



Message from the Chairperson



Sue Whittington
Chairperson

During the past year Eastern Health Authority (EHA) has continued to excel in the provision and delivery of public health services on behalf of its five Constituent Councils: Burnside; Campbelltown; Prospect; Norwood Payneham St Peters and Walkerville.

As a prominent Local Government immunisation provider in South Australia, EHA has continued to promote the benefits of vaccination to all age groups in the community.

The introduction of the Australian Government's 'No Jab, No Pay' policy has been a success. Parents, whose children have a history of outstanding vaccinations, will not qualify for family assistance packages, until their children are fully immunised. This is an essential measure to ensure that the re-emergence of childhood diseases does not occur.

Maintaining public safety is an important function of EHA and staff are diligent in the monitoring of public health standards in food premises, high risk manufactured water systems, waste water systems, swimming pools and personal grooming and body art premises. Food safety is a high priority for EHA. An effective education, compliance and enforcement protocol is used by staff to protect the community from food related illnesses.

Salmonella and *Campylobacter* continue to be the most frequently reported food borne diseases. Environmental Health Officers pay particular attention to the safe handling of raw eggs and the storage and processing of raw meats during food safety assessments. Despite these efforts, several *Salmonella* outbreaks

were linked to food businesses within EHA and required investigation. The majority of these outbreaks were a result of the consumption of contaminated raw egg contained in ready to eat or lightly-cooked foods.

EHA is responsible for the licensing and regulation of standards in Supported Residential Facilities (SRF) for Constituent Councils and the City of Unley on a user pays basis. EHA has continued to undertake unannounced audits of facilities to ensure that proprietors provide a high standard of accommodation for the most vulnerable and disabled people in our community who call these SRF home.

The 'Regional Public Health Plan' (the Plan) required under the *South Australian (SA) Public Health Act 2011* has been adopted by all Constituent Councils. EHA and Constituent Councils will continue to consider the collective implementation of the strategies and activities which are outlined in the Plan to respond to public health challenges in the community.

Many in the community are surprised when they learn that public health protection is a core responsibility of Local Government. The Board is proud that EHA is a fine example of Local Government working together in a collaborative and cooperative manner to deliver this very important public health service to the five Constituent Councils.

I would like to take this opportunity to extend my thanks to the CEO and staff for their commitment and hard work in achieving a cost effective and efficient delivery of services. It has been a pleasure to work with the Board of Management and I thank them for their dedication and support.

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About Eastern Health Authority



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

Continuing in the tradition of the East Torrens Council board which operated from 1899, the present day regional subsidiary protects the health and wellbeing of about 160,000 residents. EHA is an example of council shared service delivery at its very best.

The Constituent Councils are:

City of Burnside

Campbelltown City Council

City of Norwood Payneham
St Peters (NPSP)

City of Prospect

Town of Walkerville

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.

During 2015-16 EHA discharged the environmental health responsibilities of its five Constituent Councils under the *South Australian (SA) Public Health Act 2011*, *Food Act 2001*, *Supported Residential Facilities Act 1992* and *Environmental Protection Act 1993* (Table 1). Services include the provision of immunisation services, hygiene and sanitation control, licensing and monitoring of supported residential facilities, and monitoring of food safety standards including inspection of food premises. Immunisation services are provided to the City of Unley on a user pays basis. EHA also licences and monitors supported residential facilities on behalf of the City of Unley.

Table 1 - A table of environmental health responsibilities undertaken by EHA for its five Constituent Councils during 2015-16

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Rateable Properties	20,679	22,835	19,561	9,746	3,854	76,675
Population of Council	45,034	51,344	36,600	21,500	7,000	161,478
Number of Food Premises	277	279	463	187	47	1,253
Swimming & Spa Pools Sites	11	3	9	1	3	27
Cooling Towers & Warm Water Systems Sites	6	5	8	2	1	22
Supported Residential Facilities	3	2	1	2	0	8
Personal Care Body Art	68	62	110	47	10	297
Public & Environmental Health Complaints	71	76	79	27	15	268
2015 SIP Year 8 Enrolment Numbers	671	562	638	148	92	2,111
Immunisation Clinics – Client Numbers	920	1,208	1,168	279	222	3,797
Immunisation Clinics – Vaccines Given	1,767	2,276	2,111	492	398	7,044

Chief Executive Officer's Report



Michael Livori
Chief Executive Officer

This year marked 30 years since the evolution of EHA into its current form. This significant anniversary it is an opportune time to reflect on EHA's history. EHA's predecessor, the East Torrens County Board of Health (the County Board) was originally established under an 1889 Act of Parliament at a meeting held at the Norwood Town Hall in 1889. The districts of Burnside and Campbelltown and the Town of Kensington and Norwood were the first Constituent Councils to jointly operate under the proclamation in June of 1989. The district of Payneham became a constituent partner in November of that year, the Town of St Peters in December 1941 and the District of East Torrens in July 1969.

The earliest Annual Report of the County Board that could be located comes from 1902. The population of the district at that time was estimated to be 23,686 (plus 993 at Asylum). The Health Officer's Report focused on details of the death rates of the district and the numbers of deaths from a range of diseases. While the overall death rate in the district in 1901 was 10.6 per 1,000 compared to 5.5 today, the figure that stood out was the infant mortality rate. Today, the infant mortality rate stands at just over 3 per 1,000 compared to 91 per 1,000 in 1901. Improvements in sanitation and food standards, infection control and the provision of immunisations at the local level through the work of the County Board was a significant contributor to the decrease in these mortality rates.

The County Board was re-organised and renamed the Eastern Metropolitan Regional Health Authority (EMRHA) during 1985. The organisation was established as a Section 200 Controlling Authority under the *Local Government Act, 1934* and its first constitution was gazetted on 19 December 1985. EMRHA subsequently commenced operations on 3 February 1986.

The *Local Government Act, 1999* (the Act) introduced provisions for Regional Subsidiaries to supersede the controlling authority arrangements contained in the previous (1934) Act. This required the development of a new Charter for the organisation with updated provisions to incorporate more modern standards of accountability. In July 2001 a new Charter was Gazetted which included and change in name of the organisation to the Eastern Health Authority. In 2005 the Corporation of the Town of Walkerville and City of Prospect join EHA formally as Constituent Councils after previously being provided services for a number of years on a contract arrangement.

Back to the present. This Annual Report provides the opportunity to reflect on the work carried out by EHA over the last year to protect the health of the community and continue the work of our predecessors. While the principles of public health remain as they did over a century ago, the environmental health field has become increasingly complex. EHA is well placed to manage these complexities with its core business and single focus being Environmental Health.

While it is good to reflect on the work we do, from time to time it is opportune to compare ourselves with our peers. There is however an absence of relevant league tables or comparative data to undertake such an exercise. Subsequently, EHA initiated through the Environmental Health Managers Forum a benchmarking/comparison exercise in which a total of 11 local government environmental health providers participated.

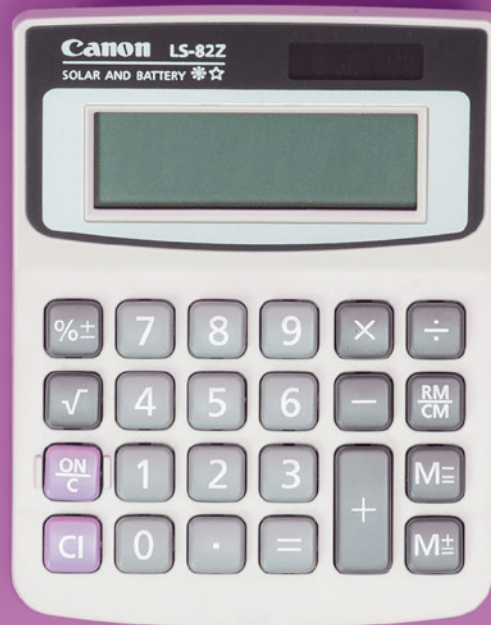
A data set measuring environmental health activities was developed, refined and agreed upon by participating member councils. Some data analysed was purely quantitative, while other data was comparative particularly in relation to Food Safety Enforcement and Immunisation. Eight metropolitan councils and 2 rural councils agreed to participate in addition to EHA, although not all councils completed the data set in its entirety.

The comparison exercise identified that EHA performed extremely well on any comparative measure and EHA was clearly the highest ranking organisation when considering all of the data. I believe the ranking to be a product of EHA's service delivery model which results in first-rate environmental health services being provided to the residents of its Constituent Councils. EHA's five Constituent Councils are all signatories to the Eastern Region Alliance and share a commitment to resource sharing and collective action. The EHA service delivery model, as borne out in this comparison exercise is an excellent example of this.

I am extremely proud to lead an organisation that is full of talented and dedicated staff that have a commitment to EHA's values and providing exceptional service and public health outcomes. The achievements outlined in this report, together with the comparison exercise would not have been possible without the efforts of these hard working staff. I thank them for their efforts and look forward to working with them in the future. I also would like to thank the Board of Management for their interest in Public Health and for continuing to be incredibly supportive and enthusiastic about the work we do on behalf of their respective councils.

“Back to the present. This Annual Report provides the opportunity to reflect on the work carried out by EHA over the last year to protect the health of the community and continue the work of our predecessors.”

Governance



Board of Management 2016

EHA is a body corporate, governed by a Board of Management composed of two elected members from each Constituent Council. The Board held formal meetings six times during the year to consider EHA's business. The table below details Board Member attendance at Board of Management meetings.

