



2017 Annual Report

eha EASTERN
HEALTH
AUTHORITY

Message from the Chairperson



Sue Whittington
Chairperson

Many in the community are surprised when they learn that public health protection is a core responsibility of Local Government.

Eastern Health Authority (EHA), on behalf of its five Constituent Councils, Burnside, Campbelltown, Prospect, Norwood Payneham St Peters and Walkerville, delivers this very important public health service to these communities.

Maintaining public safety is an important function of EHA and staff are diligent in the monitoring of health standards in high risk manufactured water systems, swimming pools and personal grooming and body art premises.

Eating out has become a favourite pastime and has resulted in an increase in new food businesses. Staff are assiduous in the monitoring of standards in all food premises where *Salmonella* and *Campylobacter* continue to be the most frequently reported food borne diseases.

A number of cases of severe domestic squalor and hoarding were reported. EHA worked with both Government and non-Government agencies to address the issues and to ensure that residents were provided with the right care from key agencies.

Supported Residential Facilities are home to many of the most vulnerable people in our community. EHA is responsible for the licensing and regulation of standards in these facilities and undertakes unannounced audits to ensure high standards are met by proprietors.

As a prominent Local Government immunisation provider in South Australia, EHA has continued to promote the benefits of vaccination to all groups in the community. The Australian Governments' 'No Jab, No Pay' policy continues to be a successful incentive for parents whose children are not fully immunised. This measure is essential to prevent the re-emergence of childhood diseases. This year EHA has worked with SA Health and the University of Adelaide to conduct a research study to look at the impact of Meningococcal B (MenB) vaccination in older adolescents. The study was offered to 19 High Schools in our Constituent Council areas and participating students were offered free vaccines.

I would like to thank the CEO and staff for their dedication and hard work in what has been a very busy year. It has been a pleasure to work with the Board of Management and I thank them for their support and commitment.

Contents

About Eastern Health Authority	04
Chief Executive Officer's Report	06
Governance	08
Board of Management 2017	09
Freedom of Information	09
Structure and Staffing	12
Annual Business Plan	13
Finance Audit Committee	13
Financial Statements	13
Immunisation	14
Public Immunisation Clinics	15
School Immunisation Program	18
Meningococcal B Vaccine Herd Immunity Study	19
Worksite Immunisation Program	20
Public and Environmental Health	22
Complaints and Referrals	23
Monitoring and Surveillance	25
Food Safety	28
Food Safety Inspections, Complaints, Audits and Enforcement	29
Audits	34
Complaints	35
Health Care and Community Services	36
Supported Residential Facilities	37
Licensing and Monitoring	37
SRF Licence Transfer/New Licence	38
Manager and Acting Manager approvals	38
SRF – Complaints and Queries/Legal Action	38
Financial Summary	39

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 to the present day, this regional subsidiary protects the health and wellbeing of about 160,000 residents plus visitors. EHA is an example of council shared service delivery at its very best.

Established under the *Local Government Act (1999)*, EHA works across our Constituent Council areas to improve public and environmental health standards.

Constituent Council areas

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 2016-17, 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 licenses and monitors supported residential facilities on behalf of the City of Unley.

Table 1 – Numerical details relevant to Constituent Councils during 2016-17

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Rateable Properties	20,732	23,060	19,641	9,746	3,947	77,116
Population of Council	45,337	51,983	37,350	20,527	7,550	162,747
Number of Food Premises	280	297	474	182	44	1,277
Swimming & Spa Pools Sites	11	4	8	2	3	28
Cooling Towers & Warm Water Systems Sites	6	6	5	2	1	20
Supported Residential Facilities	3	2	1	2	0	8
Hairdressers/Beauty Treatment	68	64	112	47	10	301
Public & Environmental Health Complaints	53	66	67	29	15	230
2016 SIP Year 8 Enrolment Numbers	709	539	670	145	60	2,123
Immunisation Clinics – Client Numbers	887	998	1,137	265	173	3,460
Immunisation Clinics – Vaccines Given	1,704	1,972	2,106	491	312	6,585

Chief Executive Officer's Report



Michael Livori
Chief Executive Officer

Over the last year Eastern Health Authority (EHA) continued to deliver high-quality public health protection services to more than 160,000 members of the community who live within the footprint of our Constituent Councils. I am proud to continue to have the opportunity to lead talented and dedicated staff who are committed to contributing to this high-quality service and delivering positive public health outcomes.

Immunisation is the safest and most effective way of protecting children and adults from harmful infectious diseases. It is estimated that vaccinations currently save up to three million lives worldwide each year. While deaths from vaccine preventable diseases are uncommon today in Australia, there are constant media reminders of outbreaks, illness and death that still occur in our communities. Our accessible public immunisation clinics remain extremely popular with more than four thousand clients being provided nearly eight thousand vaccines. Our public clinics are an important contributor to community herd immunity and disease reduction. It is an important local government service that keeps our community healthy and saves lives.

Cases of Meningococcal disease are regularly reported in the media due to its devastating effects. South Australia has the highest rate of the potentially life-threatening disease in the country. As 80 per cent of infections in

South Australia are caused by the B strain, a concerted push is being made to have the vaccine placed on the National Immunisation Schedule so that is available at no cost.

As part of this push, EHA were engaged by the University of Adelaide to deliver Meningococcal B vaccines to year 10,11 and 12 students at our 18 high schools as part of a herd immunity study. Around 5,000 students in our area will be part of the study and have throat swabs taken before and some months after being vaccinated. The study hopes to demonstrate that mass Meningococcal B vaccinations can create a herd immunity and that this evidence will encourage the authorities to make the vaccine available for free. While the short planning phase, program size and administrative burden has been challenging, it has been exciting to be part of this important public health initiative.

One of the most important aspects to a healthy community is access to safe and suitable food. Monitoring food safety standards to ensure this occurs, continues to be one of our most important areas of our core business. Our Environmental Health Officers (EHOs) are responsible for inspecting around 1,300 food business and investigating complaints to ensure appropriate food safety standards are being maintained. Over 1,600 inspections were conducted during the year.

“Our accessible public immunisation clinics remain extremely popular with more than 4,000 clients being provided nearly 8,000 vaccines”

An increase in raw numbers of Improvement Notices and Expiation Notices was noted this year, however the ratio issued per inspection remained similar to the previous year. There was however, a significant increase in Prohibition Orders issued to Food Businesses. On ten occasions, it was necessary to issue a Prohibition Order requiring a business to close for a period to rectify issues of concern. EHA does not take this course of action lightly, however when a significant risk to health exists the public must be protected from the small number of proprietors who are willing to put their health at risk.

A contemporary issue that has taken a considerable amount of our time this year is restaurants and caterers who have moved into ready-to-heat meals with extended shelf life. The processing of this type of food is complex and high risk and a number of businesses were found to have unsuitable premises, equipment and knowledge to be producing these foods. This was evidenced in poor microbiological results when a state-wide survey of these producers was conducted. This is just one example of a new and emerging issue we must deal with. In the age of reality cooking shows we are sure more will follow with businesses trying to copy trend techniques without understanding the risks.

EHA prides itself on going beyond the legislative requirements to ensure the reoccurrence of Public Health issues are minimised. It often coordinates and leads a multi-agency approach to complex, challenging and sensitive issues that requires further investigation into the ‘causes’. EHA regularly is the lead organisation in a ‘person-focussed’ collaborative approach to resolving hoarding and squalor and other related public health complaints. This approach has been recognised and praised by many of the agencies involved when coordinated investigations and solutions are required.

In terms of local government public health protection, EHA is structured in a unique manner. This structure allows us to have a single focus and be experts and leaders in our field. EHA is committed to professional collaboration and development, with three of its Officers convening professional Special Interest Groups (SRF SIG, Public Health SIG and Environmental Health Managers Forum). EHA developed and continues to convene the Eastern Hoarding and Squalor group, which allows for collaboration with government and non-government agencies to resolve hoarding and squalor cases with a ‘people-centred’ approach to resolve challenging and sensitive issues.

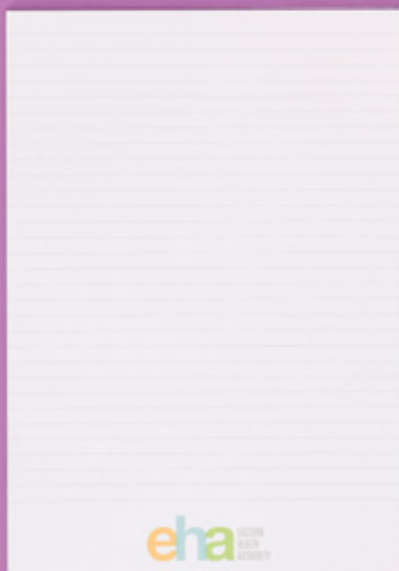
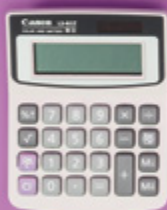
During the year EHA saw the release of our new and modern website that is professional, informative and user friendly. One of the exciting new features on our website is the introduction of the ‘on-line immunisation appointment booking system’. This system is one of its kind providing customers the ability to book a time, location and select the required vaccinations for either themselves or multiple family members. This has not only improved administration efficiencies here at EHA, but provided customers the opportunity to book at their own leisure.

It was extremely pleasing that EHA’s leadership in multi-agency collaboration and professional development was recognised by our peers at the 2017 Environmental Health Awards where we were awarded the “Excellence in Leadership” Award.

This award and acknowledgment is a reflection on all our wonderful staff and I thank them for their effort during the past year.

