on renewal/replacements of assets | (30,000) | – |
| Expenditure on new/upgraded assets | – | – |
| Distributions paid to constituent Councils | – | – |
| Net cash Provided/(Used) by Investing Activities | (30,000) | – |
| Net Increase/(Decrease) in cash held | (75,488) | (19,090) |
| Cash and cash equivalents at beginning of reporting period | 743,272 | 667,784 |
| Cash and cash equivalents at end of reporting period | 667,784 | 648,694 |

Eastern Health Authority Statement of Financial Position

for the year ending 30 June 2021

| | Revised (Mar 20) 2019/20 | Adopted Budget 2020/21 |
|---|-----------------------------|---------------------------|
| Current Assets | | |
| Cash and cash equivalents | 667,784 | 648,694 |
| Trade and other receivables | 168,200 | 122,329 |
| Total current assets | 835,984 | 771,023 |
| Non-current Assets | | |
| Equipment | 304,192 | 254,192 |
| Total Non-current Assets | 304,192 | 254,192 |
| Total Assets | 1,140,176 | 1,025,215 |
| Current Liabilities | | |
| Trade and other payables | 149,195 | 197,380 |
| Provisions | 322,578 | 325,421 |
| Borrowings | 64,393 | 67,488 |
| Total Current Liabilities | 536,166 | 590,289 |
| Non-current Liabilities | | |
| Provisions | 24,868 | 38,690 |
| Borrowings | 118,862 | 46,677 |
| Total Non-current Liabilities | 143,730 | 85,367 |
| Total Liabilities | 679,896 | 675,656 |
| Net Current Assets/(Current Liabilities) | 299,818 | 180,734 |
| Net Assets | 460,280 | 349,559 |
| Equity | | |
| Accumulated Surplus/(Deficit) | 460,280 | 349,559 |
| Total Equity | 460,280 | 349,559 |

Eastern Health Authority Statement of Changes in Equity

for the year ending 30 June 2021

| | Revised (Mar 20) 2019/20 | Adopted Budget 2020/21 |
|--------------------------------------|-----------------------------|---------------------------|
| Accumulated Surplus | | |
| Balance at beginning of period | 488,280 | 460,280 |
| Net Surplus/(Deficit) | (28,000) | – |
| Distribution to Constituent Councils | – | – |
| Balance at end of period | 460,280 | 460,280 |
| Total Equity | | |
| Balance at beginning of period | 488,280 | 460,280 |
| Net Surplus/(Deficit) | (28,000) | – |
| Distribution to Constituent Councils | – | – |
| Balance at end of period | 460,280 | 460,280 |

5.4 LONG-TERM FINANCIAL PLAN REVISED FINANCIAL ESTIMATES

Author: Michael Livori
Ref: AF13/78

Summary

This report provides updated Long-Term financial estimates for consideration by the committee.

Report

The purpose of the EHA LTFP is to express, in financial terms, the activities that EHA proposes to undertake over the medium to longer term to achieve its stated objectives as outlined in its Charter and Business Plan.

EHA is an operational based organisation focused on meeting the regulatory requirements of its member councils. Unlike its Constituent Councils it is not responsible for managing a high level of long-lived assets.

The one exception to this is the upgrade of office accommodation at EHA's St Peters office which occurred in 2012. A 10 year loan (final payment to be made in July 2022) from the LGFA was used to fund the required office accommodation.

The LTFP is, apart from the loan, simply a projection of current operating arrangements moving forward.

In light of the current economic climate the key assumptions used to develop Long-Term financial estimates have not been changed. The table below details the current figures used.

| | Current |
|-----------|---------|
| Growth | 1.2% |
| CPI | 1.5% |
| Wages | 2.5% |
| Materials | 1.5% |

Revised Long-Term financial estimates based on the audited results from 2019/2020 and the currently used key assumptions detailed above are provided as attachment 1 for consideration.

RECOMMENDATION

That:

1. Long-Term Financial Plan revised financial estimates report is received.
2. The Long-Term Financial Plan revised financial estimates are presented to the Board of Management for consideration.

Eastern Health Authority
Long Term Financial Plan Mode
ESTIMATED COMPREHENSIVE INCOME STATEMENT

| Year Ended 30 June: | 2020 Actual | 2021 Estimate | 2022 Plan Year 1 | 2023 Plan Year 2 | 2024 Plan Year 3 | 2025 Plan Year 4 | 2026 Plan Year 5 | 2027 Plan Year 6 | 2028 Plan Year 7 | 2029 Plan Year 8 | 2030 Plan Year 9 | 2031 Plan Year 10 |
|---|------------------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| INCOME | | | | | | | | | | | | |
| Constituent Council Contributions | 1,803,571 | 1,830,675 | 1,839,024 | 1,888,678 | 1,939,673 | 1,992,045 | 2,045,831 | 2,101,068 | 2,157,797 | 2,216,058 | 2,275,892 | 2,337,342 |
| Statutory Charges | 72,447 | 180,500 | 183,208 | 185,956 | 188,745 | 191,577 | 194,450 | 197,366 | 200,327 | 203,332 | 206,381 | 209,477 |
| User Charges | 330,134 | 270,000 | 274,050 | 278,161 | 282,333 | 286,568 | 290,867 | 295,231 | 299,659 | 304,154 | 308,717 | 313,348 |
| Grants, subsidies, contributions | 245,618 | 252,000 | 215,180 | 218,408 | 221,685 | 225,010 | 228,385 | 231,811 | 235,288 | 238,818 | 242,401 | 246,037 |
| Investment Income | 8,183 | 15,000 | 7,228 | 6,205 | 5,287 | 5,903 | 6,154 | 6,879 | 7,683 | 8,790 | 10,116 | 11,733 |
| Other Income | 4,031 | 6,999 | 7,104 | 7,211 | 7,319 | 7,429 | 7,540 | 7,653 | 7,768 | 7,885 | 8,003 | 8,123 |
| Total Revenues | 2,463,984 | 2,555,174 | 2,525,794 | 2,584,619 | 2,645,042 | 2,708,532 | 2,773,227 | 2,840,008 | 2,908,522 | 2,979,037 | 3,051,510 | 3,126,060 |
| EXPENSES | | | | | | | | | | | | |
| Employee costs | 1,636,215 | 1,762,000 | 1,805,870 | 1,850,835 | 1,896,921 | 1,944,155 | 1,992,568 | 2,042,188 | 2,093,046 | 2,145,172 | 2,198,598 | 2,253,358 |
| Materials, contracts & other expenses | 594,506 | 573,816 | 566,105 | 600,491 | 609,498 | 618,642 | 627,921 | 637,341 | 646,900 | 656,601 | 666,448 | 676,446 |
| Depreciation | 190,358 | 201,278 | 156,235 | 124,475 | 124,475 | 124,475 | 124,475 | 124,475 | 124,475 | 124,475 | 124,475 | 124,475 |
| Finance Costs | 56,305 | 50,660 | 56,854 | 49,701 | 46,788 | 44,037 | 41,530 | 38,666 | 35,740 | 32,594 | 29,296 | 25,801 |
| Other Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenses | 2,477,384 | 2,587,754 | 2,585,064 | 2,625,502 | 2,677,682 | 2,731,309 | 2,786,494 | 2,842,670 | 2,900,161 | 2,958,842 | 3,018,817 | 3,080,080 |
| OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS | (13,400) | (32,580) | (59,270) | (40,883) | (32,640) | (22,777) | (13,267) | (2,662) | 8,361 | 20,195 | 32,693 | 45,980 |
| Net gain/(loss) on disposal or revaluations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amounts specifically for new assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NET SURPLUS/(DEFICIT) | (13,400) | (32,580) | (59,270) | (40,883) | (32,640) | (22,777) | (13,267) | (2,662) | 8,361 | 20,195 | 32,693 | 45,980 |
| Other Comprehensive Income | | | | | | | | | | | | |
| Changes in revaluation surplus - IPP&E | 0 | 0 | 0 | 0 | 50,022 | 0 | 0 | 0 | 0 | 22,154 | 0 | 0 |
| Total Other Comprehensive Income | 0 | 0 | 0 | 0 | 50,022 | 0 | 0 | 0 | 0 | 22,154 | 0 | 0 |
| TOTAL COMPREHENSIVE INCOME | (13,400) | (32,580) | (59,270) | (40,883) | 17,382 | (22,777) | (13,267) | (2,662) | 8,361 | 42,349 | 32,693 | 45,980 |