Table 2 – Number of Board of Management meetings attended by individual Board Members

July 2015 – June 2016	Board Member	Meetings Attended
City of Norwood Payneham St Peters	Cr S Whittington	6
	Cr G Knoblauch	6
City of Burnside	Cr A Monceaux	5
	Cr P Cornish	5
Campbelltown City Council	Cr J Kennedy	4
	Cr M Ryan	4
City of Prospect	Cr K Barnett	5
	Cr T Evans	4
Corporation of the Town of Walkerville	Cr M Bishop	2
	Cr D Shetliffe	4

During 2015-16, the Board considered one item where it was necessary to exclude the public from discussion. The table below identifies the grounds on which the Board made this determination.

Table 3 – Number of times the Board of Management considered an item to be excluded from public discussion

Local Government Act 1999	Description	Number of Times Used
Section 90(3)(a)	Information relating to the personal affairs of a person	One

Freedom of Information

No requests for information under the *Freedom of Information Act 1991* were received during 2015-16.

Board of Management

City of Norwood Payneham & St Peters



Cr Sue Whittington
(Chairperson)



Cr Garry Knoblauch



Cr Anne Monceaux
(Deputy Chair)

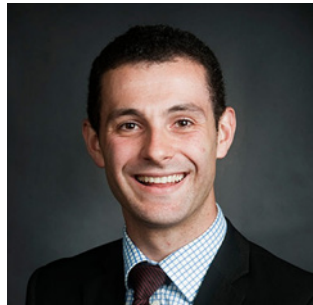


Cr Peter Cornish

Prospect City Council



Cr Kristina Barnett



Cr Talis Evans

Corporation of the Town of Walkerville



Cr Marylou Bishop



Cr David Shettliffe

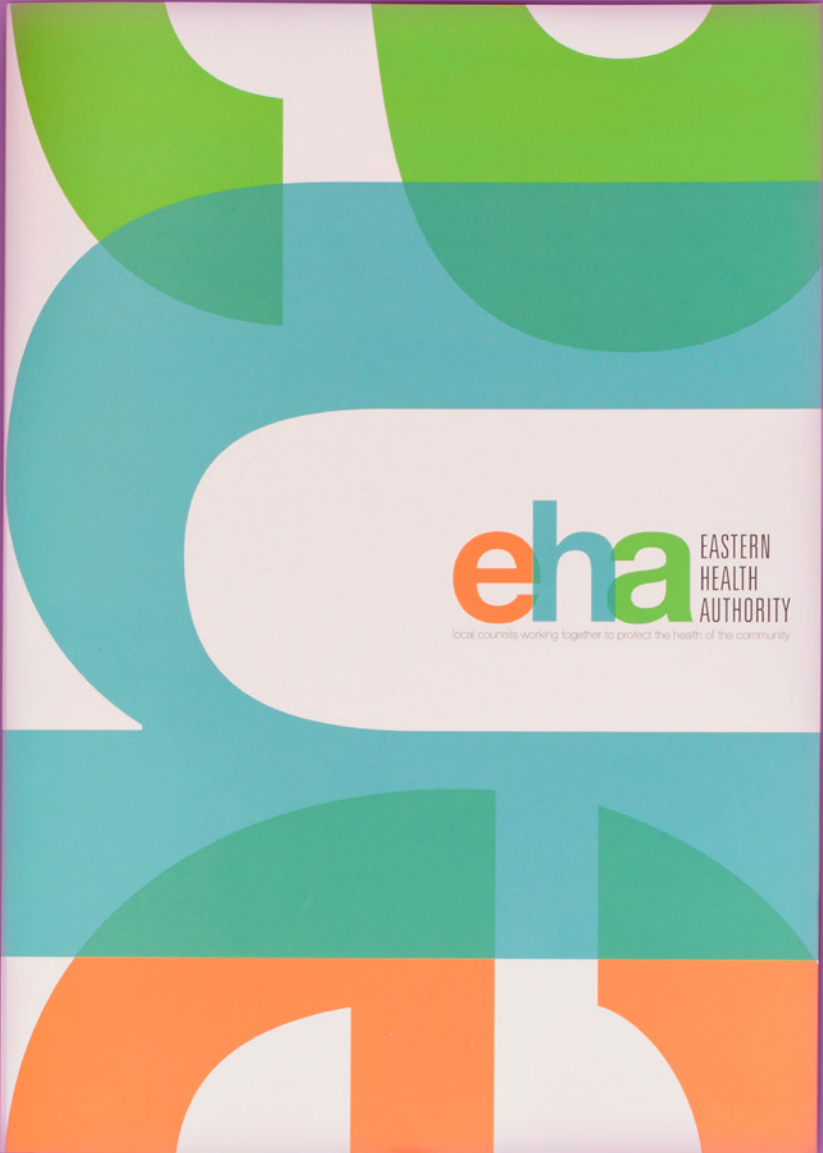
Campbelltown City Council



Cr Marijka Ryan

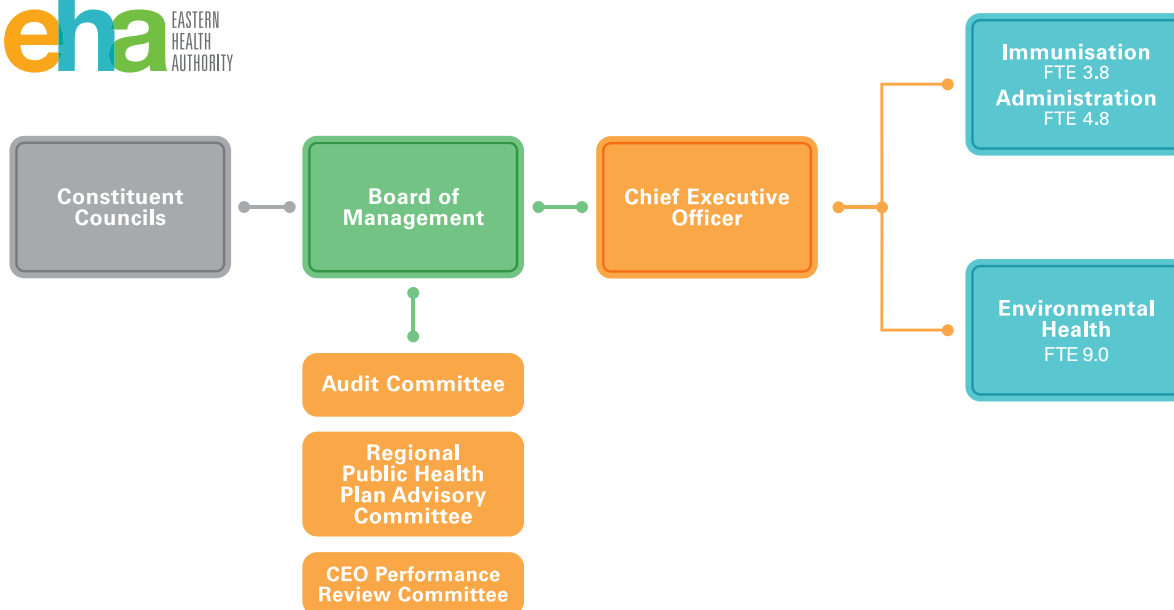


Cr John Kennedy



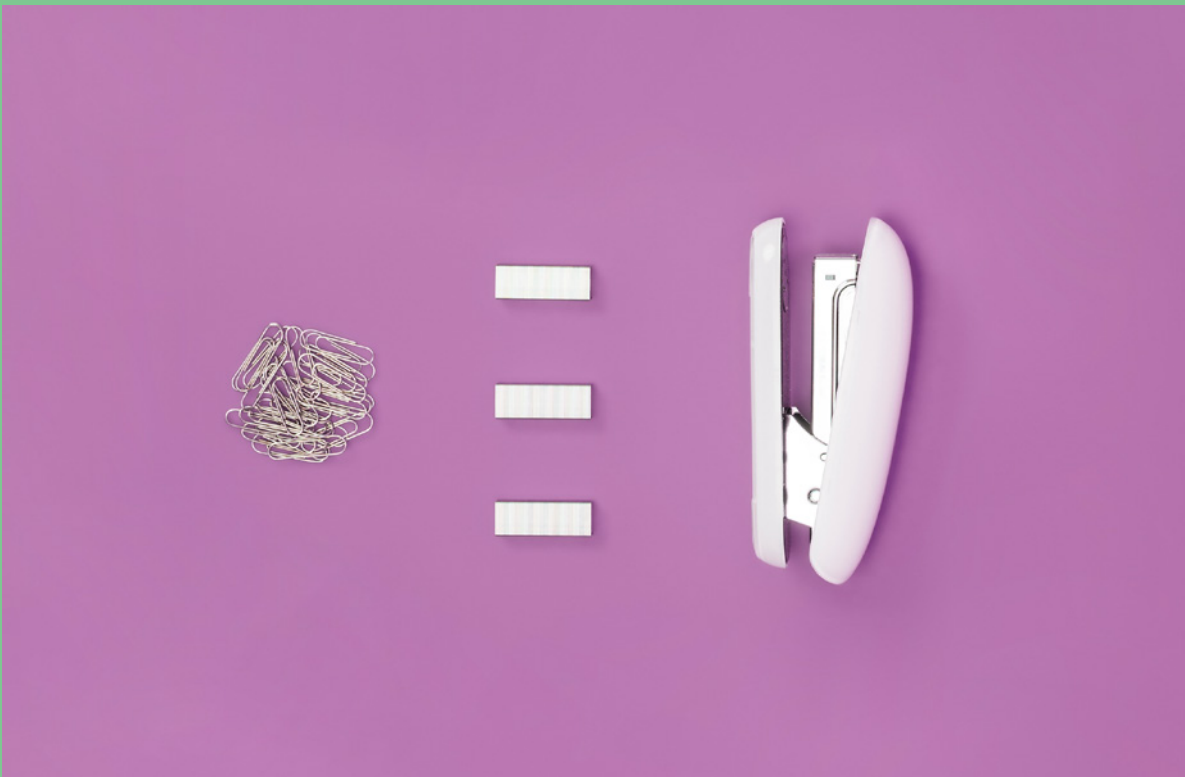
EHA comprises three functional areas – environmental health, immunisation and administration. The administration team, led by the Chief Executive Officer, supports the activities of the environmental health and immunisation teams. The Team Leader Environmental Health and Team Leader Administration and Immunisation have responsibilities for achieving the Annual Business Plan objectives relevant to their functional area.