I also sincerely thank the Board of Management for their continuing support to myself and our staff during the year.

Governance



Board of Management 2017

EHA is a body corporate, governed by a Board of Management which currently comprises two elected members from each Constituent Council.

The Board met six times (five meetings and one workshop) 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	5
City of Burnside	Cr A Monceaux	6
	Cr P Cornish	4
Campbelltown City Council	Cr J Kennedy	4
	Cr M Ryan	2
City of Prospect	Cr K Barnett	5
	Cr T Evans	6
Corporation of the Town of Walkerville	Cr M Bishop	3
	Cr D Shetliffe	6

During 2016-17, the Board considered one confidential item where it was necessary to exclude the public from discussion. Table 3 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 2016-17.

Board of Management

City of Norwood Payneham & St Peters



Cr Sue Whittington
(Chairperson)



Cr Garry Knoblauch

Corporation of the Town of Walkerville



Cr Marylou Bishop



Cr David Shetliffe

City of Burnside



Cr Anne Monceaux
(Deputy Chair)

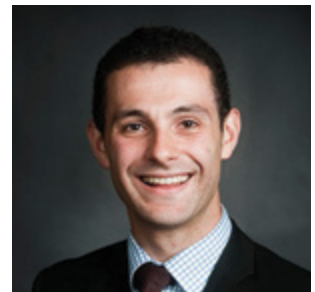


Cr Peter Cornish

Prospect City Council



Cr Kristina Barnett



Cr Talis Evans

Campbelltown City Council



Cr Marijka Ryan



Cr John Kennedy

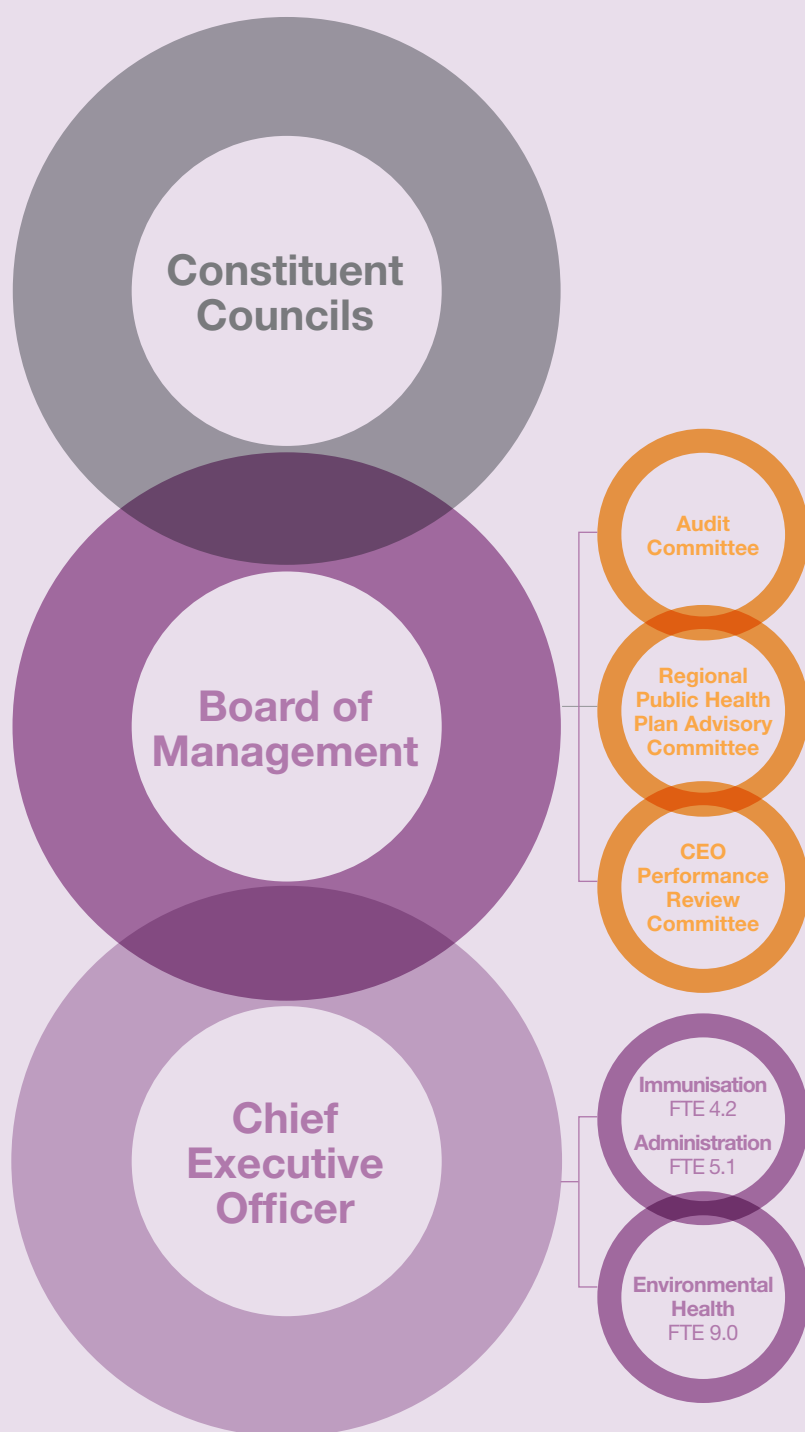


eha EASTERN
HEALTH
AUTHORITY
local councils working together to protect the health of the community

Structure and Staffing

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.





Annual Business Plan

EHA develops an Annual Business Plan to establish strategic directions and measures to assess its performance. The core activities are undertaken to deliver the objectives of the plan as detailed in this report.

Finance Audit Committee

Members of EHA's Audit Committee are Lisa Scinto (Presiding Member), Claudia Goldsmith (Independent Member) and Cr Talis Evans (Board Appointed Member).

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

Financial Statements

The Audited Financial Statements for the year ending 30 June 2017 are provided on page 39. They show an Operating Deficit of \$12,014.

Staffing as at 30 June 2017 comprised a total of 33 employees (18.3 FTE). Table 4 sets out the number of staff in each team.

Table 4—Number of total employees and FTE as at 30 June 2017

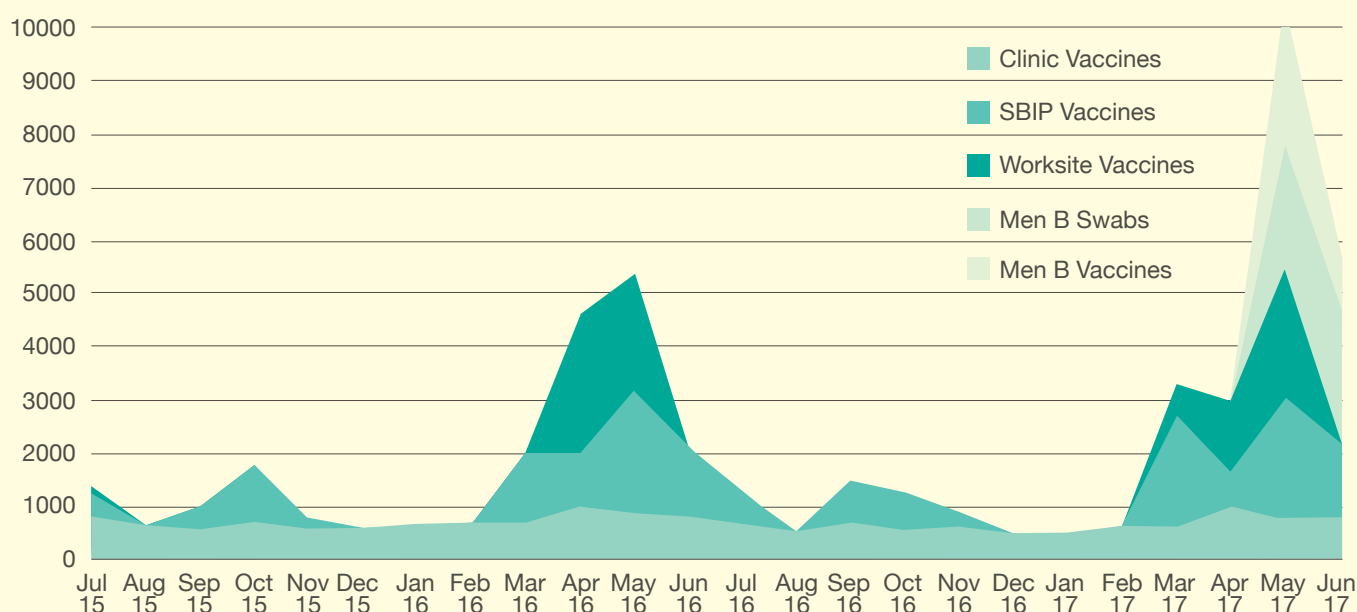
	Total No. of Employees	FTE
Administration	7	5.1
Immunisation	14	4.2
Environmental Health	9	9.0
	30	18.3

Immunisation



Immunisation is an important method of preventing disease in both adults and children. The immunisation team provides professional and convenient services to the residents of its Constituent Councils to assist in reducing the spread of vaccine preventable diseases.

Graph 1 – The combined demand for all immunisation services over the last two years



Services by EHA are delivered through Public Clinics, School and Workplace Immunisation programs. As demonstrated in Graph 1 the combined demand for immunisation services significantly increased in May 2017 and June 2017 when compared to the previous year. This increase was due to the Meningococcal B Vaccine Herd Immunity Study.