Eastern Health Authority
Long Term Financial Plan Mode
ESTIMATED BALANCE SHEET

| Year Ended 30 June: | 2020 Actual | 2021 Estimate | 2022 Plan Year 1 | 2023 Plan Year 2 | 2024 Plan Year 3 | 2025 Plan Year 4 | 2026 Plan Year 5 | 2027 Plan Year 6 | 2028 Plan Year 7 | 2029 Plan Year 8 | 2030 Plan Year 9 | 2031 Plan Year 10 |
|--|------------------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| ASSETS | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | |
| Cash & Equivalent Assets | 721,310 | 605,689 | 590,760 | 578,685 | 605,243 | 622,966 | 652,830 | 684,936 | 724,939 | 770,719 | 824,103 | 884,975 |
| Trade & Other Receivables | 155,650 | 155,650 | 157,985 | 160,355 | 162,760 | 165,201 | 167,679 | 170,194 | 172,747 | 175,338 | 177,968 | 180,638 |
| Investments & Other Financial Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Inventories | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total | 876,960 | 761,339 | 748,745 | 739,040 | 768,003 | 788,167 | 820,509 | 855,130 | 897,686 | 946,057 | 1,002,071 | 1,065,613 |
| Non-current assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Current Assets | 876,960 | 761,339 | 748,745 | 739,040 | 768,003 | 788,167 | 820,509 | 855,130 | 897,686 | 946,057 | 1,002,071 | 1,065,613 |
| Non-Current Assets | | | | | | | | | | | | |
| Receivables | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Financial Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Equity Accounted Investments in Council Businesses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment Property | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Infrastructure, Property, Plant & Equipment | 1,491,511 | 1,290,233 | 1,133,998 | 1,009,523 | 935,070 | 810,595 | 686,120 | 561,645 | 437,170 | 334,849 | 210,374 | 85,899 |
| Inventories | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Non-Current Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Non-Current Assets | 1,491,511 | 1,290,233 | 1,133,998 | 1,009,523 | 935,070 | 810,595 | 686,120 | 561,645 | 437,170 | 334,849 | 210,374 | 85,899 |
| Total Assets | 2,368,471 | 2,051,572 | 1,882,743 | 1,748,563 | 1,703,073 | 1,598,762 | 1,506,629 | 1,416,775 | 1,334,856 | 1,280,906 | 1,212,445 | 1,151,512 |
| LIABILITIES | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | |
| Trade & Other Payables | 157,719 | 157,719 | 154,926 | 155,265 | 159,667 | 158,638 | 160,337 | 160,675 | 161,701 | 162,388 | 163,250 | 164,031 |
| Borrowings | 262,051 | 137,049 | 90,367 | 81,464 | 86,028 | 90,768 | 95,699 | 100,830 | 106,166 | 111,717 | 117,489 | 126,090 |
| Provisions | 307,885 | 307,885 | 327,231 | 329,467 | 340,663 | 347,631 | 357,054 | 365,558 | 374,858 | 384,094 | 393,710 | 403,491 |
| Other Current Liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total | 727,655 | 602,653 | 572,524 | 566,196 | 586,358 | 597,037 | 613,090 | 627,063 | 642,725 | 658,199 | 674,449 | 693,612 |
| Liabilities Relating to Non-Current Assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Current Liabilities | 727,655 | 602,653 | 572,524 | 566,196 | 586,358 | 597,037 | 613,090 | 627,063 | 642,725 | 658,199 | 674,449 | 693,612 |
| Non-Current Liabilities | | | | | | | | | | | | |
| Trade & Other Payables | 22,268 | 0 | 10,937 | 5,432 | 8,426 | 6,981 | 7,761 | 7,426 | 7,650 | 7,594 | 7,679 | 7,693 |
| Borrowings | 1,143,668 | 1,006,619 | 916,252 | 834,788 | 748,760 | 657,992 | 562,293 | 461,463 | 355,297 | 243,580 | 126,091 | 1 |
| Provisions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Non-Current Liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Non-Current Liabilities | 1,165,936 | 1,006,619 | 927,189 | 840,220 | 757,186 | 664,973 | 570,054 | 468,889 | 362,947 | 251,174 | 133,770 | 7,694 |
| Total Liabilities | 1,893,591 | 1,609,272 | 1,499,713 | 1,406,416 | 1,343,544 | 1,262,010 | 1,183,144 | 1,095,952 | 1,005,672 | 909,373 | 808,219 | 701,306 |

| | | | | | | | | | | | | |
|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| NET ASSETS | 474,880 | 442,300 | 383,030 | 342,147 | 359,529 | 336,752 | 323,485 | 320,823 | 329,184 | 371,533 | 404,226 | 450,206 |
| EQUITY | | | | | | | | | | | | |
| Accumulated Surplus | 474,880 | 442,300 | 383,030 | 342,147 | 309,507 | 286,730 | 273,463 | 270,801 | 279,162 | 299,357 | 332,050 | 378,030 |
| Asset Revaluation Reserve | 0 | 0 | 0 | 0 | 50,022 | 50,022 | 50,022 | 50,022 | 50,022 | 72,176 | 72,176 | 72,176 |
| Other Reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL EQUITY | 474,880 | 442,300 | 383,030 | 342,147 | 359,529 | 336,752 | 323,485 | 320,823 | 329,184 | 371,533 | 404,226 | 450,206 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Eastern Health Authority
Long Term Financial Plan Mode
ESTIMATED CASH FLOW STATEMENT

| Year Ended 30 June: | 2020 Actual | 2021 Estimate | 2022 Plan Year 1 | 2023 Plan Year 2 | 2024 Plan Year 3 | 2025 Plan Year 4 | 2026 Plan Year 5 | 2027 Plan Year 6 | 2028 Plan Year 7 | 2029 Plan Year 8 | 2030 Plan Year 9 | 2031 Plan Year 10 |
|---|----------------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Constituent Council Contributions | | 1,830,675 | 1,836,689 | 1,896,308 | 1,937,268 | 1,989,604 | 2,043,353 | 2,098,553 | 2,155,244 | 2,213,467 | 2,273,262 | 2,334,672 |
| Statutory Charges | | 180,500 | 183,208 | 185,956 | 188,745 | 191,577 | 194,450 | 197,366 | 200,327 | 203,332 | 206,381 | 209,477 |
| User Charges | | 270,000 | 274,050 | 278,161 | 282,333 | 286,568 | 290,867 | 295,231 | 299,659 | 304,154 | 308,717 | 313,348 |
| Grants, subsidies, contributions | | 252,000 | 215,180 | 218,408 | 221,685 | 225,010 | 228,385 | 231,811 | 235,288 | 238,818 | 242,401 | 246,037 |
| Investment Income | | 15,000 | 7,228 | 6,205 | 5,287 | 5,903 | 6,154 | 6,879 | 7,683 | 8,790 | 10,116 | 11,733 |
| Reimbursements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Income | | 6,999 | 7,104 | 7,211 | 7,319 | 7,429 | 7,540 | 7,653 | 7,768 | 7,885 | 8,003 | 8,123 |
| Employee costs | | (1,784,268) | (1,775,587) | (1,854,104) | (1,882,731) | (1,938,632) | (1,982,365) | (2,034,019) | (2,083,522) | (2,135,992) | (2,188,897) | (2,243,563) |
| Materials, contracts & other expenses | | (573,816) | (568,898) | (600,152) | (605,096) | (619,671) | (626,222) | (637,003) | (645,874) | (655,914) | (665,586) | (675,665) |
| Finance Costs | | (50,660) | (56,854) | (49,701) | (46,788) | (44,037) | (41,530) | (38,666) | (35,740) | (32,594) | (29,296) | (25,801) |
| Loss - Joint Ventures | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Expenses | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Cash provided by (or used in) Operating Activities | | 146,430 | 122,120 | 78,292 | 108,022 | 103,751 | 120,632 | 127,805 | 140,833 | 151,946 | 165,101 | 178,361 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Amounts Specifically for New/Upgraded Assets | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Renewed/Replaced Assets | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Surplus Assets | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Proceeds of disposals - Invest. Prop. | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net disposal of Investment Securities | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pods of disposal - Real Estate Devel. | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Repayments of Loans by Community Groups | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Distributions Received from Associated Entities | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payments | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenditure on Renewal/Replacement of Assets | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenditure on New/Upgraded Assets | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Purchase of Investment Property | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net purchase of Investment Securities | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisitions - Real Estate developments | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans Made to Community Groups | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Contributed to Associated Entities | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Cash Provided by (or used in) Investing Activities | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Proceeds from Borrowings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Proceeds from Aged Care Facility Deposits | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payments | | | | | | | | | | | | |
| Repayments of Borrowings | | (70,732) | (74,131) | (38,391) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Repayment of Finance Lease Liabilities | | (191,319) | (62,918) | (51,976) | (81,464) | (86,028) | (90,768) | (95,699) | (100,830) | (106,166) | (111,717) | (117,489) |
| Repayment of Aged Care Facility Deposits | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Cash provided by (or used in) Financing Activities | | (262,051) | (137,049) | (90,367) | (81,464) | (86,028) | (90,768) | (95,699) | (100,830) | (106,166) | (111,717) | (117,489) |
| Net Increase/(Decrease) in cash held | | (115,621) | (14,929) | (12,075) | 26,558 | 17,723 | 29,864 | 32,106 | 40,003 | 45,780 | 53,384 | 60,872 |
| Opening cash, cash equivalents or (bank overdraft) | | 721,310 | 605,689 | 590,760 | 578,685 | 605,243 | 622,966 | 652,830 | 684,936 | 724,939 | 770,719 | 824,103 |
| Closing cash, cash equivalents or (bank overdraft) | | 721,310 | 605,689 | 590,760 | 578,685 | 605,243 | 622,966 | 652,830 | 684,936 | 724,939 | 770,719 | 824,103 |

