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To the Board Chair Barossa Hills Fleurieu Local Health Network Incorporated

Qualified Opinion

I have audited the financial report of the Barossa Hills Fleurieu Local Health Network Incorporated and the consolidated entity comprising the Barossa Hills Fleurieu Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2025.

In my opinion, except for the effects of the matter described in the 'Basis for qualified opinion' section of my report, the accompanying financial report gives a true and fair view of the financial position of the Barossa Hills Fleurieu Local Health Network and the consolidated entity as at 30 June 2025, their financial performance and their cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the Public Finance and Audit Act 1987 and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2025
- a Statement of Financial Position as at 30 June 2025
- a Statement of Changes in Equity for the year ended 30 June 2025
- a Statement of Cash Flows for the year ended 30 June 2025
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Board Chair, the Acting Chief Executive Officer and the Chief Finance Officer.

Basis for qualified opinion

Procurement reporting disclosure

The Barossa Hills Fleurieu Local Health Network Incorporated and the consolidated entity was required by the Treasurer's Instructions (Accounting Policy Statements) to include a disclosure reporting the value of procurement with South Australian businesses and non-South Australian businesses for 2024-25.

This requirement uses a framework established by the Treasurer's Instructions (Accounting Policy Statements) and definitions within Treasurer's Instructions 18 – *Procurement*.

The Barossa Hills Fleurieu Local Health Network Incorporated and the consolidated entity did not include the disclosure in the financial report.

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Barossa Hills Fleurieu Local Health Network Incorporated and its controlled entities. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Responsibilities of the Chief Executive Officer and the Board for the financial report

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issues under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the entity's and consolidated entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Board is responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 36(2) of the *Health Care Act 2008*, I have audited the financial report of the Barossa Hills Fleurieu Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2025.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Barossa Hills Fleurieu Local Health Network Incorporated's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial report. I am responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. I remain solely responsible for my audit opinion.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive Officer and the Governing Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in blue ink, appearing to read 'Andrew Blaskett', with a stylized flourish at the end.

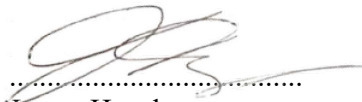
Andrew Blaskett
Auditor-General

22 September 2025

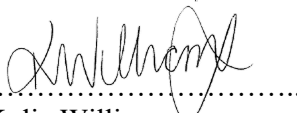
Certification of the financial statements
Barossa Hills Fleurieu Local Health Network

We certify that the:

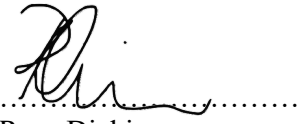
- financial statements of the Barossa Hills Fleurieu Local Health Network Inc.:
 - are in accordance with the accounts and records of the authority; and
 - comply with relevant Treasurer's Instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the authority at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by the Barossa Hills Fleurieu Local Health Network Inc. over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



James Hazel
Board Chair



Kylie Williams
A/Chief Executive Officer



Rose Dickinson
Chief Finance Officer

Date 10/09/2025

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2025

		Consolidated		Parent	
	Note	2025	2024	2025	2024
		\$'000	\$'000	\$'000	\$'000
Income					
Revenues from SA Government	2	403,953	327,661	403,953	327,661
Fees and charges	3	20,890	23,364	20,890	23,364
Grants and contributions	4	50,576	47,545	51,780	47,956
Interest		1,754	1,739	1,566	1,544
Resources received free of charge	5	3,579	3,735	3,579	3,735
Other revenues/income	7	33,101	31,704	33,436	30,719
Total income		513,853	435,748	515,204	434,979
Expenses					
Staff related expenses	8	283,035	258,175	283,035	258,175
Supplies and services	9	173,013	158,767	172,992	158,747
Depreciation and amortisation	17,18	10,216	10,179	5,712	4,858
Grants and subsidies	10	321	181	321	181
Borrowing costs	21	72	57	72	57
Net loss from disposal of non-current and other assets	6	3,822	395	179	16
Impairment loss on receivables	13.1	(130)	(179)	(130)	(179)
Other expenses	11	4,424	590	5,577	1,227
Total expenses		474,773	428,165	467,758	423,082
Net result		39,080	7,583	47,446	11,897
Other Comprehensive Income					
Items that will not be reclassified to net result					
Changes in property, plant and equipment asset revaluation surplus		(8,467)	47,973	(8,467)	8,782
Total other comprehensive income		(8,467)	47,973	(8,467)	8,782
Total comprehensive result		30,613	55,556	38,979	20,679

