



Audit Committee Meeting

17 May 2023



local councils working together to protect the health of the community



**EASTERN HEALTH AUTHORITY
AUDIT COMMITTEE MEETING**

Wednesday 17 May 2023

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 17 May 2023 commencing at 5:00pm.

**MICHAEL LIVORI
CHIEF EXECUTIVE OFFICER**

AGENDA

EASTERN HEALTH AUTHORITY AUDIT COMMITTEE MEETING

Wednesday 17 May 2023

Commencing at 5:00 pm

1 Opening

2 Acknowledgement of Traditional Owners

We acknowledge this land that we meet on today is the traditional land of the Kurna People and that we respect their spiritual relationship with their country.

3 Opening Statement

We seek understanding and guidance in our debate, as we make decisions for the management of the Eastern Health Authority, that will impact the public health on those that reside, study, work in and visit the constituent councils that the Eastern Health Authority Charter provides services to.

4 Apologies

5 Presiding Member's Remarks

6 Minutes

7 Reports

7.1 Finance Report and Second (December 2022) Budget Review for 2022/2023.....	10
7.1 Attachment 1.....	13
7.2 Attachment 2.....	16
7.3 Attachment 3.....	19

7.2	Draft Annual Business Plan and Budgeted Financial Statements for 2023/2024.....	20
	7.2 Attachment 1.....	26
7.3	Finance Report And Third And Final (March 2023) Budget Review for 2022/2023.....	50
	7.3 Attachment 1.....	53
	7.3 Attachment 2.....	56
	7.3 Attachment 3.....	58
7.4	Eastern Health Authority Charter Review Update	59
	7.4 Attachment 1.....	60
7.5	Appointment of External Auditor For 2023-2024.....	151
7.6	EHA FY 2023 Workplan	154

8 Closure of meeting

EASTERN HEALTH AUTHORITY

Minutes of the Meeting of the Audit Committee of Eastern Health Authority (EHA) held at EHA Offices, 101 Payneham Road, St Peters on 7 December 2022 commencing at 5:00pm.

MEMBERS PRESENT:

Paula Davies
Madeleine Vezis

In attendance:

M Livori	Chief Executive Officer
K Paparella	Team Leader Administration and Immunisation
N Conci	Team Leader Environmental Health

1 OPENING:

The meeting was declared open by Madeleine Vezis at 4:59pm.

2 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS:

We acknowledge this land that we meet on today is the traditional land of the Kaurna People and that we respect their spiritual relationship with their country.

3 OPENING STATEMENT:

We seek understanding and guidance in our debate, as we make decisions for the management of the Eastern Health Authority, that will impact the public health on those that reside, study, work in and visit the constituent councils that the Eastern Health Authority Charter provides services to.

4 APOLOGIES:

Cr Peter Cornish	City of Burnside
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5 PRESIDING MEMBER'S REMARKS

5 CONFIRMATION OF MINUTES:

Paul Davies moved:

That:

The minutes of the meeting of the Audit Committee Meeting held on 22 August 2022 be taken as read and confirmed.

Seconded by Madeleine Vezis

CARRIED UNANIMOUSLY 1: 122022

6 MATTERS ARISING FROM THE MINUTES:

7 REPORTS

7.1 FINANCE REPORT AND FIRST (SEPTEMBER 2020) BUDGET REVIEW FOR 2020/2021

Madeleine Vezis moved:

That:

1. The Finance Report and First (September 2022) Budget Review for 2022/2023 report be received.
2. The revised financial forecast for 2022/2023 is noted.

Seconded by Paula Davies

CARRIED UNANIMOUSLY 2: 122022

7.2 LONG-TERM FINANCIAL PLAN REVISED FINANCIAL ESTIMATES

Paula Davies moved:

That:

1. Long-Term Financial Plan revised financial estimates report is received.

Seconded by Madeleine Vezis

CARRIED UNANIMOUSLY 3: 122022

7.3 EASTERN HEALTH AUTHORITY 2020 CHARTER REVIEW UPDATE

Madeleine Vezis moved:

That:

1. The Eastern Health Authority 2020 Charter Review Update Report is received.

Seconded by Paula Daves

CARRIED UNANIMOUSLY 4: 122022

7.4 RISK AND OPPORTUNITY MANAGEMENT – UPDATED CORPORATE RISK SUMMARY

Paula Davies moved:

That:

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

Seconded by Madeleine Vezis

CARRIED UNANIMOUSLY 5: 122022

7.5 REVIEW OF EASTERN HEALTH AUTHORITY INTERNAL CONTROLS REGISTER

Madeleine Vezis moved:

That:

1. The report regarding the Review of Eastern Health Authority Internal Controls Register is received

Seconded by Paula Davies

CARRIED UNANIMOUSLY 6: 122022

7.6 UPDATE ON AUDIT FINDING RECOMMENDATIONS

Paula Davies moved:

That:

1. The Update on Audit Findings Recommendations report is received

Seconded by Madeleine Vezis

CARRIED UNANIMOUSLY 7: 122022

8 EHA FY2022 WORKPLAN

NIL

7 OTHER BUSINESS

NIL

8 CLOSURE OF MEETING

Meeting closed at 5:52pm.

7.1 FINANCE REPORT AND SECOND (DECEMBER 2022) BUDGET REVIEW FOR 2022/2023

Author: Michael Livori

Ref: AF21/87

Summary

So that members can ensure that Eastern Health Authority (EHA) is operating according to its adopted budget, financial performance is regularly monitored, and statutory budget reviews are considered.

In accordance with regulation 9 of the *Local Government (Financial Management) Regulations 2011*,

- (1) *A council, council subsidiary or regional subsidiary must prepare and consider the following reports:*
- (a) *at least twice, between 30 September and 31 May (both dates inclusive) in the relevant financial year (where at least 1 report must be considered before the consideration of the report under sub regulation (1)(b), and at least 1 report must be considered after consideration of the report under sub regulation (1)(b))—a report showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances;*
 - (b) *between 30 November and 15 March (both dates inclusive) in the relevant financial year—a report showing a revised forecast of each item shown in its budgeted financial statements for the relevant financial year compared with estimates set out in the budget presented in a manner consistent with the Model Financial Statements.*

This report provides the second of the budget reviews required in accordance with regulation 9 (1) and relates to the financial performance of EHA between 1 July 2022 and 31 December 2022. It provides the opportunity to amend the adopted budget in line with revised projections of income and expenditure for the 2022/2023 financial year. The report was considered by the Board of Management at its meeting held on 22 February 2022.

Report

The report below gives a simple analysis of year-to-date income, expenditure, and operating result.

Eastern Health Authority - Financial Statement (Level 1)				
1 July 2022 to 31 December 2022				
	Actual	Budgeted	\$ Variation	% Variation
Total Operating Expenditure	\$1,267,971	\$1,303,501	(\$35,529)	-3%
Total Operating Income	\$1,148,230	\$1,154,750	(\$6,520)	-1%
Operating Result	(\$119,741)	(\$148,750)	\$29,009	-20%

The report shows that for the reporting period income was \$6,520 (-1%) less than budgeted and expenditure was \$35,529 (-3%) less than budgeted. The net result is a variation of \$29,009 (-20%) on the budgeted year to date comparative operating result.

A more detailed report is provided as attachment 1. The report provides detail on year to date performance of individual budget lines. Any YTD variation greater than \$5,000 is detailed in the table below with explanatory comments.

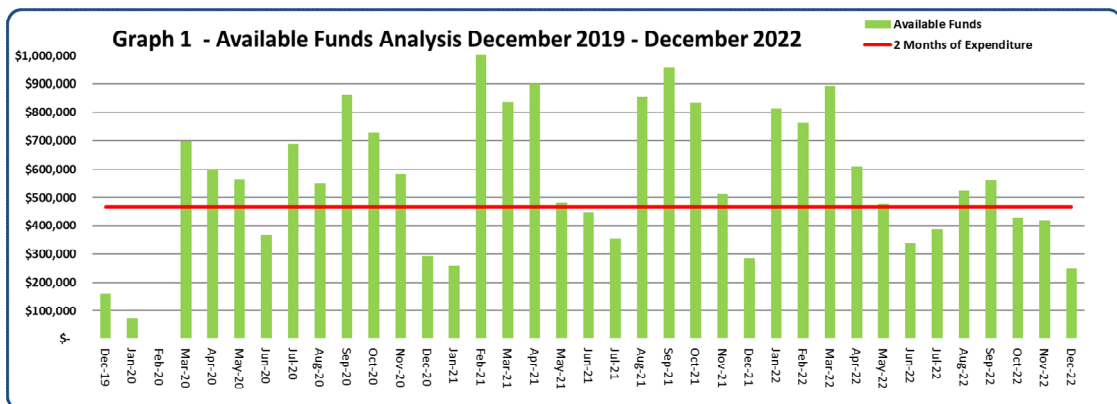
The 2022/2023 budget is provided as attachment 2.

Summary Table of Funding Statement Variations				
Favourable variances are shown in green and unfavourable variances are shown in red.				
Description	YTD Budget	YTD Actual	Variation	Comment
Income				
Food Inspection Fees	\$60,000	\$48,118	(\$13,882)	Decrease in YTD inspections due to reduced staff availability. No variation requested at this point in time.
Fines and Expiations	\$25,000	\$10,754	(\$14,245)	Decrease in YTD expiations issued. No variation requested at this point in time.
Immunisation Clinic Vaccines	\$30,000	\$46,763	\$16,763	Increase in sale of vaccines at public clinics. No variation requested at this point in time.
Food Auditing	\$56,000	\$62,666	\$6,667	Increase in YTD income. No variation requested at this point in time.
Total of Income Variations Requested				\$0K
Expenditure				
Employee Costs	\$906,704	\$1,007,000	(\$15,217)	Time taken to replace vacant positions. No variation requested at this point in time.
Total of Expenditure Variations Requested				\$0K
Net Result of Variation Requested				\$0K

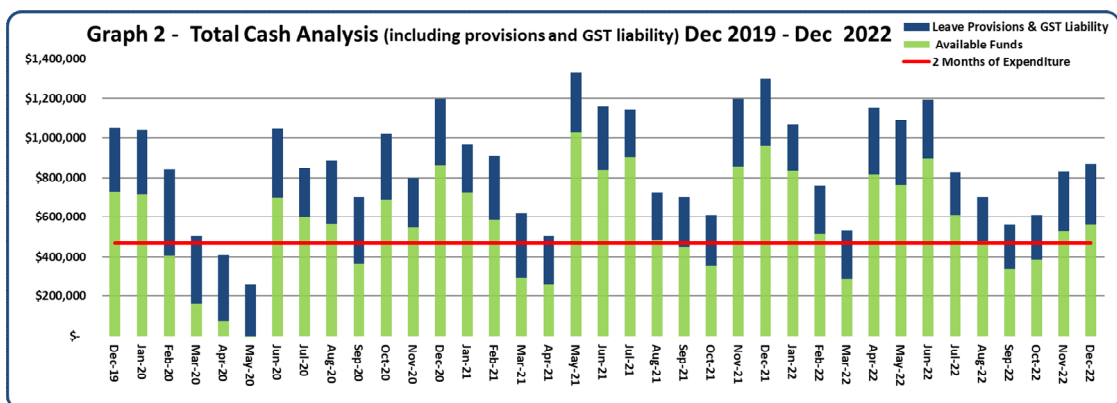
Cash Management

A Bank Reconciliation and Available Funds report for the period ending 31 December 2022 is provided as attachment 3. It shows that on 31 December 2022 available funds were \$250,065 in comparison with \$558,929 on 30 September 2022.

Graph 1 which follows details the level of available funds (total cash minus leave provisions and GST liability) for the preceding 3-year period.



Graph 2 below details the total level of cash on hand including leave provisions and GST liability.



The red line in both graphs indicates the target minimum levels of cash that are recommended to be held for working capital (equivalent to 2 months expenditure). The graphs show that the lowest levels of cash available in the annual cash cycle have generally maintained this target.

RECOMMENDATION

That:

1. The Finance Report and Second (December 2022) Budget Review Report for 2022/2023 be received.

Eastern Health Authority - Financial Statement (Level 3) 1 July 2022 to 31 December 2022				
Income	Actual	Budgeted	\$ Variation	% Variation
Constituent Council Income				
City of Burnside	\$247,117	\$247,117	\$0	0%
City of Campbelltown	\$226,593	\$226,593	\$0	0%
City of NPS	\$292,105	\$292,105	\$0	0%
City of Prospect	\$107,370	\$107,370	\$0	0%
Town of Walkerville	\$40,816	\$40,816	\$0	0%
Total Constituent Council Contributions	\$914,000	\$914,000	\$0	0%
Statutory Charges				
Food Inspection fees	\$48,118	\$62,000	(\$13,882)	-22%
Legionella registration and Inspection	\$4,580	\$4,500	\$80	2%
SRF Licenses	\$135	\$2,000	(\$1,865)	-93%
Fines & Expiation Fees	\$10,755	\$25,000	(\$14,245)	-57%
Total Statutory Charges	\$63,588	\$93,500	(\$29,912)	-32%
User Charges				
Immunisation: Service Provision	\$35,250	\$35,250	\$0	0%
Immunisation: Clinic Vaccines	\$47,603	\$30,000	\$17,603	59%
Food Auditing	\$62,667	\$56,000	\$6,667	12%
Total User Charges	\$145,520	\$121,250	\$24,270	20%
Grants, Subsidies, Contributions				
Immunisation:ACIR	\$13,452	\$15,000	(\$1,548)	-10%
PHN Project	\$2,000	\$2,000	\$0	0%
Total Grants, Subsidies, Contributions	\$15,452	\$17,000	(\$1,548)	-9%
Investment Income				
Interest on investments	\$5,767	\$3,500	\$2,267	65%
Total Investment Income	\$5,767	\$3,500	\$2,267	65%
Other Income				
Motor Vehicle re-imbursements	\$1,818	\$2,000	(\$182)	-9%
Sundry Income	\$2,085	\$3,500	(\$1,415)	-40%
Total Other Income	\$3,903	\$5,500	(\$1,597)	-29%
Total Income	\$1,148,230	\$1,154,750	(\$6,520)	-1%

Eastern Health Authority - Financial Statement (Level 3) 1 July 2022 to 31 December 2022				
Expenditure	Actual	Budgeted	\$ Variation	% Variation
Employee Costs				
Salaries & Wages	\$822,942	\$890,000	(\$67,058)	-8%
Superannuation	\$85,986	\$87,500	(\$1,514)	-2%
Workers Compensation	\$10,005	\$9,000	\$1,005	11%
Employee Leave - LSL Accruals	\$9,675	\$9,500	\$175	2%
Medical Officer Retainer	\$0	\$1,500	(\$1,500)	-100%
Agency Staff	\$31,743	\$0	\$31,743	0%
Total Employee Costs	\$960,350	\$997,500	(\$37,150)	-4%
Prescribed Expenses				
Auditing and Accounting	\$12,575	\$11,000	\$1,575	0%
Insurance	\$26,288	\$25,250	\$1,038	100%
Maintenance	\$1,084	\$4,000	(\$2,916)	-73%
Vehicle Leasing/maintenance	\$39,601	\$36,500	\$3,101	300%
Total Prescribed Expenses	\$79,548	\$76,750	\$2,798	4%
Rent and Plant Leasing				
Electricity	\$3,502	\$3,333	\$169	5%
Plant Leasing Photocopier	\$1,341	\$2,000	(\$660)	-33%
Rent	\$18,687	\$18,333	\$354	2%
Water	\$0	\$150	(\$150)	-100%
Gas	\$0	\$1,350	(\$1,350)	-100%
Total Rent and Plant Leasing	\$23,530	\$25,166	(\$1,637)	-7%
IT Licensing and Support				
IT Licences	\$37,429	\$38,000	(\$572)	-2%
IT Support	\$25,582	\$26,000	(\$418)	-2%
Internet	\$6,944	\$5,000	\$1,944	39%
IT Other	\$291	\$1,000	(\$709)	-71%
Total IT Licensing and Support	\$70,245	\$70,000	\$245	0%
Administration				
Administration Sundry	\$5,625	\$3,000	\$2,625	87%
Accreditation Fees	\$2,771	\$1,500	\$1,271	85%
Board of Management	\$9,905	\$7,500	\$2,405	32%
Bank Charges	\$2,016	\$1,500	\$516	34%
Public Health Sundry	\$1,426	\$2,500	(\$1,074)	-43%
Fringe Benefits Tax	\$7,240	\$7,500	(\$260)	-3%
Health Promotion	\$0	\$2,250	(\$2,250)	-100%
Legal	\$7,371	\$10,000	(\$2,629)	-26%
Printing & Stationery & Postage	\$12,154	\$11,000	\$1,154	10%
Telephone	\$10,194	\$8,500	\$1,694	20%
Occupational Health & Safety	\$2,520	\$5,000	(\$2,480)	-50%
Rodenticide	\$718	\$1,000	(\$282)	-28%
Staff Amenities	\$2,077	\$3,500	(\$1,423)	-41%
Staff Training	\$6,869	\$11,000	(\$4,132)	-38%
Human Resource Sundry	\$6,595	\$9,833	(\$3,238)	-33%
Total Administration	\$77,481	\$85,584	(\$8,103)	-9%

Eastern Health Authority - Financial Statement (Level 3) 1 July 2022 to 31 December 2022				
Immunisation				
Immunisation SBP Consumables	\$4,519	\$5,000	(\$481)	-10%
Immunisation Clinic Vaccines	\$20,080	\$17,500	\$2,580	15%
Total Immunisation	\$24,599	\$22,500	\$2,099	9%
Income Protection	\$31,047	\$25,000	\$6,047	0%
Total Uniforms/Income protection	\$31,047	\$25,000	\$6,047	0%
Sampling				
Legionella Testing	\$1,277	\$1,000	\$277	28%
Total Sampling	\$1,277	\$1,000	\$277	28%
Total Materials, contracts and other expenses	\$1,267,971	\$1,303,501	(\$35,529)	-3%
Total Operating Income	\$1,148,230	\$1,154,750	(\$6,520)	-1%
Operating Result	(\$119,741)	(\$148,750)	\$29,009	-20%

EASTERN HEALTH AUTHORITY STATEMENT OF COMPREHENSIVE INCOME					
FOR THE YEAR ENDING 30 June 2023					
AUDITED RESULTS 2021/2022		ADOPTED BUDGET 2022/2023	SEPTEMBER REVIEW	DECEMBER REVIEW	REVISED BUDGET 2022/2023
	INCOME				
1,828,263	Council Contributions	1,828,000		-	1,828,000
111,391	Statutory Charges	185,000	-	-	185,000
295,541	User Charges	407,000	-	-	407,000
226,108	Grants, subsidies and contributions	301,000	-	-	301,000
4,320	Investment Income	7,000	-	-	7,000
3,585	Other Income	11,000	-	-	11,000
2,469,208	TOTAL INCOME	2,739,000	-	-	2,739,000
	EXPENSES				
1,750,609	Employee Costs	2,014,000	-	-	2,014,000
516,677	Materials, contracts and other expenses	608,000	-	-	608,000
46,752	Finance Charges	35,000	-	-	35,000
168,844	Depreciation	131,000	-	-	131,000
2,482,882	TOTAL EXPENSES	2,788,000	-	-	2,788,000
(13,674)	Operating Surplus/(Deficit)	(49,000)	-	-	(49,000)
	Net gain (loss) on disposal of assets	-	-	-	-
(13,674)	Net Surplus/(Deficit)	(49,000)	-	-	(49,000)
(13,674)	Total Comprehensive Income	(49,000)	-	-	(49,000)

EASTERN HEALTH AUTHORITY STATEMENT OF CASH FLOWS					
FOR THE YEAR ENDING 30 June 2023					
AUDITED RESULTS 2021/2022		ADOPTED BUDGET 2022/2023	SEPTEMBER REVIEW	DECEMBER REVIEW	REVISED BUDGET 2022/2023
	CASHFLOWS FROM OPERATING ACTIVITIES				
	Receipts				
1,828,263	Council Contributions	1,828,000	-	-	1,828,000
111,391	Fees & other charges	185,000	-	-	185,000
227,946	User Charges	407,000	-	-	407,000
4,044	Investment Receipts	7,000	-	-	7,000
226,108	Grants utilised for operating purposes	301,000	-	-	301,000
3,585	Other	11,000	-	-	11,000
	Payments				
(1,764,556)	Employee costs	(2,014,000)	-	-	(2,014,000)
(536,431)	Materials, contracts & other expenses	(608,000)	-	-	(608,000)
(48,367)	Finance Payments	(35,000)	-	-	(35,000)
51,983	Net Cash Provided/(Used) by Operating Activities	82,000	-	-	82,000
	CASH FLOWS FROM FINANCING ACTIVITIES				
	Loans Received	-	-	-	-
(74,132)	Repayment of Borrowings	(38,391)	-	-	(38,391)
(37,485)	Repayment of Finance Lease Liabilities	(82,000)	-	-	(82,000)
(111,617)	Net Cash Provided/(Used) by Financing Activities	(120,391)	-	-	(120,391)
	CASH FLOWS FROM INVESTING ACTIVITIES				
	Receipts				
	Sale of Replaced Assets	-	-	-	-
	Payments				
(82,379)	Expenditure on renewal / replacements of assets	-	-	-	-
-	Expenditure on new / upgraded assets	-	-	-	-
-	Distributions paid to constituent Councils	-	-	-	-
(82,379)	Net Cash Provided/(Used) by Investing Activities	-	-	-	-
(142,013)	NET INCREASE (DECREASE) IN CASH HELD	(38,391)	-	-	(38,391)
782,896	CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD	793,639	(152,756)	-	640,883
640,883	CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD	755,248	(152,756)	-	602,492

EASTERN HEALTH AUTHORITY STATEMENT OF FINANCIAL POSITION					
FOR THE YEAR ENDING 30 June 2023					
AUDITED RESULTS 2021/2022		ADOPTED BUDGET 2022/2023	SEPTEMBER REVIEW	DECEMBER REVIEW	REVISED BUDGET 2022/2023
	CURRENT ASSETS				
640,883	Cash and Cash Equivalents	755,248	(152,756)		602,492
231,080	Trade & Other Receivables	188,901	42,179	-	231,080
871,963	TOTAL CURRENT ASSETS	944,149	(110,577)	-	833,572
	NON-CURRENT ASSETS				
1,214,249	Infrastructure, property, plant and equipment	1,024,437	58,812	-	1,083,249
1,214,249	TOTAL NON-CURRENT ASSETS	1,024,437	58,812	-	1,083,249
2,086,212	TOTAL ASSETS	1,968,586	(51,765)	-	1,916,821
	CURRENT LIABILITIES				
133,225	Trade & Other Payables	163,940	(30,715)	-	133,225
289,466	Provisions	307,903	(18,437)	-	289,466
140,794	Borrowings	119,871	20,923	-	140,794
563,485	TOTAL CURRENT LIABILITIES	591,714	(28,229)	-	563,485
	NON-CURRENT LIABILITIES				
9,860	Provisions	21,716	(11,856)	-	9,860
961,297	Borrowings	794,444	103,612	-	898,056
971,157	TOTAL NON-CURRENT LIABILITIES	816,160	91,756	-	907,916
1,534,642	TOTAL LIABILITIES	1,407,874	63,527	-	1,471,401
308,478	NET CURRENT ASSETS/(CURRENT LIABILITIES)	352,435	(82,348)	-	270,087
551,570	NET ASSETS	560,712	(115,292)	-	445,420
	EQUITY				
551,570	Accumulated Surplus/(Deficit)	536,712	(34,142)	-	502,570
551,570	TOTAL EQUITY	536,712	(34,142)	-	502,570

EASTERN HEALTH AUTHORITY STATEMENT OF CHANGES IN EQUITY					
FOR THE YEAR ENDING 30 June 2023					
AUDITED RESULTS 2021/2022		ADOPTED BUDGET 2022/2023	SEPTEMBER REVIEW	DECEMBER REVIEW	REVISED BUDGET 2021/2022
	ACCUMULATED SURPLUS				
565,244	Balance at beginning of period	585,712	(34,142)		551,570
(13,674)	Net Surplus/(Deficit)	(49,000)	-	-	(49,000)
551,570	BALANCE AT END OF PERIOD	536,712	(34,142)	-	502,570
	TOTAL EQUITY				
565,244	Balance at beginning of period	585,712	(34,142)	-	551,570
(13,674)	Net Surplus/(Deficit)	(49,000)	-	-	(49,000)
551,570	BALANCE AT END OF PERIOD	536,712	(34,142)	-	502,570

Eastern Health Authority			
Bank Reconciliation as at 31 December 2022			
Bank SA Account No. 141/0532306840			
Balance as per Bank Statement 31 December 2022		\$	168,341.73
Less Outstanding cheques	\$	-	
Add Outstanding deposits	\$	-	
BALANCE PER General Ledger		\$	168,341.73
GST as 31 May 2022			
GST Collected	\$8,768.62		
GST Paid	<u>(\$12,789.54)</u>		
Net GST Claimable (Payable)	<u><u>(\$4,020.92)</u></u>		
Funds Available 30 September 2022			
Account	31-Dec-22	30-Sep-22	Variance
Bank SA Cheque Account	\$ 168,342	\$ 403,790	(\$235,448.29)
Local Government Finance Authority	\$ 385,070	\$ 381,539	\$3,530.58
Net GST Claimable (Payable)	\$ (4,020.92)	\$ 72,925.55	(\$76,946)
Long Service Leave Provision	(\$175,831.00)	(\$175,831.00)	\$0.00
Annual Leave Provision	(\$123,495.00)	(\$123,495.00)	\$0.00
TOTAL FUNDS AVAILABLE	\$ 250,065	\$ 558,929	(\$308,864)

7.2 DRAFT ANNUAL BUSINESS PLAN AND BUDGETED FINANCIAL STATEMENTS FOR 2023/2024

Author: Michael Livori
Ref: AF23/8

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 clause 8 states:

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 2023/2024 EHA Annual Business Plan (ABP) to date:

- On 8 March 2023, a Budget Workshop was held to provide Board Members with information in relation to the development of the 2023/2024 ABP and Budget.
- Subsequent to the workshop, the Board requested that a draft ABP and budget be formally endorsed by the Board of Management via a circular resolution, prior to being provided to Constituent Councils for consideration.
- On 3 April 2023 the Board of Management endorsed the draft ABP via circular resolution and provided to Constituent Councils for endorsement.

Content of the Draft Annual Business Plan 2023/2024

The EHA Board is required to adopt an Annual Business Plan and Budget each year to outline our objectives and activities for the financial year, our financial requirements and how we will measure our performance.

We have developed a series of strategic objectives, drawn from EHA's commitment to good governance under our Charter and our responsibilities under the *Regional Public Health and Wellbeing Plan 2020-2025*, which is prepared for and adopted by our Constituent Councils.

EHA is responsible for the 'Protection for Health' priorities in the Regional Public Health Plan, and this is reflected in our four key focus areas:

1. Public and environmental health services
2. Immunisation
3. Food safety
4. Governance and organisational development

We have prepared a Plan for the next 12 months that aligns to our strategic objectives within each focus area and guides the efficient and effective delivery of our day-to-day operations.

The Plan details the key influences that have been taken into account during its development as well as detailing the priorities that have been set for 2023-2024 (see table which follows).