Eastern Health Authority
Long Term Financial Plan Mode
ESTIMATED STATEMENT OF CHANGES IN EQUITY

| Year Ended 30 June: | 2020 Actual | 2021 Estimate | 2022 Plan Year 1 | 2023 Plan Year 2 | 2024 Plan Year 3 | 2025 Plan Year 4 | 2026 Plan Year 5 | 2027 Plan Year 6 | 2028 Plan Year 7 | 2029 Plan Year 8 | 2030 Plan Year 9 | 2031 Plan Year 10 |
|---|----------------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| ACCUMULATED SURPLUS | | | | | | | | | | | | |
| Balance at end of previous reporting period | 488,280 | 474,880 | 442,300 | 383,030 | 342,147 | 309,507 | 286,730 | 273,463 | 270,801 | 279,162 | 299,357 | 332,050 |
| Net Result for Year | (13,400) | (32,580) | (59,270) | (40,883) | (32,640) | (22,777) | (13,267) | (2,662) | 8,361 | 20,195 | 32,693 | 45,980 |
| Other Comprehensive Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers to Other Reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---|
| Transfers from Other Reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at end of period | 474,880 | 442,300 | 383,030 | 342,147 | 309,507 | 286,730 | 273,463 | 270,801 | 279,162 | 299,357 | 332,050 | 378,030 | 0 |
| ASSET REVALUATION RESERVE | | | | | | | | | | | | | |
| Buildings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Right of Use | 0 | 0 | 0 | 0 | 50,022 | 50,022 | 50,022 | 50,022 | 50,022 | 72,176 | 72,176 | 72,176 | 0 |
| Asset Group 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asset Group 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asset Group 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asset Group 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asset Group 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asset Group 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asset Group 10 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at end of period | 0 | 0 | 0 | 0 | 50,022 | 50,022 | 50,022 | 50,022 | 50,022 | 72,176 | 72,176 | 72,176 | 0 |
| OTHER RESERVES | | | | | | | | | | | | | |
| Balance at end of previous reporting period | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers from Accumulated Surplus | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers to Accumulated Surplus | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at end of period | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL EQUITY AT END OF REPORTING PERIOD | 474,880 | 442,300 | 383,030 | 342,147 | 359,529 | 336,752 | 323,485 | 320,823 | 329,184 | 371,533 | 404,226 | 450,206 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Eastern Health Authority
Long Term Financial Plan Mode

SUMMARY STATEMENT INCLUDING FINANCING TRANSACTIONS

| Year Ended 30 June: | 2020 Actual | 2021 Estimate | 2022 Plan Year 1 | 2023 Plan Year 2 | 2024 Plan Year 3 | 2025 Plan Year 4 | 2026 Plan Year 5 | 2027 Plan Year 6 | 2028 Plan Year 7 | 2029 Plan Year 8 | 2030 Plan Year 9 | 2031 Plan Year 10 |
|---|----------------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Operating Revenues | 2,463,984 | 2,555,174 | 2,525,794 | 2,584,619 | 2,645,042 | 2,708,532 | 2,773,227 | 2,840,008 | 2,908,522 | 2,979,037 | 3,051,510 | 3,126,060 |
| less Operating Expenses | 2,477,384 | 2,587,754 | 2,585,064 | 2,625,502 | 2,677,682 | 2,731,309 | 2,786,494 | 2,842,670 | 2,900,161 | 2,958,842 | 3,018,817 | 3,080,080 |
| Operating Surplus/(Deficit) before Capital Amounts | (13,400) | (32,580) | (59,270) | (40,883) | (32,640) | (22,777) | (13,267) | (2,662) | 8,361 | 20,195 | 32,693 | 45,980 |
| Less: Net Outlays on Existing Assets | | | | | | | | | | | | |
| Capital Expenditure on Renewal/Replacement of Existing Assets | 24,677 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| less Depreciation, Amortisation & Impairmen | 190,358 | 201,278 | 156,235 | 124,475 | 124,475 | 124,475 | 124,475 | 124,475 | 124,475 | 124,475 | 124,475 | 124,475 |
| less Proceeds from Sale of Replaced Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (165,681) | (201,278) | (156,235) | (124,475) | (124,475) | (124,475) | (124,475) | (124,475) | (124,475) | (124,475) | (124,475) | (124,475) |
| Less: Net Outlays on New and Upgraded Assets | | | | | | | | | | | | |
| Capital Expenditure on New/Upgraded Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| less Amounts Specifically for New/Upgraded Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| less Proceeds from Sale of Surplus Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Lending /(Borrowing) for Financial Year | 152,281 | 168,698 | 96,965 | 83,592 | 91,835 | 101,698 | 111,208 | 121,813 | 132,836 | 144,670 | 157,168 | 170,455 |

In any one year, the above financing transactions are associated with either applying surplus funds stemming from a net lending result or accommodating the funding requirement stemming from a net borrowing result.

| Year Ended 30 June: | 2020 Actual | 2021 Estimate | 2022 Plan Year 1 | 2023 Plan Year 2 | 2024 Plan Year 3 | 2025 Plan Year 4 | 2026 Plan Year 5 | 2027 Plan Year 6 | 2028 Plan Year 7 | 2029 Plan Year 8 | 2030 Plan Year 9 | 2031 Plan Year 10 |
|--|----------------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| New Borrowings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Repayment of Principal on Borrowings | 70,732 | 74,131 | 74,131 | 38,391 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (Increase)/Decrease in Cash and Cash Equivalents | 115,621 | 14,929 | 14,929 | 12,075 | (26,558) | (17,723) | (29,864) | (32,106) | (40,003) | (45,780) | (53,384) | (60,872) |
| (Increase)/Decrease in Receivables | 0 | (2,335) | (2,335) | (2,370) | (2,405) | (2,478) | (2,515) | (2,553) | (2,591) | (2,630) | (2,670) | (2,710) |
| (Increase)/Decrease in Payables & Provisions | (22,268) | 27,490 | 27,490 | (2,930) | 18,592 | 4,494 | 11,902 | 8,507 | 10,550 | 9,867 | 10,563 | 10,576 |
| Other – Including the Movement in Inventories | (332,783) | (211,180) | (211,180) | (128,758) | (81,464) | (86,028) | (90,768) | (95,699) | (100,830) | (106,166) | (111,717) | (117,489) |
| Financing Transactions | (165,681) | (201,278) | (156,235) | (124,475) | (124,475) | (124,475) | (124,475) | (124,475) | (124,475) | (124,475) | (124,475) | (124,475) |

| | 2020 Actual | 2021 Estimate | 2022 Plan Year 1 | 2023 Plan Year 2 | 2024 Plan Year 3 | 2025 Plan Year 4 | 2026 Plan Year 5 | 2027 Plan Year 6 | 2028 Plan Year 7 | 2029 Plan Year 8 | 2030 Plan Year 9 | 2031 Plan Year 10 |
|--|----------------|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| Operating Surplus / (Deficit) - \$'000 | (13,400) | (32,580) | (59,270) | (40,883) | (32,640) | (22,777) | (13,267) | (2,662) | 8,361 | 20,195 | 32,693 | 45,980 |
| Operating Surplus Ratio - % | (1)% | (2)% | (3)% | (2)% | (2)% | (1)% | (1)% | (0)% | 0% | 1% | 1% | 2% |
| Net Financial Liabilities - \$'000 | 1,016,631 | 847,933 | 750,968 | 667,376 | 575,541 | 473,843 | 362,635 | 240,822 | 107,986 | (36,684) | (193,852) | (364,307) |
| Net Financial Liabilities Ratio - % | 41.3% | 33.2% | 29.7% | 25.8% | 21.8% | 17.5% | 13.1% | 8.5% | 3.7% | (1.2)% | (6.4)% | (11.7)% |
| Interest Cover Ratio - % | 2.0% | 1.4% | 2.0% | 1.7% | 1.6% | 1.4% | 1.3% | 1.1% | 1.0% | 0.8% | 0.6% | 0.5% |
| Asset Sustainability Ratio - % | 13% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Asset Consumption Ratio - % | 72% | 62% | 55% | 49% | 43% | 38% | 32% | 26% | 20% | 15% | 9% | 4% |

5.5 RISK AND OPPORTUNITY MANAGEMENT – UPDATED CORPORATE RISK SUMMARY

Author: Michael Livori
Ref: AF18/81

Summary

The Risk and Opportunity Management Policy and Framework for Eastern Health Authority (EHA) contemplate the analysis of organisational risks. A Corporate Risk Summary has been developed to assist with the assessment and maintenance of organisational risk. A review of the Corporate Risk Summary has been undertaken and a revised summary is provided for consideration.

Report

It is important that EHA is pursuing its objectives and fulfilling its responsibilities with due diligence and accountability. To this end EHA must manage its risks in order to protect its employees, assets, liabilities and Constituent Councils against potential losses. Managing risks also assists in minimising uncertainty in achieving EHA goals and objectives and to maximise EHA opportunities.

A copy of the current Corporate Risk Summary with suggested changes detailed as tracked changes is provided as attachment 1.

Items of note include:

- Service Review has been rescheduled to 2020/2021 financial year.
- LGA Member Access – appropriate staff have been provided with individual login access.
- Distribution of LG Circulars broadened to appropriate staff.
- Review of Environmental Work Health Safety Procedures to align with industry standards to be undertaken.
- WHS staff induction presentation updated and completed.
- Development of 3 Step WHS Risk Assessment. All staff to be educated in the implementation of the tool.
- Development and implementation of Operational COVID-19 Safe Plan.
- Development and implementation of Working Remotely policy and checklist.
- Explore the implementation of the Lean principles to identify areas of improvement and efficiencies.
- BCP tested by Covid-19, review ongoing.
- CIT Disaster Recovery Plan and Cyber Risk Action Plan substantially complete.
- Business Interruption Insurance Limits and Risk Environment reviews conducted.
- A number of timing changes.