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
STATEMENT OF FINANCIAL POSITION
As at 30 June 2025

		Consolidated		Parent	
	Note	2025	2024	2025	2024
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	12	23,183	19,930	21,645	17,460
Receivables	13	6,298	7,240	6,568	7,474
Other financial assets	14	33,782	31,978	29,810	27,917
Inventories	15	1,804	1,549	1,804	1,549
Total current assets		65,067	60,697	59,827	54,400
Non-current assets					
Receivables	13	1,681	1,386	1,681	1,386
Property, plant and equipment	16,17	253,669	224,704	162,716	126,386
Intangible assets	16,18	516	25	516	25
Total non-current assets		255,866	226,115	164,913	127,797
Total assets		320,933	286,812	224,740	182,197
Current liabilities					
Payables	20	9,142	15,866	9,142	15,810
Financial liabilities	21	288	612	288	612
Staff related liabilities	22	46,229	40,567	46,229	40,567
Provisions	23	1,879	1,599	1,879	1,599
Contract liabilities and other liabilities	24	33,161	31,909	33,161	31,909
Total current liabilities		90,699	90,553	90,699	90,497
Non-current liabilities					
Financial liabilities	21	1,274	971	1,274	971
Staff related liabilities	22	38,928	35,837	38,928	35,837
Provisions	23	5,583	5,931	5,583	5,931
Total non-current liabilities		45,785	42,739	45,785	42,739
Total liabilities		136,484	133,292	136,484	133,236
Net assets		184,449	153,520	88,256	48,961
Equity					
Retained earnings		124,398	82,536	78,441	30,679
Asset revaluation surplus		60,051	70,984	9,815	18,282
Total equity		184,449	153,520	88,256	48,961

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2025

CONSOLIDATED

	Note	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2023		22,937	75,027	97,964
Net result for 2023-24		-	7,583	7,583
Gain/(loss) on revaluation of land and buildings	17	47,973	-	47,973
Total comprehensive result for 2023-24		47,973	7,583	55,556
Transfer between equity components		74	(74)	-
Balance at 30 June 2024		70,984	82,536	153,520
Net result for 2024-25		-	39,080	39,080
Gain/(loss) on revaluation of land and buildings	17	(8,467)	-	(8,467)
Total comprehensive result for 2024-25		(8,467)	39,080	30,613
Transfer between equity components		(2,466)	2,466	-
Transactions with SA Government as owner				
Net assets transferred out as a result of an administrative restructure	1.6	-	316	316
Balance at 30 June 2025		60,051	124,398	184,449

PARENT

	Note	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2023		-	18,782	18,782
Net result for 2023-24		-	11,918	11,918
Gain/(loss) on revaluation of land and buildings	17	8,782	-	8,782
Total comprehensive result for 2023-24		8,782	11,918	20,700
Balance at 30 June 2024		8,782	30,700	39,482
Prior period adjustment	1.7	9,500	(21)	9,479
Restated balance at 30 Jun 2024		18,282	30,679	48,961
Net result for 2024-25		-	47,446	47,446
Gain/(loss) on revaluation of land and buildings	17	(8,467)	-	(8,467)
Total comprehensive result for 2024-25		(8,467)	47,446	38,979
Transactions with SA Government as owner				
Net assets transferred out as a result of an administrative restructure	1.6	-	316	316
Balance at 30 June 2025		9,815	78,441	88,256

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the period ended 30 June 2025