Structure and Staffing



Staffing as at 30 June 2016 comprised a total of 30 employees (17.6 FTE). Table 4 sets out the number of staff in each team.

	Total Number of Employees	FTE
Administration	6	4.8
Immunisation	15	3.8
Environmental Health	9	9.0
	30	17.6



Annual Business Plan

EHA develops an Annual Business Plan for the purpose of translating strategic directions into action and sets measures to assess its performance.

The core activities that have been undertaken to deliver on the objectives of the plan are detailed in this report.

Charter Review

Constituent Councils have been considering a draft amended Charter developed in October 2013.

Although agreement was reached on the majority of the amended charter content, an impasse developed in relation to the clause relating to membership of the Board.

The impasse was resolved in April 2016 when all Councils agreed to a revised membership clause. The 2016 Charter came into effect on 19 April 2016.

Finance Audit Committee

Members of EHA's Audit Committee include: Presiding Member, Lisa Scinto; Independent Member, Claudia Goldsmith; and Board Appointed Member, Cr Talis Evans.

The Committee met on three occasions during the year. The Committee's work included considering the audited financial statements, External Audit recommendations and reviewing numerous financial and governance policies.

Financial Statements

The Audited Financial Statements for the year ending 30 June 2016 are provided on page 40. They show an Operating Surplus of \$21,967.

Immunisation



Immunisation continues to be a safe and effective way to prevent the spread of many life threatening infectious diseases.

EHA is committed to increasing immunisation coverage rates by providing access to convenient, family friendly immunisation services delivered by specialised staff. Services by EHA are delivered through Public Clinic, School and Workplace Immunisation programs.

Public Immunisation Clinics

EHA provides public clinics at six locations to residents of its Constituent Councils and one client council. A range of clinic venues, days and times ensure convenient alternatives for our residents.

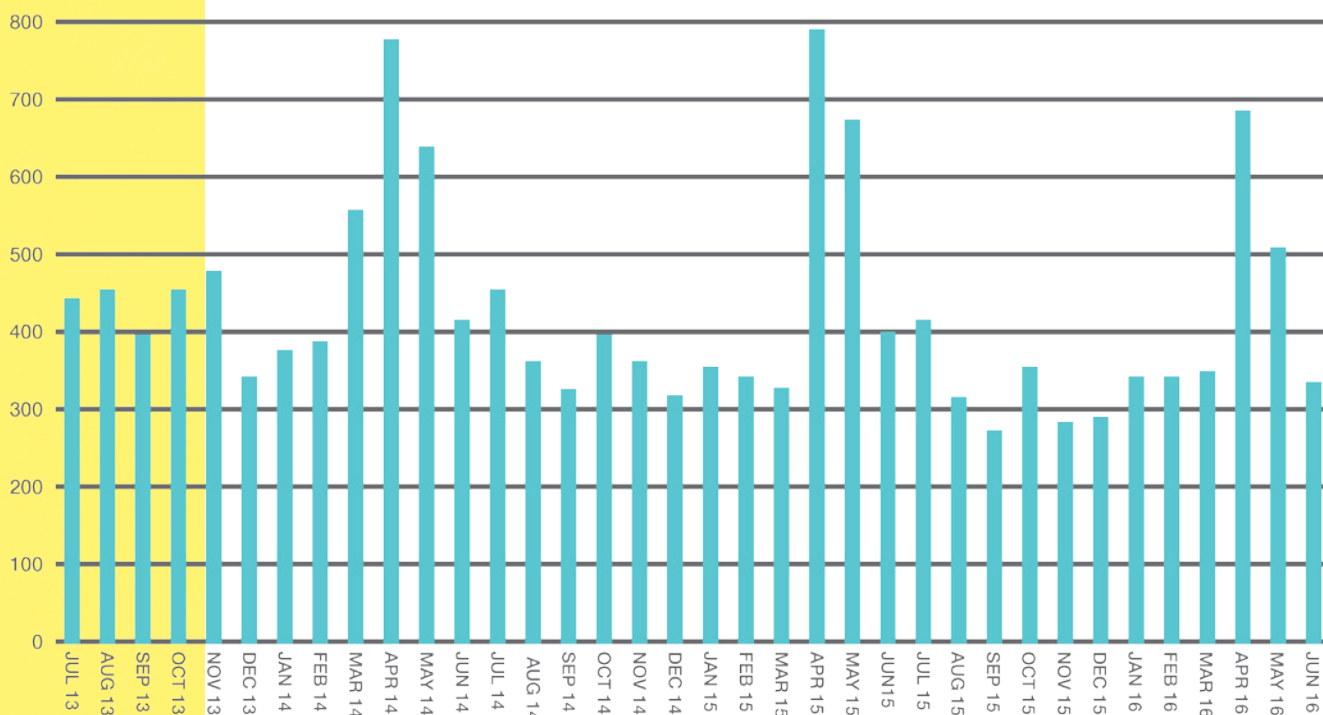
A total of 4,599 clients were provided with 8,567 vaccinations. This was a decrease of 11% in the number of clients and 13% in the number of vaccinations in comparison to 2014-15 (Graphs 1 and 2). These decreases are likely to be due to Measles, Mumps and Rubella (MMR) vaccine now administered as a combined vaccine with Varicella (Chicken Pox) at 18 months and a change in eligibility for funded Influenza Vaccine.

EHA assisted 166 families and 212 children with assessing and updating their immunisation history on the Australian Childhood Immunisation Register (ACIR). This was an increase of 75 families and 131 children compared to the same period in 2015 and was likely due to the Australian Government's 'No Jab, No Pay' policy.

EHA was part of the 'Immunisation Register Data Update Project' coordinated by Adelaide Primary Health Network Ltd (APHN), which funded the entry of Immunisation records of newly arrived refugees onto ACIR. A total of 179 client histories were uploaded to ACIR with a total of 836 vaccine records added to the register.

A total of 756 Influenza Vaccines were administered in public clinics with most clients choosing the new quadrivalent vaccine. This vaccine contained the additional type B strain and therefore provided added protection.

Graph 1 – Client attendance at public immunisation clinics 2014-2016





Graph 2 – Number of vaccines delivered at public clinics 2014-2016



Table 5 shows where our residents chose to be vaccinated. It demonstrates that many of our residents chose the clinic that best suited their needs and was not necessarily in their council area.

As an example, 31% of Campbelltown residents attended clinics held at Campbelltown Library, while the remaining 69% attended alternative venues.

Where clients come from (council area)	Number of clients from council area	Where clients attended (clinic venue by %)						Total %
		Burnside	Campbelltown	NPSP	Prospect	Walkerville	Unley	
Burnside	920	33%	3%	50%	1%	2%	11%	100%
Campbelltown	1,208	4%	31%	60%	1%	1%	3%	100%
NPSP	1,168	4%	2%	86%	1%	3%	4%	100%
Prospect	279	2%	2%	57%	28%	8%	3%	100%
Walkerville	222	2%	1%	71%	4%	15%	7%	100%
Unley	589	7%	0%	27%	2%	1%	63%	100%
Other	213	4%	8%	35%	4%	3%	46%	100%
Total number of clients	4,599							

Table 5 – The number of clients per council area and choice of clinic venue

School Immunisation Program (2015 Calendar year)

During 2015, 57 visits were made to 19 high schools where a total of 8,653 vaccines were administered to Year 8 students. This was a decrease of 4,605 (35%) when compared to 2014 (Graph 3). This reduction is due to the changes in the National Immunisation Program for Adolescents in 2015. The changes included the cessation of the Human Papillomavirus (HPV) catch up programs for Year 9 males and the Diphtheria, Tetanus, Pertussis (dTpa) catch up program for all Year 9 students.

The 2015 School Immunisation Program (SIP) to Year 8 students involved administering:

three doses of HPV vaccine

one dose of Varicella (chicken pox) vaccine

one dose of dTpa vaccine

Graph 3 – A three year comparison of total vaccines administered at schools within the Constituent Council areas

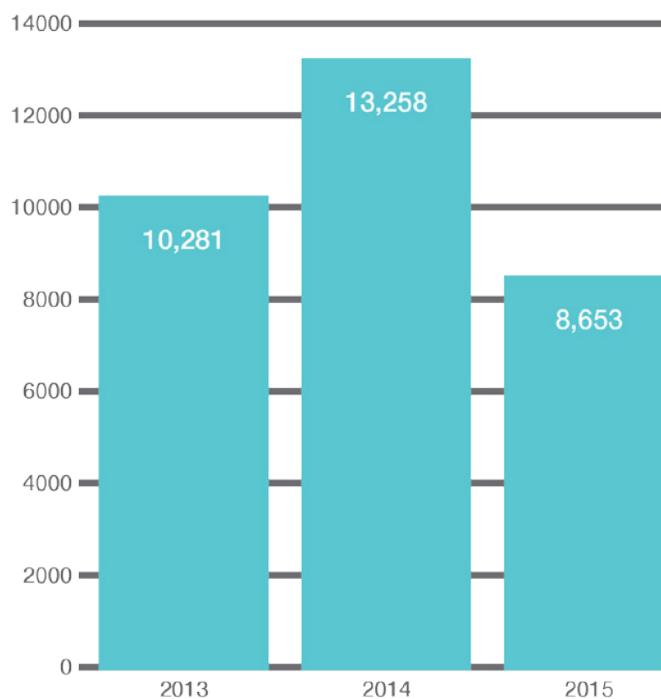


Table 6 - Three year comparison of total vaccine types delivered for the SIP for each Constituent Council area

Council Area	2013	2014	2015
Burnside	2,693	3,521	2,603
Campbelltown	2,698	3,349	1,981
NPSP	2,785	3,645	2,521
Prospect	864	1,177	542
Walkerville	293	356	295
Unley	948	1,210	711
Total	10,281	13,258	8,653

Statistics in relation to the SIP were submitted to SA Health online in 2015. This enabled access to data comparing vaccine coverage rates in our schools compared to the state average (Table 7).