A copy of an amended Corporate Risk Summary with these changes accepted is provided as attachment 2.

RECOMMENDATION

That:

1. The report regarding the Risk and Opportunity Management – Updated Corporate Risk Summary is received.
2. The updated Corporate Risk Summary marked as attachment 2 to this report is endorsed.

Corporate Risk Summary

| | Risk Description | Initial Risk Rating | Revised Consequence | Revised Likelihood | Revised Risk Rating |
|----|---|---------------------|---------------------|--------------------|---------------------------------|
| 1. | Serious breach of legislation (other than WH&S) ¹ duty of care, standards and agreements threatening operations. | HIGH | 4 | BA | HIGH <u>MODERATE</u> |
| 2. | WH&S not properly managed. | HIGH | 4 | C | HIGH |
| 3. | Business Plan objectives not appropriate or not achieved. | MODERATE | 3 | C | MODERATE |
| 4. | Unfavourable financial impact due to changes in government policy, or changes to service provision arrangements. | MODERATE | 3 | C | MODERATE |
| 5. | Inability to recruit and retain appropriately qualified staff. | HIGH | 3 | C | HIGH |
| 6 | A significant, unplanned, adverse event threatens the continued operations of the organisation. | MODERATE | 3 | B | MODERATE |
| 7. | Inadequate business processes and systems to deliver services. | HIGH | 3 | B | MODERATE |

Risk Assessment

¹ WH&S addressed in Risk Description No 2.

Ref: MT – Management Team

Corporate Strategic Risks – Documentation of Key Risks and Opportunities

Date Updated: 20 August 2019

| Ref | Risk Description | Existing Controls in place | Consequence | Likelihood | Rating | Additional Controls to be put in place | Consequence | Likelihood | Revised Rating | Priority | Resp | Timeframe |
|-----|--|---|-------------|------------|--------|---|-------------|---------------|---------------------------------|----------|------|---|
| 1. | Serious breach of legislation, duty of care, standards and agreements threatening operations | <ul style="list-style-type: none"> Staff trained in key legislation where appropriate. Clear reporting to Board on legislative requirements Delegations Register External Audit Charter Review Use of legal firms familiar with Local Government Operations. Professional Indemnity (PI) and Public liability (PL) Insurances in place and also built into all contracts. Business Plan contemplates the monitoring of compliance of statutory requirements identified in the Charter. Required staff subject to DCSI employment screening checks. | 4 | B | HIGH | <ul style="list-style-type: none"> Program Review (<i>rescheduled to 2020/2021 request for quotes developed as per Risk no. 3</i>) LGA Member Access – appropriate staff provided with individual login access Distribution of LG Circulars is broadened to appropriate staff. | 4 | AB | Moderate HIGH | 1 | CEO | Dec 2019 <u>June 2021</u> |

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Eastern Health Authority Corporate Risk Summary

| Ref | Risk Description | Existing Controls in place | Consequence | Likelihood | Rating | Additional Controls to be put in place | Consequence | Likelihood | Revised Rating | Priority | Resp | Timeframe |
|-----|------------------|--|-------------|------------|--------|--|-------------|------------|----------------|----------|------|-----------|
| | | <ul style="list-style-type: none"> National Police Checks for staff that are not subjected to DCSI employment screening checks. Enforcement Policy Completion of Enforcement Matrix to assist with decision of most appropriate enforcement strategy with consideration of the Enforcement Policy. Code of Conduct for Board Members and Staff Application of the Food Business Risk Classification System Policy Register including regular reviews Regular meetings with staff regarding use of delegated authority. Maintain and distribute list of applicable legislation & legal obligations. All non-complicance and best practice recommendations resulting from Governance Review have been implemented. Date Completed: 22/08/2019. | | | | | | | | | | |

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| Ref | Risk Description | Existing Controls in place | Consequence | Likelihood | Rating | Additional Controls to be put in place | Consequence | Likelihood | Revised Rating | Priority | Resp | Timeframe |
|-----|----------------------------|--|-------------|------------|--------|--|-------------|------------|----------------|-------------------------------------|---|---|
| 2. | WH&S not properly managed. | <p><i>Safety and Security</i></p> <ul style="list-style-type: none"> Building Security Procedures in place including monitored security alarm and access tags which are audited. Duress alarms at reception. Worksafe Guardian – offsite duress monitoring system. Minimal cash on site at all times. Staff training and awareness including dealing with aggressive people and Fire Safety. Regular inspection audits undertaken of all equipment. Internal Audit process conducted every 3 years. WHS System reviewed in regard to legislative changes. Annual Capital budget to provide for capital replacements as needed. (building and equipment maintenance). WH&S 3 year plan. | 5 | B | HIGH | <ul style="list-style-type: none"> Ongoing Review and development of WH&S policies. Response team to be developed to deal with aggressive situations in short timeframe. Review of EH WHS Procedures to align with industry standards. Updated the WHS staff induction presentation. Development of 3 Step WHS Risk Assessment. All staff to be educated in the implementation of the tool. Development and implementation of Operational COVID-19 Safe Plan. Development and implementation of | 4 | C | HIGH | <p>1</p> <p>2</p> <p>1</p> <p>2</p> | <p>MT</p> <p>MT</p> <p>NC</p> <p>MT</p> | <p>Dec 2019 Ongoing</p> <p>Dec 2019 June 2021</p> <p><u>Dec 2020</u></p> <p><u>Dec 2020</u></p> |

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Eastern Health Authority Corporate Risk Summary

| Ref | Risk Description | Existing Controls in place | Consequence | Likelihood | Rating | Additional Controls to be put in place | Consequence | Likelihood | Revised Rating | Priority | Resp | Timeframe |
|-----|------------------|--|-------------|------------|--------|--|-------------|------------|----------------|----------|------|-----------|
| | | <ul style="list-style-type: none"> Participation in Emergency Management Planning Committee meetings for St Peters Town Hall Complex. Emergency Management Plan. <p><i>Staff Health</i></p> <p>Health policy in place including:</p> <ul style="list-style-type: none"> All staff offered annual flu vaccinations. At risk staff offered Hepatitis A & B and Diphtheria, Tetanus and Pertussis vaccinations as required. Immunisation History of all staff requested, and vaccinations offered. Inform staff to stay home if sick. Participation in CHG Health Lifestyle Programs including Health Assessments and Skin | | | | Working Remotely policy and checklist. | | | | | | |

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Eastern Health Authority Corporate Risk Summary

| Ref | Risk Description | Existing Controls in place | Consequence | Likelihood | Rating | Additional Controls to be put in place | Consequence | Likelihood | Revised Rating | Priority | Resp | Timeframe |
|-----|------------------------------|--|-------------|------------|----------|---|-------------|------------|----------------|----------|------|--------------------------------------|
| | | <ul style="list-style-type: none"> ○ Ergonomic Workstation Assessments ○ Personal Protective Equipment. ○ WHS on all Team Meeting Agendas. ○ First Aid Kits in office and all motor vehicles. ○ Safe Operating Procedures specific for each area. ○ Annual CPR training. ○ Manual Handling Update. ○ WHS Training Register. <p><i>Other.</i></p> <ul style="list-style-type: none"> • Risk Assessments undertaken for all function activities. • Maintain and distribute list of applicable WHS legislation & legal obligations. | | | | | | | | | | |
| 3. | Business Plan objectives not | <ul style="list-style-type: none"> • Annual Business Plan in place. | 3 | C | MODERATE | <ul style="list-style-type: none"> • Service Improvement Review for all programs, services | 3 | C | MODERATE | 1 | CEO | Dec 2019 <u>June 2021</u> |

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Eastern Health Authority Corporate Risk Summary

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|-----|-------------------------------|---|-------------|------------|----------|---|-------------|------------|----------------|----------|------|-----------|
| | appropriate or not achieved. | <ul style="list-style-type: none"> Annual Business Plan supported by appropriate Budget. Annual review of Annual Business Plan undertaken including requests for input from Constituent Councils. Annual Report detailing activities and achievements. Annual evaluation of EHA's performance against the performance measures contained within the Business Plan Organisational structure provides effective leadership. Benchmarking/Comparison Report developed and presented to the Board of Management. Quarterly meeting with Constituent Council Contacts to maintain communication and provide updates. Minutes taken and distributed. | | | | and activities to be undertaken. <i>(rescheduled to 2020/2021)(Request for quotes developed as per Risk no. 1)</i> | | | | | | |
| 4. | Unfavourable financial impact | <ul style="list-style-type: none"> Report to Board and Constituent Councils on | 3 | C | MODERATE | <ul style="list-style-type: none"> Continue to identify opportunities for | 3 | C | MODERATE | 1 | MT | Ongoing |

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|-----|---|--|-------------|------------|--------|--|-------------|------------|----------------|----------|------|-----------|
| | due to changes in government policy or changes to service provision arrangements. | financial and operational impact of changes to government policy. <ul style="list-style-type: none"> Regular financial reporting to the Board and Audit Committee. Statutory Budget reviews undertaken. Long Term Financial Plan (LTFP) in place and reviewed annually. Annual Capital budget to provide for capital replacements as needed and for building and equipment maintenance. External Audit conducted annually. Grant funding opportunities monitored. Public image/Reputation maintained through: <ul style="list-style-type: none"> Internet Web site. Revision of information material. Promotion of services at Constituent Councils. | | | | other board membership and participation on other committees for networking. | | | | | | |