Public Immunisation Clinics

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

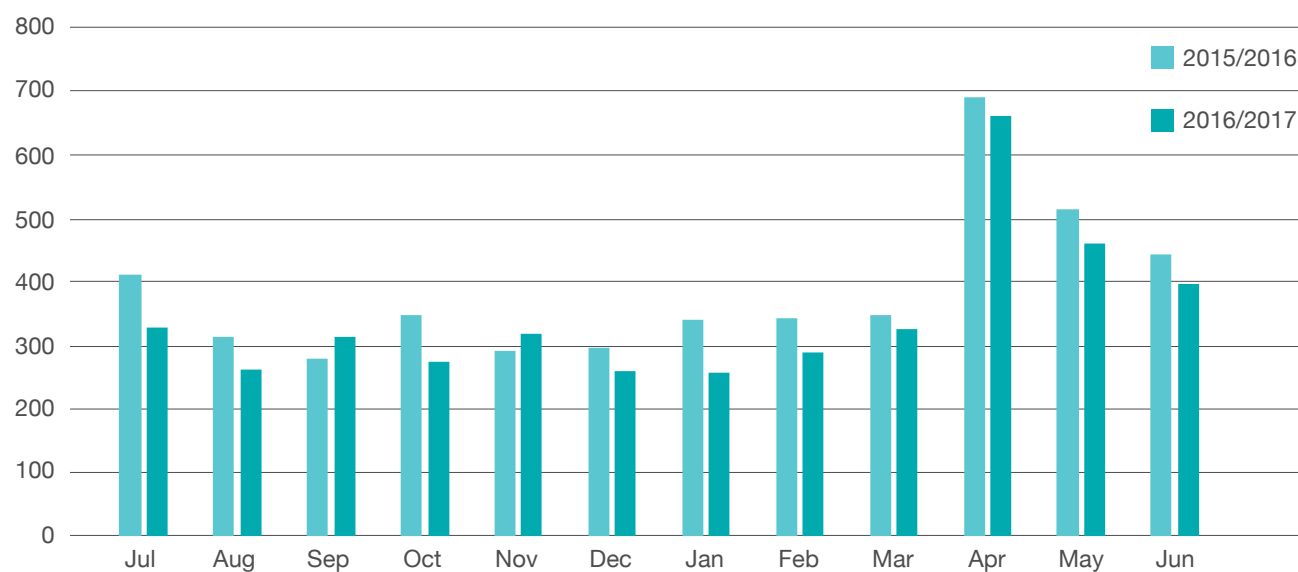
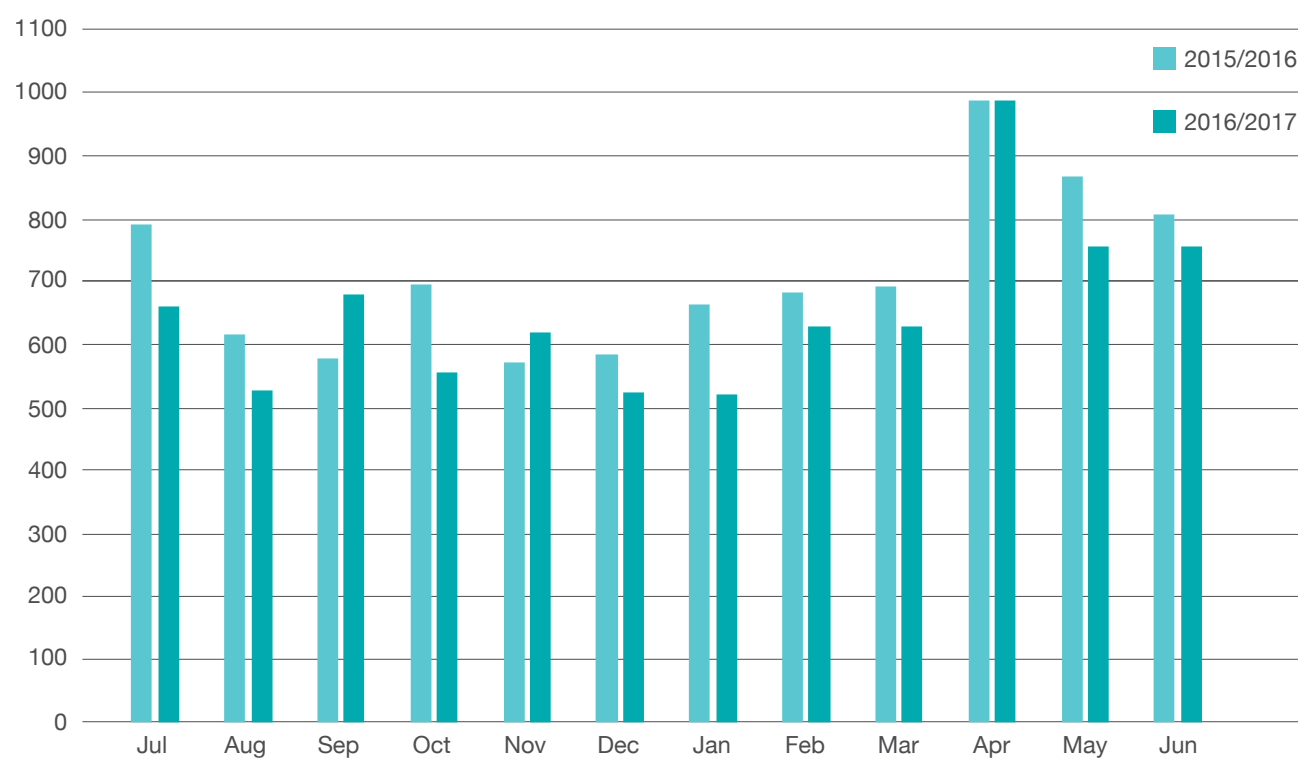
A total of 4,135 clients were provided with 7,875 vaccinations. This was a decrease of 11% in the number of clients and 9% in the number of vaccinations in comparison to 2015-16 (Graphs 2 and 3).

EHA continues to assist families within our Constituent Councils with assessment of immunisation records. EHA assisted 106

families and 149 children with assessing and updating their immunisation history on the Australian Immunisation Register. This is a decrease of 17 families and 63 children compared to the same period in 2016.

The decrease in the number of families requiring assessment of their children's immunisation history and catch up vaccines, contributed to the overall decrease in the number of clients and vaccines administered in public clinics. Other factors that contributed to the decrease were:

- reduced numbers of Diphtheria, Tetanus and Pertussis (dTpa) for whooping cough administered to pregnant women
- a one off response for Hepatitis A vaccine provided to a childcare centre in June 2015
- a second dose of MMR vaccine previously given at four years, is now provided at 18 months of age
- a reduction in the number of clients attending public clinics who reside outside of EHA's Constituent Council.

Graph 2 – Client attendance at public clinics**Graph 3 – Number of vaccines delivered at public clinics**

The Quadrivalent Influenza Vaccine was received by EHA for use in its public clinics in late March, 2017. The Quadrivalent vaccine is designed to protect against four different influenza viruses - two influenza A and two influenza B viruses. A total of 777 influenza vaccines were administered to clients in public immunisation clinics; this is an increase of 21 vaccines administered, in comparison with 2015-16.

In September 2016, the City of Unley extended its contract with EHA to provide immunisation services for three years. As part of the contract, EHA provides three public immunisation clinics each month for residents of the City of Unley, as well as a School Immunisation Program to both Walford School and Concordia College.

As part of the upgrade to EHA's website an online appointment booking system was launched. Clients are able to book for public clinics for all appointments or drop-in clinics via the online system. From April 2017 to June 2017, 123 confirmed appointments were made using this new convenient facility.

EHA participated in a University of Adelaide clinical study to evaluate a Stimulated Telephone-Assisted Rapid Safety Surveillance system (STARSS) through contributing immunisation data to the STARSS study. The objective of the study was to monitor the safety of vaccines by evaluating SMS as a real-time vaccine safety surveillance method. The data collected was de-identified and sent to AusVax, the national surveillance network coordinated by the National Centre for Immunisation Research and Surveillance (NCIRS).

Table 5 shows where Constituent Councils' residents chose to be vaccinated. It demonstrates that many residents chose the site that best suited their needs and was not necessarily in their own council area.

**As an example,
35% of Burnside
residents attended
clinics held at the
Burnside Civic
Centre, while
the remaining
65% attended
alternative venues.**

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

Where Clients come from (Council Area)	Number of Clients from Council Area	Where Clients attend (Clinic Venue by %)						Total %
		Burnside	Campbelltown	NPSP	Prospect	Walkerville	Unley	
Burnside	887	35%	3%	49%	1%	2%	10%	100%
Campbelltown	998	4%	30%	61%	1%	1%	3%	100%
NPSP	1,137	3%	3%	87%	1%	3%	3%	100%
Prospect	265	2%	3%	60%	28%	6%	1%	100%
Walkerville	173	0%	1%	76%	4%	18%	1%	100%
Unley	503	10%	1%	19%	1%	1%	68%	100%
Other	172	3%	7%	29%	3%	4%	54%	100%
Total Number of Clients	4,135							

“During 2016, 57 visits were made to 19 high schools where a total of 8,583 vaccines were administered to Year 8 students.”

School Immunisation Program (SIP) for 2016 Calendar year

During 2016, 57 visits were made to 19 high schools where a total of 8,583 vaccines were administered to Year 8 students. This was a decrease of 1% when compared to 2015. There were no changes to the National Immunisation Program for Adolescents in 2016 when compared to 2015 (Table 6).