It is extremely pleasing to observe that EHA school coverage rates are considerably higher than the state average.

2015 School Immunisation Program

EHA schools - coverage rates		Total coverage SA	EHA schools vs total coverage SA
Dose 1 Varicella	93.0%	87.9%	+ 5.1%
Dose 1 dTpa	92.4%	86.2%	+ 6.2%
Dose 1 HPV	91.7%	86.5%	+ 5.2%
Dose 2 HPV	91.0%	80.7%	+ 10.3%
Dose 3 HPV	84.8%	77.9%	+ 6.9%

Table 7 - EHA Constituent Council coverage data compared with total coverage in South Australia



Worksite Immunisation Program

EHA provides an efficient and competitive service for workplaces to protect staff from the highly infectious Influenza Virus.

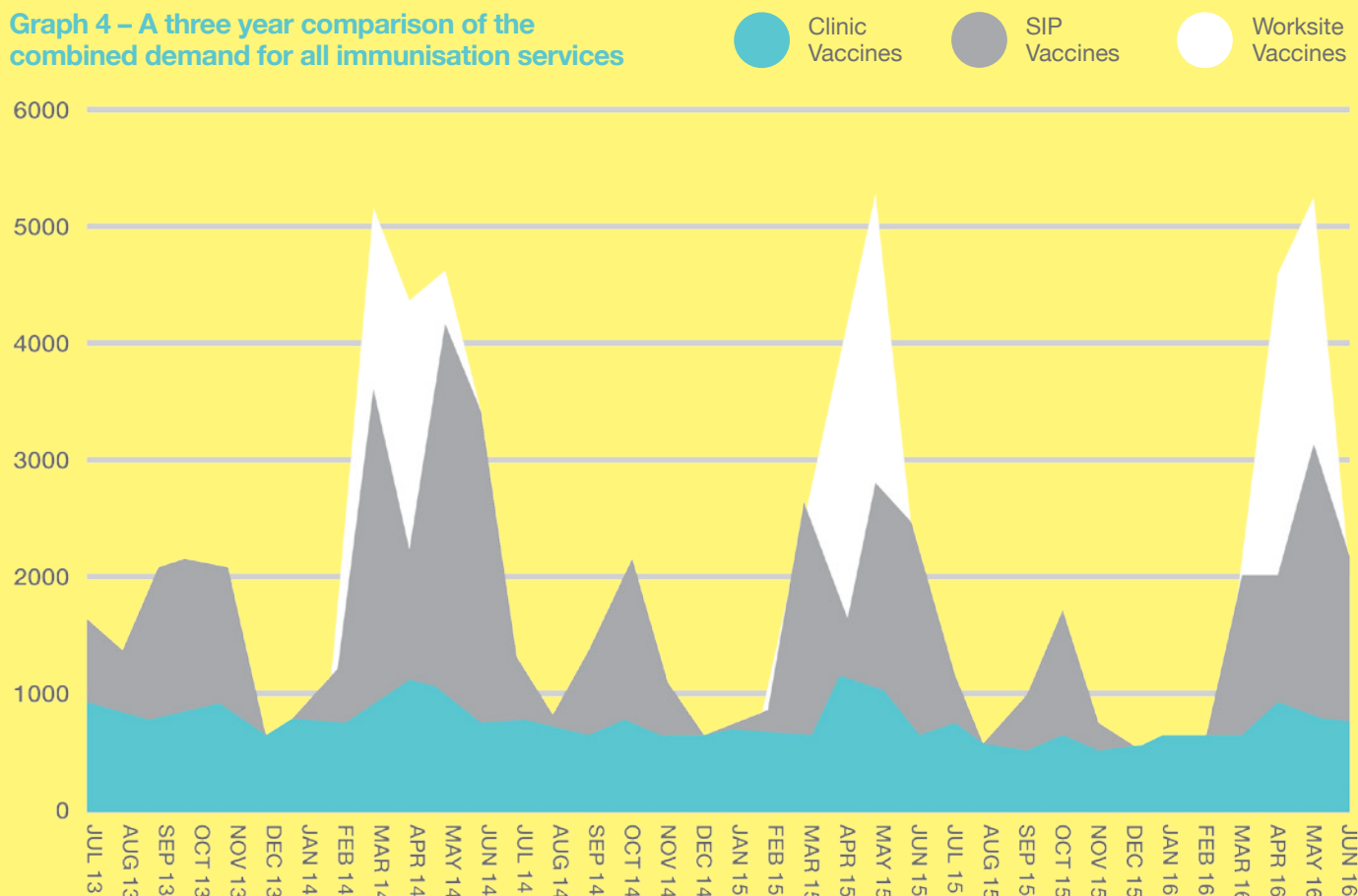
A worksite program enables schools, childcare centres, government departments and private businesses to have their staff vaccinated on site by immunisation nurses at a convenient time.

During April and May a total of 101 worksite visits were conducted. 4,689 vaccines were delivered which was a small decrease (4%) when compared with the 2015 program (Table 8). This decrease was in part due to a reduction in demand for vaccines other than Influenza, especially for Diphtheria, Tetanus and Pertussis (Whooping cough).

Table 8 – A three year comparison of the total number of vaccines administered at worksites

Vaccine type	2013-14	2014-15	2015-16
Influenza	4,019	4,775	4,643
Hepatitis A	15	2	2
Hepatitis B	1	3	0
Hepatitis A & B	74	42	10
dTpa	29	78	34
Total	4,138	4,900	4,689

Graph 4 – A three year comparison of the combined demand for all immunisation services



“A worksite program enables schools, childcare centres, government departments and private businesses to have their staff vaccinated on site by immunisation nurses at a convenient time.”



Public and Environmental Health



Complaints and Referrals

EHA received 268 public health related complaints/referrals from the public or State Government agencies. As outlined in Table 9, the number received is comparable to the previous year.

Table 9 – A three year comparison of the type of public health complaints received

	2013-14	2014-15	2015-16
Animal Keeping	17	12	10
Notifiable Disease	29	32	35
Sanitation	73	71	60
Vector Control	105	104	121
Waste Control	0	0	4
Air Quality	30	20	17
Water Quality	18	23	16
Hazardous Substances	12	6	3
Other	8	1	2
Total	292	269	268

A small increase in vector control and decreases in animal keeping, air quality and water quality complaints were noted. The majority of vector control complaints related to rodent activity associated with overgrown vegetation, accumulated refuse or poor poultry keeping. Where Environmental Health Officers (EHOs) do not have substantial evidence to identify the primary source of harbourage, information is issued to neighbouring homes. This approach has been effective in notifying neighbouring residents of potential concerns.

During the year, 60 sanitation complaints were received and investigated, which is a 15% decrease when compared to the previous two years. A high proportion of these complaints related to general sanitation concerns involving excessive vegetation and accumulation of materials that did not constitute 'harm to health' under the *SA Public Health Act, 2011*.

Officers investigated nine severe domestic squalor and 12 hoarding matters. Three severe domestic squalor and three hoarding matters were determined to be a breach of the General Duty under the *SA Public Health Act, 2011*. These cases were all managed using the Foot in a Door – Stepping towards solutions to resolve incidents of severe domestic squalor in South Australia guidelines (the Guidelines).

Three of these matters resulted in Notices issued to secure compliance with the General Duty under Section 92(1)(a) of the *SA Public Health Act, 2001*. These related to cases of squalor, poor animal keeping practices and infestation of vermin.

The application of the Guidelines allowed for a multi-disciplinary approach to be taken by EHA and other Government and non-Government agencies to work with the residents to comply with all requirements of the

Notices. Two Notices were complied with, in the specified timeframes and the third Notice remains outstanding.

EHA continues to lead the Eastern Hoarding and Squalor Group (the Group). The Group continued into its fourth successful year and met three times. The purpose of the Group is to provide a collaborative forum for EHOs representing nine Eastern Metropolitan Councils and representatives from Government and non-Government agencies to discuss squalor and hoarding, services and resources available to resolve these issues.

The *SA Public Health Act, 2011* prescribes a list of diseases that are notifiable (Table 10). Notification of these diseases allow for surveillance and investigation to be undertaken to protect the community from the risk of infectious disease.

**Table 10 –
A three year
comparison
of the number
of reported
notifiable
diseases**

	2013-14	2014-15	2015-16
<i>Campylobacter</i>	188	154	159
<i>Salmonella</i>	110	144	129
<i>Legionellosis</i>	4	0	4
<i>Cryptosporidiosis</i>	27	13	28
Hepatitis A	0	0	0
Rotovirus	27	31	43

Salmonella and *Campylobacter* continue to be the most frequently reported food borne diseases (Table 10). The number of confirmed cases of *Campylobacter* was comparative to the previous year, with a small decrease in the number of reported cases of *Salmonella* (Table 10).