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Eastern Health Authority Corporate Risk Summary

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|-----|------------------|--|-------------|------------|--------|--|-------------|------------|----------------|----------|------|-----------|
| | | <ul style="list-style-type: none"> Quarterly meeting with Constituent Council Contacts to maintain communication and provide updates. Minutes taken and distributed. Ongoing exploration of new/expanded income opportunities (subject to Charter compliance). Participation on Committees for Networking and education including: <ul style="list-style-type: none"> Eastern Hoarding and Squalor Regional Public Health Planning Committee. Immunisation Providers Network. Immunisation Administration Network. Environmental Health Managers Forum including sub-committees. Environmental Health Australia state conference committee. | | | | | | | | | | |

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Eastern Health Authority Corporate Risk Summary

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|-----|--|---|-------------|------------|--------|--|-------------|------------|----------------|----------|-----------|--|
| | | <ul style="list-style-type: none"> ○ LGA/SIP Providers Strategic Working Group ○ Annual Food Auditors Forum ○ <u>LGA/SIP Providers Strategic Working Group</u> ○ <u>COVID-19 LGRS operational Briefings</u> | | | | | | | | | | |
| 5. | Inability to recruit and retain appropriately qualified staff. | <ul style="list-style-type: none"> • Appropriate Staff recruitment process. • Appropriate Staff induction process. • Use of SEEK.COM for ongoing recruitment. • Comply with Awards and annual Award wage increases. • Professional development opportunities provided including study. | 4 | C | HIGH | <ul style="list-style-type: none"> • Conduct formal exit interviews. • Succession Plan for CEO in place. | 3 | C | MODERATE | 1 2 | NC CEO | Dec 20 2019 Dec 20 2019 |

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Eastern Health Authority Corporate Risk Summary

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|-----|---------------------------|--|-------------|------------|----------|--|-------------|------------|----------------|----------|------|--------------------|
| | | <ul style="list-style-type: none"> Create team work ethos/innovative culture. Establish an intranet for internal communication. Code of Conduct and other staff policies in place. General Staff Meetings held bi-monthly – Agenda item 'Successes and Achievements'. Individual Performance Development process including identification of training needs. Staff Social Club functions. Annual Review of Job Descriptions. Continue to engage with tertiary providers of EHOs. Use of skilled agency staff for Immunisation roles. Staff engagement survey offered to all staff. | | | | | | | | | | |
| 6. | A significant, unplanned, | <ul style="list-style-type: none"> Business Continuity Plan (BCP). | 3 | B | MODERATE | <ul style="list-style-type: none"> Review BCP Note: Revised BCP | 3 | <u>CB</u> | MODERATE | 1 | MT | Dec 20 <u>2019</u> |

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Eastern Health Authority Corporate Risk Summary

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|-----|---|---|-------------|------------|--------|--|-------------|------------|----------------|----------|------|---|
| | adverse event threatens operations of the organisation. | <ul style="list-style-type: none"> Public Health Functional Emergency Management Plan (currently under review). St Peters Town Hall Complex Facility Emergency Management Plan (EMP). Monitored fire alarm in place. Building evacuation and situation drills. Cloud based CIT environment including Disaster Recovery Module. IT back-up tapes off site and offsite storage of records. Preventative Maintenance Plans in place for building and equipment and regular inspections. Appropriate building, asset and business insurance in place. Key staff have mobile phones. Call diversion facility with Optus for business phones. Active monitoring of CIT environment by Comunet. | | | | <ul style="list-style-type: none"> provided by LGRS. Revised document currently being reviewed <u>to align with COVID-19 implications</u>. Test of the BCP to be undertaken affecting whole organisation (<u>COVID 19</u>). Review of Functional Emergency Management Plan (currently under review). CIT Disaster Recovery Plan <u>in final stage of development</u>. Cyber Risk Assessment Action Plan <u>— All High risk resolved and moderate risks resolved in process of being resolved</u>. | | | | | | <p>3 MT <u>June-Dec 2020</u></p> <p>4 MT <u>June 2021-Dec 2019</u></p> <p>2 CEO</p> <p>2 CEO <u>Dec 202019</u></p> <p>2 CEO <u>Dec 202019</u></p> <p>2 CEO <u>Dec 202019</u></p> <p>2 CEO</p> |

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Eastern Health Authority Corporate Risk Summary

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|-----|------------------|--|-------------|------------|--------|--|-------------|------------|----------------|----------|------|---------------------|
| | | <ul style="list-style-type: none"> Fraud/Cyber Awareness Training | | | | <p><u>Small number of low risks outstanding.</u></p> <ul style="list-style-type: none"> <u>Business Interruption Insurance Limits Review to be conducted - Awaiting documentation from LGRS contractor.</u> • <u>Independent review of risk environment to be conducted - Awaiting documentation from LGRS contractor.</u> • | | | | | | Dec 20 <u>20</u> 49 |

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| Ref | Risk Description | Existing Controls in place | Consequence | Likelihood | Rating | Additional Controls to be put in place | Consequence | Likelihood | Revised Rating | Priority | Resp | Timeframe |
|-----|--|--|-------------|------------|--------|--|-------------|------------|----------------|-------------|-----------------|--|
| 7. | Inadequate business processes and systems to deliver services. | <ul style="list-style-type: none"> Policy Manual. Internal Controls Register to manage risks. eg. fraud Standard Operating Procedures. Induction program to ensure all staff trained in correct use of organisational systems, Policies and Standard Operating Procedures. EHA High Performance Framework and Individual Performance Management Plan for all staff. Use of LGCS purchasing arrangements. Legal advice available when needed. Corporate Risk Summary. External Financial Audit undertaken. Service Agreement in place for maintenance of CIT systems. Gap analysis undertaken on all policies and procedures | 4 | C | HIGH | <ul style="list-style-type: none"> Service Improvement Review for all programs, services, activities. <i>(rescheduled to 2020/2021)(request for quotes developed as per Risk no. 3)</i> Efficiency and Effectiveness Review. <i>(rescheduled to 2020/2021)(request for quotes developed as per Risk no. 3)</i> Explore the implementation of the Lean principles to identify areas of improvement and efficiencies. | 3 | B | MODERATE | 1 2 2 | CEO MT MT | Dec 2019 June 2021 June 2021 June 2021 |

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Eastern Health Authority Corporate Risk Summary

| Ref | Risk Description | Existing Controls in place | Consequence | Likelihood | Rating | Additional Controls to be put in place | Consequence | Likelihood | Revised Rating | Priority | Resp | Timeframe |
|-----|------------------|----------------------------|-------------|------------|--------|--|-------------|------------|----------------|----------|------|-----------|
| | | | | | | | | | | | | |

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Corporate Risk Summary

| | Risk Description | Initial Risk Rating | Revised Consequence | Revised Likelihood | Revised Risk Rating |
|----|---|---------------------|---------------------|--------------------|---------------------|
| 1. | Serious breach of legislation (other than WH&S) ¹ duty of care, standards and agreements threatening operations. | HIGH | 4 | A | MODERATE |
| 2. | WH&S not properly managed. | HIGH | 4 | C | HIGH |
| 3. | Business Plan objectives not appropriate or not achieved. | MODERATE | 3 | C | MODERATE |
| 4. | Unfavourable financial impact due to changes in government policy, or changes to service provision arrangements. | MODERATE | 3 | C | MODERATE |
| 5. | Inability to recruit and retain appropriately qualified staff. | HIGH | 3 | C | HIGH |
| 6 | A significant, unplanned, adverse event threatens the continued operations of the organisation. | MODERATE | 3 | B | MODERATE |
| 7. | Inadequate business processes and systems to deliver services. | HIGH | 3 | B | MODERATE |

Risk Assessment

¹ WH&S addressed in Risk Description No 2.