The 2016 SIP to Year 8 students involved the administering of:

- three doses of HPV vaccine
- one dose of Varicella (chicken pox) vaccine
- one dose of dTpa vaccine

Numbers of students immunised are submitted to SA Health each year. This data can then be accessed to compare vaccine coverage rates in our schools compared to the State average and measure the success of the program. It is extremely pleasing to observe that EHA continues to achieve higher school coverage rates than the state average (Table 7).

Table 6 - Two year comparison of total vaccine types administered for the SIP for each Council area

Council Area	Total 2015	Total 2016
Burnside	2,603	2,542
Campbelltown	1,981	2,004
NPSP	2,521	2,356
Prospect	542	569
Walkerville	295	341
Unley	711	771
Total	8,653	8,583

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

2016 School Immunisation Program			
EHA Schools - coverage rates		Total coverage SA	EHA Schools vs total coverage SA
Dose 1 Varicella	92.80%	88.40%	+ 4.4%
Dose 1 dTpa	91.50%	83.80%	+ 7.7%
Dose 1 HPV	89.10%	86.50%	+ 2.6%
Dose 2 HPV	89.30%	79.40%	+ 9.9%
Dose 3 HPV	84.30%	74.70%	+ 9.6%

“A total of 3,694 vaccines were administered and 4,789 throat swabs were taken from the participating students, representing a 56% student participation rate.”

Meningococcal B Vaccine Herd Immunity Study

In 2017 EHA worked with SA Health and the University of Adelaide to deliver a study into the impact of Meningococcal B (Men B) vaccination in older adolescents. GlaxoSmithKline have provided the vaccines and funding to conduct the study. All schools in EHA's Constituent Council areas and client council were offered the opportunity to participate in the study of students in

Years 10, 11 and 12. During the study all participants will be vaccinated with two doses of the licensed Men B vaccine free of charge. Schools were randomly selected for students to receive the vaccine either in 2017 and 2018. In addition, two throat swabs are collected from all students over the course of the study.

From May 2017 to June 2017 a total of 34 visits were made to 18 high schools. A total of 5,172 consent forms were completed by students and parents, representing 56% of students enrolled in the 18 schools who chose to participate in the study. A total of 3,694 vaccines were administered and 4,789 throat swabs were taken from the participating students.

Table 8: Total swabs and vaccines administered for each year level from Years 10 to 12 for each Constituent Council area

Council Area	Total Swabs taken per year level					Total Vaccines administered per year level			
	Year level	10	11	12	Total	10	11	12	Total
Burnside		506	472	425	1,403	694	612	590	1,896
Campbelltown		366	323	282	971	56	63	52	171
NPSP		530	453	403	1,386	359	298	244	822
Prospect		99	131	111	341	80	95	92	267
Walkerville		172	170	150	492	121	111	111	343
Unley		60	78	58	196	60	77	58	195
Total		1,733	1,627	1,429	4,789	1,370	1,256	1,147	3,694

“During March and May, a total of 106 worksite visits were conducted, with 4,330 vaccines delivered...”

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 experienced nurses at a convenient time.

During March and May, a total of 106 worksite visits were conducted, with 4,330 vaccines delivered; a decrease (8%) when compared with the 2016 program (Table 9).

The decrease was partly due to a reduction in demand for vaccines other than influenza, especially the combined vaccines offered for Hepatitis A & B and dTpa for whooping cough. Although the number of worksite visits increased by five when compared to 2016, there was a reduction in the number of influenza vaccines administered. This resulted in a reduced number of people requiring a vaccination.

Table 9 – Two year comparison of the total number of vaccines administered at worksites

Vaccine type	2015-16	2016-17
Influenza	4,643	4,316
Hepatitis A	2	0
Hepatitis B	0	0
Hepatitis A & B	10	0
dTpa	34	12
MMR	0	2
Total	4,689	4,330



Public and Environmental Health



Complaints and Referrals

EHA received 232 public health related complaints referrals from the public or State Government agencies.

As outlined in Table 10, there was a small decrease (13%) compared to the number received in the previous two years.

The number of animal keeping, notifiable disease and hazardous substance complaints received was comparable to the previous year (Table 10).

Vector control continues to account for a large proportion of public health complaints (Table 10). A high proportion of vector control complaints (83%) related to overgrown vegetation, accumulated refuse or poor poultry keeping that did not constitute 'harm to health' under the South Australian (SA) Public Health Act, 2011. Often Environmental Health Officers (EHOs) are unable to obtain substantial evidence to identify the primary source of harbourage and information is issued to neighbouring homes. This approach is effective in notifying neighbouring residents of potential concerns.

There were four hazardous waste complaints (Table 10) involving the investigation of three asbestos issues and one Clandestine Drug Laboratory. A Category C Clandestine Drug Laboratory operating at a premises under construction to become a food business was investigated. A Compliance Notice under section 92(1) of the *SA Public Health Act*, 2011 was issued specifying the requirements to undertake the necessary testing to ensure there was no risk to public health. This was the second Clandestine Drug Laboratory operating at this business in three years. During 2014 the premises had previously been identified to be operating a Category A Clandestine Drug Laboratory resulting in EHA issuing an Emergency Notice under the *SA Public Health Act*, 2011.

There were 56 sanitation complaints received and investigated, a decrease when compared to the previous two years (Table 10). Despite this, there has been an increase in the number of severe domestic squalor and hoarding matters requiring investigation (Table 11).

Table 10 – A three year comparison of the type of public health complaints received

	2014-15	2015-16	2016-17
Animal Keeping	12	10	10
Notifiable Disease	32	35	37
Sanitation	71	60	56
Vector Control	104	121	110
Waste Control	0	4	0
Air Quality	20	17	4
Water Quality	23	16	11
Hazardous Substances	6	3	4
Other	1	2	0
Total	269	268	232

Table 11 – A three year comparison of the total number of sanitation complaints and severe domestic squalor and hoarding complaints matters investigation

	2014-15	2015-16	2016-17
Total number of Sanitation Complaints	71	60	56
Severe Domestic Squalor	5	9	15
Hoarding	5	12	13

As outlined in the SA Health's Foot in a Door – Stepping towards solutions to resolve incidents of severe domestic squalor in South Australia guidelines, 2013 (the Guidelines), the rate of severe domestic squalor in the community is not known and is usually under reported. People living in severe domestic squalor are often isolated from the community and have an inability to recognise the severity and consequences of their living conditions. Hence many people who live in severe domestic squalor never come to the attention of authorities or support services, and subsequently go undetected.

To consistently and objectively investigate these matters the Guidelines 'Severe Domestic Squalor Assessment Scale' tool was used to assess the condition of the properties. Three severe domestic squalor and one hoarding matter were determined to be a breach of the General Duty under the *SA Public Health Act, 2011*. The Guidelines was a useful tool to allow for a multi-disciplinary approach to be taken by EHA, Government and non-Government agencies during the management of the cases.

One Emergency Notice was issued under Section 92 of the *SA Public Health Act, 2011*, involving a serious state of domestic squalor. The application of the Guidelines allowed for a multi-disciplinary approach to be taken by EHA and other Government and non-Government agencies. This approach not only ensured the requirements within the Notice complied, but the person also received the required support and care.

EHA continues to lead the Eastern Hoarding and Squalor Group (the Group). The Group continued into its fifth successful year and met four times. This collaborative forum for EHOs and representatives from Government and non-Government agencies allows for proactive discussion and information sharing on 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 12). Notification of these diseases allows for surveillance and investigation to be undertaken to protect the community from the risk of infectious disease.

Table 12 – The number of reported notifiable diseases for 2016-17

	2016-17
<i>Campylobacter</i>	311
<i>Salmonella</i>	154
<i>Legionellosis</i>	5
<i>Cryptosporidiosis</i>	23
Hepatitis A	0
Rotavirus	32

Salmonella and *Campylobacter* continue to be the most frequently reported food borne diseases (Table 12). During the year, 15 cases of *Salmonella* linked to four food businesses required investigation. It appeared that the majority of outbreaks were from the consumption of contaminated raw egg contained in ready to eat or lightly-cooked foods.

SA Health also required the investigation of an aged care facility in relation to an outbreak of Norovirus and one case of *Campylobacter*. Appropriate infection control measures were implemented and food processing practices were compliant with the Food Safety Standards. Food provided by a family member may have been the source of *Campylobacter* food poisoning. Whilst the facility has a policy for not permitting donated high-risk food, often family members or residents bring in food without staff knowledge.

EHA received 23 confirmed cases of *Cryptosporidiosis* (Table 12). One individual used a public pool within one of EHA's Constituent Council areas during the incubation period. SA Health advised a precautionary decontamination of the pool was not required as the pool utilised a Ultraviolet (UV) disinfection system. The operator was able to demonstrate that the UV system had been operating correctly throughout the period of interest. Additional information on minimising the risk of *Cryptosporidiosis* in public pools was provided.

Monitoring and Surveillance

Cooling Towers and Warm Water Systems

A total of 43 high-risk manufactured water systems (HRMWS) were registered at 20 sites within EHA. The number of systems continues to steadily decrease each year, with the closure of one warm water and two cooling tower systems (Table 13).

A total of 48 routine inspections were undertaken at 20 HRMWS sites (Table 13). All sites were inspected at least once a year with two warm water systems inspected twice during 2016-17.

Five follow-up inspections were required; four more than the previous year (Table 13). Two cooling towers required follow up inspections in response to detection for *Legionella*. Decommissioning notifications were also received at three cooling tower sites. Follow-up inspections of these sites were undertaken to confirm the cooling towers had been decommissioned in accordance with the requirements of the *South Australian Public Health (Legionella) Regulations 2013*.