Our 2023-24 Priorities

Focus Area	2023-24 Priorities
1. Public and Environmental Health Services	<ol style="list-style-type: none"> 1. Actively collaborate and participate in the newly formed State Interagency Hoarding and Squalor group. 2. Develop educational material to be communicated to swimming pool operators. 3. Continue to provide feedback to SA Health on the review of Public Health Regulations review as required. 4. Investigate the potential to educate the risks associated with high-risk Personal Care and Body Art high activities within local schools.
2. Immunisation	<ol style="list-style-type: none"> 1. Promotion of EHA's public immunisation clinic program through channels identified in the EHA Marketing Plan. 2. Continue to ensure the effective governance and delivery of EHA's public clinic immunisation program in accordance with the National Immunisation Program (NIP) Schedule. 3. Deliver School Immunisation Program (SIP) in accordance with the SA Health Service Agreement contract. 4. Develop a business case for the provision of immunisation services on behalf of non-Constituent Councils (dependent on available opportunities)
3. Food Safety	<ol style="list-style-type: none"> 1. Communicate and assist food businesses where required in understanding and preparing for the new legislative food management tools Standard 3.2.2a that will come into effect within 12 months: food safety supervisor; food handler training and records or evidence. 2. Develop new food safety educational videos to be made available on EHA's website. 3. Continue to collate a biennial food safety newsletter to be distributed to EHA's food businesses. 4. Investigate the potential to promote food safety within local schools.
4. Governance and Organisational Development	<ol style="list-style-type: none"> 1. In consultation with Constituent Councils, review and revise the EHA business planning and reporting framework. 2. Work with the Audit Committee and the Board to review and revise the financial indicators in the Long-Term Financial Plan. 3. Create a Chief Executive group with Constituent Council CEOs to channel information and bilateral communication. 4. Development of targeted quarterly performance report for Constituent Councils.

	5. Develop a presentation highlighting strengths and benefits of centralised service delivery model for Constituent Council Elected Members.
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As we are committed to continuous improvement, EHA plans to undertake further consultation with Constituent Councils throughout the year to review and refine our strategic objectives and adopt an improved business planning and reporting framework.

A summary of our 2023-24 budget is also included within this Plan.

Our performance against this Annual Business Plan will be reported in our Annual Report, which will be provided to Constituent Councils by 30 September 2024.

Budget Overview

The forecast for the 2023/2024 financial year is that EHA's operating result will be a break even result. A total of \$1,970,200 will be raised through contributions from our Constituent Councils. This represents a zero (7.7%) increase in overall collective contributions from the previous year.

Operating Activity	(\$'000s)
Total Income	\$2,822
Less	
Employee costs	\$2,091
Operating Expenditure	\$731
Depreciation	\$26
Net Surplus (Deficit)	(\$0)

The key assumptions that have been used to prepare the 2023-24 Budget are summarised below.

- CPI of 8.6%, equivalent to Adelaide CPI for period to 30 December 2022.
- Enterprise Agreement increase of 4.5%.
- 7.7% increase in overall contributions required from Constituent Councils.
- Use of Revised Contribution Formula which will have differing impacts on individual councils.
- Delivery of Immunisation Service Contracts to Unley Council and Adelaide Hills Council.
- Changes to 2023 and 2024 School Immunisation Program.

Budgeted Financial Statements can be found on pages 20-24 of the ABP document (provided as attachment 1) and consist of a Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows and Statement of Changes in Equity.

Funding the Business Plan and the Budget

The component of income required from Constituent Councils to fund EHA operations is determined by a formula contained within the EHA Charter. Aside for a 5% nominal administrative component that is shared equally (1% per council), costs are shared on a proportional basis, dependent upon the numbers of individual public health activities conducted by EHA on behalf of Constituent Councils.

As detailed previously, there is 7.7% increase in overall collective contributions requested from Constituent Councils for 2023/2024.

On a longer term perspective, and as seen in Table 1, the average increases in contributions requested for Constituent Councils over the last 10 financial years has been 2.28%.

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%
2021/2022	\$ 1,828,263	\$ 37,589	2.10%
2022/2023	\$ 1,828,000	\$ (263)	-0.01%
2023/2024	\$ 1,970,200	\$ 142,200	7.78%
Average Annual Increase for 10 year period			2.28%

Table 2 details the contribution required from each Constituent Council using the revised formula including the change from the previous year. While there is a 7.7% overall increase in contributions, the revised formula and changes to activity proportion has the effect of redistributing costs between constituent councils.

Table 2: Constituent Council proportion and contributions for 2023/2024

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Expenditure 2023/2024	\$ 2,848,500					
Less General Receipts 2023/2024 - Funding Statement D45	\$ 878,300					
Total Required Operating contributions 2023/2024	\$ 1,970,200					
Constituent Council Contribution proportion 2023/2024	27.89%	24.66%	31.65%	11.27%	4.52%	100.00%
Required Contribution 2023/2024	\$ 549,526	\$ 485,861	\$ 623,601	\$ 222,106	\$ 89,107	\$ 1,970,200
Change In Contribution from previous year						
Contribution proportion 2022/2023	27.04%	24.79%	31.96%	11.75%	4.47%	100.00%
Actual Contribution	\$ 494,233	\$ 453,186	\$ 584,210	\$ 214,740	\$ 81,631	\$ 1,828,000
Change in Contribution Proportion from previous FY	0.86%	-0.13%	-0.31%	-0.47%	0.06%	
Change in Contribution (\$)	\$ 55,292	\$ 32,676	\$ 39,391	\$ 7,366	\$ 7,475	\$ 142,200
Change in contributions (%)	11.19%	7.21%	6.74%	3.43%	9.16%	7.78%

Process from here

- The Draft ABP and Budget will be provided to Constituent Councils requesting any comment by 30 May 2023.
- Constituent Council feedback and a final budget will be considered for adoption at the Board of Management meeting to be held on 28 June 2023.

- 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 2023/2024 Report is received.

EASTERN HEALTH AUTHORITY ANNUAL BUSINESS PLAN AND BUDGET 2023/2024



Table of Contents

Introduction.....	2
<i>Keeping the community healthy – About EHA</i>	<i>2</i>
<i>Developing our 2023-24 Annual Business Plan</i>	<i>3</i>
<i>Key influences in 2023-24.....</i>	<i>4</i>
2023-2024 Annual Business Plan Overview.....	5
Focus Area 1 - Public and Environmental Health Services.....	6
Focus Area 2 - Immunisations.....	9
Focus Area 3 - Food Safety.....	12
Focus Area 4 - Governance and Organisational Development.....	15
Budget Overview	18
Funding the Annual Business Plan	19
2023-24 Budget	20

Introduction

Keeping the community healthy – About EHA

Eastern Health Authority (EHA) has a proud history of promoting and enforcing public health standards in Adelaide's eastern and inner northern suburbs.

We are a regional subsidiary established under the *Local Government Act 1999* and work across our Constituent Councils to protect the health and wellbeing of around 165,000 residents.

EHA is guided by the collective vision and commitment to public health and safety of our five Constituent Councils:

- City of Burnside
- Campbelltown City Council
- City of Norwood Payneham and St Peters
- City of Prospect
- Town of Walkerville

These councils have come together to prepare a shared Regional Public Health and Wellbeing Plan 2020-2025. EHA's role is covered in the Plan's strategic directions for Protecting Health and includes vital public and environment health services such as immunisation, hygiene and sanitation control, licensing and monitoring of Supported Residential Facilities (SRFs), and inspection and regulation of food premises.

EHA effectively manages the risk profile for public and environmental health and food safety across the region, having centralised services provided through a regional subsidiary model which is well recognised and valued by stakeholders.

With a single focus, and highly specialised and experienced staff, EHA is well-equipped to deal with the increasing diversity and complexity of public and environmental health on behalf of its Constituent Councils.

Key Statistics

Population Served	1632,600
Staffing	28 Staff (19 FTE)
Number of Inspections Undertaken	1,271
Number of Immunisations Administered	21,088
Total Budget	\$2,852K
Grant Funding Received	\$230K
User Income Generated	\$442K
Constituent Council Contributions	\$1,9448K

Developing our 2023-24 Annual Business Plan

EHA is governed by a Board of Management comprised of two members elected by each of our Constituent Councils. Our Charter is the formal agreement between the Councils about how EHA will operate and meet our obligations under the *Local Government Act 1999*.

The EHA Board is required to adopt an Annual Business Plan and Budget each year to outline our objectives and activities for the financial year, our financial requirements and how we will measure our performance.

We have developed a series of strategic objectives, drawn from EHA's commitment to good governance under our Charter and our responsibilities under the *Regional Public Health and Wellbeing Plan 2020-2025*, which is prepared for and adopted by our Constituent Councils. EHA is responsible for the 'Protection for Health' priorities in the Regional Public Health Plan, and this is reflected in our four key focus areas:

1. Public and environmental health services
2. Immunisation
3. Food safety
4. Governance and organisational development

In consultation with our Constituent Councils, we have prepared an Annual Business Plan for the next 12 months that aligns to our strategic objectives within each focus area and guides the efficient and effective delivery of our day-to-day operations.

As we are committed to continuous improvement, EHA plans to undertake further consultation with Constituent Councils throughout the year to review and refine our strategic objectives and adopt an improved business planning and reporting framework.

A summary of our 2023-24 budget and how we are performing against our Long-Term Financial Plan is also included within this Annual Business Plan.

Our performance against this Annual Business Plan will be reported in our Annual Report, which will be provided to Constituent Councils by 30 September 2024.

Key influences in 2023-24

The environment in which EHA and our Constituent Councils operate in is always changing. In preparing our 2023-24 Annual Business Plan, EHA has considered the key influences that we need to be aware of and respond to throughout the next 12 months. The major external factors that we have taken into consideration in the preparation of our Plan are summarised below.

P POLITICAL	<ul style="list-style-type: none"> • <i>New Board of Management</i> • <i>Changes in government / council policies</i> • <i>Revised Charter</i>
E ECONOMIC	<ul style="list-style-type: none"> • <i>Use of revised funding formula</i> • <i>Enterprise Agreement Labour Cost Increase</i> • <i>CPI 8.6% for 12 months to December 2022</i> • <i>Continuation of Immunisation Service Provision Contracts</i> • <i>Changes to School Immunisation Program in 2023 and 2024</i>
S SOCIAL	<ul style="list-style-type: none"> • <i>Potential for Covid Vaccines to be delivered by local government</i> • <i>Community attitudes to vaccines</i> • <i>Community expectations of environmental health</i> • <i>Community attitude towards compliance</i> • <i>Changing customer / community expectations</i> • <i>Heightened media interest in public health and safety issues</i>
T TECHNOLOGICAL	<ul style="list-style-type: none"> • <i>Data collection and analysis</i> • <i>Smart technology</i> • <i>Online services / immunisation bookings / information provision</i> • <i>New ways of communicating</i> • <i>Increased functionality from enhanced Immunisation Database</i>
E ENVIRONMENTAL	<ul style="list-style-type: none"> • <i>Increased risk of emergency events</i> • <i>Impacts of climate change</i> • <i>Disease from pests</i>
L LEGAL	<ul style="list-style-type: none"> • <i>Revised public health regulations</i> • <i>Training and evidence requirements for Food Businesses</i> • <i>Lack of appropriate registration and licensing systems for food safety and public health matters</i> • <i>Review of Supported Residential Facility legislation.</i>

2023-2024 Annual Business Plan Overview

Our 2023-24 Priorities

Focus Area	2023-24 Priorities
1. Public and Environmental Health Services	<ol style="list-style-type: none"> 1. Actively collaborate and participate in the newly formed State Interagency Hoarding and Squalor group. 2. Develop educational material to be communicated to swimming pool operators. 3. Continue to provide feedback to SA Health on the review of Public Health Regulations review as required. 4. Investigate the potential to educate the risks associated with high risk Personal Care and Body Art high activities within local schools.
2. Immunisation	<ol style="list-style-type: none"> 1. Promotion of EHA's public immunisation clinic program through channels identified in the EHA Marketing Plan. 2. Continue to ensure the effective governance and delivery of EHA's public clinic immunisation program in accordance with the National Immunisation Program (NIP) Schedule. 3. Deliver School Immunisation Program (SIP) in accordance with the SA Health Service Agreement contract. 4. Develop a business case for the provision of immunisation services on behalf of non-Constituent Councils (dependent on available opportunities)
3. Food Safety	<ol style="list-style-type: none"> 1. Communicate and assist food businesses where required in understanding and preparing for the new legislative food management tools Standard 3.2.2a that will come into effect within 12 months: food safety supervisor; food handler training and records or evidence. 2. Develop new food safety educational videos to be made available on EHA's website. 3. Continue to collate a biennial food safety newsletter to be distributed to EHA's food businesses. 4. Investigate the potential to promote food safety within local schools.
4. Governance and Organisational Development	<ol style="list-style-type: none"> 1. In consultation with Constituent Councils, review and revise the EHA business planning and reporting framework. 2. Work with the Audit Committee and the Board to review and revise the financial indicators in the Long-Term Financial Plan. 3. Create a Chief Executive group with Constituent Council CEOs to channel information and bilateral communication. 4. Development of targeted quarterly performance report for Constituent Councils. 5. Develop a presentation highlighting strengths and benefits of centralised service delivery model for Constituent Council Elected Members.

Focus Area 1 - Public and Environmental Health Services

Strategic Objectives

- 1.1 Provide services that protect and maintain the health of the community and reduce the incidence of disease, injury or disability.
- 1.2 Increase awareness and understanding of good public and environmental health through community and business education programs.
- 1.3 Promote a safe and home-like environment for residents by ensuring quality of care in supported residential facilities.
- 1.4 Facilitate community safety and resilience through the integration of public and environmental health in emergency management planning.

2023-2024 Priorities

Priority	Why this is important	Strategy
1. Actively collaborate and participate in the newly formed State Interagency Hoarding and Squalor group.	Actively collaborate and participate in the newly formed State Interagency Hoarding and Squalor group (SAHSN). This is a consultative forum that combines the North, East, West and South Hoarding and squalor groups, aiming address hoarding and squalor across the state through an interagency approach. EHA will facilitate meetings once every year and will continue to support the group and assist in advocating for more effective resolutions, development, review and distribution of hoarding and squalor legislation, guidelines and procedures.	1.1
2. Develop educational material to be communicated to swimming pool operators.	Develop and provide education material to assist pool operators to respond to faecal and vomit release incidents and communicate to pool users of their responsibilities. Education to increase awareness and assist with keeping the pool water clean to minimise the risk of contracting certain infectious diseases.	1.2

3. Continue to provide feedback to SA Health on the review of Public Health Regulations review as required.	EHA's key responsibility is to administer the Public Health Act and its associated Regulations. Providing feedback to the review of the Regulations enables EHA to address what is working well and areas of change to enable these legislative tools to be effective to ensure residents are provided with a safe and healthy lifestyle.	1.1
4. Promote and educate safe Personal Care and Body Art practices within local schools.	Investigate the potential to educate the risks associated with high-risk Personal Care and Body Art high activities within local schools. Aim to increase the awareness on the public health risks to allow for better informed decision to be made.	1.1 1.2

Core services

EHA will continue to:

- Implement the elements of the Regional Public Health Plan 'Better Living, Better Health' as they apply to EHA.
- Comply with all relevant legislation and reporting requirements in undertaking assessments and investigating complaints to ensure appropriate standards are met in regulated premises:
 - Public swimming pools and spas
 - Cooling towers and warm water systems
 - Personal care and body art
 - Onsite wastewater management systems
- Respond to or coordinate multi-agency responses to public health enquiries and complaints within the built environment that give rise to public health risk.
- Provide information, advice and resources to households and businesses to assist with the management of public health risks.
- Contribute to and promote interagency management of residents impacted by hoarding and squalor.
- Develop, maintain, and distribute a comprehensive range of health education and promotion material to educate the community and promote good public health.
- Assess applications under the Supported Residential Facilities legislation and undertake inspections and investigations to ensure residents receive an appropriate level of care.
- Liaise with Constituent Councils and Eastern Adelaide Zone Emergency Management Committee to ensure integration of emergency management arrangements.

- Provide public and environmental health information to the community and businesses during emergencies to minimise public health consequences of emergency events.

Key performance indicators

We will know that we are on track to achieve our strategic objectives if we are meeting these Key Performance Indicators.

Strategic Objectives	KPIs
<p>1.1 Provide services that protect and maintain the health of the community and reduce the incidence of disease, injury or disability.</p>	<p>EHA is meeting all public and environmental inspection requirements as per relevant legislation (and / or) adopted service standards.</p> <p>All public health complaints are responded to within EHA's adopted service standards.</p>
<p>1.2 Increase awareness and understanding of good public and environmental health through community and business education programs.</p>	<p>Reduce the number of health inspections that require a follow up inspection to achieve compliance.</p> <p>All Constituent Councils are using EHA public health resources in their own communications.</p> <p>Participation in at least two proactive educational activities annually.</p>
<p>1.3 Promote a safe and home-like environment for residents by ensuring quality of care in supported residential facilities.</p>	<p>Conduct unannounced audits of all single license / non-dual Support Residential Facilities annually.</p> <p>All licensing applications are processed within the legislated timeframes.</p>
<p>1.4 Facilitate community safety and resilience through the integration of public and environmental health in emergency management planning.</p>	<p>Attend and participate in all Eastern Adelaide Zone Emergency Management Committee meetings.</p> <p>Conduct or participate in at least one business continuity or emergency management plan exercise annually.</p>

Focus Area 2 - Immunisations

Strategic Objectives

- 2.1 Contribute to the effective control of preventable disease by delivering a high-quality public clinic immunisation service that complies with all relevant legislation and standards.
- 2.2 Increase number of adult and child clients and vaccinations through promotion and provision of accessible clinics, booking systems and appointment times.
- 2.3 Continue to be recognised as a trusted partner and sector leading immunisation provider of choice.
- 2.4 Advocate for appropriate funding to ensure that local government delivery of immunisation services is financially sustainable.

2023-24 Priorities

Priority	Why this is important	Strategy
1. Promotion of EHA's public immunisation clinic program through channels identified in the EHA Marketing Plan – in particular Prospect and Walkerville Immunisation clinics as they have returned to the Council locations in 2023	<p>The development and distribution of promotional and information materials to our community increases awareness of our services and the importance of immunisation. EHA's website is an effective platform for communication of this information and other information relating to the various immunisation programs and projects being delivered.</p> <p>Building EHA's Social Media presence through Constituent Council platforms will assist in increasing awareness of immunisation clinics and Flu Worksites.</p> <p>Encourage Prospect and Walkerville residents to utilise EHA's free immunisation services that their council offers.</p>	<p>2.1</p> <p>2.2</p> <p>2.3</p>
2. Continue to ensure the effective governance and delivery of EHA's public clinic immunisation program in accordance with the National Immunisation Program (NIP) Schedule.	<p>Immunisation is a safe and effective way of protecting people against harmful diseases that can cause serious health problems. Effective management and governance of the immunisation program delivered by our specialist immunisation nurses and our customer service team,</p>	<p>2.1</p> <p>2.2</p> <p>2.3</p>

	ensures that our community receive a high quality and safe immunisation service.	
3. Deliver School Immunisation Program (SIP) in accordance with the SA Health Service Agreement contract. Adjust and plan for the vaccine change in the SIP (HPV dose from 2 to 1) in 2023 as well as the inclusion of the year 7 cohort.	An effective ongoing relationship with SA Health and the High Schools located within our area is critical the delivery of a successful program. Key elements include liaising with school coordinators and SA Health regarding the implementation and evaluation of the program, community engagement with schools, submission of consent information and statistics via IRIS and the Australian Immunisation Register (AIR). Future school planning to include spreading school visits out evenly throughout the year due to changes in vaccine intervals. This will assist with capacity to deliver workplace flu programs from April – June.	2.4
4. Develop a business case for the provision of immunisation services on behalf of non-Constituent Councils (dependent on available opportunities). Continue to provide immunisation services to contract councils.	EHA can diversify its revenue sources by providing additional services where it has capacity and where there will be a net benefit to Constituent Councils. Providing immunisation services to Adelaide Hills and Unley Council residents, in turn gaining additional exposure of EHA services to neighboring councils encouraging residents to utilise EHA services.	2.3

Core services

EHA will continue to:

- Deliver a School Immunisation Program in accordance with the SA Health Service Agreement.
- Ensure effective governance and delivery of a public health clinic immunisation program in accordance with relevant legislation and EHA's adopted service standards.
- Promote and provide a professional and quality Workplace Immunisation Program on a fee for service basis.

- Promote EHA's public immunisation clinic program in accordance with the EHA Marketing Plan
- Provide Constituent Councils with educational and promotional materials relating to immunisation.
- Promote EHA's online booking system for immunisation appointments
- Participate in discussions with SA Health and the Local Government Association about funding and support for the delivery of local government immunisation services.
- EHA services have not historically been included in the Commonwealth's current roll out of COVID-19 vaccinations. EHA will however continue its regular contact with SA Health to enquire about future involvement in delivery of the COVID-19 vaccine in both our SIP and NIP programs.

Key performance indicators

We will know that we are on track to achieve our strategic objectives if we are meeting these Key Performance Indicators.

<i>Strategic Objectives</i>	<i>KPIs</i>
<p>2.1 Contribute to the effective control of preventable disease by delivering a high-quality public clinic immunisation service that complies with all relevant legislation and standards</p>	<p>Annual clinical performance evaluation completed.</p> <p>Submit all reports within the required timeframes.</p> <p>Annual Cold Chain audit and pharmaceutical refrigerator maintenance.</p>
<p>2.2 Continue to increase number of adult and child clients and vaccinations through promotion and provision of accessible clinics, booking systems and appointment times.</p>	<p>Maintain or increase the number of public immunisation clinics offered by EHA annually.</p> <p>All eligible students are offered vaccinations through the School Immunisation Program and all absent students are invited to EHA public clinics to catch up.</p> <p>70% of bookings are made via the Immunisation Online Booking System.</p> <p>Clinic Timetable reviewed and published by 30 November.</p>

2.3	Continue to be recognised as a trusted partner and sector leading immunisation provider of choice.	Renewal rate for EHA Workplace Immunisation Program is not less than 70% Satisfy all requirements of the SA Health Service Agreement contract.
2.4	Advocate for appropriate funding to ensure that local government delivery of immunisation services is financially sustainable.	No reduction in the level of State Government funding provided to EHA to deliver immunisation services.

Focus Area 3 - Food Safety

Strategic Objectives

- 3.1 Contribute to the effective control of preventable illness by monitoring and enforcing food safety standards and investigating food related complaints on behalf of Constituent Councils.
- 3.2 Be proactive in building positive relationships with food businesses and provide training and resources to encourage and support compliance with food safety standards.
- 3.3 Build community awareness of food safety issues by leading or participating in food safety education projects and partnerships.

2022-23 Priorities

Priority	Why this is important	Strategy
1. Communicate and assist food businesses where required in understanding and preparing for the new legislative food management tools Standard 3.2.2a that will come into effect within 12 months: food safety supervisor; food handler training and records or evidence.	On 8 December 2022 the national Food Safety Standard 3.2.2a – Food Safety Management Tools were Gazette. In summary there are three food safety management tools: food safety supervisor; food handler training and records and evidence. The Standard introduces new requirements for Australian businesses in food service, catering and retail sectors that handle unpackaged potentially hazardous food that is ready to eat. The tools have been introduced to improve the skills and knowledge of all food handlers and thereby improving the management of controls that are critical to food safety. Throughout the year, EHOs will be assisting businesses where possible to help prepare and understand the expectation of these	3.1 3.2

	new standard before it becomes into effect in December 2023.	
2. Continue to collate a biennial food safety newsletter training be distributed to EHA's food businesses.	A newsletter provides communication to a target audience. It enables EHA to communicate to food businesses on any key legislative updates, promotes positive food safety culture, spotlights safe food safety practices and new initiatives within the industry. The newsletter also enables food businesses to recognise that EHAs services extends to education providing food businesses with confidence to contact EHA regarding food safety questions and advice.	3.1 3.2 3.3
3. Develop new food safety educational videos to be accessed on EHA's website.	Develop new food safety educational videos to be accessed on EHAs website. Short, silent videos with occasional text to provide clarity, to capture a wider audience, including those who are deaf or hard of hearing and where English is a second language. Food safety educational videos aim to promote safe food practices and improve food safety culture.	3.1 3.2 3.3

Core services

EHA will continue to:

- Monitor and maintain a register of all food businesses operating within EHA's jurisdiction
- Conduct routine food business assessments using an appropriate food safety rating tool to ensure compliance with the *Food Act 2001* and Food Safety Standards.
- Undertake enforcement action in relation to breaches of the *Food Act 2001* and Food Safety Standards and follow up actions to ensure compliance is achieved
- Implement the voluntary SA Health Food Star Rating Scheme
- Respond to food related customer complaints in accordance with customer service standards and SA Health guidelines and maintain a register of all food related complaints
- Respond to food recalls in accordance with SA Health recommendations
- Engage with applicants and provide advice to Constituent Councils about development applications and the structural fit out of new food businesses
- Assess risks, conduct safety assessments where required and provide educational materials for temporary food businesses and temporary events
- Provide reports on food safety assessments investigations and actions to the Board, Constituent Councils and SA Health
- Provide a food safety training program for new businesses
- Develop and maintain a comprehensive range of health education and promotion material on food safety related issues.

Key performance indicators

We will know that we are on track to achieve our strategic objectives if we are meeting these Key Performance Indicators.

Strategic Objectives	KPIs
<p>3.1 Contribute to the effective control of preventable illness by monitoring and enforcing food safety standards and investigating food related complaints on behalf of Constituent Councils.</p>	<p>EHA is meeting all food safety inspection requirements for higher risk food business determined by the SA Food Business Risk Classification Framework and performance of the food business.</p> <p>All food safety complaints are investigated in accordance with EHA service standards and SA Health instructions.</p>
<p>3.2 EHA is proactive in building positive relationships with food businesses and provide training and resources to encourage and support compliance with food safety standards.</p>	<p>Reduce the number of routine food premise inspections requiring a follow up inspection to address non-compliance.</p> <p>The average rating given under the SA Health Food Star Rating Scheme is increasing annually</p> <p>All new food businesses receive an EHA Welcome Pack following notification.</p>
<p>3.3 Build community awareness of food safety issues by leading or participating in food safety education projects and partnerships.</p>	<p>Provide food safety training to at least 60 participants annually.</p> <p>All Constituent Councils are using EHA food safety education materials in their communications.</p>

Focus Area 4 - Governance and Organisational Development

Strategic Objectives

- 4.1 Achieve best practice standards of governance in accordance with the EHA Charter and relevant legislation.
- 4.2 Keep Constituent Councils informed of the services and actions performed by EHA on their behalf and the community outcomes being achieved.
- 4.3 Demonstrate leadership within the local government sector as an advocate for public health reforms that benefit the community and councils.
- 4.4 Provide a safe, healthy and rewarding working environment.