Ref: MT – Management Team

Eastern Health Authority Corporate Risk Summary

Corporate Strategic Risks – Documentation of Key Risks and Opportunities

Date Updated: 20 August 2019

| Ref | Risk Description | Existing Controls in place | Consequence | Likelihood | Rating | Additional Controls to be put in place | Consequence | Likelihood | Revised Rating | Priority | Resp | Timeframe |
|-----|--|---|-------------|------------|--------|--|-------------|------------|----------------|----------|------|-----------|
| 1. | Serious breach of legislation, duty of care, standards and agreements threatening operations | <ul style="list-style-type: none"> Staff trained in key legislation where appropriate. Clear reporting to Board on legislative requirements Delegations Register External Audit Charter Review Use of legal firms familiar with Local Government Operations. Professional Indemnity (PI) and Public liability (PL) Insurances in place and also built into all contracts. Business Plan contemplates the monitoring of compliance of statutory requirements identified in the Charter. Required staff subject to DCSI employment screening checks. | 4 | B | HIGH | <ul style="list-style-type: none"> Program Review <i>(rescheduled to 2020/2021)</i> LGA Member Access – appropriate staff provided with individual login access Distribution of LG Circulars is broadened to appropriate staff. | 4 | A | Moderate | 1 | CEO | June 2021 |

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Eastern Health Authority Corporate Risk Summary

| Ref | Risk Description | Existing Controls in place | Consequence | Likelihood | Rating | Additional Controls to be put in place | Consequence | Likelihood | Revised Rating | Priority | Resp | Timeframe |
|-----|------------------|--|-------------|------------|--------|--|-------------|------------|----------------|----------|------|-----------|
| | | <ul style="list-style-type: none"> National Police Checks for staff that are not subjected to DCSI employment screening checks. Enforcement Policy Completion of Enforcement Matrix to assist with decision of most appropriate enforcement strategy with consideration of the Enforcement Policy. Code of Conduct for Board Members and Staff Application of the Food Business Risk Classification System Policy Register including regular reviews Regular meetings with staff regarding use of delegated authority. Maintain and distribute list of applicable legislation & legal obligations. All non-complicance and best practice recommendations resulting from Governance Review have been implemented. Date Completed: 22/08/2019. | | | | | | | | | | |

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Eastern Health Authority Corporate Risk Summary

| Ref | Risk Description | Existing Controls in place | Consequence | Likelihood | Rating | Additional Controls to be put in place | Consequence | Likelihood | Revised Rating | Priority | Resp | Timeframe |
|-----|----------------------------|---|-------------|------------|--------|--|-------------|------------|----------------|------------------------------|----------------------------------|--|
| 2. | WH&S not properly managed. | Safety and Security <ul style="list-style-type: none"> Building Security Procedures in place including monitored security alarm and access tags which are audited. Duress alarms at reception. Worksafe Guardian – offsite duress monitoring system. Minimal cash on site at all times. Staff training and awareness including dealing with aggressive people and Fire Safety. Regular inspection audits undertaken of all equipment. Internal Audit process conducted every 3 years. WHS System reviewed in regard to legislative changes. Annual Capital budget to provide for capital replacements as needed. (building and equipment maintenance). WH&S 3 year plan. | 5 | B | HIGH | <ul style="list-style-type: none"> Ongoing Review and development of WH&S policies. Response team to be developed to deal with aggressive situations in short timeframe. Review of EH WHS Procedures to align with industry standards. Updated the WHS staff induction presentation. Development of 3 Step WHS Risk Assessment. All staff to be educated in the implementation of the tool. Development and implementation of Operational COVID-19 Safe Plan. Development and implementation of | 4 | C | HIGH | 1 2 1 2 | MT MT NC MT | Ongoing June 2021 Dec 2020 Dec 2020 |

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Eastern Health Authority Corporate Risk Summary

| Ref | Risk Description | Existing Controls in place | Consequence | Likelihood | Rating | Additional Controls to be put in place | Consequence | Likelihood | Revised Rating | Priority | Resp | Timeframe |
|-----|------------------|--|-------------|------------|--------|--|-------------|------------|----------------|----------|------|-----------|
| | | <ul style="list-style-type: none"> Participation in Emergency Management Planning Committee meetings for St Peters Town Hall Complex. Emergency Management Plan. <p><i>Staff Health</i></p> <p>Health policy in place including:</p> <ul style="list-style-type: none"> All staff offered annual flu vaccinations. At risk staff offered Hepatitis A & B and Diphtheria, Tetanus and Pertussis vaccinations as required. Immunisation History of all staff requested, and vaccinations offered. Inform staff to stay home if sick. Participation in CHG Health Lifestyle Programs including Health Assessments and Skin | | | | Working Remotely policy and checklist. | | | | | | |

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Eastern Health Authority Corporate Risk Summary

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|-----|------------------------------|--|-------------|------------|----------|---|-------------|------------|----------------|----------|------|-----------|
| | | <ul style="list-style-type: none"> ○ Ergonomic Workstation Assessments ○ Personal Protective Equipment. ○ WHS on all Team Meeting Agendas. ○ First Aid Kits in office and all motor vehicles. ○ Safe Operating Procedures specific for each area. ○ Annual CPR training. ○ Manual Handling Update. ○ WHS Training Register. <p><i>Other.</i></p> <ul style="list-style-type: none"> • Risk Assessments undertaken for all function activities. • Maintain and distribute list of applicable WHS legislation & legal obligations. | | | | | | | | | | |
| 3. | Business Plan objectives not | <ul style="list-style-type: none"> • Annual Business Plan in place. | 3 | C | MODERATE | <ul style="list-style-type: none"> • Service Improvement Review for all programs, services | 3 | C | MODERATE | 1 | CEO | June 2021 |

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Eastern Health Authority Corporate Risk Summary

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|-----|-------------------------------|---|-------------|------------|----------|--|-------------|------------|----------------|----------|------|-----------|
| | appropriate or not achieved. | <ul style="list-style-type: none"> Annual Business Plan supported by appropriate Budget. Annual review of Annual Business Plan undertaken including requests for input from Constituent Councils. Annual Report detailing activities and achievements. Annual evaluation of EHA's performance against the performance measures contained within the Business Plan Organisational structure provides effective leadership. Benchmarking/Comparison Report developed and presented to the Board of Management. Quarterly meeting with Constituent Council Contacts to maintain communication and provide updates. Minutes taken and distributed. | | | | and activities to be undertaken. (rescheduled to 2020/2021) | | | | | | |
| 4. | Unfavourable financial impact | <ul style="list-style-type: none"> Report to Board and Constituent Councils on | 3 | C | MODERATE | <ul style="list-style-type: none"> Continue to identify opportunities for | 3 | C | MODERATE | 1 | MT | Ongoing |

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Eastern Health Authority Corporate Risk Summary

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|-----|---|--|-------------|------------|--------|--|-------------|------------|----------------|----------|------|-----------|
| | due to changes in government policy or changes to service provision arrangements. | financial and operational impact of changes to government policy. <ul style="list-style-type: none"> Regular financial reporting to the Board and Audit Committee. Statutory Budget reviews undertaken. Long Term Financial Plan (LTFP) in place and reviewed annually. Annual Capital budget to provide for capital replacements as needed and for building and equipment maintenance. External Audit conducted annually. Grant funding opportunities monitored. Public image/Reputation maintained through: <ul style="list-style-type: none"> Internet Web site. Revision of information material. Promotion of services at Constituent Councils. | | | | other board membership and participation on other committees for networking. | | | | | | |

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Eastern Health Authority Corporate Risk Summary

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|-----|------------------|--|-------------|------------|--------|--|-------------|------------|----------------|----------|------|-----------|
| | | <ul style="list-style-type: none"> Quarterly meeting with Constituent Council Contacts to maintain communication and provide updates. Minutes taken and distributed. Ongoing exploration of new/expanded income opportunities (subject to Charter compliance). Participation on Committees for Networking and education including: <ul style="list-style-type: none"> Eastern Hoarding and Squalor Regional Public Health Planning Committee. Immunisation Providers Network. Immunisation Administration Network. Environmental Health Managers Forum including sub-committees. Environmental Health Australia state conference committee. | | | | | | | | | | |

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|-----|--|---|-------------|------------|--------|--|-------------|------------|----------------|----------|-----------|----------------------|
| | | <ul style="list-style-type: none"> ○ LGA/SIP Providers Strategic Working Group ○ Annual Food Auditors Forum ○ LGA/SIP Providers Strategic Working Group ○ COVID-19 LGRS operational Briefings | | | | | | | | | | |
| 5. | Inability to recruit and retain appropriately qualified staff. | <ul style="list-style-type: none"> • Appropriate Staff recruitment process. • Appropriate Staff induction process. • Use of SEEK.COM for ongoing recruitment. • Comply with Awards and annual Award wage increases. • Professional development opportunities provided including study. | 4 | C | HIGH | <ul style="list-style-type: none"> • Conduct formal exit interviews. • Succession Plan for CEO in place. | 3 | C | MODERATE | 1 2 | NC CEO | Dec 2020 Dec 2020 |

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|-----|---------------------------|--|-------------|------------|----------|--|-------------|------------|----------------|----------|------|-----------|
| | | <ul style="list-style-type: none"> Create team work ethos/innovative culture. Establish an intranet for internal communication. Code of Conduct and other staff policies in place. General Staff Meetings held bi-monthly – Agenda item ‘Successes and Achievements’. Individual Performance Development process including identification of training needs. Staff Social Club functions. Annual Review of Job Descriptions. Continue to engage with tertiary providers of EHOs. Use of skilled agency staff for Immunisation roles. Staff engagement survey offered to all staff. | | | | | | | | | | |
| 6. | A significant, unplanned, | <ul style="list-style-type: none"> Business Continuity Plan (BCP). | 3 | B | MODERATE | <ul style="list-style-type: none"> Review BCP Note: Revised BCP | 3 | C | MODERATE | 1 | MT | Dec 2020 |

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|-----|---|---|-------------|------------|--------|---|-------------|------------|----------------|-----------------------|-------------------------------|---|
| | adverse event threatens operations of the organisation. | <ul style="list-style-type: none"> Public Health Functional Emergency Management Plan (currently under review). St Peters Town Hall Complex Facility Emergency Management Plan (EMP). Monitored fire alarm in place. Building evacuation and situation drills. Cloud based CIT environment including Disaster Recovery Module. IT back-up tapes off site and offsite storage of records. Preventative Maintenance Plans in place for building and equipment and regular inspections. Appropriate building, asset and business insurance in place. Key staff have mobile phones. Call diversion facility with Optus for business phones. Active monitoring of CIT environment by Comunet. | | | | <ul style="list-style-type: none"> provided by LGRS. Revised document currently being reviewed to align with COVID-19 implications. Test of the BCP to be undertaken affecting whole organisation (COVID 19). Review of Functional Emergency Management Plan (currently under review). CIT Disaster Recovery Plan in final stage of development. Cyber Risk Assessment Action Plan – All High risk resolved and moderate risks in process of being resolved. Small | | | | 3 4 2 2 2 | MT MT CEO CEO CEO | Dec 2020 June 2021 Dec 2020 Dec 2020 Dec 2020 |

