Fact Sheet

Local Health Network Governing Boards: Eligibility for appointment

The South Australian Government previously introduced a new model of governance and accountability in the public health system including the introduction of Local Health Network (LHN) governing boards on 1 July 2019.

This governance reform has created a range of benefits and resulted in 10 independent LHNs (one statewide, three metropolitan, and six regional), each with its own governing board.

Each LHN governing board comprises up to eight governing board members, appointed on merit, who between them have knowledge of, and experience and expertise in, the following fields:

- Health management
- Clinical governance
- Commercial management
- Financial management
- Aboriginal Health
- The practice of Law
- The provision of health services
- Other knowledge, experience and expertise that will enable the effective performance of the governing board’s functions.

Eligibility criteria for appointment

Under new provisions of the *Health Care Act 2008*, a person is not eligible for appointment to a governing board of a Local Health Network if the person:

- is employed to work at the LHN;
- provides a service to the LHN; or
- is an employee of the Department for Health and Wellbeing.

These provisions have been put in place to ensure that the governing boards maintain independence and also as a safeguard against inherent conflicts of interest (whether real or perceived). For example, where a private business is contracted to deliver a service to a LHN, the provider is ineligible for appointment to the governing board, to avoid any real or perceived commercial advantage.

Furthermore, an applicant will be eligible to be appointed to the governing board of a LHN, as long as they will not be employed to work within one of the hospitals or health services that fall within the boundaries of that LHN.

For example, a person currently employed to work within Whyalla Hospital will not be eligible to be appointed to the governing board of the new Flinders and Upper North Local Health Network (FUNLHN), but may be eligible to be appointed to any of the other five regional LHNs.

The boundaries of the Local Health Networks are provided as Appendices 1 and 2 to this document.

Statewide Clinical Support Services Employees

Statewide Clinical Support Services (SCSS) provide services to all LHNs; the benefit of which is a mobile and flexible workforce. SCSS includes SA Pathology, SA Medical Imaging, SA Pharmacy and BreastScreen SA. This means that, under the eligibility criteria established in the *Health Care Act 2008*, SCSS employees are not eligible for appointment to any LHN governing board.
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What can I do if I am currently ineligible, but still wish to apply?

If an applicant considered ineligible under the Health Care Act 2008 but still desires to apply for a board member position (and is subsequently offered an appointment), they must resign from the employment that is creating the ineligibility, or cease provision of the service arrangement that is causing the ineligibility with that LHN before they may be appointed.

Eligibility to receive fees

The remuneration rates for part-time metropolitan and statewide governing board members are $35,379 per annum. The remuneration rates for part-time regional governing board members are $24,765 per annum.

Remuneration and eligibility to receive fees is determined in accordance with the Department of Premier and Cabinet Circular 16 - Remuneration for Government Appointed Part-Time Boards and Committees (September 2016). Public sector employees are not eligible to be paid board fees unless exceptional circumstances are demonstrated.

Conflicts of Interest

Under new provisions of the Health Care Act 2008, a member of a governing board who has a pecuniary or personal interest in a matter being considered by the board, will be required disclose the nature of that interest to ensure those interests do not influence or interfere with the performance of their role. Any such disclosures will be recorded in a register which will be reasonably available for public inspection.

For more information

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Appendix 1 – Current Country Health SA Local Health Network regions showing proposed six new regional Local Health Network geographic boundaries

Country Health South Australia Local Health Network Rural Regions 2018

Minlaton provides a 24/7 Aged Care service and is currently mapped as a hospital. Remote Area Health Clinics provide a higher level of service than a community health type service. They may be run by CHISA, LHN or an NGO.

Public Acute Hospital
Remote Area Health Clinic
Metropolitan Local Health Networks
Main Roads

Rural Region
- Barossa Hills Fleurieu
- Flinders and Upper North
- Eyre and Far North
- Riverland Mallee Coorong
- South East
- Yorke and Northern

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Conflicts of Interest

Public Sector (Honesty and Accountability) Act 1995

For the transition period up until 1 July 2019, Local Health Network (LHN) Transition Board members fall within the provisions of the Public Sector (Honesty and Accountability) Act 1995, as ‘advisory body members’.

Advisory body members are defined in this Act ‘an incorporated body comprised of members appointed by the Governor or a Minister (whether or not under an Act) with a function of providing advice to a public sector agency’.

Under this Act, you will breach your duties as an advisory body member if you act dishonestly and/or fail to disclose and/or improperly manage a conflict of interest.

When do you need to disclose a conflict?

A conflict of interest will arise when you have a personal or pecuniary interest in a matter being considered or decided by the Board and you are acting in your capacity as Board member.

You may have a number of personal or pecuniary interests that could give rise to a conflict of interest, however a conflict will only exist when the Board is considering or making a decision relating to that matter.

When does a conflict arise?

A conflict arises when a reasonable person would consider that there is a real and sensible possibility that you have a perceived, potential or actual pecuniary or personal interest in a matter being considered by the board.

What is your duty?

Under section 12 of the Public Sector (Honesty and Accountability) Act 1995, an advisory body member who has a direct or indirect personal or pecuniary interest in a matter decided or under consideration by the body:

- must as soon as reasonably practicable, disclose in writing to the Minister, full and accurate details of the interest; and
- must not take part in any discussion by the body relating to the matter; and
- must not vote in relation to that matter; and
- must be absent from the meeting room when any such discussion or voting is taking place.

Under the Act, an advisory body member will also be taken to have an interest in a matter if an associate of that member has an interest in the matter. An ‘associate’ may include a relative or domestic partner; or a company or trust for which the member has a relevant interest.

Neither the Board, nor its Chair, can absolve the member of their duty with respect to conflict of interest. The onus is on the member to ensure they comply.

Failure to comply can attract a fine of $15,000, and can result in any contracts in regards to which a Board member had a conflict of interest being voided.

The member cannot be fined if they were not aware of the interest at the time, but the burden of proof will lie on the Board Member.

Further information
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