2023-24 Priorities

Priority	Why this is important	Strategy
1. In consultation with Constituent Councils, review and revise the EHA business planning and reporting framework.	Feedback from Constituent Councils highlights that we can improve the way we plan our services and measure the outcomes we deliver to councils and the community. The new format of this Annual Business Plan is the start of this process and further improvements can be made by developing and adopting a new planning and reporting framework.	4.1 4.2
2. Work with the Audit Committee and the Board to review and revise the financial indicators in the Long-Term Financial Plan.	The EHA Long Term Financial Plan contains financial sustainability measures that are consistent with those used by Councils. As a subsidiary with a clearly defined focus on delivering public health services, we can explore whether these are the most meaningful measures for EHA to use in its new business planning and reporting framework.	4.1
3. Create a Chief Executive group with Constituent Council CEOs to channel information and bilateral communication.	Feedback from Constituent Councils indicated that regular executive communication at a group and individual level between EHA and its Constituent Councils would strengthen relationships.	4.2

4. Development of targeted quarterly performance reports for Constituent Councils to supplement Board reports.	Regular (quarterly) targeted performance reporting on a dash board format, focusing on high-level EHA service provision.	4.2
5. Deliver upon request a presentation highlighting strengths and benefits of centralised service delivery model for Constituent Council Elected Members.	A presentation provided to Constituent Council Elected Members and/or Executive which highlight the benefits of EHA as a centralised service delivery model provider will assist with strategic council engagement and relationships.	4.2

Core services

EHA will continue to:

- Achieve full compliance with the requirements of the EHA Charter and the Local Government Act 1999.
- Provide administrative assistance to the Public Health Plan Advisory Committee
- Prepare and monitor a Long-Term Financial Plan
- Prepare, monitor, and implement a Corporate Risk Plan
- Make submissions on public health reforms on behalf of Constituent Councils
- Compile and submit all periodic reports on EHAs activities required by legislation (Public Health Act, Food Act, Safe Drinking Water Act etc.)
- Explore the potential for the expansion of service provision to areas outside of current Constituent Councils
- Expand the functionality of Health Manager and Mobile Health to improve inspection, compliant and administrative efficiency and reporting capabilities
- Foster team cohesiveness and support effective teamwork
- Provide systems for a safe working environment with appropriate Work Health and Safety (WHS) practices in place
- Provide professional development opportunities to staff and encourage membership of relevant professional organisations.

Key performance indicators

We will know that we are on track to achieve our strategic objectives if we are meeting these Key Performance Indicators.

Strategic Objectives	KPIs
4.1 Achieve best practice standards of governance in accordance with the EHA Charter and relevant legislation.	No instances of non-compliance with the EHA Charter. No instances of non-compliance with the reporting requirements to external bodies required by legislation. Ongoing implementation of all risk controls in the EHA Corporate Risk Plan.
4.2 Keep Constituent Councils informed of the services and actions performed by EHA on their behalf and the community outcomes being achieved.	Meet with Constituent Council nominated contacts at least four times per year. Respond to all Constituent Council requests for information within 5 business days. Provide an Annual Report to Constituent Councils by 30 September. All Constituent Councils participate in EHA's Annual Business Plan and Budget setting process.
4.3 Demonstrate leadership within the local government sector as an advocate for public health reforms that benefit the community and councils.	Written submissions on public health reform proposals are endorsed by the Board. Attend meetings of the Environmental Managers Forum.
4.4 Provide a safe, healthy and rewarding working environment.	WHS is an agenda item at all EHA staff meetings. Annual staff training and development budget is not less than 1.75% of total budget. Staff portfolios are reviewed annually as part of a performance development framework.

Budget Overview

The forecast for the 2023/2024 financial year is that EHA's operating result will be a deficit of \$30,000. The deficit is an accounting deficit (depreciation and amortisation treatments for leases) and the contributions requested from Constituent Councils will provide for a balanced operating cash budget.

A total of \$1,944,200 will be raised through contributions from our Constituent Councils

This represents a zero (6.4%) increase in overall collective contributions from the previous year.

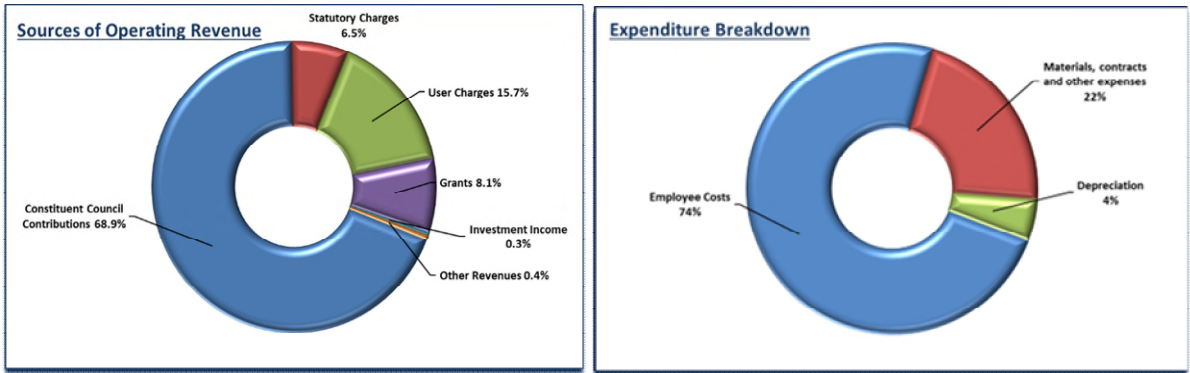
Operating Activity	(\$'000s)
Total Income	\$2,822
Less	
Employee costs	\$2,091
Operating Expenditure	\$731
Depreciation	\$30
Net Surplus (Deficit)	(\$30) Deficit

The key assumptions that have been used to prepare the 2023-24 Budget are summarised below.

- Use of Revised Contribution Formula which will have differing impacts on individual councils.
- CPI of 8.6%, equivalent to Adelaide CPI for period to 30 December 2022.
- Enterprise Agreement increase of 4.5%.
- Delivery of Immunisation Service Contracts to Unley Council and Adelaide Hills Council.
- Changes to 2023 and 2024 School Immunisation Program.

Funding the Annual Business Plan

The component of income required from Constituent Councils to fund EHA operations is determined by a formula contained within the EHA Charter. Aside for a 5% nominal administrative component that is shared equally (1% per council), costs are shared on a proportional basis, dependent upon the numbers of individual public health activities conducted by EHA on behalf of Constituent Councils.



2023-24 Budget

EASTERN HEALTH AUTHORITY STATEMENT OF COMPREHENSIVE INCOME		
FOR THE YEAR ENDING 30 June 2024		
ADOPTED BUDGET 2022/2023		DRAFT BUDGET 2023/2024
	<u>INCOME</u>	
1,828,000	Council Contributions	1,970,200
185,000	Statutory Charges	183,800
407,000	User Charges	442,500
301,000	Grants, subsidies and contributions	230,000
7,000	Investment Income	10,000
11,000	Other Income	12,000
2,739,000	TOTAL INCOME	2,848,500
	<u>EXPENSES</u>	
2,014,000	Employee Costs	2,091,500
608,000	Materials, contracts and other expenses	731,000
35,000	Finance Charges	-
131,000	Depreciation	26,000
2,788,000	TOTAL EXPENSES	2,848,500
(49,000)	Operating Surplus/(Deficit)	-
	Net gain (loss) on disposal of assets	-
(49,000)	Net Surplus/(Deficit)	-
(49,000)	Total Comprehensive Income	-

EASTERN HEALTH AUTHORITY STATEMENT OF CASH FLOWS		
FOR THE YEAR ENDING 30 June 2024		
ADOPTED BUDGET 2022/2023		DRAFT BUDGET 2023/2024
	CASHFLOWS FROM OPERATING ACTIVITIES	
	Receipts	
1,828,000	Council Contributions	1,970,200
185,000	Fees & other charges	183,800
407,000	User Charges	442,500
7,000	Investment Receipts	10,000
301,000	Grants utilised for operating purposes	230,000
11,000	Other	12,000
-	Payments	
(2,014,000)	Employee costs	(2,091,500)
(608,000)	Materials, contracts & other expenses	(731,000)
(35,000)	Finance Payments	-
82,000	Net Cash Provided/(Used) by Operating Activities	26,000
	CASH FLOWS FROM FINANCING ACTIVITIES	
-	Loans Received	-
(38,391)	Repayment of Borrowings	-
(82,000)	Repayment of Finance Lease Liabilities	-
(120,391)	Net Cash Provided/(Used) by Financing Activities	-
	CASH FLOWS FROM INVESTING ACTIVITIES	
-	Receipts	
-	Sale of Replaced Assets	-
-	Payments	
-	Expenditure on renewal / replacements of assets	-
-	Expenditure on new / upgraded assets	-
-	Distributions paid to constituent Councils	-
-	Net Cash Provided/(Used) by Investing Activities	-
(38,391)	NET INCREASE (DECREASE) IN CASH HELD	26,000
640,883	CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD	602,492
602,492	CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD	628,492

EASTERN HEALTH AUTHORITY STATEMENT OF FINANCIAL POSITION		
FOR THE YEAR ENDING 30 June 2024		
ADOPTED BUDGET 2022/2023		DRAFT BUDGET 2023/2024
	CURRENT ASSETS	
602,492	Cash and Cash Equivalents	628,492
231,080	Trade & Other Receivables	188,901
833,572	TOTAL CURRENT ASSETS	817,393
	NON-CURRENT ASSETS	
1,083,249	Infrastructure, property, plant and equipment	998,437
1,083,249	TOTAL NON-CURRENT ASSETS	998,437
1,916,821	TOTAL ASSETS	1,815,830
	CURRENT LIABILITIES	
133,225	Trade & Other Payables	163,940
289,466	Provisions	307,903
140,794	Borrowings	119,871
563,485	TOTAL CURRENT LIABILITIES	591,714
	NON-CURRENT LIABILITIES	
9,860	Provisions	21,716
898,056	Borrowings	851,594
907,916	TOTAL NON-CURRENT LIABILITIES	873,310
1,471,401	TOTAL LIABILITIES	1,465,024
270,087	NET CURRENT ASSETS/(CURRENT LIABILITIES)	225,679
445,420	NET ASSETS	350,806
	EQUITY	
502,570	Accumulated Surplus/(Deficit)	502,570
502,570	TOTAL EQUITY	502,570

EASTERN HEALTH AUTHORITY STATEMENT OF CHANGES IN EQUITY		
FOR THE YEAR ENDING 30 June 2024		
ADOPTED BUDGET 2022/2023		DRAFT BUDGET 2023/2024
	<u>ACCUMULATED SURPLUS</u>	
551,570	Balance at beginning of period	502,570
(49,000)	Net Surplus/(Deficit)	-
502,570	BALANCE AT END OF PERIOD	502,570
	<u>TOTAL EQUITY</u>	
551,570	Balance at beginning of period	502,570
(49,000)	Net Surplus/(Deficit)	-
502,570	BALANCE AT END OF PERIOD	502,570

7.3 FINANCE REPORT AND THIRD AND FINAL (MARCH 2023) BUDGET REVIEW FOR 2022/2023

Author: Michael Livori

Ref: AF21/87

Summary

So that members can ensure that Eastern Health Authority (EHA) is operating according to its adopted budget, financial performance is regularly monitored, and statutory budget reviews are considered.

In accordance with regulation 9 of the *Local Government (Financial Management) Regulations 2011*,

- (1) *A council, council subsidiary or regional subsidiary must prepare and consider the following reports:*
- (a) *at least twice, between 30 September and 31 May (both dates inclusive) in the relevant financial year (where at least 1 report must be considered before the consideration of the report under sub regulation (1)(b), and at least 1 report must be considered after consideration of the report under sub regulation (1)(b))—a report showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances;*
 - (b) *between 30 November and 15 March (both dates inclusive) in the relevant financial year—a report showing a revised forecast of each item shown in its budgeted financial statements for the relevant financial year compared with estimates set out in the budget presented in a manner consistent with the Model Financial Statements.*

This report provides the third and final of the budget reviews required in accordance with regulation 9 (1) and relates to the financial performance of EHA between 1 July 2022 and 31 March 2023. It provides the opportunity to compare the adopted budget with revised projections of income and expenditure for the 2022/2023 financial year. The report was considered by the Board of Management at its meeting held on 3 May 2023.

Report

The report below gives a simple analysis of year-to-date income, expenditure and operating result.

Eastern Health Authority - Financial Statement (Level 1) 1 July 2022 to 31 March 2023				
	Actual	Budgeted	\$ Variation	% Variation
Total Operating Expenditure	\$1,781,633	\$1,893,117	(\$111,485)	-6%
Total Operating Income	\$2,259,786	\$2,282,750	(\$22,964)	-1%
Operating Result	\$478,153	\$389,633	\$88,520	23%

The report shows that for the reporting period income was \$22,964 (-1%) less than budgeted and expenditure was \$111,485 (-6%) less than budgeted.

The net result is a positive variation of \$88,520 on the budgeted year to date comparative operating result.

A more detailed report is provided as attachment 1. The report provides detail on year-to-date performance of individual budget lines. Any YTD variation greater than \$5,000 is detailed in the table on the following page with explanatory comments.

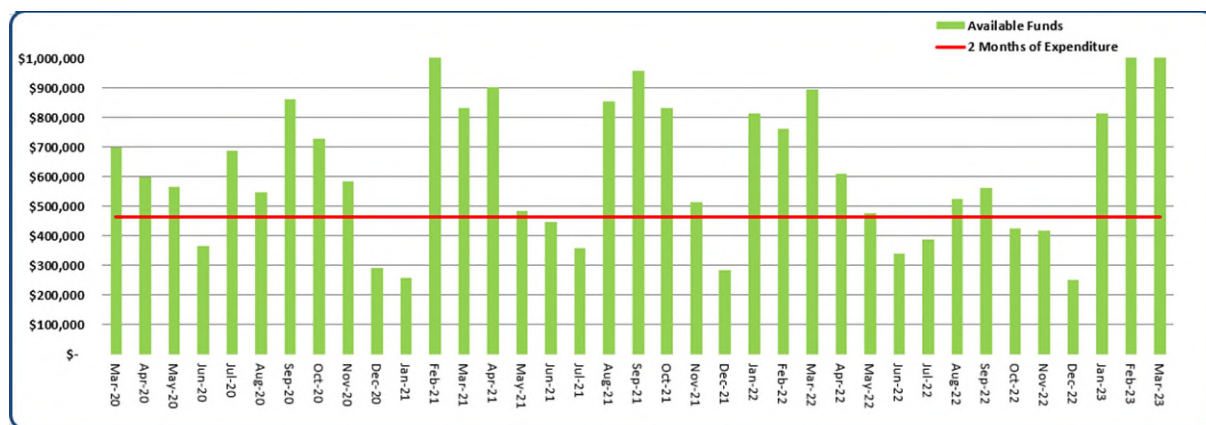
Summary Table of Funding Statement Variations				
Favourable variances are shown in black and unfavourable variances are shown in red .				
Description	YTD Budget	YTD Actual	YTD Variation	Comment
Income				
Food Inspection Fees	\$93,000	\$64,588	(\$28,442)	Decrease in YTD budgeted inspections. Delay in appointment of staff to budgeted positions.
Fines	\$37,500	\$15,585	(\$21,915)	Reduction in YTD fines issued.
Fee for service Vaccines	\$45,000	\$64,955	\$19,955	Fee vaccines (Men B and Flu) provided at public clinics.
Food Auditing	\$70,500	\$83,041	\$12,541	Additional Food Audit Income.
Income variations requested				Nil
Expenditure				
Employee Costs	\$1,511,250	\$1,397,471	(\$113,779)	Delay in appointment of staff to budgeted positions.
Insurances	\$25,250	\$33,643	\$8,393	Fidelity guarantee increased from 1K to 6.3K – Cyber Risk Insurance increased from 0 to 11K (50% paid by fund)
Vehicles	\$54,750	\$64,646	\$9,896	Lease overcharge – resolving with vendor
Income Protection	\$25,000	\$31,047	\$6,047	Increase in premium paid
Expenditure variations requested				Nil

There are no budget variations requested or required in this review. A copy of the budget is provided as attachment 2.

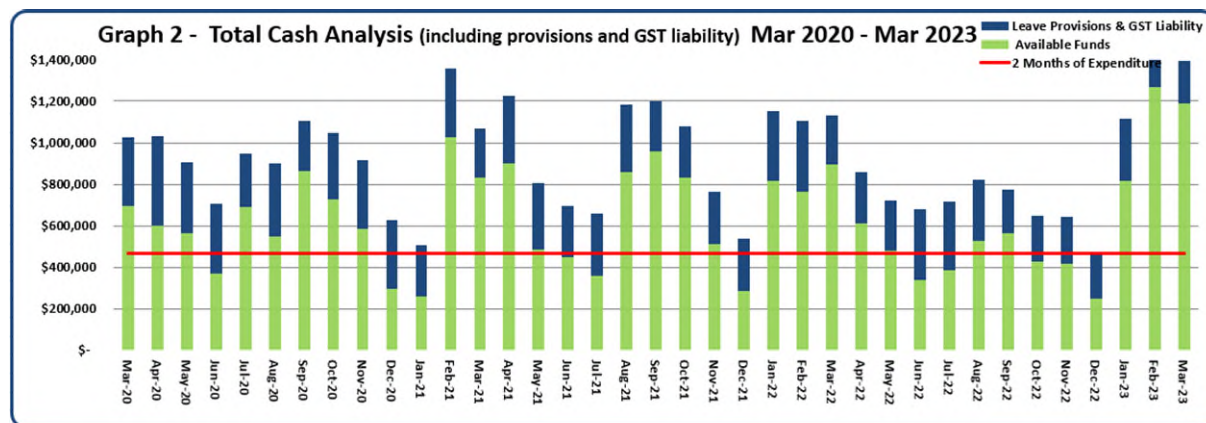
Cash Management

A Bank Reconciliation and Available Funds report for the period ending 31 March 2023 is provided as attachment 3. It shows that available funds were \$1,191,805 on 31 March 2023 in comparison with \$250,065 on 31 December 2022.

Graph 1 which follows details the level of available funds (total cash minus leave provisions and GST liability) for the preceding 2-year period.



Graph 2 below details the total level of cash on hand including leave provisions and GST liability.



The red line in both graphs indicates the target minimum levels of cash that are recommended to be held for working capital (equivalent to 2 months expenditure). The graphs show that the lowest levels of cash available in the annual cash cycle have generally maintained this target.

RECOMMENDATION

That:

The Finance Report and Third and Final (March 2023) Budget Review for 2022/2023 Report be received.

Eastern Health Authority - Financial Statement (Level 3)				
1 July 2022 to 31 March 2023				
Income	Actual	Budgeted	\$ Variation	% Variation
Constituent Council Income				
City of Burnside	\$494,233	\$494,233	\$0	0%
City of Campbelltown	\$453,186	\$453,186	\$0	0%
City of NPSP	\$584,210	\$584,210	\$0	0%
City of Prospect	\$214,740	\$214,740	\$0	0%
Town of Walkerville	\$81,631	\$81,631	\$0	0%
Total Constituent Council Contributions	\$1,828,000	\$1,828,000	\$0	0%
Statutory Charges				
Food Inspection fees	\$64,558	\$93,000	(\$28,442)	-31%
Legionella registration and Inspection	\$6,234	\$6,750	(\$516)	-8%
SRF Licenses	\$396	\$2,000	(\$1,604)	-80%
Fines & Expiation Fees	\$15,585	\$37,500	(\$21,915)	-58%
Total Statutory Charges	\$86,774	\$139,250	(\$52,476)	-38%
User Charges				
Immunisation: Service Provision	\$70,125	\$70,500	(\$375)	-1%
Immunisation: Clinic Vaccines	\$64,955	\$45,000	\$19,955	44%
Immunisation: Worksites Vaccines	\$1,320	\$0	\$1,320	0%
Food Auditing	\$83,041	\$70,500	\$12,541	18%
Food Safety Training	\$0	\$1,000	(\$1,000)	-100%
Total User Charges	\$219,442	\$187,000	\$32,442	17%
Grants, Subsidies, Contributions				
Immunisation School Program	\$91,736	\$95,000	(\$3,264)	-3%
Immunisation:ACIR	\$16,646	\$18,000	(\$1,354)	-8%
PHN Project	\$2,000	\$2,000	\$0	0%
Total Grants, Subsidies, Contributions	\$110,381	\$115,000	(\$4,619)	-4%
Investment Income				
Interest on investments	\$8,964	\$5,250	\$3,714	71%
Total Investment Income	\$8,964	\$5,250	\$3,714	71%
Other Income				
Motor Vehicle re-imbursements	\$4,228	\$3,000	\$1,228	41%
Sundry Income	\$1,997	\$5,250	(\$3,253)	-62%
Total Other Income	\$6,225	\$8,250	(\$2,025)	-25%
Total Income	\$2,259,786	\$2,282,750	(\$22,964)	-1%

Eastern Health Authority - Financial Statement (Level 3) 1 July 2022 to 31 March 2023				
Expenditure	Actual	Budgeted	\$ Variation	% Variation
Employee Costs				
Salaries & Wages	\$1,207,117	\$1,335,000	(\$127,883)	-10%
Superannuation	\$127,161	\$131,250	(\$4,089)	-3%
Workers Compensation	\$15,008	\$13,500	\$1,508	11%
Employee Leave - LSL Accruals	\$16,443	\$28,500	(\$12,057)	-42%
Medical Officer Retainer	\$0	\$3,000	(\$3,000)	-100%
Agency Staff	\$31,743	\$0	\$31,743	0%
Total Employee Costs	\$1,397,471	\$1,511,250	(\$113,779)	-8%
Prescribed Expenses				
Auditing and Accounting	\$12,575	\$11,000	\$1,575	0%
Insurance	\$33,643	\$25,250	\$8,393	100%
Maintenance	\$1,344	\$5,400	(\$4,056)	-75%
Vehicle Leasing/maintenance	\$64,646	\$54,750	\$9,896	300%
Total Prescribed Expenses	\$112,208	\$96,400	\$15,808	16%
Rent and Plant Leasing				
Electricity	\$3,502	\$3,492	\$10	0%
Plant Leasing Photocopier	\$1,915	\$3,000	(\$1,085)	-36%
Rent	\$18,687	\$18,333	\$354	2%
Water	\$0	\$225	(\$225)	-100%
Total Rent and Plant Leasing	\$24,104	\$25,050	(\$946)	-4%
IT Licensing and Support				
IT Licences	\$49,099	\$52,000	(\$2,901)	-6%
IT Support	\$31,985	\$34,667	(\$2,682)	-8%
Internet	\$10,973	\$7,500	\$3,473	46%
IT Other	\$367	\$1,500	(\$1,133)	-76%
Total IT Licensing and Support	\$92,424	\$95,667	(\$3,243)	-3%
Administration				
Administration Sundry	\$6,251	\$4,500	\$1,751	39%
Accreditation Fees	\$2,771	\$2,250	\$521	23%
Board of Management	\$11,330	\$9,750	\$1,580	16%
Bank Charges	\$2,876	\$2,250	\$626	28%
Public Health Sundry	\$1,576	\$3,750	(\$2,174)	-58%
Fringe Benefits Tax	\$7,240	\$7,500	(\$260)	-3%
Legal	\$7,901	\$11,667	(\$3,765)	-32%
Printing & Stationery & Postage	\$15,504	\$16,500	(\$996)	-6%
Telephone	\$12,542	\$12,750	(\$208)	-2%
Occupational Health & Safety	\$2,520	\$5,833	(\$3,313)	-57%
Rodenticide	\$1,389	\$1,500	(\$111)	-7%
Staff Amenities	\$2,361	\$5,250	(\$2,889)	-55%
Staff Training	\$8,095	\$12,000	(\$3,905)	-33%
Human Resource Sundry	\$6,960	\$9,000	(\$2,040)	-23%
Total Administration	\$89,316	\$104,500	(\$15,184)	-15%

Eastern Health Authority - Financial Statement (Level 3) 1 July 2022 to 31 March 2023				
Immunisation				
Immunisation SBP Consumables	\$7,081	\$7,500	(\$419)	-6%
Immunisation Clinic Vaccines	\$27,212	\$26,250	\$962	4%
Immunisation Worksite Vaccines	\$10	\$0	\$10	0%
Total Immunisation	\$34,303	\$33,750	\$553	2%
Income Protection	\$31,047	\$25,000	\$6,047	0%
Total Uniforms/Income protection	\$31,047	\$25,000	\$6,047	0%
Sampling				
Legionella Testing	\$2,064	\$1,500	\$564	38%
Total Sampling	\$2,064	\$1,500	\$564	38%
Interest - Building Lease			\$0	#DIV/0!
Unallocated - Bank Trace	(\$1,304)	\$0	(\$1,304)	0%
Total Finance Costs	(\$1,304)	\$ -	(\$1,304)	0%
Total Materials, contracts and other expenses	\$1,781,633	\$1,893,117	(\$111,485)	-6%
Total Operating Income	\$2,259,786	\$2,282,750	(\$22,964)	-1%
Operating Result	\$478,153	\$389,633	\$88,520	23%

EASTERN HEALTH AUTHORITY STATEMENT OF COMPREHENSIVE INCOME						
FOR THE YEAR ENDING 30 June 2023						
AUDITED RESULTS 2021/2022		ADOPTED BUDGET 2022/2023	SEPTEMBER REVIEW	DECEMBER REVIEW	MARCH REVIEW	REVISED BUDGET 2022/2023
	INCOME					
1,828,263	Council Contributions	1,828,000	-	-	-	1,828,000
111,391	Statutory Charges	185,000	-	-	-	185,000
295,541	User Charges	407,000	-	-	-	407,000
226,108	Grants, subsidies and contributions	301,000	-	-	-	301,000
4,320	Investment Income	7,000	-	-	-	7,000
3,585	Other Income	11,000	-	-	-	11,000
2,469,208	TOTAL INCOME	2,739,000	-	-	-	2,739,000
	EXPENSES					
1,750,609	Employee Costs	2,014,000	-	-	-	2,014,000
516,677	Materials, contracts and other expenses	608,000	-	-	-	608,000
46,752	Finance Charges	35,000	-	-	-	35,000
168,844	Depreciation	131,000	-	-	-	131,000
2,482,882	TOTAL EXPENSES	2,788,000	-	-	-	2,788,000
(13,674)	Operating Surplus/(Deficit)	(49,000)	-	-	-	(49,000)
	Net gain (loss) on disposal of assets	-	-	-	-	-
(13,674)	Net Surplus/(Deficit)	(49,000)	-	-	-	(49,000)
(13,674)	Total Comprehensive Income	(49,000)	-	-	-	(49,000)
EASTERN HEALTH AUTHORITY STATEMENT OF CASH FLOWS						
FOR THE YEAR ENDING 30 June 2023						
AUDITED RESULTS 2021/2022		ADOPTED BUDGET 2022/2023	SEPTEMBER REVIEW	DECEMBER REVIEW	MARCH REVIEW	REVISED BUDGET 2022/2023
	CASHFLOWS FROM OPERATING ACTIVITIES					
	Receipts					
1,828,263	Council Contributions	1,828,000	-	-	-	1,828,000
111,391	Fees & other charges	185,000	-	-	-	185,000
227,946	User Charges	407,000	-	-	-	407,000
4,044	Investment Receipts	7,000	-	-	-	7,000
226,108	Grants utilised for operating purposes	301,000	-	-	-	301,000
3,585	Other	11,000	-	-	-	11,000
	Payments					
(1,764,556)	Employee costs	(2,014,000)	-	-	-	(2,014,000)
(536,431)	Materials, contracts & other expenses	(608,000)	-	-	-	(608,000)
(48,367)	Finance Payments	(35,000)	-	-	-	(35,000)
51,983	Net Cash Provided/(Used) by Operating Activities	82,000	-	-	-	82,000
	CASH FLOWS FROM FINANCING ACTIVITIES					
-	Loans Received	-	-	-	-	-
(74,132)	Repayment of Borrowings	(38,391)	-	-	-	(38,391)
(37,485)	Repayment of Finance Lease Liabilities	(82,000)	-	-	-	(82,000)
(111,617)	Net Cash Provided/(Used) by Financing Activities	(120,391)	-	-	-	(120,391)
	CASH FLOWS FROM INVESTING ACTIVITIES					
	Receipts					
	Sale of Replaced Assets	-	-	-	-	-
	Payments					
(82,379)	Expenditure on renewal / replacements of assets	-	-	-	-	-
-	Expenditure on new / upgraded assets	-	-	-	-	-
-	Distributions paid to constituent Councils	-	-	-	-	-
(82,379)	Net Cash Provided/(Used) by Investing Activities	-	-	-	-	-
(142,013)	NET INCREASE (DECREASE) IN CASH HELD	(38,391)	-	-	-	(38,391)
782,896	CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD	793,639	(152,756)	-	-	640,883
640,883	CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD	755,248	(152,756)	-	-	602,492