Water samples were obtained at all routine inspections resulting in 21 high counts of *Legionella* (Table 13). The failure of an automatic chlorine dosing pump at one site contributed to the increase in high counts when compared to the previous year (Table 13). Sampling was also independently undertaken by six facilities which resulted in an additional 14 high counts. In response to high count notifications, immediate action was taken to shut down and decontaminate the systems and ensure any mechanical failures were repaired.

Despite the installation of a continual dosing low level chlorine system to the water supply, two warm water sites remain at a six month inspection frequency due to continual high counts of *Legionella*. To further manage the risk of *Legionella*, EHA requested that the operators of these two sites implement a *Legionella* Risk Management Plan (the Plan), based on the 'Guidelines for *Legionella* Control' (a nationally endorsed document

by enHealth Australia). The purpose of the Plan is to identify hazards, potential risks of *Legionella* in the water distribution system, and develop appropriate risk management strategies. The control of these systems are monitored during routine inspections to ensure compliance with the appropriate risk management strategies outlined in the Plan.

There were no Compliance Notices issued during the year. However, one Expiation Notice was issued to an operator of HRMWS for two offences under the *South Australian Public Health (Legionella) Regulations 2013*. The offences related the site failing to notify EHA within 24 hours of a number of significant high counts of *Legionella* and failing to maintain reports of decontamination in the maintenance log books.

EHA received five *Legionella* disease notifications that required investigation during the year, one more than the previous year (Table 13). The disease notifications involved the investigation of two separate dental practices that the persons visited during their incubation period. One of these notifications also required the investigation of the person's residential hot water system. In response, Officers conducted onsite investigations which included taking samples from the home water system and dental chairs.

Table 13 – A three year comparison of the number of registered high risk manufactured water systems and the number of routine and follow-up inspections undertaken and *Legionella* high count test results

	2014-15	2015-16	2016-17
Number of sites	25	22	20
Total number HRMWS registered	51	46	43
Number of system inspections	64	58	48
Number of follow-ups	8	1	5
High count test results – samples taken by EHA	13	16	21
Compliance notices	3	0	0
Expiation Notices	0	0	1
Investigation of <i>Legionella</i> disease notifications from CDCB	0	4	5

Legionella was detected in the water samples taken from both dental chair spittoon rinsers. The investigations highlighted inadequate skills and knowledge of required infection control and decontamination practices specific to *Legionella*. In response, there was an immediate shutdown and decontamination of both dental chairs.

The inadequate skills and knowledge presented by the dental practices during the investigations highlighted the need to educate

and increase awareness of the associated risks of *Legionella* and dental chair units. As a result, SA Health is working with the Dental Association to actively communicate this information to dental practices.

Investigations were also required at an accommodation facility and two separate residential warm water systems. Samples taken during the onsite investigations returned negative for *Legionella* for all three notifications.

Personal Grooming, Body Art and Health Care

Assessments of Personal Care and Body Art (PCBA) premises involving high risk skin penetration practices such as tattooing, permanent make-up, microdermabrasion, derma-rolling and piercing with reusable needles were undertaken during the year. All ten tattoo studios, including two premises recently identified and 14 beauty premises performing these high risk practices were assessed against the standards prescribed in the SA Public Health (General) Regulations, 2013 (the General Regulations).

Three follow-up inspections were required during the year. Cleanliness and infection control at two beauty premises and inadequate sterilisation of equipment at a tattoo studio, were addressed to ensure compliance the General Regulations.

During the year all 18 acupuncturists were assessed. Their procedural knowledge and hygiene practices were satisfactory and no follow-up inspections were required. Utilising single use needles during acupuncture has decreased the risk of infection.

A total of five complaints involving cleanliness and inappropriate hygiene practices at one hairdresser and four separate beauty premises required investigation. Three of these premises required a further follow up inspection. Education and information on best practice and reference to the Guidelines of the Safe and Hygienic Practice of Skin Penetration were provided at all investigations.

Waste Control Systems

EHA received one waste control system application. The system was assessed in accordance with the requirements of the SA Public Health (Wastewater) Regulations 2013 and granted approval.

Four inspections were undertaken at different sites to determine progress of approved wastewater works and conduct assessments in accordance with the requirements of conditions of approval.

No complaints were received during the year.



Public Swimming Pools and Spas

During the year two swimming pool sites closed and two new sites opened. Three indoor pools opened at one facility and three display spa pools at a retail outlet (Table 14). Display spa pools in public venues, retail sales outlets and promotional events are considered to be public spa pools under the *SA Public Health (General) Regulations 2013* (the General Regulations).

In addition, all swimming, spa and hydrotherapy pools were assessed against the standards prescribed in the General Regulations. A total of seven swimming pool and spa sites required follow-up inspections, three less than the previous year (Table 14). High combined chlorine, inadequate disinfection, record keeping and skills and knowledge of the pool operators required an additional inspection to ensure compliance with the General Regulations.

The temporary closure of four swimming pool and spa sites was required. Two of these sites closed voluntarily. One site closed to rectify inadequate disinfection levels of a spa pool, which was available for use by vulnerable populations. The second pool site closed to repair the automatic dosing equipment to maintain adequate chlorine levels. Recurring non-compliance of significantly high combined chlorine levels, inadequate record keeping

and inadequate skills and knowledge of the pool operators were observed at the third site. The recurrence of these non-compliances and immediate risk to public health 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. Multiple follow-up inspections were undertaken to confirm compliance with the Notice prior to the pool reopening for public use.

A Compliance Notice issued under Section 92 of the *SA Public Health Act, 2011* required closure of the fourth pool site. The ongoing total residual free chlorine and pH outside the required levels and absence of the automatic equipment for three display spa pools, required all spa pools to be immediately emptied. Prior to re-filling the display spa pools the pool operator was required to connect them to automatic dosing equipment.

Two separate complaints relating to the same indoor swimming pool were received during the year. Both complaints related to the cleanliness of the pool and facility. Inspections of the complaints identified the change rooms and amenities were well maintained and the water quality was within the parameters of the General Regulations.

Table 14 - 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

	2014-15	2015-16	2016-17
Number of Sites	30	27	28
Number of Pools/Spas	43	39	45
Inspections of Pools/Spas	71	52	65
Follow-ups of Pools/Spas	20	18	25
Complaints	6	1	2
<i>Cryptosporidiosis</i> Complaints	3	5	1

Food Safety



“As at 30 June 2017, a total of 1,277 known food premises were operating within EHA’s jurisdiction”

Food Safety Inspections, Complaints, Audits and Enforcement

As at 30 June 2017, a total of 1,277 known food premises were operating within EHA’s jurisdiction, which is an increase of 24 businesses when compared to the previous year. Takeaways, cafes, and restaurants continue to be the predominant types of food business.

A total of 190 businesses closed and 214 food business notifications, advising of a new food business or change of ownership, were lodged with EHA. The increase in the number of food premises, new notifications and closures required the continual updating of the food business register.

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 15, the majority of food businesses are risk classified as P1, with takeaways and restaurants being the main types of businesses within this 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, 1,078 food premises are required to be inspected. A total of 1,432 inspections were undertaken at these businesses (Table 16).

Table 15 – Number of food businesses, food inspections and follow-up inspections as per risk classification

	P1	P2	P3	P4	Total
Number of food businesses	629	337	112	199	1,277

Table 16 – A three year comparison of the number of routine, follow-up and fit-out inspections undertaken and complaints received

Type of Inspection	2014-15	2015-16	2016-17
Routine	840	690	862
Follow up	480	578	570
Complaint	98	111	78
Pre-opening/Fit-out	17	21	20
Food Stalls at Special Events	114	97	90
Total	1,549	1,497	1,620

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 and for businesses to demonstrate improved systems or processes to ensure food safety practices are implemented daily and permanently.

A total number of 862 routine inspections were conducted during the year, a 25% increase compared from the previous year (Table 17). This increase was attributed the improved availability of staff. While there was an increase in the number of routine inspections conducted, the number of follow-up inspections was comparable with the previous year.

“A total number of 862 routine inspections were conducted during the year, a 25% increase compared from the previous year.”

Table 17 – A three year comparison of the percentage number of follow-up inspections conducted based on the number of routine inspections

	2014-15	2015-16	2016-17
Routine inspections	840	690	862
Total number of follow-up inspections	479	578	566
Number of businesses requiring a follow-up inspection	413	377	354
% of routine inspections requiring a follow-up inspection	49%	54%	41%

Demand for packaged ready-to-heat meals has increased. Restaurants and caterers have responded to this increased demand and expanded their businesses to include locally sourced convenience meals.

Cook chill processing is complex and high risk and requires food handlers to have adequate skills and knowledge. The premises require suitable equipment and structural facilities, processes and procedures to produce these foods safely.

During 2015-16 EHA identified a food business that introduced extended shelf life cook-chill processing. Inspections identified serious concerns relating to the poor knowledge and management of the risks associated with cook chill processing. This investigation sparked SA Health to initiate a state-wide industry survey of all extended shelf life cook-chill manufacturers in South Australia.

During 2016-17 EHA identified a further 12 food businesses that have moved into extended shelf life cook-chill processing. Serious concerns relating to inadequate processing techniques, fixtures, fittings and equipment and skills and knowledge were consistently identified at a number of these food businesses. These concerns were supported by the unsatisfactory sampling results taken as part of the statewide survey (Table 18).

A high proportion of samples returned either 'unsatisfactory' or 'marginal' for a number of pathogens (Table 18). Standard Plate Count (SPC) is used to determine the level

of 'spoilage organisms' present in a food product. The results indicated that 60% of samples SPC was 'unsatisfactory' or 'marginal'. These results are indicative of poor hygiene or food handling practices (Table 18).