Officers pay particular attention to the safe handling of raw eggs during food safety assessments. Despite these efforts, 65 cases of *Salmonella* linked to seven food businesses required investigation. It appeared that the majority of outbreaks were a result of the consumption of contaminated raw egg contained in ready to eat or lightly-cooked foods. Mechanical equipment that may not be designed or serviced appropriately to enable effective

cleaning and sanitising, storage of food containing raw eggs at inappropriate temperatures, permitting the growth of *Salmonella*, were all contributing factors with the contamination of these foods.

The number of confirmed cases of *Cryptosporidiosis* notified by SA Health doubled when compared to 2014-15 in Table 10. The increase in confirmed cases is consistent with a State-wide increase. To control and prevent further confirmed cases, SA Health recommended a precautionary decontamination of public pools. Precautionary decontaminations were undertaken at five public pools within the Constituent Council areas.

“Officers pay particular attention to the safe handling of raw eggs during food safety assessments. Despite these efforts, 65 cases of *Salmonella* linked to seven food businesses required investigation.”

Monitoring and Surveillance

Cooling Towers and Warm Water Systems

A total of 46 high-risk manufactured water systems (HRMWS) were registered at 22 sites. The number of systems and sites has steadily decreased over a three year period, which can be attributed to the closure of two cooling tower sites, the reduction of the number of cooling systems and the conversion of two warm water systems to hot water systems, which are not classified as a HRMWS under the SA Public Health (*Legionella*) Regulations 2013 (Table 11).

A total of 58 routine inspections were undertaken at 22 HRMWS sites (Table 11). All sites were inspected at least annually with three sites inspected twice during 2015-16. Water samples were obtained at all routine inspections resulting in 16 high counts of *Legionella*, a slight increase when compared to 2014-15 (Table 11). In response to high count notifications, immediate action was taken to shut down and decontaminate the systems.

Three warm water sites remain at a six month inspection frequency due to continual high counts of *Legionella* from water samples taken at routine inspections. These sites have now installed a continual dosing low level chlorine system to the water supply to manage the risk of *Legionella*.

Non-conformances identified during the inspections were minor in nature only requiring one follow-up inspection. This compares to eight follow-up inspections and three Compliance Notices issued the previous year (Table 11).

EHA received four *Legionella* disease notifications, implicating one cooling tower site and four residential warm water systems, comparable to 2014-15 (Table 11). In response, Officers conducted onsite or desktop investigations which included taking samples from home water systems and cooling towers and providing decontamination advice. No samples returned positive results for *Legionella*.

Table 11 – A three year comparison of the number or registered high risk manufactured water systems and the number of routine and follow-up inspections undertaken and *Legionella* high count test results

	2013-14	2014-15	2015-16
Number of Sites	31	25	22
Total number HRMWS registered	61	51	46
Number of system inspections	57	64	58
Number of follow-ups	1	8	1
High count test results	24	13	16
Compliance Notices	2	3	0
<i>Legionella</i> disease notifications from CDCB	4	0	4

Public Swimming Pools and Spas

During the year 70 inspections were conducted at all swimming, spa and hydrotherapy pools (Table 12). These pools were assessed against the standards prescribed in the SA *Public Health (General) Regulations, 2013*.

A total of 10 sites required follow-up inspections as a result of inadequate disinfection and pH levels, poor maintenance of pool and plant equipment and unclean amenities. Four of these sites required an additional inspection to ensure full compliance.

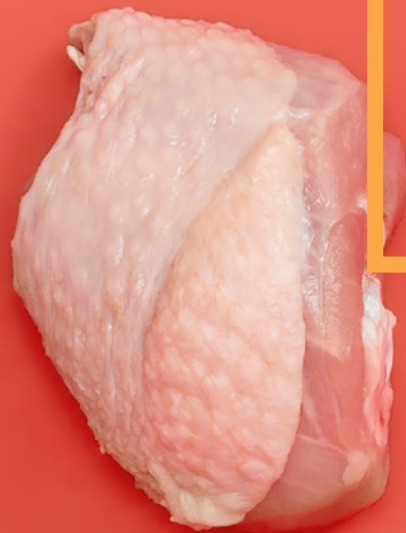
The temporary closure of three swimming pool and spa sites was required during the year. Two of these sites closed voluntarily, one to rectify high levels of free chlorine and the second pool to clean a significant build-up of grime on the tiled pool surface. The pools were re-opened for public use after the non-compliances were rectified.

Recurring non-compliance of significantly low levels of free chlorine, failure to conduct daily water parameter tests and unavailability of records were observed at the third site. The immediate risk to public health and the recurrence of these non-compliances resulted in a Compliance Notice issued under Section 92 of the SA *Public Health Act, 2011*. The pool operator was instructed to close the pool to the public and undertake the necessary corrective actions. Follow-up inspections were undertaken to confirm compliance with the Notice and the pool was reopened for public use.

Table 12 - A three year comparison of the number of routine and follow-up inspections conducted at spas, swimming, and hydrotherapy pools, and the number of *Cryptosporidiosis* notifications received

	2013-14	2014-15	2015-16
Number of Sites	29	30	27
Number of Pools/Spas	42	43	39
Number of New Sites	0	1	0
Inspections of Pools/Spas	58 (29 sites)	71 (32 sites)	52 (27 sites)
Follow-ups of Pools/Spas	16 (8 sites)	20 (10 sites)	18 (10 sites)
Complaints	1	6	1
<i>Cryptosporidiosis</i> Complaints	0	3	5

Food Safety



Food Safety Inspections, Complaints, Audits and Enforcement

As at 30 June 2016, a total of 1,261 known food premises were operating within EHA's jurisdiction, a small increase of 21 businesses when compared to the previous year. Takeaways, cafes and restaurants continue to be the predominant types of food business.

Although there was a small increase in the number of food premises, new notifications and closures required the continual update of the food business register. During the year, 173 businesses closed and 203 food business notifications, advising of a new food business or change of ownership, were lodged with EHA.

Food businesses are classified on the basis of food safety risk using the South Australian Food Business Risk Classification (FBRC) profiling framework (the Framework). The FBRC allows for the monitoring and enforcement to be aligned with the inherent food safety risk of the business, taking into account the performance.

A minimum and maximum inspection frequency range is applied to each risk classification. The frequency range allows for inspections to either be increased or decreased depending on whether or not compliance is satisfactory during the inspection.

As shown in Table 14, the majority of food businesses are risk classified as P1, with takeaways and restaurants being the main types of businesses within this classification.



	P1	P2	P3	P4	Total
Number of food businesses	642	348	79	192	1,261

Table 14 – Number of food businesses per risk classification

P4 food businesses selling shelf stable and pre-packaged food are considered 'low risk', and are only inspected if there has been a change in activity or a complaint has been received.

Excluding P4 businesses, 1,069 food premises are required to be inspected. A total of 1,497 inspections were undertaken at these businesses (Table 15).

Type of Inspection	2013-14	2014-15	2015-16
Routine	780	840	690
Follow up	555	480	578
Complaint	82	98	111
Pre-opening/Fit-out	9	17	21
Food Stalls at Special Events	106	114	97
Total	1,532	1,549	1,497

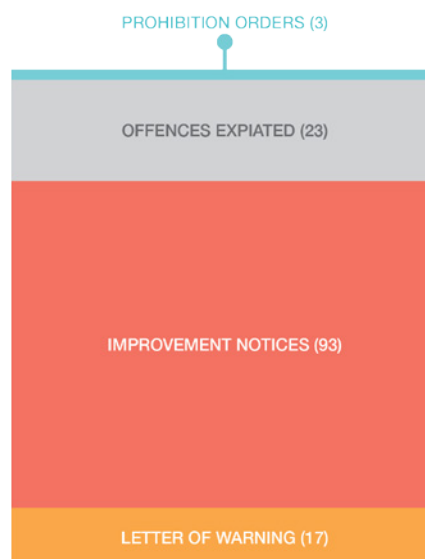
Table 15 – A three year comparison of the number of routine, follow-up and fit-out inspections undertaken and complaints received

EHA's food safety enforcement practice is to conduct thorough routine inspections and follow-up inspections to ensure non-compliances are rectified and appropriate food safety standards are maintained. Routine and follow-up inspections are opportunities for an EHO to provide advice and information for businesses to demonstrate improved systems or processes to ensure food safety practices are implemented daily and permanently.

The total number of inspections conducted was comparable to the previous year (Table 15). While there was an 18% decrease in the number of routine inspections conducted, there was a 20% increase in the number of follow-up inspections (Table 15). This is reflective of the commitment to ensure non-compliances are rectified with an appropriate timeframe.

If repeated non-compliance continues, EHA's enforcement policy requires a graduated and proportionate response to be applied to either recurring or very serious food safety breaches. Graph 5 demonstrates the graduated responses to enforcement. Legal action may be taken to repeat offenders in the form of written warnings, Improvement Notices, Prohibition Orders, Expiations or Prosecutions.

Graph 5 – A graph illustrating the graduated response to enforcement under the *Food Act, 2001*



The majority of food businesses requiring legal action since the introduction of the FBRC system in 2014-15 are P1 high risk businesses (Table 16). As shown in Table 16 the need to take enforcement action is not limited to high risk businesses with warning letters and Improvement Notices issued to moderate risk P2 food businesses. Very serious food safety breaches also resulted in Prohibition Orders being served to two high risk P1 cafés and a moderate risk P2 food manufacturer.

Table 16 – A two year comparison of enforcement action taken as per risk classification

Warning Letter	P1	P2	P3
2014-15	18	1	0
2015-16	13	4	0
Improvement Notices	P1	P2	P3
2014-15	81	14	1
2015-16	76	17	0
Offences Expiated	P1	P2	P3
2014-15	39	0	0
2015-16	23	0	0
Prohibition Orders	P1	P2	P3
2014-15	2	1	0
2015-16	2	1	0

Improvement Notices still accounted for the majority of enforcement action taken with a total of 93 Improvement Notices issued to 76 food businesses (Table 17). A total of 15 businesses received more than one Improvement Notice during the year, with one business receiving four Improvement Notices.