EASTERN HEALTH AUTHORITY STATEMENT OF FINANCIAL POSITION						
FOR THE YEAR ENDING 30 June 2023						
AUDITED RESULTS 2021/2022		ADOPTED BUDGET 2022/2023	SEPTEMBER REVIEW	DECEMBER REVIEW	MARCH REVIEW	REVISED BUDGET 2022/2023
	CURRENT ASSETS					
640,883	Cash and Cash Equivalents	755,248	(152,756)		-	602,492
231,080	Trade & Other Receivables	188,901	42,179	-	-	231,080
871,963	TOTAL CURRENT ASSETS	944,149	(110,577)	-	-	833,572
	NON-CURRENT ASSETS					
1,214,249	Infrastructure, property, plant and equipment	1,024,437	58,812	-	-	1,083,249
1,214,249	TOTAL NON-CURRENT ASSETS	1,024,437	58,812	-	-	1,083,249
2,086,212	TOTAL ASSETS	1,968,586	(51,765)	-	-	1,916,821
	CURRENT LIABILITIES					
133,225	Trade & Other Payables	163,940	(30,715)	-	-	133,225
289,466	Provisions	307,903	(18,437)	-	-	289,466
140,794	Borrowings	119,871	20,923	-	-	140,794
563,485	TOTAL CURRENT LIABILITIES	591,714	(28,229)	-	-	563,485
	NON-CURRENT LIABILITIES					
9,860	Provisions	21,716	(11,856)	-	-	9,860
961,297	Borrowings	794,444	103,612	-	-	898,056
971,157	TOTAL NON-CURRENT LIABILITIES	816,160	91,756	-	-	907,916
1,534,642	TOTAL LIABILITIES	1,407,874	63,527	-	-	1,471,401
308,478	NET CURRENT ASSETS/(CURRENT LIABILITIES)	352,435	(82,348)	-	-	270,087
551,570	NET ASSETS	560,712	(115,292)	-	-	445,420
	EQUITY					
551,570	Accumulated Surplus/(Deficit)	536,712	(34,142)	-	-	502,570
551,570	TOTAL EQUITY	536,712	(34,142)	-	-	502,570
EASTERN HEALTH AUTHORITY STATEMENT OF CHANGES IN EQUITY						
FOR THE YEAR ENDING 30 June 2023						
AUDITED RESULTS 2021/2022		ADOPTED BUDGET 2022/2023	SEPTEMBER REVIEW	DECEMBER REVIEW	MARCH REVIEW	REVISED BUDGET 2021/2022
	ACCUMULATED SURPLUS					
565,244	Balance at beginning of period	585,712	(34,142)		-	551,570
(13,674)	Net Surplus/(Deficit)	(49,000)	-	-	-	(49,000)
551,570	BALANCE AT END OF PERIOD	536,712	(34,142)	-	-	502,570
	TOTAL EQUITY					
565,244	Balance at beginning of period	585,712	(34,142)	-	-	551,570
(13,674)	Net Surplus/(Deficit)	(49,000)	-	-	-	(49,000)
551,570	BALANCE AT END OF PERIOD	536,712	(34,142)	-	-	502,570

Eastern Health Authority			
Bank Reconciliation as at 31 March 2023			
Bank SA Account No. 141/0532306840			
Balance as per Bank Statement 31 March 2023			\$ 1,006,688.70
Less Outstanding cheques	\$	-	
Add Outstanding deposits	\$	-	
BALANCE PER General Ledger			<u>\$ 1,006,688.70</u>
GST as 31 March 2022			
GST Collected	\$115,230.88		
GST Paid	<u>(\$20,922.53)</u>		
Net GST Claimable (Payable)	<u>\$94,308.35</u>		
Funds Available 31 March 2023			
Account	31-Mar-23	31-Dec-23	Variance
Bank SA Cheque Account	\$ 1,006,689	\$ 168,342	\$838,346.97
Local Government Finance Authority	\$ 390,134	\$ 385,070	\$5,064.06
Net GST Claimable (Payable)	\$ 94,308.35	\$ (4,020.92)	\$98,329
Long Service Leave Provision	(\$175,831.00)	(\$175,831.00)	\$0.00
Annual Leave Provision	(\$123,495.00)	(\$123,495.00)	\$0.00
TOTAL FUNDS AVAILABLE	\$ 1,191,805	\$ 250,065	\$941,740

7.4 EASTERN HEALTH AUTHORITY CHARTER REVIEW UPDATE

Author: Michael Livori

Ref: AF20/47

Summary

Clause 19 of Schedule 2 of the *Local Government Act 1999* requires that a regional subsidiary has a Charter prepared by its Constituent Councils, and that the Charter is reviewed every 4 years. Clause 12.3 a) of the Charter also requires the review to occur at least every 4 years. The last review of the Eastern Health Authority Charter was finalised in May 2016. An initial report was considered by the Board at its June 2020 meeting and the review process subsequently commenced. This report provides an update to members in relation to the review process.

Report

As at 24 October 2022 meeting there was two matters which require further development so that a draft revised Charter was able to be presented to each Constituent Council for consideration.

1. Clause 9.2 considers Withdrawal of a Member Council. Council CEOs requested some further refining of the clause in relation to equity considerations. Financial and legal advice was sought which resulted in the development of a working example of costs that may be attributable to an existing member who withdraws as a member council. The working example has been provided to Constituent Councils for acknowledgement.
2. Clauses 2.2 and 2.5 e) f) considers the membership of the Board of Management and the Chair of the Board of Management. CEO's have requested that a clause be developed that allows for a Board consisting of an independent chair plus one member from each council and deputy members. A clause was subsequently developed using input from each Constituent Council's respective administrations. The majority positions received were used in the development of the clause.

Following completion of this work EHA was in a position for the draft amended EHA Charter to be considered by Constituent Councils. On 18 April 2023 EHA provided correspondence to the CEOs of our Constituent Councils, formally requesting that they consider the draft amended Charter. A copy of the correspondence is provided as attachment 1.

If Constituent Councils unanimously adopt the amended EHA Charter, a copy of the Charter as amended will be provided to the Minister for State/Local Government Relations and published on a website in accordance with the Local Government Act requirements.

RECOMMENDATION

That:

1. The Eastern Health Authority Charter Review Update Report is received.

EASTERN HEALTH AUTHORITY CHARTER REVIEW

PURPOSE OF REPORT

The purpose of this report is to advise the Council of proposed amendments to the Eastern Health Authority (EHA) Charter and to seek the Council's position on the proposed amendments, to assist in finalising the current Charter review process.

SUMMARY AND BACKGROUND

As a Regional Subsidiary, Eastern Health Authority (EHA) is regulated by the provisions of Schedule 2, Clauses 17 to 40 of the *Local Government Act 1999* ("the Act").

Clause 19 of Schedule 2 of the Act requires that a regional subsidiary has a Charter prepared by its constituent councils. The clause allows for the Charter to be reviewed at any time, but states that it must be reviewed once in every 4 years by the Constituent Councils.

While the Act is silent in relation to the process required for amendment of the Charter, clause 12.3(b) of the current EHA Charter states that amendment can only occur by unanimous resolution of the Constituent Councils.

The last full review of the EHA Charter was finalised in May 2016.

A report was considered by the EHA Board of Management (Board) at its 24 June 2020 meeting at which time the current review process commenced.

REVIEW PROCESS TO DATE

EHA Board and EHA Audit Committee Considerations

Following the 24 June 2020 Board meeting, an initial review of the Charter was undertaken by EHA administration which included seeking advice and recommendations in relation to what aspects of the Charter be amended from a legal and best practice point of view.

At the 2 December 2020 EHA Board meeting, a report detailing a number of recommended changes and the rationale for these changes was presented to the Board for consideration. Board feedback was then incorporated into refinements to the revised Charter which the Board considered at its meeting of 25 February 2021.

At the 25 February 2021 meeting, the Board were informed that at the EHA Audit Committee (the committee) meeting held on 15 December 2020, that the committee had requested that consideration be given as to whether the Chair (of EHA) should be an independent member. The Board considered the feedback from the committee and were of the collective opinion that the current arrangements, where the chair is selected from the Constituent Council Board representatives was suitable considering the size and structure of EHA and the business transacted at Board meetings. The board resolved at the meeting that the draft revised Charter and amended "Summary of Charter Amendments" document be provided to Constituent Councils for consideration and feedback.

Constituent Council Considerations

Correspondence was provided to Constituent Councils on 17 March 2021 requesting feedback in relation to the proposed amendments to the Charter and also inviting any additional comments or suggestions in relation to the review of the Charter that they would like considered. Constituent Councils were provided with a table detailing the proposed changes and rationale for the proposed changes and copies of the current Charter marked up with the proposed changes.

Feedback from Constituent Councils was received between April and June 2021. The majority of the proposed changes were unanimously endorsed by all Constituent Councils.

There were however a number of clauses where Constituent Councils had differing or opposing views which are detailed below.

- 1.7 *Area of Activity*
- 2.1 *Board of Management - Functions*
- 2.2 *Membership of the Board*
- 2.5 *Chair of the Board*
- 3.3 *Telephone and video conferencing*
- 8.1 c) *Business Plan*

On 28 May 2021 EHA received correspondence from Mellor Olsson Lawyers on behalf of Town of Walkerville (ToW) informing EHA that ToW intended to resign as a member council of EHA, effective 30 June 2022.

In June 2021, Healthy Environs in partnership with Skopion Business Consultants, released the EHA Service Review report which was subsequently presented to the Board of Management at its meeting held on 24 June 2021. The review considered:

- the current scope and delivery of public and environmental health services by EHA,
- whether the services fulfil the legislative obligations of EHA's Constituent Councils, and
- that the services are aligned to community needs and delivered efficiently with value to the public and constituent councils.

On 6 July 2021, EHA wrote to its Constituent Councils requesting feedback in relation to how the Constituent Councils should move forward to gain consensus on the clauses that have not been unanimously agreed, particularly those items that ToW had raised (in light of their decision to resign as a member Council).

At EHA's Board meeting held on 8 September 2021, a Notice of Motion was submitted by a ToW Board Member. In support of the motion, ToW Board Members at the meeting communicated to the rest of the Board, that having considered the Skopion Service Review Report that was finalised in June 2021 (post the Walkerville May 2021 meeting and decision to resign), that they had come to the realisation that the nine findings and recommendations of the review would have addressed the

concern of some members of Walkerville Council regarding equity and potentially alleviated the desire to withdraw from EHA.

The motion proposed that the EHA Board request that their respective councils consider endorsing recommendation 1 from the Eastern Health Authority Service Review, which revises the administrative component of the cost recovery formula.

On 21 September 2021 EHA wrote to the constituent councils formally requesting that their respective councils consider endorsing recommendation 1 of the EHA Service Review Report which revised the administrative component of the cost recovery formula. The request included a financial analysis of the proposed change.

By 1 November 2021, all councils had considered and endorsed the request to change the cost recovery formula and informed EHA of same. EHA subsequently informed ToW of the approvals on 5 November 2021.

On 15 November 2021 ToW considered an Environmental Health Services Option Report. The council was requested in the report to consider rescinding its motion to resign as a member council of EHA, or to withdraw as previously resolved. At the meeting ToW resolved to defer their decision and requested that their administration staff seek further information from EHA and provide a subsequent report to council. The requested information was compiled and provided to ToW on 7 December 2021.

The EHA Board of Management, at a meeting held on 8 December 2021, resolved to place the Charter review on hold until the matter of ToW membership was resolved.

On 6 May 2022, EHA received correspondence from ToW advising that at their Council meeting held on 19 April 2022, the decision to withdraw as a member council had been rescinded and that they intended to remain as a member council.

With the matter of ToW participation now resolved, on 7 July 2022, EHA wrote to all constituent councils providing an update on the review, a revised Summary of Amendments and request for a meeting of Council Chief Executive Officers to consider the non-consensus items.

On 15 August 2022, a meeting was held at EHA offices with the Chief Executive Officers (CEO's) of all Constituent Councils to consider the non-consensus items which remained unresolved. At the meeting the CEO's, who's respective councils may have had differing views on particular clauses, agreed on positions that would allow the review to progress.

The CEO's requested that further development be undertaken on two matters (detailed below) so that a draft revised Charter would be able to be presented to each Constituent Council for consideration.

1. Clause 9.2 considers Withdrawal of a Member Council and Council CEO's requested further refining of the clause in relation to equity considerations. Financial and legal advice was sought which resulted in the development of a working example of costs that may be attributable to an existing member who withdraws as a member council. The working example is provided as attachment 4 for Constituent Council acknowledgement.

2. Clauses 2.2 and 2.5 e) f) consider the membership of the Board of Management and the Chair of the Board of Management. CEOs requested that a clause be developed that allows for a Board consisting of an independent chair plus one member from each council and deputy members. A clause was subsequently developed using input from each Constituent Councils respective administrations. A collated table detailing the responses from each council is provided as attachment 3. It should be noted that where there was not a unanimous position, the majority position was used in relation to the development of the clause.

SUMMARY OF SUGGESTED AMENDMENTS TO CHARTER

Detailed below is a summary of the amendments to the EHA Charter for Constituent Council consideration.

The changes are detailed in attachment 1 - EHA Draft Revised Charter 2023

A clean copy of the EHA Draft Revised Charter 2023, with changes accepted, is provided as attachment 2.

Clause 1.7 – Area of Activity

The suggested change enables EHA to undertake an activity outside of the Constituent Council areas, subject to the activity having a positive impact on EHA and its Constituent Councils, obtaining unanimous endorsement from the EHA Board Members and the concurrence of the Chief Executive Officers of the Constituent Councils.

Currently, unanimous approval is required to be obtained from the EHA Board and the Constituent Councils rather than the Constituent Council Chief Executive Officers. The lengthy timeframes associated with obtaining endorsement from the five (5) EHA Constituent Councils could result in EHA missing out on an opportunity to undertake an 'extra' activity that could benefit the Constituent Councils.

For example, if a Council (other than an EHA Constituent Council) calls for Expressions of Interest to provide vaccination services in their council area, EHA's might be interested in tendering for EHA to provide the service on the basis that it aligns with EHA's core functions and could provide EHA with additional revenue that in turn could offset some of the annual financial contributions that Constituent Councils make to EHA.

The current need to obtain unanimous endorsement from the EHA Board Members and all of the Constituent Councils could take a significant amount of time to obtain and this could comprise EHA's ability to submit a tender within the required timeframe.

Clause 1.8 – Common Seal

Clause 1.8 of the EHA Charter relates to the use of the Common Seal to authenticate corporate documents. It is proposed to delete parts (b) and (c) of the clause as they replicate existing requirements stipulated in the Local Government Act 1999 in relation to the circumstances in which a common seal should be used and who should affix the common seal.

Clause 2.1 – Board of Management - Functions

Clause 2.1 of the EHA Charter prescribes the functions of the EHA Board of Management. It is proposed to amend the wording to have language that reflects the Local Government Act more closely, to amend subclause (f) to remove the reference to the Board assisting with the Development of the Regional Public Health Plan and to add subclause (g) to acknowledge Board participation in development of the Annual Business Plan.

The amendment to subclause (f) is proposed on the basis that the Regional Public Health Plan is considered to be a plan of the Constituent Councils that is adopted by each of the Constituent Councils rather than EHA. The elements of the Regional Public Health Plan that are directly relevant to EHA are reflected in EHA's Annual Business Plan, which is endorsed by the EHA Board. The rationale for the suggested changes to Clause 2.1 is based on legal advice obtained by EHA's Administration.

Clause 2.2 – Membership of the Board and Clause 2.5 - Chair of the Board

Clauses 2.2 and 2.5 consider the membership of the Board of Management and the Chair of the Board of Management.

During the original consultation phase the Town of Walkerville suggested reducing the number of Board Members from two (2) per Constituent Council to one (1) per Constituent Council, with an Independent Chairperson.

This position was supported by Campbeltown City Council, however both Burnside Council and Norwood Payneham and St Peters Council did not support this proposition.

The Authority's Audit Committee supported the proposition that the Chairperson should be an Independent Member. The Committee's rationale was that:

- it is best practice and good governance;
- an Independent Chairperson is primarily free of Conflicts of Interest (Risk Management);
- able to act as a conciliatory element when and if elements of the Board differ; and
- the Independent Chairperson is best placed to manage other Board Members' Conflicts of Interest.

The EHA Board considered the feedback from the committee and were of the collective opinion that the current arrangements, where the chair is selected from the Constituent Council Board representatives was suitable considering the size and structure of EHA and the business transacted at Board meetings.

As detailed previously, on 15 August 2022, a meeting was held at EHA offices with the Chief Executive Officers (CEO's) of all Constituent Councils to consider the non-consensus items which remained unresolved. The Constituent Council CEOs requested that a clause be developed that allows for a Board consisting of an independent chair plus one member from each council and deputy members. This structure would be similar to the current makeup of the Board of East Waste, a subsidiary that all councils are currently members of.

A questionnaire was sent to Constituent Council administrations requesting feedback in relation to a number of elements of the Board Membership / Chair clauses. Clauses 2.2 and 2.5 were subsequently redrafted on the basis of the majority positions received in the survey.

The current wording of Clause 2.2 prohibits Board Members from receiving remuneration for attendance at meetings. It is unlikely that an Independent Chairperson would consider taking on such a role without remuneration. As such, if the Constituent Councils endorse the suggested change, EHA will need to budget for this role.

As an ex-officio member of all EHA committees, an Independent Chair would be required to attend five Board of Management meetings plus any Special Board Meetings (Average 1 per year), three Audit Committee meeting and two CEO Performance Review committee meetings each calendar year.

Agreement will be needed as to how this additional cost is distributed between councils. If the cost is considered an operating cost and included in the general budget, the split would be on the basis of the EHA contribution formula (Currently Burnside 27%, Campbelltown 24.8%, NPSP 32%, Prospect 11.8%, Walkerville 4.5%). The other alternative is to split the cost evenly between the 5 councils.

Additionally, it is also proposed that clause 2.5e) is amended and clause 2.5 f) added, to reflect circumstances where resignation of the Chair occurs, and the Chair is absent.

These clauses deal with the following circumstances:

- when the Chair ceases to be a Board member and therefore ceases to be the Chair of the Board; and
- when the Chair is absent, i.e., unavailable to attend to the duties of Chair. In this circumstance, the person occupying the office of Chair is still the Chair but is merely absent, for example on holidays or unwell.

In both of the above circumstances, the Deputy Chair will act until either a new Chair is elected (in the first circumstance) or the Chair resumes their duties.

Clause 2.4 – Board Policies and Codes

It is proposed to amend Clause 2.4 of the EHA Charter to remove references to the EHA Board being consulted or involved in the development of policies and codes. The rationale for this is that the EHA Board (in its capacity as the governing body of EHA) must adopt policies, codes etc. and therefore Board Members provide their input by discussing, debating and ultimately adopting or not adopting and policies and codes when they are presented to the Board for endorsement.

It is also proposed to amend the Clause to reflect that EHA has developed its own Code of Conduct for Board Members.

Clause 3.2 – Special Meetings

It is proposed to amend Clause 3.2 of the EHA Charter to require the provision of four (4) hours of notice to convene a Special meeting of the EHA Board, rather than the current requirement of one (1) hour notice.

Clause 3.3 – Telephone or Video Conferencing

Clause 3.3 of the EHA Charter sets out the circumstances in which Special Meetings of the EHA Board can occur by telephone or video conference. It is proposed to delete the descriptive parts of this Clause and include them in a meeting procedure document to be adopted by the EHA Board of Management.

Clauses 3.6 & 3.8 – Quorum and Voting

It is proposed to amend Clauses 3.6 and 3.8 of the EHA Charter to clarify that a quorum is required for business to be transacted and that Board Members attending meetings by electronic means must vote on a question arising from a decision at the meeting.

Clause 3.9 – Circular Resolutions

It is proposed to simplify Clause 3.9 of the EHA Charter by including the requirements for circular resolutions (resolutions passed without the need for a Board meeting) in a procedure document that is to be adopted by the EHA Board.

Clause 4.3 – Functions of the Chief Executive Officer

It is proposed to change some minor wording of Clause 4.3, none of which changes the meaning or effect of the Clause.

Clause 4.4 – Acting Chief Executive Officer

It is proposed to change Clause 4.4, to clarify that the Chief Executive Officer may appoint a suitable person to act as Chief Executive Officer and remove the ability for the Board to revoke the appointment.

Clause 5 – Staff of EHA

It is proposed to change Clause 5, to reflect provisions in the Local Government Act, 1999. The changes do not affect the meaning or effect of the Clause.

Clause 6 – Regional Public Health Plan

It is proposed to change Clause 6, to reflect the current state of the Regional Public Health Planning review and reporting process.

Clause 7.9 – Insurance & Superannuation Requirements

Some minor wording changes are proposed to Clause 7, none of which affect the meaning or effect of the Clause.

Clause 8 – Business Plan

Clause 8.1(c) states: 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.

It is proposed to delete the reference to the date to tidy up any ambiguity about the meaning of the Clause.

Clause 9 Withdrawal of a Member

Clause 9 considers withdrawal of a Member Council. It is proposed to amend clause 9.2(a) by increasing the minimum notice period required to be provided by a withdrawing council from 12 months to 24 months to protect the remaining members.

Clause 9.2(e) and (f) have been added to provide some clarity in relation to equity considerations relating to the withdrawal of a member council. The new clauses require a withdrawing member to reimburse EHA for any direct operating costs relating to the withdrawal. The clause also now clarifies that a withdrawing council is not automatically entitled to any retained equity. After receiving financial and legal advice a working example of costs that may be attributable to an existing member was developed for acknowledgement by Constituent Councils.

Clause 12.3 – Alteration & Review of Charter

Some minor wording changes are proposed to Clause 12.3, to reflect revised Local Government Act requirements for the publishing of the EHA Charter.

Clause 12.6 – Civil Liability Protection for Subsidiary Employees

Clause 12.6 has been added to provide EHA employees with the same protection afforded to local government employees under the Local Government Act 1999.

Schedule 1 – Funding Contribution Calculation Formula

Schedule 1, which determines how Constituent Council contributions are calculated now shows the revised formula which was previously considered and endorsed by all Constituent Councils (September – November 2021).

SUMMARY

Each EHA Constituent Council will now consider a revised EHA Charter (provided as attachment 2 to this report) which is based on the changes that have been detailed in attachment 1. As detailed previously, it is a requirement of the EHA Charter that any amendments are unanimously agreed by all Constituent Council. If there are any elements of the revised Charter that are not unanimously agreed, it will be necessary to convene additional meeting(s) with appropriate Constituent Council representatives in an attempt to gain an agreed position on all elements of the revised Charter.

If all Constituent Council resolve to adopt the revised EHA Charter, it will be provided to the Minister for State/Local Government Relations and published on a website in accordance with the Local Government Act requirements.

RECOMMENDATION

That:

1. The proposed changes to the EHA Charter, as detailed in attachment 1 to this report are endorsed.
2. The revised EHA Charter, as provided as attachment 2 to this report is adopted.
3. The “Working Example” in relation to considerations surrounding a withdrawal of a Member Council is acknowledged.
4. The costs in relation to the remuneration of an Independent Chair of EHA are shared equally between Member Councils.
5. Council administration write to EHA informing them of its position in relation to the Charter review.

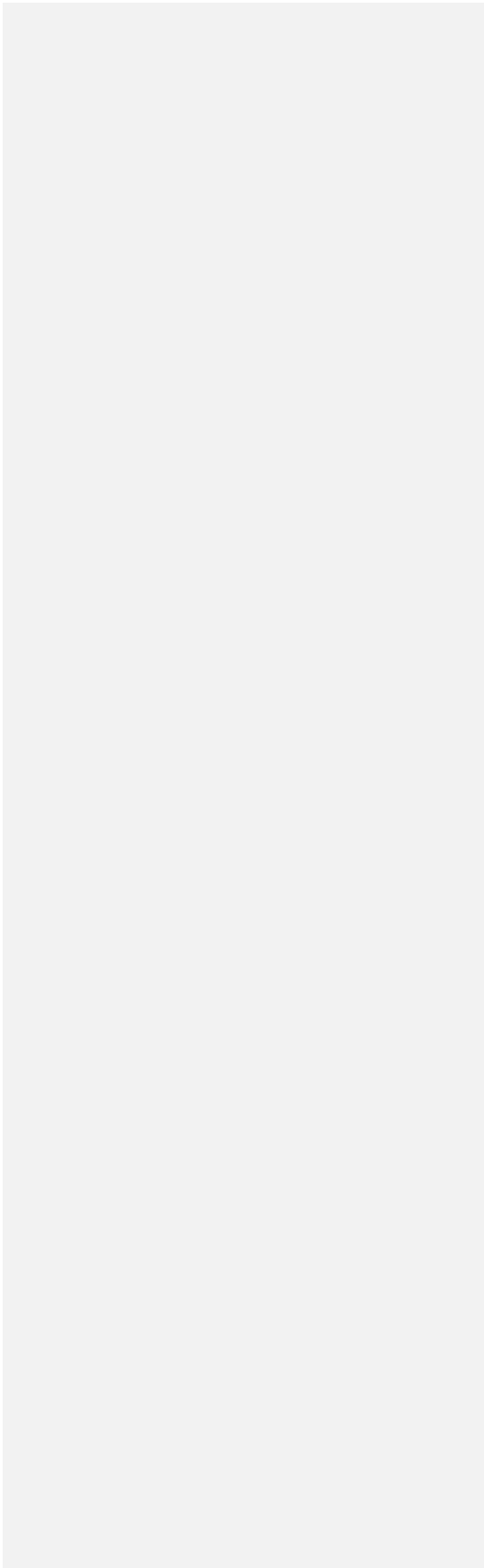
(NB: The recommendation above is reflective of the position adopted by Constituent Council CEOs and is provided as a suggested way forward to finalise the review process).