		Consolidated		Parent	
	Note	2025	2024	2025	2024
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Cash inflows					
Receipts from SA Government		344,665	306,392	344,665	306,392
Fees and charges		17,311	15,891	17,282	15,636
Grants and contributions		51,321	48,520	52,525	48,931
Interest received		2,019	1,249	1,949	1,182
Residential aged care bonds received		12,180	10,920	12,180	10,920
GST recovered from ATO		10,735	9,512	10,735	9,512
Other receipts		981	1,332	1,316	347
Cash outflows					
Staff benefits payments		(274,552)	(250,234)	(274,552)	(250,234)
Payments for supplies and services		(144,719)	(124,244)	(144,642)	(124,094)
Payments of grants and subsidies		(329)	(198)	(329)	(198)
Interest paid		(72)	(57)	(72)	(57)
Residential aged care bonds refunded		(9,297)	(8,096)	(9,297)	(8,096)
Other payments		(652)	(595)	(638)	(595)
Net cash provided by operating activities	25	9,591	10,392	11,122	9,646
Cash flows from investing activities					
Cash inflows					
Proceeds from sale/maturities of investments		914	1,445	550	500
Cash outflows					
Purchase of property, plant and equipment		(4,053)	(3,956)	(4,438)	(3,956)
Purchase of intangible assets		-	(12)	-	(12)
Purchase of investments		(2,530)	(9,240)	(2,380)	(9,240)
Net cash provided by/(used in) investing activities		(5,669)	(11,763)	(6,268)	(12,708)
Cash flows from financing activities					
Cash outflows					
Repayment of lease liabilities		(669)	(1,032)	(669)	(1,032)
Net cash provided by/(used in) financing activities		(669)	(1,032)	(669)	(1,032)
Net increase/(decrease) in cash and cash equivalents		3,253	(2,403)	4,185	(4,094)
Cash and cash equivalents at the beginning of the period		19,930	22,333	17,460	21,554
Cash and cash equivalents at the end of the period	12	23,183	19,930	21,645	17,460

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

1. About Barossa Hills Fleurieu Local Health Network

Barossa Hills Fleurieu Local Health Network Incorporated (the Hospital) is a not-for-profit incorporated health service established under the *Health Care (Local Health Networks) Proclamation 2019* which was an amendment to the *Health Care Act 2008 (the Act)*. The financial statements include all controlled activities of the Hospital.

The Parent Entity

The Parent Entity consists of the following:

- Angaston District Hospital
- Eudunda Hospital
- Gawler Health Service
- Gumeracha District Soldiers' Memorial Hospital
- Kangaroo Island Health Service
- Kapunda Hospital
- Mount Barker District Health Service
- Mount Pleasant District Hospital
- Tanunda War Memorial Hospital
- Southern Fleurieu Health Service, located in Victor Harbor
- Strathalbyn and District Health Service
- Eudunda Senior Citizens Hostel
- Kapunda Homes
- Torrens Valley Aged Care, located at Gumeracha and Mount Pleasant
- Strathalbyn & District Aged Care Facility
- Barossa Hills Fleurieu Kangaroo Island Community Health Service
- Rural and Remote Mental Health Service
- Rural Support Service

Publicly funded health services in country South Australia are supported by the Rural Support Service (RSS), hosted within the Hospital. The service brings together clinical and corporate advisory services focused on improving quality and safety for the regional Local Health Networks (LHNs). The RSS includes highly specialist, system wide clinical and corporate capabilities, clinical leadership and expertise.

The Consolidated Entity

The Consolidated Entity includes the Parent Entity as well as the seven Health Advisory Councils (HACs) and Gift Fund Trusts (GFTs).

The HACs were established under the Act to provide a more coordinated, strategic and integrated health care system to meet the health needs of South Australians. HACs are consultative bodies that advise and make recommendations to the Chief Executive of the Department for Health and Wellbeing (the Department) and the Chief Executive Officer of the Hospital on issues related to specific groups or regions. HACs hold assets (land and buildings), manage bequests and provide advice on local health service needs and priorities.

Incorporated HACs and GFTs are separate reporting entities within our health service. Since 2008 the Hospital has hosted a number of unincorporated HACs and GFTs via the Country Health Gift Fund Health Advisory Council Inc and the Country Health Gift Fund Health Advisory Council Inc Gift Fund Trust. These HACs are now incorporated and the transfer of their net assets to the respective Local Health Networks is now complete. The Country Health Gift Fund Health Advisory Council Inc dissolved effective 30 May 2025. Refer to notes 1.6 and 32 for details.

The consolidated financial statements have been prepared in accordance with AASB 10 *Consolidated Financial Statements*. Consistent accounting policies have been applied and all inter-entity balances and transactions arising within the consolidated entity have been eliminated in full. Information on the consolidated entity's interests in other entities is at note 32.

Administered items

The Hospital has administered activities and resources. Transactions and balances relating to administered resources are presented separately and disclosed in note 34. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting principles as for the Hospital's transactions.

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

1.1 Objectives and activities

The Hospital supports the delivery of safe, effective and accountable high quality health care.