While there were significantly less 'unsatisfactory' and 'marginal' results for *E.coli*, *Clostridium Perfringens* and *Bacillus Cereus*, the presence of these pathogens raised very serious concerns as this indicates poor hygiene and/or food handling and processing practices (Table 18).

To address these serious results and poor practices, EHA in collaboration with SA Health have worked closely with these businesses to improve their knowledge and practices throughout the year. The survey results and serious non-conformances identified that immediate investigation of cook chill processing throughout the state was required.

Despite the significant amount of resources and Officers time required, EHA's proactive approach has raised the awareness of the risks associated with cook chill manufacturing to food businesses in our five Constituent Councils.

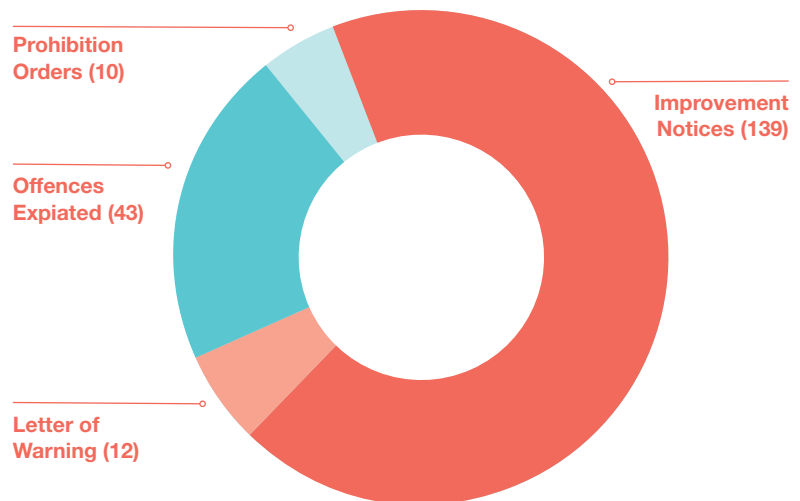
EHA's enforcement policy requires a graduated and proportionate response to be applied to either recurring or very serious food safety breaches.

Table 18 – SA Health state-wide sampling result for food businesses producing extended shelf life cook-chill foods within EHA

Pathogens tested	Number of samples	Result 'Unsatisfactory'	Result 'Marginal'	Result 'Satisfactory'
Standard Plate Count	43	15	11	17
<i>E.Coli</i>	43	not detected	3	40
<i>Clostridium Perfringens</i>	43	not detected	1	42
<i>Bacillus Cereus</i>	43	1	3	40
<i>Salmonella</i>	43	not detected	not detected	43
Coagulase- positive Staphylococci	43	not detected	not detected	43
<i>Listeria monocytogenes</i>	43	not detected	not detected	43

Graph 4 demonstrates the graduated responses to enforcement. Legal action may be taken to repeat offenders in the form of written warnings, Improvement Notices, Prohibition Orders, Expiation Notices or Prosecutions.

Graph 4 – A graph illustrating the graduated response to enforcement under the *Food Act 2001*



The majority of food businesses requiring legal action are P1 high risk businesses (Table 19). Enforcement action was not limited to high risk businesses, with warning letters, Improvement and Expiation Notices issued to moderate risk P2 food businesses. Very serious food safety breaches also resulted in Prohibition Orders being served to nine high risk P1 businesses, that included restaurants, cafes, a bakery and manufacturer and a moderate risk P2 bakery.

Table 19 – A three 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
2016-17	11	1	0

Improvement Notices	P1	P2	P3
2014-15	81	14	1
2015-16	76	17	0
2016-17	127	12	0

Offences Expiated	P1	P2	P3
2014-15	39	0	0
2015-16	23	0	0
2016-17	41	2	0

Prohibition Orders	P1	P2	P3
2014-15	2	1	0
2015-16	2	1	0
2016-17	9	1	0

There was an increase in the number of Improvement Notices, Expiation Notices and Prohibition Orders issued this year. Improvement Notices continue to account for the majority of enforcement action taken, with a total of 139 Improvement Notices issued to 92 food businesses (Table 20). A total of 33 businesses received more than one Improvement Notice during the year, with one business receiving five Improvement Notices.

The number of Improvement Notices issued increased by an average of 46% when compared to the previous two years (Table 20). Despite the increase, the percentage of inspections that resulted in an Improvement Notice was comparable to 2015-16 (Table 20).

In 2016-17, \$64,452 in fines were issued to 15 businesses for 43 offences committed under the Food Act, 2001 (Table 21). This represents a 53% increase in the number of Expiation Notices when compared to the previous year. It should be noted that only 1.5% of routine inspections resulted in Expiation Notices being issued, which was a decrease when compared to 2016-17 (Table 22).

Ten Prohibition Orders were issued to food businesses, seven more when compared to the previous two years (Table 23). Prohibition Orders were served to seven restaurant/cafes, and two bakeries. Serious offences related to significant vermin and cockroach activity, poor standard of cleanliness and significant amounts of Potentially Hazardous Food (PHF) stored out of temperature control. Following the eradication of the pests and vermin by a professional pest controller, thorough cleaning and repairs to cold storage equipment, these businesses were reopened.

A Prohibition Order was also served to a food manufacturer due to unfit for use general design and construction and mode of operation of all fixtures, fittings and equipment. A very poor standard of cleanliness and inadequate sanitising practices was also observed. This matter was also referred to SafeWork SA and SA Water Trade Waste. As a result the, Proprietor notified EHA of the permanent closure of the food business.

EHA inspected 90 food stalls at ten major special events held within the Constituent Councils (Table 16). 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.

Table 20 – A three year comparison of the percentage number of Improvement Notices issued based on the number of routine inspections

	2014-15	2015-16	2016-17
Routine inspections	840	690	862
Total number of Improvement Notices issued	96	93	139
Number of businesses issued with Improvement Notices	69	76	92
% of routine inspections resulting in the issue of an Improvement Notice	8.2%	11%	11%

Table 21 - A three year comparison of the number of Expiation Notices issued, total number of expiable offences and expiable income received

	2014-15	2015-16	2016-17
Total number of Expiation Notices issued	18	14	20
Total number of Offences Expiated	39	23	43
Total amount	\$80,000	\$38,050	\$64,452

Table 22 - A three year comparison of the percentage of Expiation Notices issued per routine inspection

	2014-15	2015-16	2016-17
Routine inspections	840	690	862
Number of businesses issued with Expiation Notices	18	14	13
Expiation Notices as % of inspections	2.1%	2.0%	1.5%

Table 23 – A three year comparison of the number of Prohibition Orders issued

	2014-15	2015-16	2016-17
Routine inspections	840	690	862
Number of businesses issued with Prohibition Orders	3	3	10
Prohibition Orders as % of inspections	0.35%	0.43%	1.2%

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.

As shown in Table 24, a total of 55 scheduled food safety audits and three follow-up audits were conducted within EHA's jurisdiction during the year. By request, a total of 33 audits were conducted outside EHA's council areas. The increase in audits was due to new businesses requesting our services and EHA's availability of accredited food safety auditors (Table 24).

Table 24 - A three year comparison of the number of audits and follow-up audits conducted in our five Constituent Councils and other council areas

	2014-15		2015-16		2016-17	
	EHA	Other Council Areas	EHA	Other Council Areas	EHA	Other Council Areas
No. of Audits	53	30	31	37	55	33
No. of Follow-up Audits	10	7	10	2	3	1



Complaints

EHA received a total of 80 complaints relating to food during 2016-17 (Table 25). As shown in Table 22, there has been a steady decrease in the number of complaints received over the last three years. The number of justified complaints also decreased from 41% to 32% when compared to the previous year.

Alleged food poisoning and alleged poor food handling practice complaints contributed to 44% of the complaints received during the year (Table 26). Alleged food poisoning complaints have consistently accounted for the majority

of complaints received over the past three years (Table 26). During 2016-17 only four of the 20 alleged food poisoning complaints were justified (Table 26). 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. The absence of clinical evidence hinders the opportunity for epidemiological investigations to be undertaken by SA Health and for EHA to investigate and identify the specific food source.

Table 25 - A three year comparison of the number of food complaints received

	2014-15	2015-16	2016-17
Number of food complaints	108	98	80
Number of food complaints justified	29	40	26
% of justified complaints	27%	41%	32%

Table 26 – A three year comparison of the number of food complaints received

	2014-15	2015-16	2016-17	2016-17
Type of Complaints Received	Total number of complaints received			Number of complaints justified/confirmed
Food unsuitable/unsafe due to foreign matter	15	12	10	3
Food unsuitable/unsafe due to microbial contamination/growth	13	7	7	3
Food unsuitable/unsafe due to presence of unapproved or excessive chemical residues	6	2	1	0
Alleged food poisoning	27	24	20	4
Unclean premises	6	10	5	1
Poor personal hygiene or poor food handling practices	10	20	15	7
Vermin/insects/pests observed in premises	5	5	6	2
Refuse storage	19	11	11	5
Labelling issues	1	5	1	1
Other	6	2	4	0
Total	108	98	80	26

Health Care and Community Services



“EHOs conducted 19 unannounced routine audits and 13 follow-up visits during 2016-17.”

Supported Residential Facilities

EHA is the licensing authority for all Supported Residential Facilities (SRFs) within the Constituent Councils. During the year the number of SRFs licensed by EHA decreased from 12 to eight facilities (Table 27). The decrease is attributed to the City of Unley's decision to undertake the licensing internally, which came into effect in December 2016.