Table 17 – A three year comparison of the percentage number of Improvement Notices issued based on the number of routine inspections

	2013-14	2014-15	2015-16
Routine inspections	780	840	690
Total number of Improvement Notices issued	138	96	93
Number of businesses issued with Improvement Notices	94	69	76
% of routine inspections resulting in the issue of an Improvement Notice	12%	8%	11%

The number of Improvement Notices issued was comparable to the number issued the previous year. However, the percentage of routine inspections that resulted in an Improvement Notice increased from 8% to 11% when compared to 2014-15.

In 2015-16, \$38,050 in fines were issued to 18 businesses for 39 offences committed under the *Food Act, 2001* (Table 18). This represents a 41% decrease in the number of Expiation Notices when compared to the previous year. It should be noted that 2.1% of routine inspections resulted in Expiation Notices being issued, which was consistent with 2014-15 (Table 19).

	2013-14	2014-15	2015-16
Total number of Expiation Notices issued	27	18	14
Total number of Offences Expiated	53	39	23
Total amount	\$101,000	\$80,000	\$38,050

Table 18 - A three year comparison of the number of Expiation Notices issued, total number of expiable offences and expiable income received

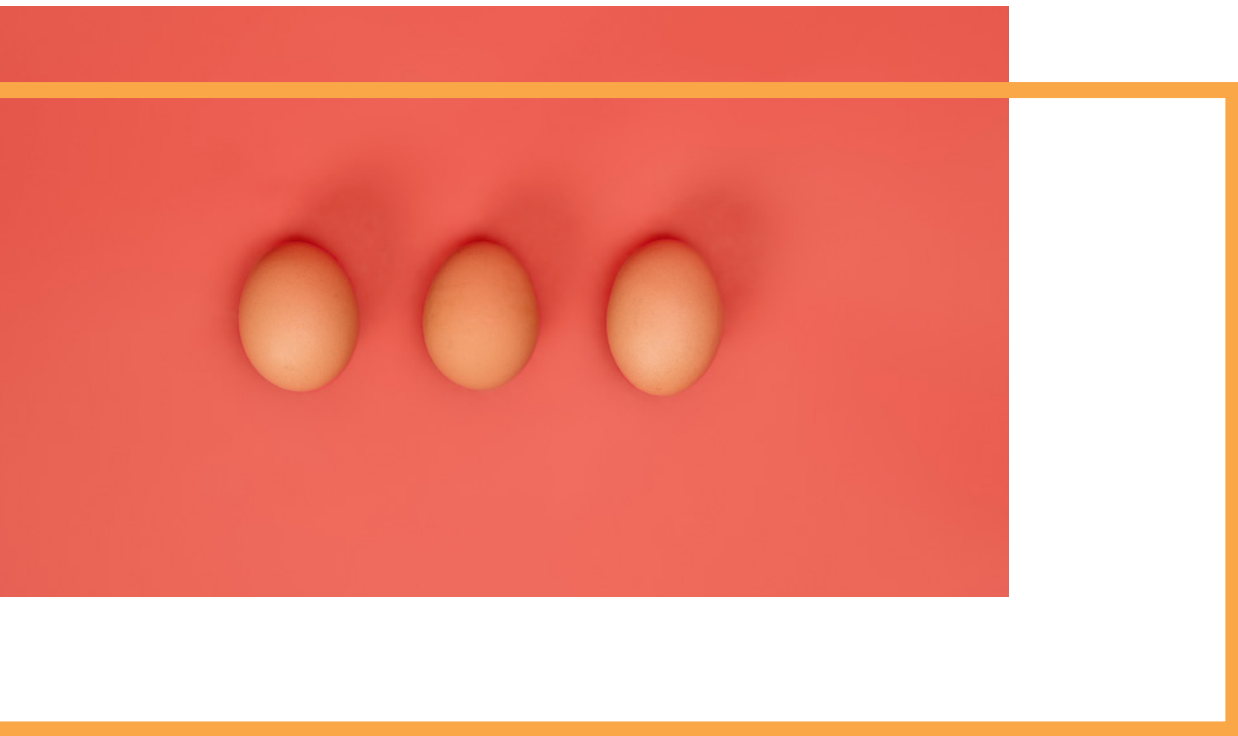


Table 19 - A three year comparison of the percentage of Expiation Notices issued per routine inspection

	2013-14	2014-15	2015-16
Routine inspections	780	840	690
Number of businesses issued with Expiation Notices	27	18	14
Expiation Notices as % of inspections	3.5%	2.1%	2.0%

The number of Prohibition Orders issued to food businesses due to very serious breaches to food safety was comparable to the previous year (Table 20). Prohibition Orders were served to two cafés and one food manufacturer for serious offences relating to significant vermin and cockroach activity. Following the eradication of the pests and vermin by a professional pest controller and thorough cleaning, these businesses were re-opened.

EHA inspected 97 food stalls at nine major special events. Food handlers were assessed on their application of food safety and hygiene principles. EHOs also considered the structure and fit out of each stall to ensure food was stored, prepared and displayed appropriately to protect from contamination.

	2013-14	2014-15	2015-16
Routine inspections	780	840	690
Number of businesses issued with Prohibition Orders	8	3	3
Prohibition Notices as % of inspections	1.00%	0.35%	0.43%

Table 20 – A three year comparison of the number of Prohibition Orders issued



Audits

Food businesses serving food to vulnerable populations, including hospitals, aged care facilities, child care centres and delivered meal organisations are captured under Food Safety Standard 3.3.1. This

Standard requires food businesses to comply with Food Safety Standard 3.2.1, and the implementation of a documented and audited Food Safety Program (FSP).

As shown in Table 21, a total of 53 scheduled food safety audits and 10 follow-up audits were conducted within EHA's jurisdiction during the year. By request, a total of 30 audits were conducted outside EHA's council areas.

Table 21 - A three year comparison of the number of audits and follow-up audits conducted in our five Constituent Councils and other council areas

	2013-14		2014-15		2015-16	
	EHA	Other Council Areas	EHA	Other Council Areas	EHA	Other Council Areas
No. of Audits	52	42	53	30	31	37
No. of Follow-up Audits	8	2	10	7	10	2

Complaints

EHA received a total of 98 complaints relating to food during 2015-16 (Table 22). As shown in Table 22, the number of food complaints received over the last three years is similar. The number of justified complaints increased from 27% to 41%. This may be attributed to customers' improved awareness of food safety, evidence provided by the complainant and Officers' interaction with customers to establish the nature of the complaint.

Alleged food poisoning and alleged poor food handling practice complaints contributed 40% of the complaints received during the year (Table 23). Alleged food poisoning complaints have consistently accounted for the majority of complaints received over the past three years (Table 23). During 2015-16 only six of the 24 alleged food poisoning complaints were justified

(Table 23). The small proportion of justified complaints is often a result of the persons failing to undertake the necessary tests to confirm they are affected by a foodborne disease. This hinders the opportunity for epidemiological investigations to be undertaken by SA Health and for EHA to investigate and identify the specific food source.

Table 22 - A three year comparison of the number of food complaints received

	2013-14	2014-15	2015-16
Number of food complaints	111	108	98
Number of food complaints justified	29	29	40
% of justified complaints	26%	27%	41%

“The number of justified complaints increased from 27% to 41%. This may be attributed to customers' improved awareness of food safety”

Table 23 – A three year comparison of the number of food complaints received

Type of Complaints Received	Total no. of complaints received 2013-14	Total no. of complaints received 2014-15	Total no. of complaints received 2015-16	No. of complaints justified / confirmed 2015-16
Food unsuitable/unsafe due to foreign matter	13	15	12	3
Food unsuitable/unsafe due to microbial contamination/growth	21	13	7	3
Food unsuitable/unsafe due to presence of unapproved or excessive chemical residues	0	6	2	2
Alleged food poisoning	34	27	24	6
Unclean premises	7	6	10	7
Poor personal hygiene or poor food handling practices	13	10	20	7
Vermin/insects/pests observed in premises	3	5	5	3
Refuse storage	13	19	11	7
Labeling issues	1	1	5	1
Other	6	6	2	1
Total	111	108	98	40

“Alleged food poisoning and alleged poor food handling practice complaints contributed to 40% of the complaints received during the year”



Health Care and Community Services



Supported Residential Facilities (SRF) – Licensing & Monitoring

EHA is the licensing authority for all Supported Residential Facilities (SRF) within the Constituent Councils, and continues to act as the licensing authority for SRF within the City of Unley, under delegated authority.

Twenty six unannounced SRF audits were conducted together with 15 follow-up visits.

The criteria assessed to determine compliance with the *Supported Residential Facilities Act, 1992*, the *Supported Residential Facilities Regulations, 2009* and the *Supported Residential Facilities Guidelines and Standards, 2011*, included the following:

- adequacy of documentation and suitability of service plans
- level of staffing and appropriate qualifications
- nutritional quality and variety of the food provided to the residents
- solvency of the business
- public liability insurance
- structural condition of the premises
- financial management
- general amenity and cleanliness of the facility
- medication management
- privacy, dignity and respect of residents
- the visitors' book

Each facility within the Constituent Council area was inspected for compliance with the essential fire safety requirements by the respective Building Fire Safety Committee. Fire safety reports were provided to EHA as part of the licensing renewal process.

In order to protect the vulnerable populations that reside within SRF, Local Government Licensing Authorities across the state identified the need to review the financial position of each SRF during the re-licensing process. EHA now requires copies of accounting records including profit and loss statement, balance sheet (assets and liability) and cash flow statement (incoming/outgoings).