The Hospital is part of the SA Health portfolio providing health services for the Barossa Hills Fleurieu and Kangaroo Island regions. The Hospital is structured to contribute to the outcomes for which the portfolio is responsible by providing health and related services across the Barossa Hills Fleurieu and Kangaroo Island regions. In addition, some services are provided at a statewide level, for example the Rural and Remote Health Service and the Rural Support Service.

The Hospital is governed by a Board which is responsible for providing strategic oversight and monitoring the Hospital's financial and operational performance. The Board must comply with any direction of the Minister for Health and Wellbeing (Minister) or Chief Executive of the Department.

The Chief Executive Officer is responsible for managing the operations and affairs of the Hospital and is accountable to, and subject to the direction of, the Board in undertaking that function.

1.2 Basis of preparation

These financial statements are general purpose financial statements prepared in accordance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- *Treasurer's Instructions* and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

The financial statements have been prepared based on a 12 month period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). Any transactions in foreign currency are translated into Australian dollars at the exchange rates at the date the transaction occurs. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Material accounting policies are set out below or throughout the notes.

1.3 Taxation

The Hospital is not subject to income tax. The Hospital is liable for fringe benefits tax (FBT) and goods and services tax (GST).

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

1.4 Continuity of operations

As at 30 June 2025, the Hospital had working capital deficiency of \$25.632 million (\$29.856 million). The SA Government is committed to and has consistently demonstrated a commitment to ongoing funding of the Hospital to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annually produced and published State Budget Papers which presents the SA Government's current and estimated future economic performance, including forward estimates of revenue, expenses and performance by Agency.

1.5 Equity

The asset revaluation surplus is used to record increments and decrements in the fair value of land, buildings and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

1.6 Changes to reporting entity

Administrative Restructure - Transferred Out

2024-25

In response to the Commonwealth Government's introduction of a new single assessment aged care system across all State and Territory jurisdictions, the South Australian Health Chief Executives Council (HCEC), on 2 July 2024, approved the proposal to transition Local Health Network based assessment services into a statewide Aged Care Assessment Service (ACAS), to be implemented by the Central Adelaide Local Health Network (CALHN) by 1 July 2025. The Chief Executive Officer of the Hospital, on 6 May 2025, approved the transition of 11 staff to the statewide ACAS in CALHN, effective 22 March 2025. Staff related liabilities of \$0.316 million were transferred out of the Hospital.

The transfer of cash from the Country Health Gift Fund Health Advisory Council Inc GFT to Far North Health Advisory Council Inc GFT (\$0.019 million) and Hawker District Memorial Health Advisory Council Inc GFT (\$0.035 million) occurred in 2024-25. Dissolution of the Country Health Gift Fund Health Advisory Council Inc has been gazetted, effective 30 May 2025.

2023-24

The transfer of cash from the Country Health Gift Fund Health Advisory Council Inc GFT to Port Lincoln Health Advisory Council Inc GFT (\$0.130 million) occurred in 2023-24.

1.7 Prior period adjustment

A material error was detected in the 2023-24 financial statements due to the revaluation of a Parent asset being recognised in a HAC in error. This resulted in the opening balance of non-current assets and retained earnings for the Parent being understated by \$9.479 million and the 2024 net result being understated, by \$0.021 million. In accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, the comparative information has been amended to reflect the correct balances.

	Parent		
	2024 Reported	Prior Period Adjustment	2024 Restated
	\$'000	\$'000	\$'000
Statement of comprehensive income			
Depreciation expense	4,837	21	4,858
Total comprehensive result	20,700	(21)	20,679
Statement of financial position			
Property, plant and equipment	116,907	9,479	126,386
Asset revaluation surplus	8,782	9,500	18,282
Retained earnings	30,700	(21)	30,679

2. Revenues from SA Government

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Capital projects funding	54,995	21,554	54,995	21,554
Operational funding	348,958	306,107	348,958	306,107
Total revenues from SA Government	403,953	327,661	403,953	327,661

The Department provides recurrent and capital funding under a service agreement to the Hospital for the provision of general health services. Contributions from the Department are recognised as revenues when the Hospital obtains control over the funding. Control over the funding is obtained upon receipt.