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|-----|------------------|--|-------------|------------|--------|---|-------------|------------|----------------|----------|------|-----------|
| | | <ul style="list-style-type: none"> Fraud/Cyber Awareness Training | | | | <p>number of low risks outstanding.</p> <ul style="list-style-type: none"> Business Interruption Insurance Limits Review to be conducted – Awaiting documentation from LGRS contractor. Independent review of risk environment to be conducted - Awaiting documentation from LGRS contractor. | | | | | | |

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|-----|--|--|-------------|------------|--------|--|-------------|------------|----------------|----------|------|-----------|
| 7. | Inadequate business processes and systems to deliver services. | <ul style="list-style-type: none"> Policy Manual. Internal Controls Register to manage risks. eg. fraud Standard Operating Procedures. Induction program to ensure all staff trained in correct use of organisational systems, Policies and Standard Operating Procedures. EHA High Performance Framework and Individual Performance Management Plan for all staff. Use of LGCS purchasing arrangements. Legal advice available when needed. Corporate Risk Summary. External Financial Audit undertaken. Service Agreement in place for maintenance of CIT systems. Gap analysis undertaken on all policies and procedures | 4 | C | HIGH | <ul style="list-style-type: none"> Service Improvement Review for all programs, services, activities. <i>(rescheduled to 2020/2021)</i>Efficiency and Effectiveness Review. <i>(rescheduled to 2020/2021)</i>Explore the implementation of the Lean principles to identify areas of improvement and efficiencies. | 3 | B | MODERATE | 1 | CEO | June 2021 |
| | | | | | | | | | | 2 | MT | June 2021 |
| | | | | | | | | | | 2 | MT | June 2021 |

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|-----|------------------|----------------------------|-------------|------------|--------|--|-------------|------------|----------------|----------|------|-----------|
| | | | | | | | | | | | | |

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5.6 PUBLIC INTEREST DISCLOSURE PROCEDURE

Author: Michael Livori

Ref: AF20/63

Summary

The *Public Interest Disclosure Act 2018* (the PID Act) along with the *Public Interest Disclosure Regulations 2019* (the PID Regulations) came into effect on 1 July 2019. The PID Act, which repealed and effectively replaced the *Whistleblowers Protection Act 1993*, facilitates the disclosure of public interest information regarding certain persons, authorities and other matters. It provides increased protections for people who make disclosure in certain ways and sets out processes for dealing with such disclosures.

While the procedural requirements of the PID Act do not strictly apply to subsidiaries, including Eastern Health Authority (EHA), it is pertinent for EHA to implement a procedure to manage public interest disclosures in line with the relevant legislation. The draft Public Interest Disclosure Procedure (the Procedure) is intended to replace EHA's existing *Whistleblowers Protection Policy* and provide a mechanism for EHA to appropriately receive and handle public interest disclosures.

EHA has sought the assistance of Norman Waterhouse Lawyers to prepare a draft of the Procedure.

It is recommended that the Audit Committee recommend to the Board that it adopts the Procedure as presented at Attachment 1 to this report.

Report

The PID Act, along with the PID Regulations, came into effect on 1 July 2019. The PID Act repealed the *Whistleblowers Protection Act 1993*. The PID Act establishes a scheme that encourages and facilitates the disclosure of public interest information regarding certain persons, authorities and other matters, to 'relevant authorities' (a public interest disclosure). It provides increased protections for people who make a public interest disclosure and prescribes processes for dealing with such disclosures.

The procedural requirements of the PID Act only apply to public sector agencies and local government councils. These requirements do not strictly apply to subsidiaries, however, it is appropriate for EHA to develop a procedure that is consistent with the obligations of its constituent councils. Further, for the purposes of consistency and transparency, it is prudent for EHA to implement a mechanism for the receipt and handling of public interest disclosures made by informants.

The Procedure establishes that the Chief Executive Officer is responsible for public interest disclosures made to Board Members or employees of EHA. It provides a mechanism for the Chief Executive Officer, Board Members and employees to receive and handle public interest disclosures. As the Procedure is intended to replace EHA's existing *Whistleblowers*

Protection Policy, it also provides for appropriate protections for informants of public interest disclosures.

In summary, outside of the standard policy clauses, the Procedure outlines the following:

- Scope of the Procedure;
- Types of Disclosures;
- Responsibilities (of the Chief Executive Officer, Board Members and Employees);
- Disclosure Process;
- Confidentiality and Protection for the Informant;
- Receipt of a Disclosure; and
- Securing Handling and Storage of Information.

It is recommended that the Audit Committee recommend to the EHA Board of Management that it adopts the draft Procedure as presented at Attachment 1 to this report.

RECOMMENDATION

That the Eastern Health Authority Board of Management adopts the Public Interest Disclosure Procedure as provided for in Attachment 1 to this report.

PUBLIC INTEREST DISCLOSURE PROCEDURE**1****PUBLIC INTEREST DISCLOSURE PROCEDURE**

| | |
|--|--|
| Procedure Reference | GOVP01 |
| Date of initial Board Adoption | |
| Minutes Reference | |
| Date of Audit Committee endorsement (if applicable) | 26 August 2020 |
| Date last reviewed by Eastern Health Authority Board of Management | |
| Applicable legislation | <i>The Public Interest Disclosure Act 2019</i> <i>Public Interest Disclosure Regulations 2019</i> |

Chief Executive Officer - Statement of Intent

This Procedure has been prepared with regard to the *Public Interest Disclosure Act 2018* (PID Act).

This Procedure is designed to encourage and facilitate:

- further transparency and accountability in EHA's administrative and management practices; and
- the disclosure, in the public interest, of information about substantial risks to public health or safety, or to the environment, and about corruption, misconduct and maladministration in public administration

I, and the other staff, officers and board members at EHA remain deeply committed to the protection of informants who make disclosures in accordance with the PID Act, and to the genuine and efficient consideration and action in relation to such disclosures

Any questions about this Procedure can be directed in the first instance to me as Chief Executive Officer of EHA.

Michael Livori
Chief Executive Officer, Eastern Health Authority

PUBLIC INTEREST DISCLOSURE PROCEDURE

2

1. INTRODUCTION

1.1 EHA is committed to:

- upholding the principles of transparency and accountability in its administrative and management practices;
- the protection of informants who make appropriate disclosures of public interest information; and
- the genuine and efficient consideration and action in relation to information provided in an appropriate disclosure of public interest information;
- encouraging the making of appropriate disclosures of public interest information in accordance with the PID Act and this Procedure.

1.2 This document explains the applicable procedures and processes that EHA has in place in relation to how appropriate disclosures of public interest information are to be made and dealt with.

2. SCOPE

2.1 This Procedure applies to appropriate disclosures of public interest information that are made in accordance with the PID Act.

2.2 This Procedure is intended to complement the reporting framework under the ICAC Act and any PID policies or procedures of the Constituent Councils. This Procedure operates in conjunction with other relevant existing policies and procedures of EHA, including the:

- Code of Conduct for EHA Employees;
- Code of Conduct for Board Members; and
- Complaints Handling Policy.

3. DEFINITIONS

3.1 For the purposes of this Procedure the following definitions apply.

3.1.1 **board member** means a member of the Board of EHA;

3.1.2 **CEO** means the Chief Executive Officer of EHA;

3.1.3 **Constituent Council** means a Constituent Council of EHA, being:

- (a) The Corporation of the City of Norwood Payneham & St Peters;
- (b) City of Burnside;

PUBLIC INTEREST DISCLOSURE PROCEDURE

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- (c) The Corporation of the City of Campbelltown;
 - (d) City of Prospect; and
 - (e) The Corporation of the Town of Walkerville;
- 3.1.4 **corruption in public administration** has the same meaning as in the ICAC Act;
- 3.1.5 **disclosure** means an appropriate disclosure of public interest information made by an informant to a relevant authority within the meaning of the PID Act;
- 3.1.6 **EHA** means Eastern Health Authority;
- 3.1.7 **environmental and health information** means information that raises a potential issue of a substantial risk to the environment or to the health or safety of the public generally or a significant section of the public;
- 3.1.8 **ICAC Act** is the Independent Commissioner Against Corruption Act 2012;
- 3.1.9 **ICAC Directions and Guidelines** means the Directions and Guidelines for Public Officers issued by the Commissioner pursuant to the ICAC Act;
- 3.1.10 **informant** means a person who makes an appropriate disclosure of public interest information;
- 3.1.11 **maladministration in public administration** has the same meaning as in the ICAC Act;
- 3.1.12 **misconduct in public administration** is has the same meaning as in the ICAC Act.
- 3.1.13 **OPI** means the Office for Public Integrity;
- 3.1.14 **public administration information** means information that raises a potential issue of corruption, misconduct or maladministration in public administration;
- 3.1.15 **public interest information** means environmental and health information, or public administration information;
- 3.1.16 **PID Guidelines** means guidelines issued pursuant to the PID Act;
- 3.1.17 **PID Act** is the Public Interest Disclosure Act 2018;
- 3.1.18 **public officer** has the meaning as in the ICAC Act;
- 3.1.19 **relevant authority**, see clause 5.