Charter
2021-2023



local councils working together to protect the health of the community



1.	EASTERN HEALTH AUTHORITY	<u>444</u>
1.1.	Regional subsidiary	<u>444</u>
1.2.	Constituent Councils	<u>444</u>
1.3.	Preamble	<u>444</u>
1.4.	Purpose	<u>444</u>
1.5.	Functions	<u>444</u>
1.6.	Powers	<u>55556</u>
1.7.	Area of activity	<u>66667</u>
1.8.	Common seal	<u>777</u>
2.	BOARD OF MANAGEMENT	<u>777</u>
2.1.	Functions	<u>777</u>
2.2.	Membership of the Board	<u>87778</u>
2.3.	Conduct of Board Members	<u>1199</u>
2.4.	Board policies and codes	<u>1199</u>
2.5.	Chair of the Board	<u>124091010</u>
2.6.	Powers of the Chair and Deputy Chair	<u>134010</u>
2.7.	Committees	<u>134010</u>
3.	MEETINGS OF THE BOARD	<u>1341401111</u>
3.1.	Ordinary meetings	<u>1341401111</u>
3.2.	Special meetings	<u>1411401111</u>
3.3.	Telephone or video conferencing	<u>141111</u>
3.4.	Notice of meetings	<u>1512111212</u>
3.5.	Minutes	<u>1513121313</u>
3.6.	Quorum	<u>1613121313</u>
3.7.	Meeting procedure	<u>16131213</u>
3.8.	Voting	<u>1613131314</u>
3.9.	Circular resolutions	<u>1614131414</u>
3.10.	Meetings to be held in public except in special circumstances	<u>1714131414</u>
3.11.	Public inspection of documents	<u>17141314</u>
3.12.	Saving provision	<u>1715141515</u>
4.	CHIEF EXECUTIVE OFFICER	<u>1815141515</u>
4.1.	Appointment	<u>1815141515</u>
4.2.	Responsibilities	<u>18151415</u>
4.3.	Functions of the Chief Executive Officer	<u>1815141516</u>
4.4.	Acting Chief Executive Officer	<u>1916151617</u>
5.	STAFF OF EHA	<u>1917161717</u>
6.	REGIONAL PUBLIC HEALTH PLAN	<u>2017161717</u>
6.1.	Obligation to prepare	<u>2017161717</u>
6.2.	Contents	<u>2017161718</u>

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6.3.	Consultation	<u>2118161818</u>
6.4.	Adoption of a Regional Public Health Plan	<u>2119161919</u>
6.5.	Implementation of a Regional Public Health Plan	<u>2119161919</u>
6.6.	Review	<u>2219161919</u>
6.7.	Reporting	<u>2219161919</u>
7.	FUNDING AND FINANCIAL MANAGEMENT	<u>2219171919</u>
7.1.	Financial management	<u>2219171919</u>
7.2.	Bank account	<u>2220172020</u>
7.3.	Budget	<u>2320172020</u>
7.4.	Funding contributions	<u>2320172020</u>
7.5.	Financial reporting	<u>2321182121</u>
7.6.	Audit	<u>2421182121</u>
7.7.	Liability	<u>2421182121</u>
7.8.	Insolvency	<u>2421182121</u>
7.9.	Insurance and superannuation requirements	<u>2421192122</u>
8.	BUSINESS PLAN	<u>2422192222</u>
8.1.	Contents of the Business Plan	<u>2422192222</u>
8.2.	Review and assessment against the Business Plan	<u>2522192222</u>
9.	MEMBERSHIP	<u>2523202223</u>
9.1.	New Members	<u>2523202223</u>
9.2.	Withdrawal of a member	<u>2523202323</u>
10.	DISPUTE RESOLUTION	<u>2623202324</u>
11.	WINDING UP	<u>29262326263</u>
12.	MISCELLANEOUS	<u>29262326273</u>
12.1.	Action by the Constituent Councils	<u>29262326273</u>
12.2.	Direction by the Constituent Councils	<u>29262326273</u>
12.3.	Alteration and review of charter	<u>29262326273</u>
12.4.	Access to information	<u>30272427274</u>
12.5.	Circumstances not provided for	<u>30272427274</u>
12.6.	Civil Liability Protections for Subsidiary Employees	<u>24</u>
13.	INTERPRETATION	<u>31272427285</u>
13.1.	Glossary	<u>31272427285</u>
13.2.	Interpreting the charter	<u>32282528296</u>
	Schedule 1 – Funding Contribution Calculation Formula	<u>2729</u>

1. EASTERN HEALTH AUTHORITY

1.1. Regional subsidiary

Eastern Health Authority (**EHA**) is a regional subsidiary established under section 43 of the Act.

1.2. Constituent Councils

The Constituent Councils of EHA are:

- a) City of Norwood Payneham & St Peters;
- b) City of Burnside;
- c) Campbelltown City Council;
- d) City of Prospect; and
- e) The Corporation of the Town of Walkerville,

(Constituent Councils).

1.3. Preamble

The field of Environmental health continues to increase in complexity and diversity, making it difficult for small to medium size councils to attract and retain staff who are experienced and fully skilled across the legislative demands placed on Local Government.

EHA's size, structure and sole focus on environmental health puts it in an ideal position to provide high quality, specialist services to the community on behalf of its Constituent Councils. This in turn ensures Constituent Councils are meeting their broad environmental health legislative responsibilities.

1.4. Purpose

EHA is established by the Constituent Councils for the purpose of providing public and environmental health services primarily to and within the areas of the Constituent Councils.

1.5. Functions

For, or in connection with its purpose, EHA may undertake the following functions:

- a) take action to preserve, protect and promote public and environmental health within the area of the Constituent Councils;
- b) cooperate with other authorities involved in the administration of public and environmental health;
- c) promote and monitor public and environmental health whether in or, so far as the Act and the charter allows, outside the area of the Constituent Councils;

- d) assist the Constituent Councils to meet their legislative responsibilities in accordance with the SA Public Health Act, the *Food Act 2001* (SA), the *Supported Residential Facilities Act 1992* (SA), the *Expiation of Offences Act 1996* (SA), the *Housing Improvement Act 1940* (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;
- e) establish objectives and policy priorities for the promotion and protection of public and environmental health within the areas of the Constituent Councils;
- f) provide immunisation programs for the protection of public health within the areas of the Constituent Councils or to ensure that such programs are provided;
- g) promote and monitor standards of hygiene and sanitation;
- h) promote and monitor food safety standards;
- i) identify risks to public and environmental health within the areas of the Constituent Councils;
- j) monitor and regulate communicable and infectious disease control;
- k) licence and monitor standards in Supported Residential Facilities;
- l) ensure that remedial action is taken to reduce or eliminate adverse impacts or risks to public and environmental health;
- m) provide, or support the provision of, educational information about public and environmental health and provide or support activities within the areas of the Constituent Councils to preserve, protect or promote public health;
- n) keep the Constituent Councils abreast of any emerging opportunities, trends and issues in public and environmental health; and
- o) any other functions described in the Charter or assigned by the Constituent Councils to EHA consistent with EHA's purpose.

1.6. Powers

EHA has the powers necessary for the carrying out of its functions, and may:

- a) enter into contracts or arrangements with any government agency or authority, or councils, including the Constituent Councils;
- b) appoint, employ, remunerate, remove or suspend officers, managers, employees and agents;

- c) enter into contracts with any person for the acquisition or provision of goods and services;
- d) receive financial contributions from the Constituent Councils;
- e) publish information;
- f) acquire, hold, deal with and dispose of any real or personal property, subject to the requirements of the Constituent Councils;
- g) open and operate bank accounts;
- h) acquire funds for the purpose of its functions or operations by entering into loan agreements;
- i) invest any of the funds of EHA in any investment with the LGA Finance Authority, provided that in exercising this power of investment EHA must:
 - (a) exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons; and
 - (b) avoid investments that are speculative or hazardous in nature;
- j) raise revenue by applying for grants and other funding from the State of South Australia or the Commonwealth of Australia and their respective agencies or instrumentalities on behalf of the Constituent Councils or on its own behalf.

1.7. **Area of activity**

a) EHA may ~~only~~ undertake an activity, including in relation to one or more of its functions and powers set out in clauses 1.5 and 1.6, outside the area of the Constituent Councils where that activity has been approved by ~~EHA by a unanimous resolution supported unanimously by all the Board Members of EHA currently in office~~ present at the relevant meeting on the basis EHA considers the activity is decision of the Constituent Councils as being necessary or expedient to the performance by EHA of its functions subject to:

(a) ~~the relevant and is an~~ activity being included in the EHA business plan;

(b) ~~there being no material impact on EHA's ability to undertake its functions set out in clause 1.5;~~

(c) ~~the relevant activity is determined to have a positive impact on EHA and its Constituent Council;~~

(d) EHA obtaining the concurrence of the Chief Executive Officers of the Constituent Councils to EHA undertaking the relevant activity.

Commented [ML1]: Clause to b amended to satisfy Burnside comments

1.8. Common seal

- a) EHA shall have a common seal upon which its corporate name shall appear in legible characters.
- ~~b) The common seal shall not be used without the authorisation of a resolution of EHA and every use of the common seal shall be recorded in a register.~~
- ~~c) The affixing of the common seal shall be witnessed by the Chair or Deputy Chair or such other Board member as the Board may appoint for the purpose.~~
- ~~d)b) The common seal shall be kept in the custody of the Chief Executive Officer or such other person as EHA may from time to time decide.~~

2. BOARD OF MANAGEMENT

2.1. Functions

The Board is the governing body of EHA and is responsible for the administration of the affairs of EHA, managing all activities of EHA. A decision of the Board is a decision of EHA, and ensuring that EHA acts in accordance with the Charter. In addition to the functions of the Board set out in the LG Act the Board ~~The Board~~ will:

- a) take all reasonable and practicable steps to ensure that EHA acts in accordance with the Charter;
- ~~a)b) formulate plans and strategies aimed at improving the activities of EHA;~~
- ~~b)c) provide input and policy direction to EHA;~~
- ~~c)d) monitor, oversee and evaluate the performance of the Chief Executive Officer;~~
- ~~d)e) ensure that ethical behaviour and integrity is maintained in all activities undertaken by EHA;~~
- ~~f) subject to clause 3.10, ensure that the activities of EHA are undertaken in an open and transparent manner; and~~
- ~~e)g) participate in the development of the Business Plan, and assist with the development of the Public Health Plan and Business Plan; and~~

fh) exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons.

2.2. Membership of the Board

- a) The Board will consist of 6 members appointed as follows:
- (a) one person appointed by each of the Constituent Councils which person may be an employee, officer or member of the Constituent Council;
 - (b) one person appointed by agreement of the majority of the Constituent Councils evidenced by a resolution of those Constituent Councils to be a Board Member and Chairperson which person must not be an employee, officer or member of a Constituent Council and who is considered by the relevant Constituent Councils to have expertise in one or more of the following areas:
 - (i) general management;
 - (ii) public health management;
 - (iii) financial management;
 - (iv) local government;
 - (v) previous relevant chairperson experience;
 - (vi) corporate governance;
 - (vii)
- b) Each Constituent Council will appoint a Deputy Board Member to act in the place of the Board Member appointed by that Constituent Council in the event the Board Member is unable to act as a Board Member.
- c) A Board Member, other than the Chairperson, shall be appointed for the term of office specified in the instrument of appointment and, at the expiration of the term of office, will be eligible for re-appointment by the Constituent Council.
- d) A Constituent Council may at any time revoke the appointment of a Board Member that it appointed.
- e) Each Constituent Council must give notice in writing to EHA of the person it has appointed as a Board Member and of any revocation of that appointment.

Commented [ML2]: CEO's have asked that the Board Structure be changed to a 6 persons Board, 1 from each council , with an independent chair and deputy Board Members . Can we simply replicate the East Waste Membership/Chair clauses, renaming director to Board Member/ or is there another way of accommodating this.

- f) Subject to clause 2.5, the Board Members are not entitled to receive any remuneration in respect of their attendance at meetings of the Board or on any other business of EHA.
- g) The office of Board Member becomes vacant:
 - (a) in any of the circumstances prescribed in the Act;
 - (b) if their appointment is revoked in accordance with clause 2.2(d); or
 - (c) if the Board Member is a member of a Constituent Council – they are no longer a member of a Constituent Council.
- h) The Board may by a two thirds majority vote of the Board Members present (excluding the Board Member who is the subject of a recommendation under this clause 2.2(h)) make a recommendation to the relevant Constituent Council requesting that the Constituent Council terminate the appointment of a Board Member in the event of:
 - (a) any behaviour of the Board Member which in the opinion of the Board amounts to impropriety;
 - (b) serious neglect of duty in attending to their responsibilities as a Board Member;
 - (c) breach of fiduciary duty to EHA, a Constituent Council or the Constituent Councils;
 - (d) breach of the duty of confidentiality to EHA, a Constituent Council or the Constituent Councils;
 - (e) breach of the conflict of interest provisions of the Act; or
 - (f) any other behaviour that may, in the opinion of the Board, discredit EHA.
- i) Subject to clause 2.2(i), if the office of a Board Member becomes vacant, the relevant Constituent Council must as soon as reasonably practicable appoint another person to fill the vacancy for the remainder of the term or such longer or shorter term as determined by the relevant Constituent Council.
- j) If the office of the Chairperson becomes vacant, the Constituent Councils must as soon as reasonably practicable appoint a person to fill the vacancy by unanimous resolution for the remainder of the term or for such longer of shorter term as the Constituent Councils determine save that any such term must not exceed two years.
- a) Each Constituent Council must appoint:
 - (a) one elected member; and

- (b) ~~one other person who may be an officer, employee or elected member of that Constituent Council or an independent person, to be Board members and may at any time revoke these appointments and appoint other persons on behalf of that Constituent Council.~~
- b) ~~A Board Member shall be appointed for the term of office specified in the instrument of appointment, and at the expiration of the term of office will be eligible for re-appointment by the Constituent Council that appointed that Board Member.~~
- c) ~~Each Constituent Council must give notice in writing to EHA of the elected memberspersons it has appointed as Board Members and of any revocation of any of those appointments.~~
- d) ~~Any person authorised by a Constituent Council may attend (but not participate in) a Board meeting and may have access to papers provided to Board Members for the purpose of the meeting.~~
- e) ~~The provisions regarding the office of a board member becoming vacant as prescribed in the Act apply to all Board Members.~~
- f) ~~Where the office of a board member becomes vacant, the relevant Constituent Council will appoint another person as a Board member for the balance of the original term or such other term as the Constituent Council determines.~~
- g) ~~The Board may by a two thirds majority vote of the Board Members present (excluding the Board Member who is the subject of a recommendation under this clause g)g)g)) make a recommendation to the relevant Constituent Council requesting that the Constituent Council terminate the appointment of a Board Member in the event of:~~
- (a) ~~any behaviour of the Board Member which in the opinion of the Board amounts to impropriety;~~
- (b) ~~serious neglect of duty in attending to their responsibilities as a Board Member;~~
- (c) ~~breach of fiduciary duty to EHA, a Constituent Council or the Constituent Councils;~~
- (d) ~~breach of the duty of confidentiality to EHA, a Constituent Council or the Constituent Councils;~~
- (e) ~~breach of the conflict of interest provisions of the Act; or~~

~~(f) — any other behaviour that may, in the opinion of the Board, discredit EHA, a Constituent Council or the Constituent Councils.~~

~~h)k) The members of the Board shall not be entitled to receive any remuneration in respect of their appointment as a Board Member including their attendance at meetings of the Board or on any other business of the Board EHA.~~

2.3. Conduct of Board Members

- a) Subject to clauses 20(6) and 20(7), Schedule 2 to the Act, the provisions regarding conflict of interest prescribed in the Act apply to Board Members.
- b) Board Members are not required to comply with Division 2, Part 4, Chapter 5 (Register of Interests) of the Act.
- c) Board Members must at all times act in accordance with their duties under the Act.

2.4. Board policies and codes

- a) EHA must, ~~in consultation with the Board Members~~ ensure that appropriate policies, practices and procedures are implemented and maintained in order to:
 - (a) ensure compliance with any statutory requirements; and
 - (b) achieve and maintain standards of good public administration.
- b) ~~EHA will adopt a A code of conduct currently prescribed under section 63 of the Act will apply to for Board Members as if the Board Members were elected members, except insofar as the prescribed code of conduct is inconsistent with an express provision of the charter or schedule 2 of the Act. In the event of such an inconsistency, the charter or schedule 2 of the Act (as relevant) will prevail to the extent of the inconsistency.~~
- c) ~~To the extent it is able, r~~The Board must, ~~as far as it is reasonable and practicable,~~ ensure that ~~its EHA's~~ policies are complied with in the conduct of the affairs of EHA and are ~~periodically reviewed and, if appropriate, amended~~ reviewed at regular intervals to be determined by the Board on the recommendation of the audit committee.
- d) The audit committee will develop a schedule for the periodic review of EHA policies by 30 June each year and provide this to the Board for approval.

2.5. Chair of the Board

- a) The Chief Executive Officer of the Constituent Councils will invite applications for the position of Chairperson, assess the application and make a recommendation to the Constituent Councils on the appointment of the Chairperson.
- b) The Chairperson will be appointed for a maximum term of two years and at the expiration of a term of office will be eligible for re-appointment by agreement of the majority of the Constituent Councils evidenced by a resolution of those Constituent Councils.
- c) The Chairperson will receive an allowance as determined by a majority of the Constituent Councils.
- d) The Board will appoint a Deputy Chairperson using such process as determined by the Board for a maximum two year term and, at the expiration of a term of office, the Deputy Chairperson will be eligible for re-appointment.
- e) The Chairperson will:
 - (a) preside at all meetings of the Board;
 - (b) serve as an ex officio member of all committees established by the Board;
 - (c) represent EHA with the media and the public generally; and
 - (d) exercise other functions as the Board determines.
- f) In the event the Chairperson is absent from a meeting of the Board, the Deputy Chairperson will preside at the meeting for the period that the Chairperson is absent. In the event of the Chairperson and Deputy Chairperson being absent from a meeting of the Board, the Board will select a Board member present to preside at the meeting for the period that both the Chairperson and Deputy Chairperson are absent.
- ~~a) A Chair and Deputy Chair shall be elected at the first meeting of the Board after a Periodic Election.~~
- ~~b) The Chair and Deputy Chair shall hold office for a period of one year from the date of the election by the Board.~~
- ~~c) Where there is more than one nomination for the position of Chair or Deputy Chair, the election shall be decided by ballot.~~
- ~~d) Both the Chair and Deputy Chair shall be eligible for re-election to their respective offices at the end of the relevant one year term.~~

~~_____ If the Chair should cease to be a Board Member, or resign their position as chair, the Deputy Chair may act as the Chair until the election of a new Chair.~~

~~e) _____ In the event the Chair is absent the Deputy Chair shall act as the Chair.~~

2.6. Powers of the Chair and Deputy Chair

- a) The Chair shall preside at all meetings of the Board and, in the event of the Chair being absent from a meeting, the Deputy Chair shall preside. In the event of the Chair and Deputy Chair being absent from a meeting, the Board Members present shall appoint a member from among them, who shall preside for that meeting or until the Chair or Deputy Chair is present.
- b) The Chair and the Deputy Chair individually or collectively shall have such powers as may be decided by ~~the Board~~EHA.

2.7. Committees

- a) ~~The Board~~EHA may establish a committee for the purpose of:
 - (a) enquiring into and reporting to the Board on any matter within EHA's functions and powers and as detailed in the terms of reference given by the Board to the committee; or
 - (b) exercising, performing or discharging delegated powers, functions or duties.
- b) A member of a committee established under this clause holds office at the pleasure of ~~the Board~~EHA.
- c) The Chair of the Board is an *ex-officio* member of any committee ~~or advisory committee~~ established by ~~the Board~~EHA.

3. MEETINGS OF THE BOARD

3.1. Ordinary meetings

- a) Ordinary meetings of the Board will take place at such times and places as may be fixed by the Board or where there are no meetings fixed by the Board, by the Chief Executive Officer in consultation with the Chair from time to time, so that there are no less than five ordinary meetings per financial year.
- b) Notice of ordinary meetings of the Board must be given by the Chief Executive Officer to each Board Member and the chief executive officer of each Constituent Council at least three clear days prior to the holding of the meeting.

3.2. Special meetings

- a) Any two Board Members may by delivering a written request to the Chief Executive Officer require a special meeting of the Board to be held.
- b) The request must be accompanied by the proposed agenda for the meeting and any written reports intended to be considered at the meeting (if the proposed agenda is not provided the request is of no effect).
- c) On receipt of the request, the Chief Executive Officer must send a notice of the special meeting to all Board Members and Chief Executive Officers of the Constituent Councils at least four hours prior to the commencement of the special meeting.
- d) The Chair may convene special meetings of the Board at the Chair's discretion without complying with the notice requirements prescribed in clause 3.4 provided always that there is a minimum one-four hours notice given to Board members.

3.3. Telephone or video conferencing

- a) Special meetings of the Board convened under clause 3.2 may occur by telephone or video conference electronic means in accordance with procedures determine by the EHA Board of Management or the Chief Executive Officer and provided that at least a quorum is present at all times.
- ~~b) Where one or more Board Members attends a Board meeting by telephone or video conferencing electronic means, the meeting will be taken to be open to the public, provided that members of the public can hear the discussion between Board members.~~
- ~~c) Each of the Board Members taking part in a meeting via telephone or video conferencing by electronic means must, at all times during the meeting, be able to hear and be heard by the other Board Members present.~~
- ~~d) At the commencement of the meeting by telephone electronic means, each Board Member must announce their presence to all other Board Members taking part in the meeting.~~
- ~~e) Board Members attending a meeting by electronic means must not leave a meeting by disconnecting the electronic means in telephone, audio-visual or other communication equipment, without notifying the Chair of the meeting in advance.~~

3.4. Notice of meetings

- a) Except where clause 3.2 applies, notice of Board meetings must be given in accordance with this clause.
- b) Notice of any meeting of the Board must:
 - (a) be in writing;
 - (b) set out the date, time and place of the meeting;
 - (c) be signed by the Chief Executive Officer;
 - (d) contain, or be accompanied by, the agenda for the meeting; and
 - (e) be accompanied by a copy of any document or report that is to be considered at the meeting (as far as this is practicable).
- c) Notice under clause ~~b)b)b)~~ may be given to a Board Member:
 - (a) personally;
 - (b) by delivering the notice (whether by post or otherwise) to the usual place of residence of the Board Member or to another place authorised in writing by the Board Member;
 - (c) electronically via email to an email address approved by the Board Member;
 - (d) by leaving the notice at the principal office of the Constituent Council which appointed the Board Member; or
 - (e) by a means authorised in writing by the Board Member being an available means of giving notice.
- d) A notice that is not given in accordance with clause ~~c)c)c)~~ will be taken to have been validly given if the Chief Executive Officer considers it impracticable to give the notice in accordance with that clause and takes action that the Chief Executive Officer considers reasonably practicable in the circumstances to bring the notice to the Board Member's attention.
- e) The Chief Executive Officer may indicate on a document or report provided to Board Members that any information or matter contained in or arising from the document or report is confidential until such time as the Board determines whether the document or report will be considered in confidence under clause ~~3.10.b)3.10.b)3.10.b)~~.

3.5. Minutes

- a) The Chief Executive Officer must cause minutes to be kept of the proceedings at every meeting of the Board.

- b) Where the Chief Executive Officer is excluded from attendance at a meeting of the Board pursuant to clause ~~3.10.b)3.10.b)3.10.b)~~, the person presiding at the meeting shall cause the minutes to be kept.

3.6. Quorum

- a) A quorum of Board Members is constituted by dividing the total number of Board Members for the time being in office by two, ignoring any fraction resulting from the division and adding one.
- b) No business will be transacted at a meeting unless a quorum is present ~~and maintained during the meeting.~~

3.7. Meeting procedure

- a) ~~The BoardEHA~~ may determine its own procedures for the conduct of its meetings provided they are not inconsistent with the Act or the charter.
- b) Meeting procedures determined by ~~the BoardEHA~~ must be documented and be made available to the public.
- c) Where the Board has not determined a procedure to address a particular circumstance, the provisions of Part 2 of the *Local Government (Procedures at Meetings) Regulations 2000* (SA) shall apply.

3.8. Voting

- a) Board Members including the Chair, shall have a deliberative vote. The Chair shall not in the event of a tied vote, have a second or casting vote.
- b) All matters will be decided by simple majority of votes of the Board Members present. In the event of a tied vote the matter will lapse.
- c) Each Board Member present at a meeting including Board Members attending a meeting by electronic means must vote on a question arising for decision at the meeting.

3.9. Circular resolutions

- ~~a) —~~ A valid decision of the Board may be obtained by a proposed resolution in writing given to all Board Members in accordance with procedures determined by the Board, and a resolution made in accordance with such procedures is as valid and effectual as if it had been passed at a meeting of the Board where a simple majority of Board Members vote in favour of the resolution by signing and returning the resolution to the Chief Executive Officer or otherwise

giving written notice of their consent and setting out the terms of the resolution to the Chief Executive Officer.

A resolution consented to under clause a) is as valid and effectual as if it had been passed at a meeting of the Board.

3.10. Meetings to be held in public except in special circumstances

- a) Subject to this clause, meetings of ~~the Board~~EHA must be conducted in a place open to the public.
- b) ~~The Board~~EHA may order that the public be excluded from attendance at any meeting in accordance with the procedure under sections 90(2) and 90(3) of the Act.
- c) An order made under clause ~~b)b)b)~~ must be recorded in the minutes of the meeting including describing the grounds on which the order was made.

3.11. Public inspection of documents

- a) Subject to clause ~~c)c)c)~~, a person is entitled to inspect, without payment of a fee:
 - (a) minutes of a Board Meeting;
 - (b) reports received by the Board Meeting; and
 - (c) recommendations presented to the Board in writing and adopted by resolution of the Board.
- b) Subject to clause ~~c)c)c)~~, a person is entitled, on payment to the Board of a fee fixed by the Board, to obtain a copy of any documents available for inspection under clause ~~a)a)a)~~.
- c) Clauses ~~a)a)a)~~ and ~~b)b)b)~~ do not apply in relation to a document or part of a document if:
 - (a) the document or part of the document relates to a matter of a kind considered by the Board in confidence under clause ~~3.10.b)3.10.b)3.10.b)~~; and
 - (b) the Board orders that the document or part of the document be kept confidential (provided that in so ordering the Board must specify the duration of the order or the circumstances in which it will cease to apply or a period after which it must be reviewed).

3.12. Saving provision

- a) No act or proceeding of EHA is invalid by reason of:
 - (a) a vacancy or vacancies in the membership of the Board; or

- (b) a defect in the appointment of a Board Member.

4. CHIEF EXECUTIVE OFFICER

4.1. Appointment

- a) ~~The Board~~EHA shall appoint a Chief Executive Officer to manage the business of EHA on a fixed term performance based employment contract, which does not exceed five years in duration.
- b) At the expiry of a Chief Executive Officer's contract, the Board may reappoint the same person as Chief Executive Officer on a new contract of no greater than five years duration.

4.2. Responsibilities

- a) The Chief Executive Officer is responsible to ~~the Board~~EHA for the execution of decisions taken by ~~the Board~~EHA and for the efficient and effective management of the affairs of EHA.
- b) The Chief Executive Officer shall cause records to be kept of all activities and financial affairs of EHA in accordance with the charter, in addition to other duties provided for by the charter and those specified in the terms and conditions of appointment.

4.3. Functions of the Chief Executive Officer

The functions of the Chief Executive Officer ~~shall be specified in the terms and conditions of appointment and will~~ include ~~to: terms to the effect that the Chief Executive Officer's functions may:~~

- a) ensure that the policies, procedures, codes of conduct and any lawful decisions of EHA are implemented and promulgated in a timely and efficient manner;
- b) undertake responsibility for the day to day operations and affairs of EHA;
- c) provide advice, assistance and reports to EHA through the Board in the exercise and performance of its powers and functions under the charter and the Act;
- d) initiate and co-ordinate proposals for consideration by EHA for developing objectives, policies and programs for the Constituent Council areas;
- e) provide information to EHA to assist EHA to assess performance against EHA plans;

- f) ensure that timely and accurate information about EHA policies and programs is regularly provided to the communities of the Constituent Councils;
- g) ensure that appropriate and prompt responses are given to specific requests for information made to EHA and, where appropriate, the Constituent Councils;
- h) ensure that the assets and resources of EHA are properly managed and maintained;
- i) maintain records that EHA and the Constituent Councils are required to maintain under the charter, the Act or another Act in respect of EHA;
- j) ensure sound principles of human resource management, health and safety to the employment of staff by EHA, including the principles listed in section 107(2) of the Act;
- k) ensure compliance with the obligations under *Work Health and Safety Act 2012* (SA) of both EHA and the Chief Executive Officer (as an 'officer' of EHA within the meaning of the WHS Act); and
- l) exercise, perform or discharge other powers, functions or duties conferred on the Chief Executive Officer by the charter, and to perform other functions lawfully directed by the BoardEHA;
- m) such other functions as may be specified in the terms and conditions of appointment of the Chief Executive Officer.