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

3. Fees and charges

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Commissions revenue	16	13	16	13
Patient and client fees	6,743	5,356	6,743	5,356
Private practice fees	717	859	717	859
Fees for health services	1,313	3,800	1,313	3,800
Residential and other aged care charges	7,500	7,219	7,500	7,219
Sale of goods - medical supplies	1,437	1,642	1,437	1,642
Training revenue	11	3	11	3
Other user charges and fees	3,153	4,472	3,153	4,472
Total fees and charges	20,890	23,364	20,890	23,364

The Hospital measures revenue based on the consideration specified in major contracts with customers and excludes amounts collected on behalf of third parties. Revenue is recognised at a point in time, when the Hospital satisfies performance obligations by transferring the promised goods or services to its customers.

The Hospital recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities (refer to note 24). Similarly, if the Hospital satisfies a performance obligation before it receives the consideration, the Hospital recognises either a contract asset or a receivable, depending on whether something other than the passage of time is required before the consideration is due (refer to note 13).

The Hospital recognises revenue (contract from customers) from the following major sources:

Patient and Client Fees

Public health care is free for medicare eligible customers. Non-medicare eligible customers pay in arrears to stay overnight in a public hospital and to receive medical assessment, advice, treatment and care from a health professional. These charges may include doctors, surgeons, anaesthetist, pathology, radiology services etc. Revenue from these services is recognised on a time-and-material basis as services are provided. Any amounts remaining unpaid at the end of the reporting period are treated as an accounts receivable.

Private practice fees

SA Health allows SA Health employed salaried medical consultants the ability to provide billable medical services relating to the assessment, treatment and care of privately referred outpatients or private inpatients in SA Health sites. Fees derived from undertaking private practice is income derived in the hands of the specialist. The specialist appoints the Hospital as an agent in the rendering and recovery of accounts of the specialist's private practice. SA Health disburses amounts collected on behalf of the specialist to the specialist via payroll (fortnightly) or accounts payable (monthly) depending on the rights of private practice scheme. Revenue from these services is recognised as it's collected as per the Rights of Private Practice Agreement.

Residential and other aged care charges

Residential aged care fees include daily care fees and daily accommodation fees. Residents pay fortnightly in arrears for services rendered and accommodation supplied. Revenue from these services and accommodation is recognised on a time basis as provided. Residents are invoiced fortnightly as services and accommodation are provided. Any amounts remaining unpaid or unbilled at the end of the reporting period are treated as an accounts receivable.

Fees for health services

Where the Hospital has incurred an expense on behalf of another entity, payment is recovered from the other entity by way of a recharge of the cost incurred. These fees can relate to the recharge of salaries and wages or various goods and services. Revenue is recognised on a time-and-material basis as provided. Any amounts remaining unpaid at the end of the reporting period are treated as an accounts receivable.

4. Grants and contributions

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Commonwealth grants and contributions	21,885	22,386	21,885	22,386
Commonwealth aged care subsidies	25,384	21,871	25,384	21,871
SA Government capital contributions	-	-	1,052	233
Other SA Government grants and contributions	10	-	162	178
Private sector capital contributions	62	125	62	125
Private sector grants and contributions	3,235	3,163	3,235	3,163
Total grants and contributions	50,576	47,545	51,780	47,956

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The grants received are usually subject to terms and conditions set out in the contract, correspondence, or by legislation.

Of the \$50.576 million (\$47.545 million) provided during the reporting period for grants and contributions, \$50.574 million (\$47.495 million) was provided for specific purposes such as aged care, community health services and other related health services.

5. Resources received free of charge

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Plant and equipment	26	-	26	-
Services	3,553	3,735	3,553	3,735
Total resources received free of charge	3,579	3,735	3,579	3,735

Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated. The Hospital receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$2.605 million (\$2.447 million) and ICT services from the Office of the Chief Information Officer (OCIO) valued at \$0.819 million (\$1.288 million), following Cabinet's approval to cease intra-government charging.

On 5 September 2024 the Treasurer approved the Auditor-General's request to cease audit fee charging arrangements for auditing the public accounts, effective for financial years ending on or after 30 June 2024. The Hospital received audit services from the Audit Office of South Australia free of charge valued at \$0.129 million for 2024-25.

Although not recognised, the Hospital receives volunteer services from around 400 volunteers who provide patient and staff support services to individuals using the Hospital's services. The services include but are not limited to: patient liaison and support, administrative support, chaplain and library services, pet therapy, transport, community activities, gardening, kiosks, and community advocacy.