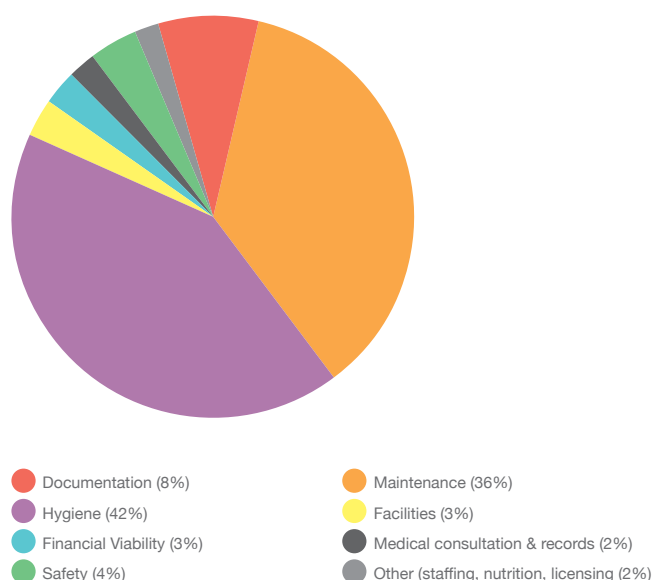
Facility hygiene and structural maintenance attributed to 78% of non-conformances identified during the audits (Graph 6). Hygiene non-conformances were predominately observed in residents' bedrooms (Graph 7). This may be partly attributed to residents' personal lifestyle choices. Most proprietors and managers have taken a collaborative approach, working with residents and advocates to ensure bedrooms are maintained in a clean, safe and hygienic condition.

Non-conformances identified at the unannounced audits throughout the year were collated and reviewed prior to the re-licensing of the facilities. Outstanding non-conformances were imposed as licence conditions.

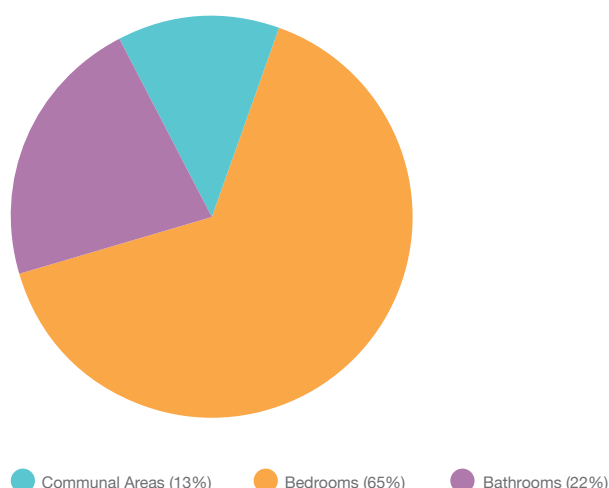
Two facilities were issued licences for one year with no conditions. Ten facilities were issued licences for one year with conditions. Conditions relating to maintenance and hygiene were imposed on five facilities; conditions relating to evidence of financial viability were imposed on six facilities; and one condition was in relation to staffing levels.

Three facilities which are also licensed under the *Retirement Villages Act, 1987* were granted licences. The SRF licence granted only applies to the unit or room in the Retirement Village where residents received personal care services.

Graph 6 – A graph illustrating the proportion of non-conformances identified during unannounced audits



Graph 7 – A graph illustrating where hygiene non-conformances were identified



SRF Licence Transfer

During 2015-16 two SRF licence transfers were received, processed and approved. Existing and new licence conditions were imposed on the new proprietors as a part of the transfer process.

SRF- Approval of Manager and Acting Manager

Two Acting Manager applications and two Manager applications were received during the year. All four applications were approved under delegated authority.

SRF – Complaints and Queries/Legal Action

As shown in Table 24, there was a significant decrease in the number of complaints received when compared to the previous year. This decrease can be partly attributed to the closure of poorly performing facilities during the previous reporting period that attributed to the high number of complaints received during 2014-15. The complaints investigated during this period were in relation to personal finances, alleged operation of an un-licensed SRF and appropriate services provided to residents.

2013 - 14	2014-15	2015-16
5	13	3

Table 24 – A three year comparison of the number SRF complaints received within EHA's five Constituent Councils and within the City of Unley

Financial Statements





EASTERN HEALTH AUTHORITY

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2016**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Eastern Health Authority for the year ended 30 June 2016, Dean Newbery and Partners, Chartered Accountants, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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


.....
Michael Livori
CHIEF EXECUTIVE OFFICER


.....
Lisa Scinto
**PRESIDING MEMBER
AUDIT COMMITTEE**

Date: 17/8/16

Eastern Health Authority

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
INCOME			
Council contributions	2	1,609,306	1,576,605
Statutory charges	2	114,802	157,329
User charges	2	342,110	303,449
Grants and subsidies	2	121,815	117,983
Investment income	2	15,304	20,871
Other Income	2	11,439	6,660
Total Income		<u>2,214,776</u>	<u>2,182,897</u>
EXPENSES			
Employee costs	3	1,483,167	1,353,987
Materials, contracts & other expenses	3	643,081	608,515
Depreciation, amortisation & impairment	3	45,098	83,704
Finance costs	3	21,463	24,016
Total Expenses		<u>2,192,809</u>	<u>2,070,222</u>
OPERATING SURPLUS / (DEFICIT)		21,967	112,675
NET SURPLUS / (DEFICIT)		<u>21,967</u>	<u>112,675</u>
transferred to Equity Statement			112,675
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>21,967</u>	<u>112,675</u>

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

Eastern Health Authority

STATEMENT OF FINANCIAL POSITION as at 30 June 2016

ASSETS	Notes	2016 \$	2015 \$
Current Assets			
Cash and cash equivalents	4	581,155	789,971
Trade & other receivables	4	158,026	<u>162,272</u>
Total Current Assets		<u>739,181</u>	<u>952,243</u>
Non-current Assets			
Infrastructure, property, plant & equipment	5	421,720	441,095
Total Non-current Assets		<u>421,720</u>	<u>441,095</u>
Total Assets		<u>1,160,901</u>	<u>1,393,338</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	6	95,855	108,658
Borrowings	6	58,623	55,934
Provisions	6	259,008	236,220
Total Current Liabilities	6	<u>413,486</u>	<u>400,812</u>
Non-current Liabilities			
Borrowings	6	376,575	435,198
Provisions	6	33,207	41,662
Total Non-current Liabilities		<u>409,782</u>	<u>476,860</u>
Total Liabilities		<u>823,268</u>	<u>877,672</u>
NET ASSETS		<u>337,633</u>	<u>515,666</u>
EQUITY			
Accumulated Surplus		337,633	515,666
TOTAL EQUITY		<u>337,633</u>	<u>515,666</u>

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

Eastern Health Authority

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2016

	Notes	Accumulated Surplus	TOTAL EQUITY
2016		\$	\$
Balance at end of previous reporting period		515,666	515,666
Net Surplus / (Deficit) for Year		21,967	21,967
Other Comprehensive Income			
Distribution to Constituent Councils		<u>(200,000)</u>	<u>(200,000)</u>
Balance at end of period		<u>337,633</u>	<u>337,633</u>
2015			
Balance at end of previous reporting period		402,991	402,991
Net Surplus / (Deficit) for Year		<u>112,675</u>	<u>112,675</u>
Balance at end of period		<u>515,666</u>	<u>515,666</u>

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

Eastern Health Authority

STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Council contributions		1,770,237	1,734,266
Fees & other charges		240,932	173,062
User charges		377,146	328,063
Investment receipts		15,304	25,557
Grants utilised for operating purposes		121,815	117,983
Reimbursements		12,583	7,326
<u>Payments</u>			
Employee costs		(1,458,250)	(1,418,550)
Materials, contracts & other expenses		(984,254)	(818,945)
Finance payments		<u>(22,672)</u>	<u>(25,237)</u>
Net Cash provided by (or used in) Operating Activities		72,841	123,525
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(25,723)	-
Capital contributed to Constituent Councils		<u>(200,000)</u>	<u>-</u>
Net Cash provided by (or used in) Investing Activities		(225,723)	-
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Payments</u>			
Repayments of borrowings		<u>(55,934)</u>	<u>(53,369)</u>
Net Cash provided by (or used in) Financing Activities		(55,934)	(53,369)
Net Increase (Decrease) in cash held		(208,816)	70,156
Cash & cash equivalents at beginning of period	7	<u>789,971</u>	<u>719,815</u>
Cash & cash equivalents at end of period	7	<u>581,155</u>	<u>789,971</u>

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

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

2 The Local Government Reporting Entity

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

3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when EHA obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of EHA's operations for the current reporting period.

The actual amounts of untied grants received during the reporting periods (including the advance allocations) are disclosed in Note 2.

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

Note 1 - Significant Accounting Policies (cont)

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

5 Infrastructure, Property, Plant & Equipment

5.1 Initial Recognition

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

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred.

5.2 Materiality

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

5.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 5.

5.4 Depreciation of Non-Current Assets

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

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

Major depreciation periods for each class of asset are shown in Note 5. Depreciation periods for infrastructure assets have been estimated based on the best information available to EHA, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

5.5 Impairment

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

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 1 - Significant Accounting Policies (cont)

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if EHA were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

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

6 Payables

6.1 Goods & Services

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

7 Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

8 Employee Benefits

8.1 Salaries, Wages & Compensated Absences

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

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

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

8.2 Superannuation

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

9 Leases

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

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

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 1 - Significant Accounting Policies (cont)

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

10 GST implications

10 GST Implications

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

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

11 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2016 reporting period and have not been used in preparing these reports.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 124	Related Party Disclosures

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

(Standards not affecting local government have been excluded from the above list.)