4.4. Acting Chief Executive Officer

- a) Where an absence of the Chief Executive Officer is foreseen, the Chief Executive Officer may appoint a suitable person to act as Chief Executive Officer, provided that the BoardEHA may determine to revoke the Acting Chief Executive Officer's appointment and appoint an alternative person as Acting Chief Executive Officer.
- b) If the Chief Executive Officer does not make or is incapable of making an appointment under clause a)a)a), a suitable person will be appointed by the BoardEHA.

5. STAFF OF EHA

- a) EHA may employ any staff required for the fulfilment of its functions.
- b) The Chief Executive Officer is responsible for appointing, managing, suspending and dismissing the other employees of EHA (on behalf of EHA).

~~conditions on which staff are employed will be determined by the Chief Executive Officer.~~

~~c) The Chief Executive Officer must ensure that an appointment under this clause is consistent with strategic policies and budgets approved by EHA.~~

~~d) The Chief Executive Officer must, in acting under this clause comply with any relevant Act, award or industrial agreement.~~

~~e) Suspension of an employee by the Chief Executive Officer does not affect a right to remuneration in respect of the period of suspension.~~

6. REGIONAL PUBLIC HEALTH PLAN

6.1. ~~Obligation to prepare~~

~~a) EHA must prepare for the Constituent Councils a draft regional public health plan for the purposes of the South Australian Public Health Act.~~

~~b) The draft Regional Public Health Plan must be:~~

~~(a) in the form determined or approved by the Minister; and~~

~~(b) consistent with the State Public Health Plan.~~

~~c) In drafting the Regional Public Health Plan, EHA will take into account:~~

~~(a) any guidelines prepared or adopted by the Minister to assist councils prepare regional public health plans; and~~

~~(b) in so far as is reasonably practicable give due consideration to the regional public health plans of other councils where relevant to issues or activities under the Regional Public Health Plan.~~

6.2. ~~Contents~~

~~The Regional Public Health Plan must:~~

~~a) comprehensively assess the state of public health in the areas of the Constituent Councils;~~

~~b) identify existing and potential public health risks and provide for strategies for addressing and eliminating or reducing those risks;~~

~~c) identify opportunities and outline strategies for promoting public health in the areas of the Constituent Councils;~~

~~d) address any public health issues specified by the Minister; and~~

~~e) include information as to:~~

- (a) ~~the state and condition of public health within the area of the Constituent Councils and related trends;~~
- (b) ~~environmental, social, economic and practical considerations relating to public health within the area of the Constituent Councils; and~~
- (c) ~~other prescribed matters; and~~
- f) ~~include such other information or material contemplated by the SA Public Health Act or regulations made under that Act.~~

6.3. ~~Consultation~~

- a) ~~EHA will submit the draft Regional Public Health Plan to the Constituent Councils for approval for the plan to be provided, on behalf of the Constituent Councils, to:~~
 - (a) ~~the Minister;~~
 - (b) ~~any incorporated hospital established under the *Health Care Act 2008* (SA) that operates a facility within the area of the Constituent Councils;~~
 - (c) ~~any relevant Public Health Authority Partner; and~~
 - (d) ~~any other person prescribed by regulation made under the SA Public Health Act.~~
- b) ~~Once approved by the Constituent Councils, EHA will, on behalf of the Constituent Councils, submit a copy of the draft Regional Public Health Plan to the entities listed in clause a) and consult with the Chief Public Health Officer and the public on the draft Public Health Authority Partner.~~
- c) ~~EHA will provide an amended copy of the Regional Public Health Plan to the Constituent Councils which takes into account comments received through consultation under clause b).~~

6.4. ~~Adoption of a Regional Public Health Plan~~

~~Each Constituent Council will determine whether or not to adopt the draft Regional Public Health Plan submitted to it by EHA under clause 6.3.c).~~

6.5.6.1. Implementation of a Regional Public Health Plan

EHA is responsible for undertaking any strategy and for attaining any priority or goal which the Regional Public Health Plan specifies as EHA's responsibility.

6.6.6.2. Review

EHA will, in conjunction with the Constituent Councils, review the ~~current~~ Regional Public Health Plan every five years or at shorter time intervals as directed by the Constituent Councils.

6.7.6.3. Reporting

a) EHA will on a biennial basis, on behalf of the Constituent Councils, ~~prepare-coordinate the preparation of~~ a draft report that contains a comprehensive assessment of the extent to which, during the reporting period, EHA and the Constituent Councils have succeeded in implementing the Regional Public Health Plan.

~~b) The reporting period for the purposes of clause a) is the two years ending on 30 June preceding the drafting of the report.~~

~~c)b)~~ EHA will comply with guidelines issued by the Chief Public Health Officer in respect of the preparation of reports on regional public health plans.

~~d)c)~~ EHA will submit the draft report to the ~~Constituent Councils for approval for the draft report to be provided to the~~ Chief Public Health Officer ~~by 30 June 2014 on behalf of the constituent councils as required.~~

7. FUNDING AND FINANCIAL MANAGEMENT

7.1. Financial management

- a) EHA shall keep proper books of account. Books of account must be available for inspection by any Board Member or authorised representative of any Constituent Council at any reasonable time on request.
- b) EHA must meet the obligations set out in the *Local Government (Financial Management) Regulations 2011* (SA).
- c) The Chief Executive Officer must act prudently in the handling of all financial transactions for EHA and must provide financial reports to the Board at its meetings and if requested, the Constituent Councils.

7.2. Bank account

- a) EHA must establish and maintain a bank account with such banking facilities and at a bank to be determined by the Board.
- b) All cheques must be signed by two persons authorised by resolution of the Board.

- c) Any payments made by electronic funds transfer must be made in accordance with procedures approved by the external auditor.

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.

7.4. **Funding contributions**

- a) Constituent Councils shall be liable to contribute monies to EHA each financial year for its proper operation.
- b) The contribution to be paid by a Constituent Council for any financial year shall be determined by calculating the Constituent Council's proportion of EHA's overall activities in accordance with the Funding Contribution Calculation Formula (see Schedule 1).
- c) Constituent Council contributions shall be paid in two equal instalments due respectively on 1 July and 1 January each year.
- d) The method of determining contributions can be changed with the written approval of not less than two thirds of the Constituent Councils. Where the method for calculating contributions is changed, the revised methodology will apply from the date determined by not less than two thirds of the Constituent Councils.
- e) If a council becomes a new Constituent Council after the first day of July in any financial year, the contribution payable by that council for that year will be calculated on the basis of the number of whole months (or part thereof) remaining in that year.

7.5. **Financial reporting**

- a) The Board shall present a balance sheet and the audited financial statements for the immediately previous financial year to the Constituent Councils by 31 August each year.
- b) The financial year for EHA is 1 July of a year to 30 June in the subsequent year.

7.6. **Audit**

- a) The Board shall appoint an external auditor in accordance with the *Local Government (Financial Management) Regulations 2011* (SA).
- b) The audit of financial statements of EHA, together with the accompanying report from the external auditor, shall be submitted to the Chief Executive Officer and the Board.
- c) The books of account and financial statements shall be audited at least once per year.
- d) EHA will maintain an audit committee as required by, and to fulfil the functions set out in, clause 30, Schedule 2 to the Act.

7.7. **Liability**

The liabilities incurred and assumed by EHA are guaranteed by all Constituent Councils in the proportions specified in the Funding Contribution Calculation Formula.

7.8. **Insolvency**

In the event of EHA becoming insolvent, the Constituent Councils will be responsible for all liabilities of EHA in proportion to the percentage contribution calculated for each Constituent Council for the financial year prior to the year of the insolvency.

7.9. **Insurance and superannuation requirements**

- a) EHA shall register with the LGA Mutual Liability Scheme and comply with the rules of that scheme.
- b) EHA shall register with the LGA Asset Mutual Fund or otherwise advise the Local Government Risk Services of its insurance requirements relating to local government special risks in respect of buildings, structures, vehicles and equipment under the management, care and control of EHA.
- c) ~~If EHA employs any person it~~As an employer, EHA shall register with Statewide Super and the LGA Workers Compensation Scheme and comply with the rules of those schemes.

8. **BUSINESS PLAN**

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.

8.2. Review and assessment against the Business Plan

- a) The Board must:
- (a) compare the achievement of the Business Plan against performance targets for EHA at least once every financial year;
 - (b) in consultation with the Constituent Councils review the contents of the Business Plan on an annual basis; and
 - (c) consult with the Constituent Councils prior to amending the Business Plan.
- b) EHA must submit to the Constituent Councils, by 30 September each year in respect of the immediately preceding financial year, an annual report on the work and operations of EHA detailing achievement of the aims and objectives of its Business Plan and incorporating any other information or report as required by the Constituent Councils.

9. MEMBERSHIP

9.1. New Members

The charter may be amended by the unanimous agreement of the Constituent Councils and the approval of the Minister to provide for the admission of a new Constituent Council or Councils, with or without conditions of membership.

9.2. Withdrawal of a member

- a) Subject to any legislative requirements, including but not limited to ministerial approval, a Constituent Council may resign from EHA at any time by giving a minimum ~~12~~ 24 months notice to take effect from 30 June in the financial year after which the notice period has expired,

unless otherwise agreed by unanimous resolution of the other Constituent Councils.

- b) Valid notice for the purposes of clause ~~a) a) a)~~ is notice in writing given to the Chief Executive Officer and each of the Constituent Councils.
- c) The withdrawal of any Constituent Council does not extinguish the liability of that Constituent Council to contribute to any loss or liability incurred by EHA at any time before or after such withdrawal in respect of any act or omission by EHA prior to such withdrawal.
- d) Payment of monies outstanding under the charter, by or to the withdrawing Constituent Council must be fully paid by 30 June of the financial year following 30 June of the year in which the withdrawal occurs unless there is a unanimous agreement as to alternative payment arrangements by the Constituent Councils.
- e) The withdrawing Constituent Council is to reimburse EHA for any operating costs incurred as a direct result of the withdrawal.
- d)f) The withdrawing Constituent Council is not automatically entitled to any retained equity upon exit, and any financial distribution shall be unanimously agreed by the remaining Constituent Councils.

10. DISPUTE RESOLUTION

- a) The procedure in this clause must be applied to any dispute that arises between EHA and a Constituent Council concerning the affairs of EHA, or between the Constituent Councils concerning the affairs of EHA, including a dispute as to the meaning or effect of the charter and whether the dispute concerns a claim in common law, equity or under statute.
- b) EHA and a Constituent Council must continue to observe the charter and perform its respective functions despite a dispute.
- c) This clause does not prejudice the right of a party:
 - (a) to require the continuing observance and performance of the charter by all parties: or
 - (b) to institute proceedings to enforce payment due under the charter or to seek injunctive relief to prevent immediate and irreparable harm.
- d) Subject to clause ~~c) c) c)~~, pending completion of the procedure set out in clauses ~~e) e) e)~~ to ~~i) i) i)~~, a dispute must not be the subject of legal

proceedings between any of the parties in dispute. If legal proceedings are initiated or continued in breach of this clause, a party to the dispute is entitled to apply for and be granted an order of the court adjourning those proceedings pending completion of the procedure set out in this clause 10.

- e) **Step 1: Notice of dispute:** A party to the dispute must promptly notify each other party to the dispute of:

- (a) the nature of the dispute, giving reasonable details;
- (b) what action (if any) the party giving notice seeks to resolve the dispute.

A failure to give notice under this clause ~~e)e)~~ does not entitle any other party to damages.

- f) **Step 2: Request for a meeting of the parties:** A party providing notice of a dispute under clause ~~e)e)~~ may at the same or a later time notify each other party to the dispute that the notifying party requires a meeting within 14 business days.

- g) **Step 3: Meeting of senior managers:** Where a meeting is requested under clause ~~f)f)~~, a senior manager of each party must attend a meeting with the Board in good faith to attempt to resolve the dispute.

- h) **Step 4: Meeting of chief executive officers:** Where a meeting of senior managers held under clause ~~g)g)~~ fails to resolve the dispute, the chief executive officers of EHA and each of the Constituent Councils must attend a meeting in good faith to attempt to resolve the dispute.

- i) **Step 5: Mediation:** If the meeting held under clause ~~h)h)~~ fails to resolve the dispute, then the dispute may be referred to mediation by any party to the dispute.

- j) Where a dispute is referred to mediation under clause ~~i)i)~~:

- (a) the mediator must be a person agreed by the parties in dispute or, if they cannot agree within 14 days, a mediator nominated by the President of the South Australian Bar Association (or equivalent office of any successor organisation);
- (b) the role of the mediator is to assist in negotiating a resolution of a dispute;
- (c) a mediator may not make a decision binding on a party unless the parties agree to be so bound either at the time the mediator is appointed or subsequently;

- (d) the mediation will occur at EHA's principal office or any other convenient location agreed by both parties;
- (e) a party is not required to spend more than the equivalent of one business day in mediation of a dispute;
- (f) each party to a dispute will cooperate in arranging and expediting the mediation, including by providing information in the possession or control of the party reasonably sought by the mediator in relation to the dispute;
- (g) each party will send a senior manager authorised to resolve the dispute to the mediation;
- (h) the mediator may exclude lawyers acting for the parties in dispute;
- (i) the mediator may retain persons to provide expert assistance to the mediator;
- (j) a party in dispute may withdraw from mediation if in the reasonable opinion of that party, the mediator is not acting in confidence or with good faith, or is acting for a purpose other than resolving the dispute;
- (k) unless otherwise agreed in writing:
 - (i) everything that occurs before the mediator is in confidence and in closed session;
 - (ii) discussions (including admissions and concessions) are without prejudice and may not be called into evidence in any subsequent legal proceedings by a party;
 - (iii) documents brought into existence specifically for the purpose of the mediation may not be admitted in evidence in any subsequent legal proceedings by a party; and
 - (iv) the parties in dispute must report back to the mediator within 14 days on actions taken based on the outcomes of the mediation; and
- (l) each party to the dispute must bear its own costs in respect of the mediation, plus an equal share of the costs and expenses of the mediator.

11. WINDING UP

- a) EHA may be wound up by the Minister acting upon a unanimous resolution of the Constituent Councils or by the Minister in accordance with clause 33(1)(b), Schedule 2 of the Act.
- b) In the event of EHA being wound up, any surplus assets after payment of all expenses shall be returned to the Constituent Councils in the proportions specified in the Funding Contribution Calculation Formula prior to the passing of the resolution to wind up.
- c) If there are insufficient funds to pay all expenses due by EHA on winding up, a levy shall be imposed on all Constituent Councils in the proportion determined under the Funding Contribution Calculation Formula prior to the passing of the resolution to wind up.

12. MISCELLANEOUS

12.1. Action by the Constituent Councils

The obligations of EHA under the charter do not derogate from the power of the Constituent Councils to jointly act in any manner prudent to the sound management and operation of EHA, provided that the Constituent Councils have first agreed by resolution of each Constituent Council as to the action to be taken.

12.2. Direction by the Constituent Councils

Any direction given to EHA by the Constituent Councils must be jointly given by the Constituent Councils to the Board of EHA by a notice or notices in writing.

12.3. Alteration and review of charter

- a) The charter will be reviewed by the Constituent Councils acting jointly at least once in every four years.
- b) The charter can only be amended by unanimous resolution of the Constituent Councils.
- c) Notice of a proposed alteration to the charter must be given by the Chief Executive Officer to all Constituent Councils at least four weeks prior to the Council meeting at which the alteration is proposed.
- d) The Chief Executive Officer must ensure that a copy of the charter, as amended, is published on a website (or websites) determined by the chief executive officers of the Constituent Councils, a notice of the fact of the amendment and a website address at which the charter is available for inspection is published in the Gazette and a copy of the charter, as amended, is provided to the Minister. the amended charter is published in the South Australian Government Gazette, a copy of the

amended charter is provided to the Minister and a copy is tabled for noting at the next Board meeting.

12.4. Access to information

A Constituent Council and a Board Member each has a right to inspect and take copies of the books and records of EHA for any proper purpose.

12.5. Circumstances not provided for

a) If any circumstances arise about which the charter is silent or which are, incapable of taking effect or being implemented the Board or the Chief Executive Officer may decide the action to be taken to ensure achievement of the objects of EHA and its effective administration.

b) Where the Chief Executive Officer acts in accordance with clause ~~a) a) a)~~ he or she shall report that decision at the next Board meeting.

12.6. Civil liability Protection for Subsidiary employees

a) No civil liability attaches to an employee of EHA for an honest act or omission in the exercise performance or discharge or purported exercise performance or discharge of powers functions and duties of the employee under the Local Government Act 1999 or any other Act.

b) EHA must indemnify its employees against any civil liability incurred by the employee of for an honest act or omission in the exercise, performance or discharge, or purported exercise, performance or discharge, of powers, functions or duties under the Local Government Act 1999 or any other Act.

13. INTERPRETATION

13.1. Glossary

Term	Definition
Act	<i>Local Government Act 1999 (SA)</i>
Board	board of management of EHA
Board Member	a member of EHA board appointed for the purposes of clause 2.2 of the charter and includes a Deputy Board Member unless the context otherwise requires.
Business Plan	a business plan compiled in accordance with part 8 of the charter
Chief Executive Officer	The chief executive officer of EHA
Chief Public Health Officer	the officer of that name appointed under the SA Public Health Act
Constituent Council	a council listed in clause 1.2 of the charter or admitted under clause 9.1.
Deputy Board Member	a deputy member of EHA Board appointed for the purpose of clause 2.2 of the Charter.
EHA	Eastern Health Authority
Funding Contribution Calculation Formula	the formula set out in Schedule 1 to the charter.
LGA	Local Government Association of SA
LGA Asset Mutual Fund	means the fund of that name provided by Local Government Risk Services
LGA Mutual Liability Scheme	means the scheme of that name conducted by the LGA.
LGA Workers Compensation Scheme	a business unit of the Local Government Association of South Australia.
Minister	South Australian Minister for Health and Aging

Periodic Election	has the meaning given in the <i>Local Government (Elections) Act 1999 (SA)</i> .
Public Health Authority Partner	is an entity prescribed or declared to be a public health authority partner pursuant to the SA Public Health Act
Regional Public Health Plan	the plan prepared under part 6 of the charter for the areas of the Constituent Councils.
SA Public Health Act	<i>South Australian Public Health Act 2011 (SA)</i>
State Public Health Plan	means the plan of that name under the SA Public Health Act
Statewide Super	Statewide Superannuation Pty Ltd ABN 62 008 099 223
Supported Residential Facility	has the meaning given in the <i>Supported Residential Facilities Act 1992 (SA)</i> .

13.2. Interpreting the charter

- a) The charter will come into effect on the date it is published in the *South Australian Government Gazette*.
- b) The charter supersedes previous charters of the Eastern Health Authority.
- c) The charter must be read in conjunction with Schedule 2 to the Act.
- d) EHA shall conduct its affairs in accordance with Schedule 2 to the Act except as modified by the charter as permitted by Schedule 2 to the Act.
- e) Despite any other provision in the charter:
 - (a) if the Act prohibits a thing being done, the thing may not be done;
 - (b) if the Act requires a thing to be done, that thing must be done; and
 - (c) if a provision of the charter is or becomes inconsistent with the Act, that provision must be read down or failing that severed from the charter to the extent of the inconsistency.

Schedule 1 – Funding Contribution Calculation Formula

The funding contribution required from each Constituent Council is based on an estimated proportion of EHA's overall activities occurring within its respective area.

The estimated proportion is determined using the Funding Contribution Calculation Formula which is detailed on the following page.

In the formula, activities conducted by EHA on behalf of Constituent Councils have been weighted according to their estimated proportion of overall activities (see table below).

It should be noted that the weighted proportion allocated to administration is divided evenly between the Constituent Councils.

A calculation of each Constituent Councils proportion of resources used for a range of different activities is made. This occurs annually during the budget development process and is based on the best available data from the preceding year.

The formula determines the overall proportion of estimated use for each council by applying the weighting to each activity.

Activity	Weighted % of Activities
Administration – (5% Fixed and 7.5% Variable)	12.5%
Food Safety Activity	35.0%
Environmental Health Complaints	7.0%
Supported Residential Facilities	6.5%
Cooling Towers	6.5%
Skin Penetration	0.5%
Swimming Pools	2%
Number of Year 8 & 9 Enrolments	15.0%
Number of clients attending clinics	15.0%
Total	100%

Activity Description	Code	Activity weighting	Constituent Council -1	Constituent Council - 2	Constituent Council - 3	Constituent Council - 4	Constituent Council - 5	Total
Administration – Fixed Allocation (to be shared evenly.)	A1	12.5%	12.5%/ CC	12.5%/ CC	12.5%/ CC	12.5%/ CC	512.5%/ CC	12.5%
Administration – Variable Allocation	A2	7.5%	(Sum B-I / 87.5%) x 7.5%	(Sum B-I / 87.5%) x 7.5%	(Sum B-I / 87.5%) x 7.5%	(Sum B-I / 87.5%) x 7.5%	(Sum B-I / 87.5%) x 7.5%	7.5%
Food Safety Activity.	B	35%	(N/B) x AW	(N/B) x AW(N/B)x AW	(N/B) x AW(N/B)x AW	(N/B) x AW(N/B)x AW	(N/B) x AW(N/B)x AW	35%2 8.5%
Environmental Health Complaints	C	7%	(N/C) x AW	(N/C) x AW(N/C)x AW	(N/C) x AW(N/C)x AW	(N/C) x AW(N/C)x AW	(N/C) x AW(N/C)x AW	7%11 %
Supported Residential Facilities.	D	6.5%	(N/D) x AW	(N/D) x AW(N/D)x AW	(N/D) x AW(N/D)x AW	(N/D) x AW(N/D)x AW	(N/D) x AW(N/D)x AW	6.5%1 0%
High Risk Manufactured Water Systems	E	6.5%	(N/E) x AW	(N/E) x AW(N/E)x AW	(N/E) x AW(N/E)x AW	(N/E) x AW(N/E)x AW	(N/E) x AW(N/E)x AW	6.5%3 %
Skin Penetration	F	0.5%	(N/F) x AW	(N/F) x AW(N/F)x AW	(N/F) x AW(N/F)x AW	(N/F) x AW(N/F)x AW	(N/F) x AW(N/F)x AW	0.5%2 %
Public Access Swimming Pools.	G	2%	(N/G) x AW	(N/G) x AW(N/G)x AW	(N/G) x AW(N/G)x AW	(N/G) x AW(N/G)x AW	(N/G) x AW(N/G)x AW	2%3%
School enrolments vaccinated	H	15.0%	(N/H) x AW	(N/H) x AW(N/H)x AW	(N/H) x AW(N/H)x AW	(N/H) x AW(N/H)x AW	(N/H) x AW(N/H)x AW	15.0% 15%
Clients attending public clinics	I	15.0%	(N/I) x AW	(N/I) x AW(N/I)x AW	(N/I) x AW(N/I)x AW	(N/I) x AW(N/I)x AW	(N/I) x AW(N/I)x AW	15.0% 15%
Total Proportion of contribution			Sum A-I	Sum A-I	Sum A-I	Sum A-I	Sum A-I	100%

N = Number in Constituent Council area.
 B through to I = Total number in all Constituent Councils.
 AW = Activity weighting.
 CC = Number of Constituent Councils (example provided uses five (5) Constituent Councils)



Charter 2023



1.	EASTERN HEALTH AUTHORITY	4
1.1.	Regional subsidiary	4
1.2.	Constituent Councils	4
1.3.	Preamble	4
1.4.	Purpose.....	4
1.5.	Functions.....	4
1.6.	Powers	5
1.7.	Area of activity	6
1.8.	Common seal.....	7
2.	BOARD OF MANAGEMENT	7
2.1.	Functions.....	7
2.2.	Membership of the Board	7
2.3.	Conduct of Board Members.....	9
2.4.	Board policies and codes	10
2.5.	Chair of the Board	10
2.6.	Powers of the Chair and Deputy Chair	11
2.7.	Committees	11
3.	MEETINGS OF THE BOARD	11
3.1.	Ordinary meetings	11
3.2.	Special meetings.....	12
3.3.	Telephone or video conferencing	12
3.4.	Notice of meetings.....	12
3.5.	Minutes	13
3.6.	Quorum.....	13
3.7.	Meeting procedure	13
3.8.	Voting	14
3.9.	Circular resolutions.....	14
3.10.	Meetings to be held in public except in special circumstances	14
3.11.	Public inspection of documents	14
3.12.	Saving provision	15
4.	CHIEF EXECUTIVE OFFICER.....	15
4.1.	Appointment.....	15
4.2.	Responsibilities	15
4.3.	Functions of the Chief Executive Officer.....	15
4.4.	Acting Chief Executive Officer	17
5.	STAFF OF EHA	17
6.	REGIONAL PUBLIC HEALTH PLAN	17
6.1.	Obligation to prepare	17
6.2.	Contents	17
6.3.	Consultation	17

7.	FUNDING AND FINANCIAL MANAGEMENT.....	18
7.1.	Financial management	18
7.2.	Bank account.....	18
7.3.	Budget.....	18
7.4.	Funding contributions.....	19
7.5.	Financial reporting	19
7.6.	Audit.....	19
7.7.	Liability	20
7.8.	Insolvency	20
7.9.	Insurance and superannuation requirements.....	20
8.	BUSINESS PLAN	20
8.1.	Contents of the Business Plan	20
8.2.	Review and assessment against the Business Plan	21
9.	MEMBERSHIP	21
9.1.	New Members.....	21
9.2.	Withdrawal of a member	21
10.	DISPUTE RESOLUTION	22
11.	WINDING UP	24
12.	MISCELLANEOUS.....	25
12.1.	Action by the Constituent Councils	25
12.2.	Direction by the Constituent Councils.....	25
12.3.	Alteration and review of charter	25
12.4.	Access to information	25
12.5.	Circumstances not provided for	25
12.6.	Civil Liability Protections for Subsidiary Employees	26
13.	INTERPRETATION.....	27
13.1.	Glossary	27
13.2.	Interpreting the charter	28
	Schedule 1 – Funding Contribution Calculation Formula	29

1. EASTERN HEALTH AUTHORITY

1.1. Regional subsidiary

Eastern Health Authority (EHA) is a regional subsidiary established under section 43 of the Act.

1.2. Constituent Councils

The Constituent Councils of EHA are:

- a) City of Norwood Payneham & St Peters;
- b) City of Burnside;
- c) Campbelltown City Council;
- d) City of Prospect; and
- e) The Corporation of the Town of Walkerville,

(Constituent Councils).

1.3. Preamble

The field of Environmental health continues to increase in complexity and diversity, making it difficult for small to medium size councils to attract and retain staff who are experienced and fully skilled across the legislative demands placed on Local Government.

EHA's size, structure and sole focus on environmental health puts it in an ideal position to provide high quality, specialist services to the community on behalf of its Constituent Councils. This in turn ensures Constituent Councils are meeting their broad environmental health legislative responsibilities.