Table 27 – A three year comparison of the number of SRFs licensed by EHA

2014-15	2015-16	2016-17
12	12	8

Licensing and Monitoring

EHOs conducted 19 unannounced routine audits and 13 follow-up visits during 2016-17.

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

The majority of non-conformances identified in the unannounced audits included hygiene and structural maintenance and documentation management, particularly with regard to inadequate and inconsistent resident contracts. There were a limited number of non-conformances related to standards of care, including nutrition, medication management and control of personal finances.

The financial position of each SRF was accessed during the re-licensing process through obtaining copies of accounting records, including profit and loss statements, balance sheets (assets and liability) and cash flow statements (incoming/outgoings). All facilities were considered solvent and viable.

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. Non-conformances highlighted in the fire safety report from one Constituent Council were communicated to EHA, but they will be monitored and enforced by its Council Officers.

Non-conformances identified at the unannounced audits throughout the year were collated and reviewed prior to the re-licensing of the facilities. Contrary to previous years and in order to facilitate a more expedient and efficient approach to managing minor non-conformances, Authorised Officers applied the use of legislative tools rather than imposing multiple licence conditions. Where long term action was required or there were significant or persistent issues, conditions were imposed on the facility's licence for 2017-18.

Two facilities were issued licences for one year with no conditions. Four facilities were issued licences for one year with conditions. Conditions related to staffing levels and designated outdoor smoking areas. All minor cleaning, maintenance and hygiene issues will continue to be monitored and managed during subsequent audits throughout the year.

SRF Licence Transfer/New Licence

During 2016-17 two SRF licence transfers were received, processed and approved. One licence transfer application was the result of the sale of a business. After a long vetting process, the applicant was approved and improvements have been observed at the facility. The second transfer resulted from the dissolution of a business partnership. One of the existing directors remained the proprietor and there were no changes to the management, staff or business operations.

One application for a new SRF was received during the year. The application is currently being processed and is pending approval.

Manager and Acting Manager approvals

One manager application and three acting manager applications were received during the year. All acting manager applications were approved by EHA's Chief Executive Officer under delegated authority. The manager application is pending the completion of the new facility's licence application.

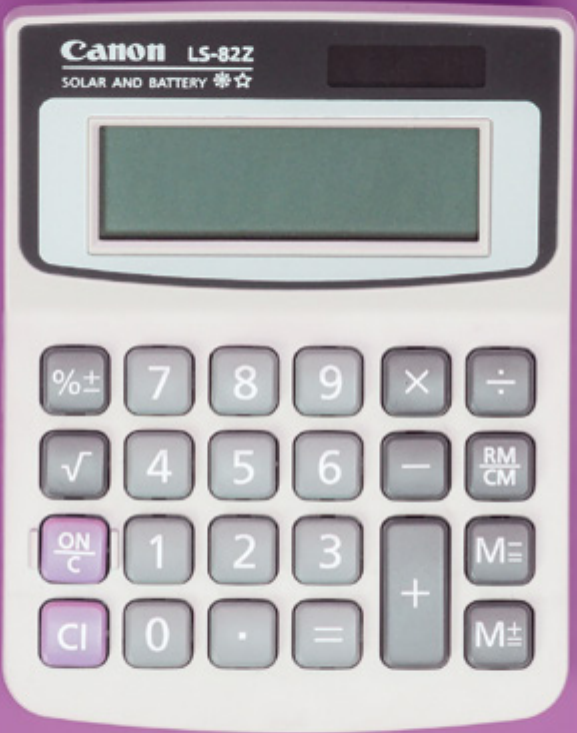
SRF – Complaints and Queries/Legal Action

The number of complaints received was comparable to the previous year (Table 28). Complaints related to cleanliness and hygiene in a resident's room, the nutritional value of food served, cooling and heating and the lack of privacy during medical consultations. Relevant action was taken by the facilities where required to resolve the matters.

Table 28 – A three year comparison of the number of SRF complaints received

2014-15	2015-16	2016-17
13	3	3

Financial Summary



Eastern Health Authority
General Purpose Financial Reports
for the year ended 30 June 2017

TABLE OF CONTENTS

	<u>Page</u>
Certification of Financial Statements	1
Principal Financial Statements	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
 Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	6
Note 2 - Income	10
Note 3 - Expenses	12
Note 4 - Current Assets	14
Note 5 - Infrastructure, Property, Plant & Equipment	15
Note 6 - Liabilities	17
Note 7 - Reconciliation of Cash Flow Statement	18
Note 8 - Financial Instruments	19
Note 9 - Uniform Presentation of Finances	21
Note 10 - Operating Leases	22
Note 11 - Superannuation	23
Note 12 - Related Party Transactions	24
 EHA Certificate of Audit Independence	25
Audit Certificate of Audit Independence	26
Audit Report - Financial Statements	27

Eastern Health Authority

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the EHA's financial position at 30 June 2017 and the results of its operations and cash flows for the financial year.
- the financial statements accurately reflect the EHA's accounting and other records.


.....
Michael Livori
CHIEF EXECUTIVE OFFICER


.....
Sue Whittington
CHAIRPERSON

Date: 30/8/2017

Eastern Health Authority

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
INCOME			
Council contributions	2	1,641,055	1,609,306
Statutory charges	2	155,492	114,802
User charges	2	294,343	342,110
Grants, subsidies & contributions	2	270,990	121,815
Investment income	2	11,598	15,304
Other income	2	11,767	11,439
Total Income		2,385,245	2,214,776
EXPENSES			
Employee costs	3	1,623,390	1,483,167
Materials, contracts & other expenses	3	699,827	643,081
Depreciation, amortisation & impairment	3	55,286	45,098
Finance costs	3	18,756	21,463
Total Expenses		2,397,259	2,192,809
OPERATING SURPLUS / (DEFICIT)		(12,014)	21,967
NET SURPLUS / (DEFICIT)		(12,014)	21,967
transferred to Equity Statement			
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		(12,014)	21,967

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

Eastern Health Authority

STATEMENT OF FINANCIAL POSITION as at 30 June 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	664,107	581,155
Trade & other receivables	4	129,625	158,026
Total Current Assets		793,732	739,181
Non-current Assets			
Infrastructure, property, plant & equipment	5	387,928	421,720
Total Non-current Assets		387,928	421,720
Total Assets		1,181,660	1,160,901
LIABILITIES			
Current Liabilities			
Trade & other payables	6	138,358	95,855
Borrowings	6	61,440	58,623
Provisions	6	305,844	259,008
Total Current Liabilities		505,642	413,486
Non-current Liabilities			
Borrowings	6	315,135	376,575
Provisions	6	35,264	33,207
Total Non-current Liabilities		350,399	409,782
Total Liabilities		856,041	823,268
NET ASSETS		325,619	337,633
EQUITY			
Accumulated Surplus		325,619	337,633
TOTAL EQUITY		325,619	337,633

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 2017

	Notes	Accumulated Surplus	TOTAL EQUITY
2017		\$	\$
Balance at end of previous reporting period		337,633	337,633
Net Surplus / (Deficit) for Year		(12,014)	(12,014)
Balance at end of period		325,619	325,619
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		(200,000)	(200,000)
Balance at end of period		337,633	337,633

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 2017

	Notes	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Council contributions		1,805,161	1,770,237
Fees & other charges		155,492	240,932
User charges		404,589	377,146
Investment receipts		11,598	15,304
Grants utilised for operating purposes		298,296	121,815
Reimbursements		12,944	12,583
<u>Payments</u>			
Employee costs		(1,598,369)	(1,458,250)
Materials, contracts & other expenses		(906,594)	(984,254)
Finance payments		(19,984)	(22,672)
Net Cash provided by (or used in) Operating Activities	7	163,069	72,841
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(21,494)	(25,723)
Capital contributed to Constituent Councils		-	(200,000)
Net Cash provided by (or used in) Investing Activities		(21,494)	(225,723)
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Payments</u>			
Repayments of borrowings		(58,623)	(55,934)
Net Cash provided by (or used in) Financing Activities		(58,623)	(55,934)
Net Increase (Decrease) in cash held		82,952	(208,816)
Cash & cash equivalents at beginning of period	7	581,155	789,971
Cash & cash equivalents at end of period	7	664,107	581,155

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 2017

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 EHA'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 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.

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

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 1 - Significant Accounting Policies (cont.)

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. The cost of non-current assets constructed by EHA includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

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 carried at fair value whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if EHA were deprived thereof, are not assessed for impairment.

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

5.6 Borrowing Costs

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

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 1 - Significant Accounting Policies (cont.)

6 Payables

6.1 Goods & Services

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

6.2 Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery are recognised as liabilities until the service is delivered or the amount is refunded as the case may be.

7 Borrowings

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

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 on-costs) measured in accordance with AASB 119.

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

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

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 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.

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

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.

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 1 - Significant Accounting Policies (cont.)

- 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 2017 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 16	Leases
AASB 1058	Income of Not-for-Profit Entities

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 other than AASB 16 and AASB 1058, 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.

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.