EHA is of the view that none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

The Australian Accounting Standards Board is currently reviewing AASB 1004 *Contributions*. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

Accounting Standard AASB 16 *Leases* may have a material effect on the amounts disclosed in these reports, particularly in relation to Infrastructure, Property, Plant & Equipment, but does not commence until the 2019/20 financial period, and it is not EHA's intention to adopt this Standard early.

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 2 - INCOME

	Notes	2016 \$	2015 \$
COUNCIL CONTRIBUTIONS			
City of Burnside		415,037	400,896
Campbelltown City Council		389,840	376,996
City of Norwood Payneham & St Peters		490,646	487,613
City of Prospect		219,621	222,291
Town of Walkerville		94,162	88,809
		<u>1,609,306</u>	<u>1,576,605</u>
STATUTORY CHARGES			
SRF licences		4,792	4,601
Food inspections		56,355	49,059
Legionella registrations & inspections		15,275	22,779
Fines, penalties & expiations		38,380	80,890
		<u>114,802</u>	<u>157,329</u>
USER CHARGES			
Immunisation fee for service		50,515	56,222
Immunisation worksites		110,107	103,385
Food safety training		455	486
Food auditing		60,465	46,220
City of Unley		120,568	97,136
		<u>342,110</u>	<u>303,449</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		15,304	20,871
		<u>15,304</u>	<u>20,871</u>

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

NOTE 2 - INCOME (continued)

	Notes	2016 \$	2015 \$
REIMBURSEMENTS			
Motor vehicle reimbursements		3,975	2,667
Sundry		7,464	3,993
		<u>11,439</u>	<u>6,660</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Other grants, subsidies and contributions			
Immunisation fees - schools		84,291	75,881
Immunisation fees - ACIR		37,524	42,102
		<u>121,815</u>	<u>117,983</u>
<i>The functions to which these grants relate are shown in Note 12.</i>			
Sources of grants			
State government		<u>121,815</u>	<u>117,983</u>
		<u>121,815</u>	<u>117,983</u>

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 3 - EXPENSES

	Notes	2016 \$	2015 \$
EMPLOYEE COSTS			
Salaries and Wages		1,303,620	1,231,367
Employee leave expense		14,333	(16,430)
Superannuation - defined contribution plan contributions	11	99,335	95,397
Superannuation - defined benefit plan contributions	11	16,838	17,471
Workers' Compensation Insurance		15,000	14,639
Other - Agency Staff and Consultant Medical Officer		34,041	11,543
Total Operating Employee Costs		1,483,167	1,353,987
 Total Number of Employees		 17.6	 18.4
<i>(Number of full time equivalent employees at end of reporting period)</i>			
 MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		7,700	7,700
Bad and Doubtful Debts		3,293	2,590
Board of management expenses		10,772	15,800
Operating Lease Rentals - non-cancellable leases	10		
- minimum lease payments		53,185	55,159
Subtotal - Prescribed Expenses		74,950	81,249
 <u>Other Materials, Contracts & Expenses</u>			
Accounting & internal audit		6,265	9,590
Contractors		22,562	23,365
Energy		8,222	9,178
Fringe Benefit Tax		20,471	16,148
Human resources		12,426	14,645
Income protection/Uniform expenses		10,953	16,801
Insurance		26,006	25,950
Legal expenses		20,373	17,689
Motor vehicle expenses		15,141	14,300
IT licencing & support		101,324	55,837
Parts, accessories & consumables		102,308	106,850
Printing & stationery		25,788	33,575
Telephone		13,842	14,001
Public health plan		-	20,678
Office rent		100,002	92,588
Staff training		14,674	19,614
Work health & safety consultancy		37,918	-
Sundry		29,856	36,457
Subtotal - Other Materials, Contracts & Expenses		568,131	527,266
		643,081	608,515

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 3 - EXPENSES (cont)

	Notes	2016 \$	2015 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		23,642	23,642
Office Equipment, Furniture & Fittings		21,456	60,062
		<u>45,098</u>	<u>83,704</u>
FINANCE COSTS			
Interest on Loans		21,463	24,016
		<u>21,463</u>	<u>24,016</u>

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 4 - CURRENT ASSETS

	2016	2015
CASH & EQUIVALENT ASSETS		
	Notes	
	\$	\$
Cash on Hand and at Bank	112,228	51,153
Short Term Deposits & Bills, etc	468,927	738,818
	<u>581,155</u>	<u>789,971</u>
TRADE & OTHER RECEIVABLES		
Debtors - general	239,871	358,767
Total	<u>239,871</u>	<u>358,767</u>
Less: Allowance for Doubtful Debts	81,845	196,495
	<u>158,026</u>	<u>162,272</u>

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Fair Value Level	2015				2016			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
3	-	472,846	(93,760)	379,086	-	472,846	(117,402)	355,444
	-	289,776	(227,767)	62,009	-	315,499	(249,223)	66,276
	-	762,622	(321,527)	441,095	-	788,345	(366,625)	421,720
Comparatives	-	762,622	(237,822)	524,800	-	762,622	(321,527)	441,095
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								

This Note continues on the following pages.

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2015 \$	CARRYING AMOUNT MOVEMENTS DURING YEAR \$						2016 \$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals					
Buildings & Other Structures	379,086	-	-	-	(23,642)	-	-	355,444
Office Equipment, Furniture & Fittings	62,009	-	25,723	-	(21,456)	-	-	66,276
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	441,095	-	25,723	-	(45,098)	-	-	421,720
Comparatives	524,800	-	-	-	(83,705)	-	-	441,095

This Note continues on the following pages.

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 6 - LIABILITIES

		2016		2015	
	Notes	Current	Non-current	Current	Non-current
		\$		\$	
TRADE & OTHER PAYABLES					
Goods & Services		65,453		87,631	
Accrued expenses - employee entitlements		20,972		10,388	
Accrued expenses - other		9,430		10,639	
		95,855	-	108,658	-
 BORROWINGS					
Loans		58,623	376,575	55,934	435,198
		58,623	376,575	55,934	435,198
<i>All interest bearing liabilities are secured over the future revenues of the Council.</i>					
 PROVISIONS					
Employee entitlements (including oncosts)		259,008	33,207	236,220	41,662
		259,008	33,207	236,220	41,662

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 7 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2016	2015
		\$	\$
Total cash & equivalent assets	4	581,155	789,971
Balances per Cash Flow Statement		<u>581,155</u>	<u>789,971</u>

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

Net Surplus (Deficit)		21,967	112,675
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		45,098	83,704
Net increase (decrease) in unpaid employee benefits		24,917	(16,430)
Change in allowances for under-recovery		<u>(114,650)</u>	<u>-</u>
		(22,668)	179,949
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		118,896	16,240
Net increase (decrease) in trade & other payables		<u>(23,387)</u>	<u>(72,664)</u>
Net Cash provided by (or used in) operations		<u>72,841</u>	<u>123,525</u>

(c) Financing Arrangements

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

Corporate Credit Cards		5,000	5,000
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Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 8 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 1.5% and 2% (2015: 2% and 3%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - other levels of government	<p>Accounting Policy: Carried at nominal value.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at a fixed rate of 4.75% (2015: 4.75%)</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Finance Leases	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 8 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2016	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	581,155			581,155	581,155
Receivables	158,026	-	-	158,026	158,026
Total	739,181	-	-	739,181	739,181
Financial Liabilities					
Payables	95,855	-	-	95,855	95,855
Current Borrowings	78,606	-	-	78,606	58,623
Non-Current Borrowings	-	471,638	39,303	510,941	376,575
Total	174,461	471,638	39,303	685,402	531,053
2015	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	789,971			789,971	789,971
Receivables	162,272	-	-	162,272	162,272
Total	952,243	-	-	952,243	952,243
Financial Liabilities					
Payables	108,658	-	-	108,658	108,658
Current Borrowings	78,606	-	-	78,606	55,934
Non-Current Borrowings	-	471,638	117,909	589,547	435,198
Total	187,264	471,638	117,909	776,811	599,790

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

	30 June 2016		30 June 2015	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Fixed Interest Rates	4.75	435,198	4.75	491,132
		435,198		491,132

Net Fair Value

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

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of EHA is the carrying amount, net of any allowance for doubtful debts. All EHA investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within EHA's boundaries, and there is no material exposure to any individual debtor.

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

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

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

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 9 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2016 \$	2015 \$
Income	2,214,776	2,182,897
<i>less</i> Expenses	<u>2,192,809</u>	<u>2,070,222</u>
Operating Surplus / (Deficit)	21,967	112,675
<i>less</i> Net Outlays on Existing Assets		
Depreciation, Amortisation and Impairment	(45,098)	(83,704)
	<u>(19,375)</u>	<u>(83,704)</u>
Net Lending / (Borrowing) for Financial Year	<u>41,342</u>	<u>196,379</u>

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 10 - OPERATING LEASES

Lease payment commitments of EHA

EHA has entered into non-cancellable operating leases for motor vehicles and a photocopier.

No lease imposes any additional restrictions on EHA in relation to additional debt or further leasing.

Leases in relation to computer and office equipment permit EHA, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased.

No lease contains any escalation clause.

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

	2016	2015
	\$	\$
Not later than one year	46,399	43,041
Later than one year and not later than 5 years	46,102	37,286
	<u>92,501</u>	<u>80,327</u>

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 11 – SUPERANNUATION

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2015/16; 9.50% in 2014/15). No further liability accrues to EHA as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. EHA makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2014/15) of "superannuation" salary.

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

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

The most recent actuarial investigation was conducted by the Fund's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to EHA's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