1.4. Purpose

EHA is established by the Constituent Councils for the purpose of providing public and environmental health services primarily to and within the areas of the Constituent Councils.

1.5. Functions

For, or in connection with its purpose, EHA may undertake the following functions:

- a) take action to preserve, protect and promote public and environmental health within the area of the Constituent Councils;
- b) cooperate with other authorities involved in the administration of public and environmental health;
- c) promote and monitor public and environmental health whether in or, so far as the Act and the charter allows, outside the area of the Constituent Councils;

- d) assist the Constituent Councils to meet their legislative responsibilities in accordance with the SA Public Health Act, the *Food Act 2001* (SA), the *Supported Residential Facilities Act 1992* (SA), the *Expiation of Offences Act 1996* (SA), the *Housing Improvement Act 1940* (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;
- e) establish objectives and policy priorities for the promotion and protection of public and environmental health within the areas of the Constituent Councils;
- f) provide immunisation programs for the protection of public health within the areas of the Constituent Councils or to ensure that such programs are provided;
- g) promote and monitor standards of hygiene and sanitation;
- h) promote and monitor food safety standards;
- i) identify risks to public and environmental health within the areas of the Constituent Councils;
- j) monitor and regulate communicable and infectious disease control;
- k) licence and monitor standards in Supported Residential Facilities;
- l) ensure that remedial action is taken to reduce or eliminate adverse impacts or risks to public and environmental health;
- m) provide, or support the provision of, educational information about public and environmental health and provide or support activities within the areas of the Constituent Councils to preserve, protect or promote public health;
- n) keep the Constituent Councils abreast of any emerging opportunities, trends and issues in public and environmental health; and
- o) any other functions described in the Charter or assigned by the Constituent Councils to EHA consistent with EHA's purpose.

1.6. Powers

EHA has the powers necessary for the carrying out of its functions, and may:

- a) enter into contracts or arrangements with any government agency or authority, or councils, including the Constituent Councils;
- b) appoint, employ, remunerate, remove or suspend officers, managers, employees and agents;

- c) enter into contracts with any person for the acquisition or provision of goods and services;
- d) receive financial contributions from the Constituent Councils;
- e) publish information;
- f) acquire, hold, deal with and dispose of any real or personal property, subject to the requirements of the Constituent Councils;
- g) open and operate bank accounts;
- h) acquire funds for the purpose of its functions or operations by entering into loan agreements;
- i) invest any of the funds of EHA in any investment with the LGA Finance Authority, provided that in exercising this power of investment EHA must:
 - (a) exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons; and
 - (b) avoid investments that are speculative or hazardous in nature;
- j) raise revenue by applying for grants and other funding from the State of South Australia or the Commonwealth of Australia and their respective agencies or instrumentalities on behalf of the Constituent Councils or on its own behalf.

1.7. Area of activity

- a) EHA may undertake an activity, including in relation to one or more of its functions and powers set out in clauses 1.5 and 1.6 outside the area of the Constituent Councils where that activity has been approved by a resolution supported unanimously by all the Board Members of EHA present at the relevant meeting on the basis EHA considers the activity is necessary or expedient to the performance by EHA of its functions subject to:
 - (a) the relevant activity being included in the EHA business plan;
 - (b) there being no material impact on EHA's ability to undertake its functions set out in clause 1.5;
 - (c) the relevant activity is determined to have a positive impact on EHA and its Constituent Council;

- (d) EHA obtaining the concurrence of the Chief Executive Officers of the Constituent Councils to EHA undertaking the relevant activity.

1.8. **Common seal**

- a) EHA shall have a common seal upon which its corporate name shall appear in legible characters.
- b) The common seal shall be kept in the custody of the Chief Executive Officer or such other person as EHA may from time to time decide.

2. **BOARD OF MANAGEMENT**

2.1. **Functions**

The Board is the governing body of EHA and is responsible for the administration of the affairs of EHA. A decision of the Board is a decision of EHA.. In addition to the functions of the Board set out in the LG Act the Board will:

- a) take all reasonable and practicable steps to ensure that EHA acts in accordance with the Charter;
- b) formulate plans and strategies aimed at improving the activities of EHA;
- c) provide input and policy direction to EHA;
- d) monitor, oversee and evaluate the performance of the Chief Executive Officer;
- e) ensure that ethical behaviour and integrity is maintained in all activities undertaken by EHA;
- f) subject to clause 3.10, ensure that the activities of EHA are undertaken in an open and transparent manner;
- g) participate in the development of the Business Plan, and
- h) exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons.

2.2. **Membership of the Board**

- a) The Board will consist of 6 members appointed as follows:
 - (a) one person appointed by each of the Constituent Councils which person may be an employee, officer or member of the Constituent Council;
 - (b) one person appointed by agreement of the majority of the Constituent Councils evidenced by a resolution of those Constituent Councils to be a Board Member and Chairperson

which person must not be an employee, officer or member of a Constituent Council and who is considered by the relevant Constituent Councils to have expertise in one or more of the following areas:

- (i) general management;
- (ii) public health management;
- (iii) financial management;
- (iv) local government;
- (v) previous relevant chairperson experience;
- (vi) corporate governance;
- (vii)

- b) Each Constituent Council will appoint a Deputy Board Member to act in the place of the Board Member appointed by that Constituent Council in the event the Board Member is unable to act as a Board Member.
- c) A Board Member, other than the Chairperson, shall be appointed for the term of office specified in the instrument of appointment and, at the expiration of the term of office, will be eligible for re-appointment by the Constituent Council.
- d) A Constituent Council may at any time revoke the appointment of a Board Member that it appointed.
- e) Each Constituent Council must give notice in writing to EHA of the person it has appointed as a Board Member and of any revocation of that appointment.
- f) Subject to clause 2.5, the Board Members are not entitled to receive any remuneration in respect of their attendance at meetings of the Board or on any other business of EHA.
- g) The office of Board Member becomes vacant:
 - (a) in any of the circumstances prescribed in the Act;
 - (b) if their appointment is revoked in accordance with clause 2.2(d); or
 - (c) if the Board Member is a member of a Constituent Council – they are no longer a member of a Constituent Council.

- h) The Board may by a two thirds majority vote of the Board Members present (excluding the Board Member who is the subject of a recommendation under this clause 2.2(h)) make a recommendation to the relevant Constituent Council requesting that the Constituent Council terminate the appointment of a Board Member in the event of:
 - (a) any behaviour of the Board Member which in the opinion of the Board amounts to impropriety;
 - (b) serious neglect of duty in attending to their responsibilities as a Board Member;
 - (c) breach of fiduciary duty to EHA, a Constituent Council or the Constituent Councils;
 - (d) breach of the duty of confidentiality to EHA, a Constituent Council or the Constituent Councils;
 - (e) breach of the conflict of interest provisions of the Act; or
 - (f) any other behaviour that may, in the opinion of the Board, discredit EHA.
- i) Subject to clause 2.2(i), if the office of a Board Member becomes vacant, the relevant Constituent Council must as soon as reasonably practicable appoint another person to fill the vacancy for the remainder of the term or such longer or shorter term as determined by the relevant Constituent Council.
- j) If the office of the Chairperson becomes vacant, the Constituent Councils must as soon as reasonably practicable appoint a person to fill the vacancy by unanimous resolution for the remainder of the term or for such longer or shorter term as the Constituent Councils determine save that any such term must not exceed two years.
- k) .

2.3. **Conduct of Board Members**

- a) Subject to clauses 20(6) and 20(7), Schedule 2 to the Act, the provisions regarding conflict of interest prescribed in the Act apply to Board Members.
- b) Board Members are not required to comply with Division 2, Part 4, Chapter 5 (Register of Interests) of the Act.
- c) Board Members must at all times act in accordance with their duties under the Act.

2.4. **Board policies and codes**

- a) EHA must, ensure that appropriate policies, practices and procedures are implemented and maintained in order to:
 - (a) ensure compliance with any statutory requirements; and
 - (b) achieve and maintain standards of good public administration.
- b) EHA will adopt a code of conduct for Board Members.
- c) The Board must, as far as it is reasonable and practicable, ensure that EHA's policies are complied with in the conduct of the affairs of EHA and are reviewed at regular intervals to be determined by the Board on the recommendation of the audit committee.
- d) The audit committee will develop a schedule for the periodic review of EHA policies by 30 June each year and provide this to the Board for approval.

2.5. **Chair of the Board**

- a) The Chief Executive Officer of the Constituent Councils will invite applications for the position of Chairperson, assess the application and make a recommendation to the Constituent Councils on the appointment of the Chairperson.
- b) The Chairperson will be appointed for a maximum term of two years and at the expiration of a term of office will be eligible for re-appointment by agreement of the majority of the Constituent Councils evidenced by a resolution of those Constituent Councils.
- c) The Chairperson will receive an allowance as determined by a majority of the Constituent Councils.
- d) The Board will appoint a Deputy Chairperson using such process as determined by the Board for a maximum two year term and, at the expiration of a term of office, the Deputy Chairperson will be eligible for re-appointment.
- e) The Chairperson will:
 - (a) preside at all meetings of the Board;
 - (b) serve as an ex officio member of all committees established by the Board;
 - (c) represent EHA with the media and the public generally; and
 - (d) exercise other functions as the Board determines.
- f) In the event the Chairperson is absent from a meeting of the Board, the Deputy Chairperson will preside at the meeting for the period that

the Chairperson is absent. In the event of the Chairperson and Deputy Chairperson being absent from a meeting of the Board, the Board will select a Board member present to preside at the meeting for the period that both the Chairperson and Deputy Chairperson are absent.

2.6. **Powers of the Chair and Deputy Chair**

- a) The Chair shall preside at all meetings of the Board and, in the event of the Chair being absent from a meeting, the Deputy Chair shall preside. In the event of the Chair and Deputy Chair being absent from a meeting, the Board Members present shall appoint a member from among them, who shall preside for that meeting or until the Chair or Deputy Chair is present.
- b) The Chair and the Deputy Chair individually or collectively shall have such powers as may be decided by EHA.

2.7. **Committees**

- a) EHA may establish a committee for the purpose of:
 - (a) enquiring into and reporting to the Board on any matter within EHA's functions and powers and as detailed in the terms of reference given by the Board to the committee; or
 - (b) exercising, performing or discharging delegated powers, functions or duties.
- b) A member of a committee established under this clause holds office at the pleasure of EHA.
- c) The Chair of the Board is an *ex-officio* member of any committee established by EHA.

3. **MEETINGS OF THE BOARD**

3.1. **Ordinary meetings**

- a) Ordinary meetings of the Board will take place at such times and places as may be fixed by the Board or where there are no meetings fixed by the Board, by the Chief Executive Officer in consultation with the Chair from time to time, so that there are no less than five ordinary meetings per financial year.
- b) Notice of ordinary meetings of the Board must be given by the Chief Executive Officer to each Board Member and the chief executive officer of each Constituent Council at least three clear days prior to the holding of the meeting.

3.2. **Special meetings**

- a) Any two Board Members may by delivering a written request to the Chief Executive Officer require a special meeting of the Board to be held.
- b) The request must be accompanied by the proposed agenda for the meeting and any written reports intended to be considered at the meeting (if the proposed agenda is not provided the request is of no effect).
- c) On receipt of the request, the Chief Executive Officer must send a notice of the special meeting to all Board Members and Chief Executive Officers of the Constituent Councils at least four hours prior to the commencement of the special meeting.
- d) The Chair may convene special meetings of the Board at the Chair's discretion without complying with the notice requirements prescribed in clause 3.4 provided always that there is a minimum four hours notice given to Board members.

3.3. **Telephone or video conferencing**

- a) Special meetings of the Board convened under clause 3.2 may occur by electronic means in accordance with procedures determine by the EHA Board of Management and provided that at least a quorum is present at all times.

3.4. **Notice of meetings**

- a) Except where clause 3.2 applies, notice of Board meetings must be given in accordance with this clause.
- b) Notice of any meeting of the Board must:
 - (a) be in writing;
 - (b) set out the date, time and place of the meeting;
 - (c) be signed by the Chief Executive Officer;
 - (d) contain, or be accompanied by, the agenda for the meeting; and
 - (e) be accompanied by a copy of any document or report that is to be considered at the meeting (as far as this is practicable).
- c) Notice under clause b) may be given to a Board Member:
 - (a) personally;

- (b) by delivering the notice (whether by post or otherwise) to the usual place of residence of the Board Member or to another place authorised in writing by the Board Member;
 - (c) electronically via email to an email address approved by the Board Member;
 - (d) by leaving the notice at the principal office of the Constituent Council which appointed the Board Member; or
 - (e) by a means authorised in writing by the Board Member being an available means of giving notice.
- d) A notice that is not given in accordance with clause c) will be taken to have been validly given if the Chief Executive Officer considers it impracticable to give the notice in accordance with that clause and takes action that the Chief Executive Officer considers reasonably practicable in the circumstances to bring the notice to the Board Member's attention.
- e) The Chief Executive Officer may indicate on a document or report provided to Board Members that any information or matter contained in or arising from the document or report is confidential until such time as the Board determines whether the document or report will be considered in confidence under clause 3.10.b).

3.5. Minutes

- a) The Chief Executive Officer must cause minutes to be kept of the proceedings at every meeting of the Board.
- b) Where the Chief Executive Officer is excluded from attendance at a meeting of the Board pursuant to clause 3.10.b), the person presiding at the meeting shall cause the minutes to be kept.

3.6. Quorum

- a) A quorum of Board Members is constituted by dividing the total number of Board Members for the time being in office by two, ignoring any fraction resulting from the division and adding one.
- b) No business will be transacted at a meeting unless a quorum is present .

3.7. Meeting procedure

- a) EHA may determine its own procedures for the conduct of its meetings provided they are not inconsistent with the Act or the charter.
- b) Meeting procedures determined by EHA must be documented and be made available to the public.

- c) Where the Board has not determined a procedure to address a particular circumstance, the provisions of Part 2 of the *Local Government (Procedures at Meetings) Regulations 2000* (SA) shall apply.

3.8. **Voting**

- a) Board Members including the Chair, shall have a deliberative vote. The Chair shall not in the event of a tied vote, have a second or casting vote.
- b) All matters will be decided by simple majority of votes of the Board Members present. In the event of a tied vote the matter will lapse.
- c) Each Board Member present at a meeting, including Board Members attending a meeting by electronic means must vote on a question arising for decision at the meeting.

3.9. **Circular resolutions**

A valid decision of the Board may be obtained by a proposed resolution in writing given to all Board Members in accordance with procedures determined by the Board, and a resolution made in accordance with such procedures is as valid and effectual as if it had been passed at a meeting of the Board..

3.10. **Meetings to be held in public except in special circumstances**

- a) Subject to this clause, meetings of EHA must be conducted in a place open to the public.
- b) EHA may order that the public be excluded from attendance at any meeting in accordance with the procedure under sections 90(2) and 90(3) of the Act.
- c) An order made under clause b) must be recorded in the minutes of the meeting including describing the grounds on which the order was made.

3.11. **Public inspection of documents**

- a) Subject to clause c), a person is entitled to inspect, without payment of a fee:
 - (a) minutes of a Board Meeting;
 - (b) reports received by the Board Meeting; and
 - (c) recommendations presented to the Board in writing and adopted by resolution of the Board.

- b) Subject to clause c), a person is entitled, on payment to the Board of a fee fixed by the Board, to obtain a copy of any documents available for inspection under clause a).
- c) Clauses a) and b) do not apply in relation to a document or part of a document if:
 - (a) the document or part of the document relates to a matter of a kind considered by the Board in confidence under clause 3.10.b); and
 - (b) the Board orders that the document or part of the document be kept confidential (provided that in so ordering the Board must specify the duration of the order or the circumstances in which it will cease to apply or a period after which it must be reviewed).

3.12. **Saving provision**

- a) No act or proceeding of EHA is invalid by reason of:
 - (a) a vacancy or vacancies in the membership of the Board; or
 - (b) a defect in the appointment of a Board Member.

4. **CHIEF EXECUTIVE OFFICER**

4.1. **Appointment**

- a) EHA shall appoint a Chief Executive Officer to manage the business of EHA on a fixed term performance based employment contract, which does not exceed five years in duration.
- b) At the expiry of a Chief Executive Officer's contract, the Board may reappoint the same person as Chief Executive Officer on a new contract of no greater than five years duration.

4.2. **Responsibilities**

- a) The Chief Executive Officer is responsible to EHA for the execution of decisions taken by EHA and for the efficient and effective management of the affairs of EHA.
- b) The Chief Executive Officer shall cause records to be kept of all activities and financial affairs of EHA in accordance with the charter, in addition to other duties provided for by the charter and those specified in the terms and conditions of appointment.

4.3. **Functions of the Chief Executive Officer**

The functions of the Chief Executive Officer include to::

- a) ensure that the policies, procedures, codes of conduct and any lawful decisions of EHA are implemented and promulgated in a timely and efficient manner;
- b) undertake responsibility for the day to day operations and affairs of EHA;
- c) provide advice, assistance and reports to EHA through the Board in the exercise and performance of its powers and functions under the charter and the Act;
- d) initiate and co-ordinate proposals for consideration by EHA for developing objectives, policies and programs for the Constituent Council areas;
- e) provide information to EHA to assist EHA to assess performance against EHA plans;
- f) ensure that timely and accurate information about EHA policies and programs is regularly provided to the communities of the Constituent Councils;
- g) ensure that appropriate and prompt responses are given to specific requests for information made to EHA and, where appropriate, the Constituent Councils;
- h) ensure that the assets and resources of EHA are properly managed and maintained;
- i) maintain records that EHA and the Constituent Councils are required to maintain under the charter, the Act or another Act in respect of EHA;
- j) ensure sound principles of human resource management, health and safety to the employment of staff by EHA, including the principles listed in section 107(2) of the Act;
- k) ensure compliance with the obligations under *Work Health and Safety Act 2012* (SA) of both EHA and the Chief Executive Officer (as an 'officer' of EHA within the meaning of the WHS Act); and
- l) exercise, perform or discharge other powers, functions or duties conferred on the Chief Executive Officer by the charter, and to perform other functions lawfully directed by EHA;
- m) such other functions as may be specified in the terms and conditions of appointment of the Chief Executive Officer.

4.4. **Acting Chief Executive Officer**

- a) Where an absence of the Chief Executive Officer is foreseen, the Chief Executive Officer may appoint a suitable person to act as Chief Executive Officer.
- b) If the Chief Executive Officer does not make or is incapable of making an appointment under clause a), a suitable person will be appointed by EHA.

5. **STAFF OF EHA**

- a) EHA may employ any staff required for the fulfilment of its functions.
- b) The Chief Executive Officer is responsible for appointing, managing, suspending and dismissing the other employees of EHA (on behalf of EHA).
- c) The Chief Executive Officer must ensure that an appointment under this clause is consistent with strategic policies and budgets approved by EHA.
- d) The Chief Executive Officer must, in acting under this clause comply with any relevant Act, award or industrial agreement.
- e) Suspension of an employee by the Chief Executive Officer does not affect a right to remuneration in respect of the period of suspension.

6. **REGIONAL PUBLIC HEALTH PLAN**

6.1. **Implementation of a Regional Public Health Plan**

EHA is responsible for undertaking any strategy and for attaining any priority or goal which the Regional Public Health Plan specifies as EHA's responsibility.

6.2. **Review**

EHA will, in conjunction with the Constituent Councils, review the Regional Public Health Plan every five years or at shorter time intervals as directed by the Constituent Councils.

6.3. **Reporting**

- a) EHA will on a biennial basis, on behalf of the Constituent Councils, coordinate the preparation of a draft report that contains a comprehensive assessment of the extent to which, during the reporting period, EHA and the Constituent Councils have succeeded in implementing the Regional Public Health Plan.

- b) EHA will comply with guidelines issued by the Chief Public Health Officer in respect of the preparation of reports on regional public health plans.
- c) EHA will submit the draft report to the Chief Public Health Officer on behalf of the constituent councils as required.

7. FUNDING AND FINANCIAL MANAGEMENT

7.1. Financial management

- a) EHA shall keep proper books of account. Books of account must be available for inspection by any Board Member or authorised representative of any Constituent Council at any reasonable time on request.
- b) EHA must meet the obligations set out in the *Local Government (Financial Management) Regulations 2011* (SA).
- c) The Chief Executive Officer must act prudently in the handling of all financial transactions for EHA and must provide financial reports to the Board at its meetings and if requested, the Constituent Councils.

7.2. Bank account

- a) EHA must establish and maintain a bank account with such banking facilities and at a bank to be determined by the Board.
- b) All cheques must be signed by two persons authorised by resolution of the Board.
- c) Any payments made by electronic funds transfer must be made in accordance with procedures approved by the external auditor.

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.

7.4. **Funding contributions**

- a) Constituent Councils shall be liable to contribute monies to EHA each financial year for its proper operation.
- b) The contribution to be paid by a Constituent Council for any financial year shall be determined by calculating the Constituent Council's proportion of EHA's overall activities in accordance with the Funding Contribution Calculation Formula (see Schedule 1).
- c) Constituent Council contributions shall be paid in two equal instalments due respectively on 1 July and 1 January each year.
- d) The method of determining contributions can be changed with the written approval of not less than two thirds of the Constituent Councils. Where the method for calculating contributions is changed, the revised methodology will apply from the date determined by not less than two thirds of the Constituent Councils.
- e) If a council becomes a new Constituent Council after the first day of July in any financial year, the contribution payable by that council for that year will be calculated on the basis of the number of whole months (or part thereof) remaining in that year.

7.5. **Financial reporting**

- a) The Board shall present a balance sheet and the audited financial statements for the immediately previous financial year to the Constituent Councils by 31 August each year.
- b) The financial year for EHA is 1 July of a year to 30 June in the subsequent year.

7.6. **Audit**

- a) The Board shall appoint an external auditor in accordance with the *Local Government (Financial Management) Regulations 2011* (SA).
- b) The audit of financial statements of EHA, together with the accompanying report from the external auditor, shall be submitted to the Chief Executive Officer and the Board.
- c) The books of account and financial statements shall be audited at least once per year.
- d) EHA will maintain an audit committee as required by, and to fulfil the functions set out in, clause 30, Schedule 2 to the Act.

7.7. **Liability**

The liabilities incurred and assumed by EHA are guaranteed by all Constituent Councils in the proportions specified in the Funding Contribution Calculation Formula.

7.8. **Insolvency**

In the event of EHA becoming insolvent, the Constituent Councils will be responsible for all liabilities of EHA in proportion to the percentage contribution calculated for each Constituent Council for the financial year prior to the year of the insolvency.

7.9. **Insurance and superannuation requirements**

- a) EHA shall register with the LGA Mutual Liability Scheme and comply with the rules of that scheme.
- b) EHA shall register with the LGA Asset Mutual Fund or otherwise advise the Local Government Risk Services of its insurance requirements relating to local government special risks in respect of buildings, structures, vehicles and equipment under the management, care and control of EHA.
- c) As an employer, EHA shall register with Statewide Super and the LGA Workers Compensation Scheme and comply with the rules of those schemes.

8. **BUSINESS PLAN**

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 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.

8.2. **Review and assessment against the Business Plan**

- a) The Board must:
 - (a) compare the achievement of the Business Plan against performance targets for EHA at least once every financial year;
 - (b) in consultation with the Constituent Councils review the contents of the Business Plan on an annual basis; and
 - (c) consult with the Constituent Councils prior to amending the Business Plan.
- b) EHA must submit to the Constituent Councils, by 30 September each year in respect of the immediately preceding financial year, an annual report on the work and operations of EHA detailing achievement of the aims and objectives of its Business Plan and incorporating any other information or report as required by the Constituent Councils.

9. **MEMBERSHIP**

9.1. **New Members**

The charter may be amended by the unanimous agreement of the Constituent Councils and the approval of the Minister to provide for the admission of a new Constituent Council or Councils, with or without conditions of membership.

9.2. **Withdrawal of a member**

- a) Subject to any legislative requirements, including but not limited to ministerial approval, a Constituent Council may resign from EHA at any time by giving a minimum 24 months notice to take effect from 30 June in the financial year after which the notice period has expired, unless otherwise agreed by unanimous resolution of the other Constituent Councils.
- b) Valid notice for the purposes of clause a) is notice in writing given to the Chief Executive Officer and each of the Constituent Councils.
- c) The withdrawal of any Constituent Council does not extinguish the liability of that Constituent Council to contribute to any loss or liability incurred by EHA at any time before or after such withdrawal in respect of any act or omission by EHA prior to such withdrawal.
- d) Payment of monies outstanding under the charter, by or to the withdrawing Constituent Council must be fully paid by 30 June of the financial year following 30 June of the year in which the withdrawal

occurs unless there is a unanimous agreement as to alternative payment arrangements by the Constituent Councils.

- e) The withdrawing Constituent Council is to reimburse EHA for any operating costs incurred as a direct result of the withdrawal.
- f) The withdrawing Constituent Council is not automatically entitled to any retained equity upon exit, and any financial distribution shall be unanimously agreed by the remaining Constituent Councils.

10. DISPUTE RESOLUTION

- a) The procedure in this clause must be applied to any dispute that arises between EHA and a Constituent Council concerning the affairs of EHA, or between the Constituent Councils concerning the affairs of EHA, including a dispute as to the meaning or effect of the charter and whether the dispute concerns a claim in common law, equity or under statute.
- b) EHA and a Constituent Council must continue to observe the charter and perform its respective functions despite a dispute.
- c) This clause does not prejudice the right of a party:
 - (a) to require the continuing observance and performance of the charter by all parties: or
 - (b) to institute proceedings to enforce payment due under the charter or to seek injunctive relief to prevent immediate and irreparable harm.
- d) Subject to clause c), pending completion of the procedure set out in clauses e) to i), a dispute must not be the subject of legal proceedings between any of the parties in dispute. If legal proceedings are initiated or continued in breach of this clause, a party to the dispute is entitled to apply for and be granted an order of the court adjourning those proceedings pending completion of the procedure set out in this clause 10.
- e) **Step 1: Notice of dispute:** A party to the dispute must promptly notify each other party to the dispute of:
 - (a) the nature of the dispute, giving reasonable details;
 - (b) what action (if any) the party giving notice seeks to resolve the dispute.

A failure to give notice under this clause e) does not entitle any other party to damages.