6. Net gain/(loss) from disposal of non-current and other assets

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Land and buildings:				
Carrying amount of assets disposed	(3,782)	(379)	(139)	-
Net gain/(loss) from disposal of land and buildings	(3,782)	(379)	(139)	-

Plant and equipment:

Carrying amount of assets disposed	(40)	(16)	(40)	(16)
Total net gain/(loss) from disposal of plant and equipment	(40)	(16)	(40)	(16)

Total assets:

Total carrying amount of assets disposed	(3,822)	(395)	(179)	(16)
Total net gain/(loss) from disposal of assets	(3,822)	(395)	(179)	(16)

Gains or losses on disposal are recognised at the date control of the asset is passed from the Hospital and are determined after deducting the carrying amount of the asset from the proceeds at that time.

7. Other revenues/income

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Donations	58	1,097	22	129
Health recoveries	32,018	30,398	32,018	30,398
Insurance recoveries	8	-	8	-
Other	1,017	209	1,388	192
Total other revenues/income	33,101	31,704	33,436	30,719

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8. Staff related expenses

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	221,042	202,276	221,042	202,276
Long service leave	6,806	8,157	6,806	8,157
Annual leave	22,290	19,703	22,290	19,703
Skills and experience retention leave	1,099	1,001	1,099	1,001
Superannuation	28,683	24,697	28,683	24,697
Workers compensation	2,786	1,917	2,786	1,917
Board and committee fees	275	238	275	238
Other staff related expenses	54	186	54	186
Total staff related expenses	283,035	258,175	283,035	258,175

Superannuation expense represents the Hospital's contribution to superannuation plans in respect of current services of staff.

8.1 Key Management Personnel

Key management personnel (KMP) of the consolidated and parent entity includes the Minister, the seven (seven) members of the Governing Board, the Chief Executive of the Department, the Chief Executive Officer of the Hospital and the twelve (fifteen) members of the Executive Management Group.

The compensation detailed below excludes salaries and other benefits received by:

- The Minister for Health and Wellbeing. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*; and
- The Chief Executive of the Department. The Chief Executive of the Department is compensated by the Department and there is no requirement for the Hospital to reimburse those expenses.

Compensation

	2025	2024
	\$'000	\$'000
Salaries and other short term employee benefits	3,280	3,534
Post-employment benefits	392	459
Total	3,672	3,993

The Hospital did not enter into any transactions with key management personnel or their close family during the reporting period that were not consistent with normal procurement arrangements.

8.2 Remuneration of Boards and Committees

The number of board or committee members whose remuneration received or receivable falls within the following bands is:

	2025	2024
	No. of	No. of
	Members	Members
\$0 - \$20,000	11	10
\$20,001 - \$40,000	6	5
\$40,001 - \$60,000	1	1
Total	18	16

The total remuneration received or receivable by members was \$0.281 million (\$0.242 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax. In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

Refer to note 33 for members of boards/committees that served for all or part of the financial year and were entitled to receive income from membership in accordance with APS 124.B.

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8.3 Staff remuneration

	Consolidated		Parent	
	2025	2024	2025	2024
	Number	Number	Number	Number
The number of staff whose remuneration received or receivable falls within the following bands:				
\$166,001 - \$171,000*	n/a	10	n/a	10
\$171,001 - \$191,000	39	28	39	28
\$191,001 - \$211,000	6	7	6	7
\$211,001 - \$231,000	6	7	6	7
\$231,001 - \$251,000	7	3	7	3
\$251,001 - \$271,000	6	4	6	4
\$271,001 - \$291,000	3	8	3	8
\$291,001 - \$311,000	5	8	5	8
\$311,001 - \$331,000	5	2	5	2
\$331,001 - \$351,000	4	6	4	6
\$351,001 - \$371,000	5	7	5	7
\$371,001 - \$391,000	8	3	8	3
\$391,001 - \$411,000	3	1	3	1
\$411,001 - \$431,000	2	2	2	2
\$431,001 - \$451,000	4	2	4	2
\$451,001 - \$471,000	4	4	4	4
\$471,001 - \$491,000	4	3	4	3
\$491,001 - \$511,000	-	1	-	1
\$511,001 - \$531,000	3	2	3	2
\$531,001 - \$551,000	2	-	2	-
\$551,001 - \$571,000	4	3	4	3
\$611,001 - \$631,000	1	2	1	2
\$631,001 - \$651,000	4	1	4	1
\$651,001 - \$671,000	1	1	1	1
\$691,001 - \$711,000	1	-	1	-
Total number of staff	127	115	127	115

The table includes all staff whose normal remuneration is equal to or greater than the base executive remuneration level during the year. Remuneration of staff reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax. This does not include any offsets or recharges to other entities.