Accounting Standard AASB 1058 *Income of Not-for-Profit Entities* may have a material effect on the amounts disclosed in these reports, particularly in revenues from grants & subsidies, 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 2017

Note 2 - INCOME

	Notes	2017 \$	2016 \$
COUNCIL CONTRIBUTIONS			
City of Burnside		419,128	415,037
Campbelltown City Council		379,026	389,840
City of Norwood Payneham & St Peters		515,322	490,646
City of Prospect		220,952	219,621
Town of Walkerville		106,627	94,162
		<u>1,641,055</u>	<u>1,609,306</u>
STATUTORY CHARGES			
SRF licences		3,462	4,792
Food inspections		71,435	56,355
Legionella registrations & inspections		16,143	15,275
Fines, penalties & expiations		64,452	38,380
		<u>155,492</u>	<u>114,802</u>
USER CHARGES			
Immunisation fee for service		38,795	50,515
Immunisation worksites		96,186	110,107
Food safety training		-	455
Food auditing		60,534	60,465
City of Unley		98,828	120,568
		<u>294,343</u>	<u>342,110</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		11,598	15,304
		<u>11,598</u>	<u>15,304</u>

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

NOTE 2 - INCOME (continued)

	Notes	2017 \$	2016 \$
OTHER INCOME			
Motor vehicle reimbursements		4,873	3,975
Sundry		<u>6,894</u>	<u>7,464</u>
		<u>11,767</u>	<u>11,439</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Other grants, subsidies and contributions			
Immunisation fees - schools		85,353	84,291
Meningococcal B		153,869	-
Immunisation fees - ACIR		<u>31,768</u>	<u>37,524</u>
		<u>270,990</u>	<u>121,815</u>
Sources of grants			
State government		<u>270,990</u>	<u>121,815</u>
		<u>270,990</u>	<u>121,815</u>

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 3 - EXPENSES

	Notes	2017 \$	2016 \$
EMPLOYEE COSTS			
Salaries and Wages		1,374,895	1,303,620
Employee leave expense		38,542	14,333
Superannuation - defined contribution plan contributions	11	109,975	99,335
Superannuation - defined benefit plan contributions	11	17,094	16,838
Workers' Compensation Insurance		15,430	15,000
Other - Agency Staff & Consultant Medical Officer		67,454	34,041
Total Operating Employee Costs		1,623,390	1,483,167
Total Number of Employees		18	18
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		7,500	7,700
Bad and Doubtful Debts		2,281	3,293
Board of management expenses		10,008	10,772
- minimum lease payments		54,144	53,185
Subtotal - Prescribed Expenses		73,933	74,950
<u>Other Materials, Contracts & Expenses</u>			
Accounting & internal audit		6,670	6,265
Contractors		24,173	22,562
Energy		8,260	8,222
Fringe benefit tax		19,694	20,471
Human resources		13,603	12,426
Income protection		18,997	10,953
Insurance		27,131	26,006
IT licencing & support		158,926	101,324
Legal expenses		12,115	20,373
Motor vehicle expenses		20,091	15,141
Office rent		101,153	100,002
Parts, accessories & consumables		131,688	102,308
Printing & stationery		21,268	25,788
Staff training		17,393	14,674
Sundry		23,658	29,856
Telephone		14,293	13,842
Work health & safety consultancy		6,781	37,918
Subtotal - Other Materials, Contracts & Expenses		625,894	568,131
		699,827	643,081

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 3 - EXPENSES (cont)

	Notes	2017 \$	2016 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		23,642	23,642
Office Equipment, Furniture & Fittings		31,644	21,456
		<u>55,286</u>	<u>45,098</u>
 FINANCE COSTS			
Interest on Loans		18,756	21,463
		<u>18,756</u>	<u>21,463</u>

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 4 - CURRENT ASSETS

	2017	2016
CASH & EQUIVALENT ASSETS	\$	\$
Cash on Hand and at Bank	148,773	112,228
Short Term Deposits & Bills, etc	515,334	468,927
	<u>664,107</u>	<u>581,155</u>
 TRADE & OTHER RECEIVABLES		
Debtors - general	129,625	239,871
Less: Allowance for Doubtful Debts	-	81,845
	<u>129,625</u>	<u>158,026</u>

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2016 \$			2017 \$		
	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Buildings & Other Structures	472,846	(117,402)	355,444	472,846	(141,044)	331,802
Office Equipment, Furniture & Fittings	315,499	(249,223)	66,276	336,992	(280,866)	56,126
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	788,345	(366,625)	421,720	809,838	(421,910)	387,928
Comparatives	762,622	(321,527)	441,095	788,345	(366,625)	421,720

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 2017

Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2016 \$	CARRYING AMOUNT MOVEMENTS DURING YEAR \$		2017 \$
	CARRYING AMOUNT	Additions Renewals	Depreciation	CARRYING AMOUNT
Buildings & Other Structures	355,444	-	(23,642)	331,802
Office Equipment, Furniture & Fittings	66,276	21,494	(31,644)	56,126
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	421,720	21,494	(55,286)	387,928
<i>Comparatives</i>	<i>441,095</i>	<i>25,723</i>	<i>(45,098)</i>	<i>421,720</i>

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 2017

Note 6 - LIABILITIES

		2017		2016	
		\$		\$	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		72,431	-	65,453	-
Accrued expenses - employee entitlements		30,419	-	20,972	-
Accrued expenses - other		8,202	-	9,430	-
Other		27,306	-	-	-
		<u>138,358</u>	<u>-</u>	<u>95,855</u>	<u>-</u>
 BORROWINGS					
Loans		61,440	315,135	58,623	376,575
		<u>61,440</u>	<u>315,135</u>	<u>58,623</u>	<u>376,575</u>
 PROVISIONS					
Employee entitlements - Annual leave (including oncosts)		146,832	-	131,258	-
Employee entitlements - Long service leave (including oncosts)		159,012	35,264	127,750	33,207
		<u>305,844</u>	<u>35,264</u>	<u>259,008</u>	<u>33,207</u>

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

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 Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	Notes	2017 \$	2016 \$
Total cash & equivalent assets	4	664,107	581,155
Balances per Cash Flow Statement		<u>664,107</u>	<u>581,155</u>

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

Net Surplus (Deficit)	(12,014)	21,967
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	55,286	45,098
Net increase (decrease) in unpaid employee benefits	25,021	24,917
Change in allowances for under-recovery	<u>(81,845)</u>	<u>(114,650)</u>
	(13,552)	(22,668)
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	110,246	118,896
Net increase (decrease) in trade & other payables	<u>33,056</u>	<u>(23,387)</u>
Net Cash provided by (or used in) operations	<u>163,069</u>	<u>72,841</u>

(c) Financing Arrangements

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

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

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

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% (2016: 1.5% and 2%).</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 EHA is not materially exposed to any individual debtor, credit risk exposure is concentrated within EHA'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 EHA.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: 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 biannually; interest is charged at fixed rate of 4.75% (2016: 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 2017

Note 8 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2017	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	664,107	-	-	664,107	664,107
Receivables	129,625	-	-	129,625	129,625
Total	793,732	-	-	793,732	793,732
Financial Liabilities					
Payables	100,374	-	-	100,374	99,737
Current Borrowings	78,607	-	-	78,607	61,440
Non-Current Borrowings	-	314,425	39,303	353,728	315,135
Total	178,981	314,425	39,303	532,709	476,312

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	239,871
Total	739,181	-	-	739,181	821,026
Financial Liabilities					
Payables	95,855	-	-	95,855	65,453
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	500,651

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

	30 June 2017		30 June 2016	
	Weighted Average Interest Rate %	Carrying Value \$	Weighted Average Interest Rate %	Carrying Value \$
Fixed Interest Rates	4.75	376,575	4.75	435,198
		<u>376,575</u>		<u>435,198</u>

Net Fair Value

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

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of EHA is the carrying amount, net of any 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 in seeking to minimise interest costs over the longer term in a risk averse manner.

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

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

	2017 \$	2016 \$
Income	2,385,245	2,214,776
less Expenses	<u>2,397,259</u>	<u>2,192,809</u>
Operating Surplus / (Deficit)	(12,014)	21,967
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	21,494	25,723
Depreciation, Amortisation and Impairment	(55,286)	(45,098)
	<u>(33,792)</u>	<u>(19,375)</u>
Net Lending / (Borrowing) for Financial Year	<u>21,778</u>	<u>41,342</u>

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 10 - OPERATING LEASES

Leases providing revenue to the 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 all non-cancellable lease agreements, including those relating to Investment Property, are as follows:

	2017	2016
	\$	\$
Not later than one year	45,093	46,399
Later than one year and not later than 5 years	46,784	46,102
	<u>91,877</u>	<u>92,501</u>

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

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 2016/17; 9.50% in 2015/16). 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 2015/16) 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 the EHA.

Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 12 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of EHA include the Chairperson, Board Members, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 15 persons were paid the following total compensation:

	2017 \$
Salaries, allowances & other short term benefits	\$164,250
TOTAL	\$164,250

Related Party Entity	Amounts received from Related Party during the financial year	Amounts outstanding from Related Party at the end of the financial year
City of Burnside	419,128	-
Campbelltown City Council	379,026	-
City of Norwood, Payneham & St Peters	515,322	-
City of Prospect	220,952	-
Town of Walkerville	106,627	-

Description of Services provided to all related parties above:

- take action to preserve, protect and promote public and environmental health within the area of the Constituent Councils;
- 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;
- establish objectives and policy priorities for the promotion and protection of public and environmental health within the areas of the Constituent Councils;
- provide immunisation programs for the protection of public health within the areas of the Constituent Councils or to ensure that such programs are provided;
- promote and monitor standards of hygiene and sanitation;
- promote and monitor food safety standards;
- identify risks to public and environmental health within the areas of the Constituent Councils;
- monitor and regulate communicable and infectious disease control;
- licence and monitor standards in Supported Residential Facilities;



EASTERN HEALTH AUTHORITY

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2017**

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 2017, 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: 16/8/17

Notes

Notes

Notes