- f) **Step 2: Request for a meeting of the parties:** A party providing notice of a dispute under clause e) may at the same or a later time notify each other party to the dispute that the notifying party requires a meeting within 14 business days.
- g) **Step 3: Meeting of senior managers:** Where a meeting is requested under clause f), a senior manager of each party must attend a meeting with the Board in good faith to attempt to resolve the dispute.
- h) **Step 4: Meeting of chief executive officers:** Where a meeting of senior managers held under clause g) fails to resolve the dispute, the chief executive officers of EHA and each of the Constituent Councils must attend a meeting in good faith to attempt to resolve the dispute.
- i) **Step 5: Mediation:** If the meeting held under clause h) fails to resolve the dispute, then the dispute may be referred to mediation by any party to the dispute.
- j) Where a dispute is referred to mediation under clause i):
 - (a) the mediator must be a person agreed by the parties in dispute or, if they cannot agree within 14 days, a mediator nominated by the President of the South Australian Bar Association (or equivalent office of any successor organisation);
 - (b) the role of the mediator is to assist in negotiating a resolution of a dispute;
 - (c) a mediator may not make a decision binding on a party unless the parties agree to be so bound either at the time the mediator is appointed or subsequently;
 - (d) the mediation will occur at EHA's principal office or any other convenient location agreed by both parties;
 - (e) a party is not required to spend more than the equivalent of one business day in mediation of a dispute;
 - (f) each party to a dispute will cooperate in arranging and expediting the mediation, including by providing information in the possession or control of the party reasonably sought by the mediator in relation to the dispute;
 - (g) each party will send a senior manager authorised to resolve the dispute to the mediation;
 - (h) the mediator may exclude lawyers acting for the parties in dispute;

- (i) the mediator may retain persons to provide expert assistance to the mediator;
- (j) a party in dispute may withdraw from mediation if in the reasonable opinion of that party, the mediator is not acting in confidence or with good faith, or is acting for a purpose other than resolving the dispute;
- (k) unless otherwise agreed in writing:
 - (i) everything that occurs before the mediator is in confidence and in closed session;
 - (ii) discussions (including admissions and concessions) are without prejudice and may not be called into evidence in any subsequent legal proceedings by a party;
 - (iii) documents brought into existence specifically for the purpose of the mediation may not be admitted in evidence in any subsequent legal proceedings by a party; and
 - (iv) the parties in dispute must report back to the mediator within 14 days on actions taken based on the outcomes of the mediation; and
- (l) each party to the dispute must bear its own costs in respect of the mediation, plus an equal share of the costs and expenses of the mediator.

11. WINDING UP

- a) EHA may be wound up by the Minister acting upon a unanimous resolution of the Constituent Councils or by the Minister in accordance with clause 33(1)(b), Schedule 2 of the Act.
- b) In the event of EHA being wound up, any surplus assets after payment of all expenses shall be returned to the Constituent Councils in the proportions specified in the Funding Contribution Calculation Formula prior to the passing of the resolution to wind up.
- c) If there are insufficient funds to pay all expenses due by EHA on winding up, a levy shall be imposed on all Constituent Councils in the proportion determined under the Funding Contribution Calculation Formula prior to the passing of the resolution to wind up.

12. MISCELLANEOUS

12.1. Action by the Constituent Councils

The obligations of EHA under the charter do not derogate from the power of the Constituent Councils to jointly act in any manner prudent to the sound management and operation of EHA, provided that the Constituent Councils have first agreed by resolution of each Constituent Council as to the action to be taken.

12.2. Direction by the Constituent Councils

Any direction given to EHA by the Constituent Councils must be jointly given by the Constituent Councils to the Board of EHA by a notice or notices in writing.

12.3. Alteration and review of charter

- a) The charter will be reviewed by the Constituent Councils acting jointly at least once in every four years.
- b) The charter can only be amended by unanimous resolution of the Constituent Councils.
- c) Notice of a proposed alteration to the charter must be given by the Chief Executive Officer to all Constituent Councils at least four weeks prior to the Council meeting at which the alteration is proposed.
- d) The Chief Executive Officer must ensure that a copy of the charter, as amended, is published on a website (or websites) determined by the chief executive officers of the Constituent Councils, a notice of the fact of the amendment and a website address at which the charter is available for inspection is published in the Gazette and a copy of the charter, as amended, is provided to the Minister.

12.4. Access to information

A Constituent Council and a Board Member each has a right to inspect and take copies of the books and records of EHA for any proper purpose.

12.5. Circumstances not provided for

- a) If any circumstances arise about which the charter is silent or which are, incapable of taking effect or being implemented the Board or the Chief Executive Officer may decide the action to be taken to ensure achievement of the objects of EHA and its effective administration.
- b) Where the Chief Executive Officer acts in accordance with clause a) he or she shall report that decision at the next Board meeting.

12.6. **Civil liability Protection for Subsidiary employees**

- a) No civil liability attaches to an employee of EHA for an honest act or omission in the exercise performance or discharge or purported exercise performance or discharge of powers functions and duties of the employee under the Local Government Act 1999 or any other Act.
- b) EHA must indemnify its employees against any civil liability incurred by the employee of for an honest act or omission in the exercise, performance or discharge, or purported exercise, performance or discharge, of powers, functions or duties under the Local Government Act 1999 or any other Act.

13. INTERPRETATION

13.1. Glossary

Term	Definition
Act	<i>Local Government Act 1999 (SA)</i>
Board	board of management of EHA
Board Member	a member of EHA board appointed for the purposes of clause 2.2 of the charter and includes a Deputy Board Member unless the context otherwise requires.
Business Plan	a business plan compiled in accordance with part 8 of the charter
Chief Executive Officer	The chief executive officer of EHA
Chief Public Health Officer	the officer of that name appointed under the SA Public Health Act
Constituent Council	a council listed in clause 1.2 of the charter or admitted under clause 9.1.
Deputy Board Member	a deputy member of EHA Board appointed for the purpose of clause 2.2 of the Charter.
EHA	Eastern Health Authority
Funding Contribution Calculation Formula	the formula set out in Schedule 1 to the charter.
LGA	Local Government Association of SA
LGA Asset Mutual Fund	means the fund of that name provided by Local Government Risk Services
LGA Mutual Liability Scheme	means the scheme of that name conducted by the LGA.
LGA Workers Compensation Scheme	a business unit of the Local Government Association of South Australia.
Minister	South Australian Minister for Health and Aging

Periodic Election	has the meaning given in the <i>Local Government (Elections) Act 1999 (SA)</i> .
Public Health Authority Partner	is an entity prescribed or declared to be a public health authority partner pursuant to the SA Public Health Act
Regional Public Health Plan	the plan prepared under part 6 of the charter for the areas of the Constituent Councils.
SA Public Health Act	<i>South Australian Public Health Act 2011 (SA)</i>
State Public Health Plan	means the plan of that name under the SA Public Health Act
Statewide Super	Statewide Superannuation Pty Ltd ABN 62 008 099 223
Supported Residential Facility	has the meaning given in the <i>Supported Residential Facilities Act 1992 (SA)</i> .

13.2. Interpreting the charter

- a) The charter will come into effect on the date it is published in the *South Australian Government Gazette*.
- b) The charter supersedes previous charters of the Eastern Health Authority.
- c) The charter must be read in conjunction with Schedule 2 to the Act.
- d) EHA shall conduct its affairs in accordance with Schedule 2 to the Act except as modified by the charter as permitted by Schedule 2 to the Act.
- e) Despite any other provision in the charter:
 - (a) if the Act prohibits a thing being done, the thing may not be done;
 - (b) if the Act requires a thing to be done, that thing must be done; and
 - (c) if a provision of the charter is or becomes inconsistent with the Act, that provision must be read down or failing that severed from the charter to the extent of the inconsistency.

Schedule 1 – Funding Contribution Calculation Formula

The funding contribution required from each Constituent Council is based on an estimated proportion of EHA's overall activities occurring within its respective area.

The estimated proportion is determined using the Funding Contribution Calculation Formula which is detailed on the following page.

In the formula, activities conducted by EHA on behalf of Constituent Councils have been weighted according to their estimated proportion of overall activities (see table below).

It should be noted that the weighted proportion allocated to administration is divided evenly between the Constituent Councils.

A calculation of each Constituent Councils proportion of resources used for a range of different activities is made. This occurs annually during the budget development process and is based on the best available data from the preceding year.

The formula determines the overall proportion of estimated use for each council by applying the weighting to each activity.

Activity	Weighted % of Activities
Administration – (5% Fixed and 7.5% Variable)	12.5%
Food Safety Activity	35.0%
Environmental Health Complaints	7.0%
Supported Residential Facilities	6.5%
Cooling Towers	6.5%
Skin Penetration	0.5%
Swimming Pools	2%
Number of Year 8 & 9 Enrolments	15.0%
Number of clients attending clinics	15.0%
Total	100%

Activity Description	Code	Activity weighting	Constituent Council -1	Constituent Council - 2	Constituent Council - 3	Constituent Council - 4	Constituent Council - 5	Total
Administration – Fixed Allocation	A1	5%	5%/ CC	5%/ CC	5%/ CC	5%/ CC	5%/ CC	5%
Administration – Variable Allocation	A2	7.5%	(Sum B-I / 87.5%) x 7.5%	(Sum B-I / 87.5%) x 7.5%	(Sum B-I / 87.5%) x 7.5%	(Sum B-I / 87.5%) x 7.5%	(Sum B-I / 87.5%) x 7.5%	7.5%
Food Safety Activity.	B	35%	(N/B) x AW	(N/B) x AW	(N/B) x AW	(N/B) x AW	(N/B) x AW	35%
Environmental Health Complaints	C	7%	(N/C) x AW	(N/C) x AW	(N/C) x AW	(N/C) x AW	(N/C) x AW	7%
Supported Residential Facilities.	D	6.5%	(N/D) x AW	(N/D) x AW	(N/D) x AW	(N/D) x AW	(N/D) x AW	6.5%
High Risk Manufactured Water Systems	E	6.5%	(N/E) x AW	(N/E) x AW	(N/E) x AW	(N/E) x AW	(N/E) x AW	6.5%
Skin Penetration	F	0.5%	(N/F) x AW	(N/F) x AW	(N/F) x AW	(N/F) x AW	(N/F) x AW	0.5%
Public Access Swimming Pools.	G	2%	(N/G) x AW	(N/G) x AW	(N/G) x AW	(N/G) x AW	(N/G) x AW	2%
School enrolments vaccinated	H	15.0%	(N/H) x AW	(N/H) x AW	(N/H) x AW	(N/H) x AW	(N/H) x AW	15.0%
Clients attending public clinics	I	15.0%	(N/I) x AW	(N/I) x AW	(N/I) x AW	(N/I) x AW	(N/I) x AW	15.0%
Total Proportion of contribution			Sum A-I	Sum A-I	Sum A-I	Sum A-I	Sum A-I	100%

N = Number in Constituent Council area.
 B through to I = Total number in all Constituent Councils.
 AW = Activity weighting.
 CC = Number of Constituent Councils (example provided uses five (5) Constituent Councils)

Eastern Health Authority Charter – Board Composition	
Consideration	
1. Should there be a specific term for a Board Member?	
I.e., fixed term or set by each council individually	
Council Feedback/Position	
Burnside	Each Council
Campbelltown	Two Years
Norwood Payneham & St Peters	I think that there should be a fixed term which is set by each council
Prospect	Council wishes to maintain representation of two members as per the current Charter. The rationale is to ensure appropriate coverage of EHA board meetings in the event of inability of one member to attend a board meeting. Two council members provides better opportunity for internal discussion, collaboration and feedback opportunities between EHA and Council which ultimately should result in more considered council oversight. The term should be a fixed term aligning with the term of office of councillors. This outcome would result in a consistent approach within the EHA board through the council term.
Walkerville	Yes. Councils should appointment members for a specified time period – similar process undertaken for Committees and other subsidiaries. This not only allows continuity and consistency but also afford other parties the opportunity to be appointed to a Board position should they wish. To further continuity, staggering appointments could be considered?
Summary	As no clear consensus base term on a <u>fixed term to be determined by each Constituent Council</u>

Consideration	
2. Is the Chairperson to be appointed by unanimous decision of the Constituent Councils or a majority ?	
The draft is currently based on a unanimous resolution	
Council Feedback/Position	
Burnside	A majority
Campbelltown	Unanimous
Norwood Payneham & St Peters	The chairperson should be appointed by the board. If the chairperson is an independent person then the decision should be based in the majority of the local councils.
Prospect	Council is in favour of appointing a chairperson with reference to the selection process in points 5 & 6 agreed to a majority vote.
Walkerville	Unanimous
Summary	Use “ <u>majority</u> ” in draft clause – based on majority position above

Consideration	
3. If the Chairperson is to be appointed by a majority of the Constituent Councils, is this to be a simple majority or some other majority ?	
Council Feedback/Position	
Burnside	A simple majority
Campbelltown	Two-thirds majority
Norwood Payneham & St Peters	See above (point 2)
Prospect	A simple majority. Rationale is that the desired outcome will be met within a reasonable timeframe. This will ensure traction and that the process will be simple and as straightforward as possible.
Walkerville	N/A
Summary	Use “ <u>simple majority</u> ” in draft clause – based on majority position above

Consideration	
4. Is the Chairperson to be appointed by resolution of the Constituent Councils or can this power be delegated ?	
Council Feedback/Position	
Burnside	Resolution of council
Campbelltown	Council resolution
Norwood Payneham & St Peters	See above (point 2)
Prospect	A selection panel should be appointed by the EHA board made up of Board members and in turn would present a recommendation to the constituent councils for their approval by way of resolution for the appointment of this Chairperson. The selection panel could include a CEO from one of the member councils or a CEO may nominate or delegate a representative from the Council administration.
Walkerville	Resolution of Council
Summary	<u>No ability to delegate</u> – based on majority position above

Consideration	
<p>5. Are there specific skills/expertise sought in the Chairperson?</p> <p>The draft includes public health, local government, and corporate governance.</p>	
Council Feedback/Position	
Burnside	Draft = previous relevant Chairperson experience
Campbelltown	General management, public health management, local government, financial management, and/or corporate governance.
Norwood Payneham & St Peters	No
Prospect	Agree with proposed, as well as other skills including, HR, knowledge of the legal framework withing which EHA operates, financial experience, together with executive board level experience
Walkerville	Agree with that which is outlined in the draft.
Summary	<u>Use highlighted elements above</u>

Consideration	
6. What is to be the selection process for the Chairperson, e.g., expressions of interest with applications to be assessed by CEOs and a recommendation made by the CEOs to the Constituent Councils.	
Council Feedback/Position	
Burnside	Yes
Campbelltown	Yes
Norwood Payneham & St Peters	Yes. As set out. Applications accessed by CEO's and a recommendation made to constitute councils.
Prospect	Selection process would involve the nominations for and appointment of a selection panel made up of members of EHA board. They would undertake a recruitment process. They would present a shortlist to the EHA board, and then a final recommendation of the preferred candidate to constituent councils to be approved by member Councils. If desired, a CEO of one of the member councils as nominated by the member CEO group, could be invited into the selection process by the EHA Board to ensure input at the early stages of Chairperson selection. Eg The CEO would be a member on the selection panel. Or, the CEO may elect to nominate or delegate a representative from the Council administration.
Walkerville	Expressions of interest with applications to be assessed by CEOs and a recommendation made by the CEOs to the Constituent Councils.
Summary	Use <u>"Expressions of interest with applications to be assessed by CEOs and a recommendation made by the CEOs to the Constituent Councils"</u>

Consideration	
7. Does a Board Member cease to hold office if they are no longer an elected member or employee of a Constituent Council	
Council Feedback/Position	
Burnside	Yes
Campbelltown	Yes
Norwood Payneham & St Peters	Yes
Prospect	Yes
Walkerville	Yes, I would believe they would cease to hold office as they would no longer represent the Council who they were appointed to the Board to represent.
Summary	<u>Yes</u> – based on majority position above

Consideration	
8. Are Deputy Board Members to receive all agenda papers etc or only if Board Member is going to be absent.	
Council Feedback/Position	
Burnside	No – available on web/handover
Campbelltown	Yes
Norwood Payneham & St Peters	Deputy board members should require all agenda & minutes
Prospect	If status quo remains which is CoP's preference, this will be a moot point. The view is, to avoid confusion and miscommunication, Board members whether deputy or not deputy should be Board members and receive all agenda paper etc.
Walkerville	Deputy Members should receive all agenda papers as a Board Member may be a last minute apology. Deputy Members should be as informed as the Board Members.
Summary	<u>Deputy Members to receive all agenda papers</u> – based on majority position above

Consideration	
9. Can a meeting proceed when only Deputy Members present – i.e. no Board Members present.	
Council Feedback/Position	
Burnside	Yes
Campbelltown	Yes
Norwood Payneham & St Peters	Yes
Prospect	Council feel a binary scenario provides more clarity. Either one is a Board member or not a Board member irrespective of standing as a board member or deputy board member. Aim is to keep the governance model as clear and simple and efficient as possible.
Walkerville	I see no reason why it could not, as they would have been appointed as proxy.
Summary	<u>Yes</u> – based on majority position above

Consideration	
10. How will the Chairperson's remuneration/allowance be determined? i.e., Unanimous resolution of councils or majority.	
Council Feedback/Position	
Burnside	Consistent with (2.) above, EHA should provide a recommended Chairperson remuneration for Council resolution (at the time the Chairperson is appointed).
Campbelltown	Unanimous resolution by the Constituent councils or if that isn't supported the two-thirds majority of Constituent councils.
Norwood Payneham & St Peters	Yes
Prospect	Council believes that appropriate Chairperson remuneration market research would be undertaken as part of the selection and recruitment process and the result of which would all be packaged for the EHA board approval prior to council's approval as per the process which is outlined in point 4.
Walkerville	Unanimous resolution of Councils.
Summary	<u>Administration comment – to move forward it is recommended that EHA administration undertake market research and recommend a level of remuneration as part of review process for Council consideration and majority approval</u>

Consideration	
11. Should the Deputy Chair receive a fee in the absence of the Chair and if so, how will this be determined?	
Council Feedback/Position	
Burnside	Yes, if acting Chairperson (to be paid the same rate as Chairperson)
Campbelltown	No
Norwood Payneham & St Peters	Yes, the fee should be the same as the Chair
Prospect	<p>The Council's view is the Chairperson would forego the remuneration payment for that meeting if absent, and the deputy chair would pick up that equivalent payment accordingly.</p> <p>Raises the question of the selection process of a deputy chair. Councils view is this role should also be considered and selected throughout the Chairperson selection process. They would be both be independent.</p>
Walkerville	Yes. Sitting fee to be determined.
Summary	<p><u>Majority position is yes – please see administrative comment below.</u></p> <p><u>Administration comment – there are practical issue with this position. Most subsidiaries pay Chair a fixed amount and there is no fee per meeting. Deputy Chairs at other subsidiaries are not generally paid. The Deputy Chair will either be an Elected Member or Administrative staff member. To be considered when EHA administration provides results of market research to Constituent Councils.</u></p>

Consideration	
12. Term of office for Chairperson and Deputy Chairperson.	
Draft based on 2 years/ East Waste is 3 years	
Council Feedback/Position	
Burnside	Two years with the option to renominate.
Campbelltown	2 years
Norwood Payneham & St Peters	2 years
Prospect	Council's view is a four year term is preferred, to be aligned with the Council board memberships which are aligned with their respective council terms in office. This is to ensure cost efficiency, stability and continuity of the EHA board operations and strategies.
Walkerville	I am in favour of proceeding with 2 as stipulated in the draft, however, if the majority view is 3 years to ensure consistency, I support that. Alternatively, the Term of Office could be determined by the Councils based on the Chairpersons experience, ie: A term to be determined by unanimous decisions of the Constituent Councils up to a maximum term of 3 years.
Summary	<u>2 Years</u>– based on majority position above

Consideration	
<p>13. What do you consider should be the role of the Chairperson</p> <p>Draft includes</p> <ul style="list-style-type: none"> • preside at all meetings of the Board; • serve as an ex officio member of all committees established by the Board; • represent EHA with the media and the public generally; and • exercise other functions as the Board determines. 	
Council Feedback/Position	
Burnside	Draft + building and maintaining communications and relationships with Council.
Campbelltown	Agree with draft (same as East Waste)
Norwood Payneham & St Peters	As set out in draft
Prospect	<ul style="list-style-type: none"> • As per draft plus • The new Chairperson's representation of EHA with the media needs to be considered in line with EHA current practice and media policies relating to the EHA CEO's current obligations in this regard. • exercise other functions as the Board determines.
Walkerville	As per draft
Summary	<u>As per draft</u> – based on majority position above

MEMORANDUM

DATE : 10 November 2022

TO : Eastern Health Authority (EHA)
Michael Livori
Executive Officer

FROM : John Jovicevic

SUBJECT : EHA Charter – Clause 9.2(e) Example

I have prepared this Memorandum as requested by yourself as a result of our meeting held on 2 November 2022 with yourself and Felice D'Agostino (Principal – Norman Waterhouse Lawyer) (NW). Following on from discussions held in that meeting, you have instructed that I prepare a 'working example' which demonstrates the intended application of Clause 9.2(e) (proposed amendment to the EHA Charter) in the event of a Constituent Council's withdrawal from EHA.

I note that NW are currently assisting EHA with the review and update to the Charter.

I refer to the draft EHA Charter provided to me on 2 November 2022 by yourself and make reference to the proposed inclusion of Clause 9.2(e) as highlighted below:

e) The withdrawing Constituent Council is to reimburse EHA for any operating costs incurred as a direct result of the withdrawal.

It should be noted that a withdrawing Constituent Council's liability is not extinguished by their withdrawal as stated per Clause 9.2(c) (extract provided below):

- c) The withdrawal of any Constituent Council does not extinguish the liability of that Constituent Council to contribute to any loss or liability incurred by EHA at any time before or after such withdrawal in respect of any act or omission by EHA prior to such withdrawal.

I note that a request was made by Mr. Paul Di Iulio (Chief Executive Officer - Campbelltown City Council) in our meeting held on 13 October 2022 to provide examples as to the 'types of costs' which would be considered 'direct operating costs' in the event of a withdrawal by a Constituent Council which I have provided further detail on below.

My opinion is that 'direct operating costs' relate to any additional cost incurred by EHA as a result of a Constituent Council's withdrawal. Examples of such costs would relate to:

- Potential staff redundancies as a result of reduced business activity/operations.
- Legal costs incurred to advise and assist with the withdrawal process.



- Accounting/Professional Service consultant fees incurred to assist with the withdrawal process.
- Other administrative costs directly relating to the withdrawal (i.e. Government Gazettal fees, advertising, governance related costs, etc.).

In providing an illustrative example of the above matters, I have prepared the below financial summary of 'direct operating costs' (as captured by Clause 9.2(e)) from the date notice is given of the intention to withdraw from EHA (please note this is a hypothetical illustrative example and all figures are used for illustrative purposes only):

Illustrative Example - Constituent Council Withdrawal Direct Operating Costs:

Assume:

Notice Provided (Clause 9.2(b)): 30-Jun-22

Effective Date of Withdrawal (Clause 9.2(a)): 30-Jun-23

Assume Costs Incurred (as from 1 July 2022 to date of withdrawal): (Clause 9.2(e)):	\$
Legal Costs	50,000
Professional Services	20,000
Redundancy Costs - Staff Redundancy 30 June 2023:	25,000
Other Administrative Costs:	10,000
Total Costs Incurred:	105,000

Based on the above example, the withdrawing Constituent Council would be liable for costs totalling \$105,000 to EHA upon its withdrawal as at 30 June 2023.

It should be noted that 'direct operating costs' do not include any provision/estimate for potential future reduced operating result (if applicable) as a result of a Constituent Council's withdrawal given it is assumed EHA would need to restructure its operations resulting from the reduced level of services/operations (reflected in the need to undertake staff redundancies).

Noting that NW are currently assisting EHA with the review and update of the Charter, I recommend providing NW with a copy of this Memorandum to ensure that the above methodology is consistent with their interpretation and intended operation of the relevant clauses noted above.

Should you require further assistance, please contact me to discuss.

7.5 APPOINTMENT OF EXTERNAL AUDITOR FOR 2023-2024

Author: Michael Livori
Ref: AF20/5

Summary

Eastern Health Authority (EHA) is required under Regulation 20 of the *Local Government Financial Management Regulations 2011* and clause 7.6 of its Charter to appoint a suitably qualified person as its auditor.

Regulation 20 of the *Local Government Financial Management Regulations 2011* (detailed below) requires that EHA must have an auditor.

20—Auditor of subsidiary

- (1) *A council subsidiary or regional subsidiary must have an auditor.*
- (2) *The auditor must be—*
 - (a) *a registered company auditor; or*
 - (b) *a firm comprising at least 1 registered company auditor.*
- (3) *A person is not eligible to be the auditor of a subsidiary if—*
 - (a) *the person is a member of the board of management of the subsidiary; or*
 - (b) *the person is a member of the council which established the subsidiary or, in the case of a regional subsidiary, a member of a constituent council; or*
 - (c) *the person is a nominated candidate for election as a member of the council which established the subsidiary or, in the case of a regional subsidiary, is a nominated candidate for election as a member of a constituent council.*
- (4) *The office of auditor of a subsidiary becomes vacant if—*
 - (a) *the auditor dies; or*
 - (b) *the auditor resigns by written notice to the person who has been appointed to chair the board of management of the subsidiary; or*
 - (c) *the auditor is not or ceases to be eligible for appointment as the auditor; or*
 - (d) *the auditor accepts remunerated office or employment from the subsidiary or—*
 - (i) *in the case of a council subsidiary—the council which established the subsidiary; or*
 - (ii) *in the case of a regional subsidiary—a constituent council; or*

- (e) *the term of appointment of the auditor expires and the auditor is not reappointed; or*
- (f) *the auditor is removed from office by the subsidiary for reasonable cause*

Clause 7.6 of the EHA Charter (detailed below) provides the following requirement in relation to the appointment of an external auditor.

7.6 Audit

- a) The Board shall appoint an external auditor in accordance with the *Local Government (Financial Management) Regulations 2011* (SA).

Clause 10.5 of the EHA Audit Committee Terms of Reference provides the following in relation to the external audit.

10.5. External Audit

The Committee shall:

- 10.5.6 Consider and make recommendations to EHA, in relation to the appointment, re-appointment and removal of EHA's external auditor, including where the auditor resigns during the period of appointment.
- 10.5.7. Oversee EHA's relationship with the external auditor including, but not limited to:
 - 10.5.7.1. recommending the approval of the external auditor's remuneration, whether fees for audit or non-audit services, and recommending whether the level of fees is appropriate to enable an adequate audit to be conducted;
 - 10.5.7.2. recommending the approval of the external auditor's terms of engagement, including any engagement letter issued at the commencement of each audit and the scope of the audit;

Report

The term of appointment for the EHA's current Auditor, Bentleys expired with the conclusion of the 2021-2022 audit (conclusion of 3 year appointment).

It was therefore necessary to engage an auditor for the 2022-2023 (and beyond) financial reporting periods. Section 128 of the Local Government Act 1999 requires that auditors are rotated on a five year basis.

At its meeting of 22 February 2023, the Board of Management were provided with a report that detailed that during Bentleys three year appointment , the

audit process has evolved as more relevant organisational information has been provided to and retained by the auditor. This has resulted in less input from EHA administrative staff. A change in auditor would necessarily require more input from EHA administration as the required auditor knowledge of the organisation evolves.

On that basis it was recommended that the arrangement with Bentleys was extended by 12 months.

At the conclusion of the 2022/2023 financial year audit process, it was also recommended that expressions of interest are sought for the engagement of an auditor for 2023/2024 and beyond. It was recommended that a three year term with an additional 2 year option will form the basis of future arrangements.

The Board endorsed the recommendations, and the EHA administration subsequently extended the engagement for the 2022-2023 financial year.

RECOMMENDATION

That:

The Appointment of External Auditor for 2022-2023 report is received.

7.6 Eastern Health Authority – Audit Committee FY2023 Workplan

	May 2023	August 2023	December 2023	Notes
End of Financial Year				
Auditor Attendance				
External Audit Recommendations-Status Update				
Long Term Financial Plan				
Year end - General Purpose Financial Statements				
Performance Reports				
Annual Business Plan & Budget	<input checked="" type="checkbox"/>			
Budget Reviews	<input checked="" type="checkbox"/>			
Policy				
Debtors Policy				
Fraud and Corruption Prevention Policy				
Risk and Opportunity Management Policy				
Risk Management				
Corporate Risk Register				
Internal Controls Review				
Terms of Reference				
Audit Committee - Annual Evaluation				
Review Terms of Reference				