PUBLIC INTEREST DISCLOSURE PROCEDURE

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4. TYPES OF DISCLOSURES

- 4.1 A person makes an appropriate disclosure of environmental and health information if the person:
 - 4.1.1 believes on reasonable grounds that the information is true; or
 - 4.1.2 is not in a position to form a belief on reasonable grounds about the truth of the information, but believes on reasonable grounds that the information may be true and is of sufficient significance to justify its disclosure so that its truth may be investigated; and
 - 4.1.3 the disclosure is made to a relevant authority.
- 4.2 A person makes an appropriate disclosure of public administration information if the person:
 - 4.2.1 is a public officer; and
 - 4.2.2 reasonably suspects that the information raises a potential issue of corruption, misconduct or maladministration in public administration; and
 - 4.2.3 the disclosure is made to a relevant authority.

5. RELEVANT AUTHORITY

- 5.1 A disclosure of public interest information relevant to EHA, and its employees, officers and board members is made to a relevant authority if it is made to:
 - 5.1.1 where the information relates to a public officer who is an employee or officer of EHA:
 - (a) a person who is, in accordance with any PID Guidelines, designated as a person who is taken to be responsible for the management or supervision of the public officer; or
 - (b) a person who is, in fact, responsible for the management or supervision of the public officer, including the Chief Executive Officer of EHA; or
 - 5.1.2 where the information relates to a public officer who is an elected member, employee or officer of a Constituent Council:
 - (a) a person who is, in accordance with any PID Guidelines, designated as a person who is taken to be responsible for the management or supervision of the public officer or to the responsible officer of the relevant Constituent Council; or

PUBLIC INTEREST DISCLOSURE PROCEDURE

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- (b) a person who is, in fact, responsible for the management or supervision of the public officer or to the responsible officer of the relevant Constituent Council; or
- 5.1.3 where the information relates to EHA - the Ombudsman; or
- 5.1.4 where the information relates to a location within the area of a Constituent Council - a member, officer or employee of the relevant Constituent Council; or
- 5.1.5 where the information relates to a risk to the environment - the Environment Protection Authority; or
- 5.1.6 where the information relates to an irregular and unauthorised use of public money or substantial mismanagement of public resources - the Auditor-General; or
- 5.1.7 where the information relates to the commission, or suspected commission, of any offence - a member of the police force; or
- 5.1.8 a Minister of the Crown; or
- 5.1.9 OPI
- 5.2 Disclosures relating to other persons can be made to such relevant authorities as identified in the PID Act. The Chief Executive Officer of EHA is able to assist in ensuring the disclosure is made to the relevant authority.

6. RECEIPT OF A DISCLOSURE

- 6.1 Upon receipt of an appropriate disclosure of public interest information it will be dealt with in accordance with the processes described in this Procedure and the PID Act.
- 6.2 A person to whom an appropriate disclosure of public interest information is made must assess the information as soon as practicable after the disclosure is made and, following such assessment:
 - 6.2.1 must take action in relation to the information in accordance with any applicable PID Guidelines or, if no applicable guidelines exist, take such action as is appropriate in the circumstances (unless no action is to be taken as provided under the PID Act); and
 - 6.2.2 must take reasonable steps to notify the informant (if the informant's identity is known) that an assessment of the information has been made and to advise the informant:

PUBLIC INTEREST DISCLOSURE PROCEDURE**6**

- (a) of the action being taken in relation to the information; or
 - (b) if, no action is being taken in relation to the information - of the reasons why no action is being taken in relation to the information; and
- 6.2.3 must provide OPI with information relating to the disclosure in accordance with any applicable PID Guidelines.
- 6.3 No action need be taken in relation to an appropriate disclosure of public interest information if:
 - 6.3.1 the information disclosed does not justify the taking of further action; or
 - 6.3.2 the information disclosed relates to a matter that has already been investigated or acted upon by a relevant authority and there is no reason to re-examine the matter or there is other good reason why no action should be taken in respect of the matter.
- 6.4 A person who takes action in relation to an appropriate disclosure of public interest information (or if such action consists of referring the disclosure to another person) the person to whom it is referred:
 - 6.4.1 must take reasonable steps to notify the informant (if the informant's identity is known) of the outcome of that action; and
 - 6.4.2 must provide OPI with information relating to the outcome of that action in accordance with any applicable PID Guidelines.
- 6.5 If a person believes that his or her disclosure is not being dealt with appropriately or in accordance with this Procedure, he or she is encouraged to contact the CEO in the first instance.
- 6.6 If a board member, employee or officer of EHA receives what they consider may be a disclosure of public interest information, the recipient of that information may refer the disclosure to the CEO or other relevant authority as appropriate to be dealt with in accordance with the PID Act.
- 6.7 The CEO will be the primary point of contact for liaising with any other relevant authority.

7. PROTECTION FOR INFORMANT**7.1 Confidentiality**

- 7.1.1 A person to whom an appropriate disclosure of public interest information is made or referred or who otherwise knows that such a disclosure has been made may not disclose the identity of an informant except:

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- (a) so far as may be necessary to ensure that the matters to which the information relates are properly investigated; or
- (b) in accordance with any applicable PID Guidelines.

7.2 Immunity

7.2.1 If a person makes:

- (a) an appropriate disclosure of environmental and health information; or
- (b) a public officer makes an appropriate disclosure of public administration information,

the person is not subject to any liability as a result of that disclosure.

7.3 Victimisation

- 7.3.1 A person who causes detriment to another on the ground or substantially on the ground that the other person or a third person has made or intends to make an appropriate disclosure of public interest information commits an act of victimisation.

8. HOW TO MAKE APPROPRIATE DISCLOSURE OF PUBLIC INTEREST INFORMATION

- 8.1 A disclosure may be made in person, by telephone or in writing (either by post or email).
- 8.2 Disclosures made in writing should be marked Public Interest Disclosure and either emailed or posted to the attention of the CEO as follows:
- CEO Mr Michael Livori
 - Telephone 8132 3600
 - Email mlivori@eha.sa.gov.au
 - Address 101 Payneham Road St Peters South Australia 5069

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- 9.1 The CEO must ensure details of disclosures and informants are securely and confidentially maintained as appropriate and in accordance with any applicable PID Guidelines.

10. OTHER MATTERS

- 10.1 A person who knowingly makes a disclosure that is false or misleading in a material particular is guilty of an offence and may be prosecuted.
- 10.2 EHA will take action as appropriate in the circumstances of the relevant Disclosure/s to protect informants from victimisation as defined in the PID Act, and/or from being hindered or obstructed in making a disclosure.

11. AVAILABILITY OF THE PROCEDURE

This Procedure will be available free of charge for inspection at EHA's Offices during ordinary business hours and via EHA's website www.eha.sa.gov.au. Copies will also be provided to the public upon request.

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Appendix A

Relevant Authorities¹

| Where the information relates to... | the relevant authority is... |
|---|---|
| <p>a public officer*</p> <p>*as defined and set out in Schedule 1 of the <i>Independent Commissioner Against Corruption Act 2012</i> - relevantly, this includes members, officers and employees of local government bodies</p> | <p>either:</p> <ul style="list-style-type: none"> the person who is designated by the PID Guidelines as being taken to be responsible for management or supervision of the public officer;² or the person who is in fact responsible for the management or supervision of the public officer; or the relevant responsible officer (as designated by the Constituent Council in accordance with section 12 of the PID Act) |
| a public sector agency or public sector employee | <p>either:</p> <ul style="list-style-type: none"> the Commissioner for Public Sector Employment; or the responsible officer for the relevant public sector agency |
| an agency to which the <i>Ombudsman Act 1972</i> applies | the Ombudsman |
| a location within the area of a particular council established under the <i>Local Government Act 1999</i> | a member, officer or employee of that Council |
| a risk to the environment | <p>the Environment Protection Authority</p> <p>the relevant Constituent Council where the information relates to a location within that Constituent Council's area</p> |
| an irregular and unauthorised use of public money or substantial mismanagement of public resources | the Auditor-General |
| the commission, or suspected commission, of any offence | a member of the police force |
| a judicial officer | the Judicial Conduct Commissioner |
| a member of Parliament | the Presiding Officer of the House of Parliament to which the member belongs |

¹ In all cases, there will be multiple applicable Relevant Authorities to whom an Informant may choose to make a Disclosure.

² Presently, no persons have been designated.

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| Where the information relates to... | the relevant authority is... |
|--|--|
| a person or a matter of a prescribed class ³ | an authority declared by the regulations to be a relevant authority in relation to such information |
| <p>public interest information - being:</p> <ul style="list-style-type: none"> • environmental and health information (information that raises a potential issue of a substantial risk to the environment or to the health or safety of the public generally or a significant section of the public); or • public administration information (information that raises a potential issue of corruption, misconduct or maladministration in public administration) | <ul style="list-style-type: none"> • the OPI; • a Minister of the Crown; or • any other prescribed person or person of a prescribed class |

³ Presently, no prescribed persons or classes have been identified