*The \$166,001 to \$171,000 band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2023-24.

8.4 Staff remuneration by classification

The total remuneration received by staff included above:

	Consolidated				Parent			
	2025		2024		2025		2024	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Executive	4	1,053	4	1,005	4	1,053	4	1,005
Medical (excluding Nursing)	87	32,420	79	26,721	87	32,420	79	26,721
Non-medical (i.e. administration)	2	375	5	1,049	2	375	5	1,049
Nursing	34	6,206	27	4,823	34	6,206	27	4,823
Total	127	40,054	115	33,598	127	40,054	115	33,598

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9. Supplies and services

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Administration	3,050	1,201	3,049	1,193
Advertising	277	266	277	262
Communication	1,747	2,342	1,747	2,342
Computing	6,622	6,454	6,622	6,454
Consultants	1,110	404	1,110	394
Contract of services	4,110	4,855	4,110	4,855
Contractors	1,240	1,894	1,240	1,894
Contractors - agency staff	22,569	20,949	22,569	20,949
Drug supplies	4,583	1,988	4,583	1,988
Electricity, gas and fuel	2,284	2,233	2,284	2,233
Fee for service ⁽¹⁾	34,670	34,606	34,670	34,606
Food supplies	3,598	3,295	3,598	3,295
Housekeeping	2,534	2,551	2,534	2,551
Insurance	3,295	3,358	3,295	3,358
Internal SA Health SLA payments	1,864	1,820	1,864	1,820
Interstate patient transfers	-	7	-	7
Legal	169	86	168	86
Medical, surgical and laboratory supplies	29,232	27,520	29,232	27,520
Minor equipment	2,716	2,656	2,716	2,656
Motor vehicle expenses	1,034	694	1,034	694
Occupancy rent and rates ⁽²⁾	1,627	1,403	1,624	1,399
Patient transport ⁽³⁾	21,535	18,680	21,535	18,680
Postage	784	708	784	708
Printing and stationery	779	832	779	832
Repairs and maintenance	8,126	6,602	8,126	6,602
Security	1,099	789	1,099	789
Services from Shared Services SA	2,667	2,460	2,667	2,460
Short term lease expense	968	355	968	355
Training and development	3,958	3,342	3,943	3,342
Travel expenses	1,777	1,744	1,777	1,744
Other supplies and services	2,989	2,673	2,988	2,679
Total supplies and services	173,013	158,767	172,992	158,747

- (1) Fee for Service primarily relates to medical services provided by doctors not employed by the Hospital.
- (2) Part of the Hospital's accommodation is provided by the Department for Infrastructure and Transport (DIT) under a Memorandum of Administrative Arrangement issued in accordance with Government wide accommodation policies, these arrangements do not meet the definition of a lease and accordingly are disclosed within Occupancy rent and rates.
- (3) Patient transport includes costs incurred under the Patient Assisted Transport Scheme (PATs), a transport subsidy scheme established to assist rural and remote residents to access medical specialist care not available locally. This service is provided across all regional SA as part of RSS.

The Hospital recognises lease payments associated with short term leases (12 months or less) and leases for which the underlying asset is low value (less than \$15,000) as an expense on a straight line basis over the lease term. Lease commitments for short term leases is similar to short term lease expenses disclosed.

10. Grants and subsidies

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Funding to non-government organisations	321	181	321	181
Total grants and subsidies	321	181	321	181

The grants given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation.

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11. Other expenses

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Debts written off	300	272	300	272
Bank fees and charges	12	11	12	11
Donated assets expense	3,773	-	4,940	637
Other	339	307	325	307
Total other expenses	4,424	590	5,577	1,227

Donated assets expense includes transfer of assets to other Local Health Networks and is recorded as expenditure at their fair value. Refer to note 17 for further details.

Included in other expenses is Audit fees paid/payable to Galpins Accountants, Auditors and Business Consultants of \$0.043 million (\$0.040 million) for audits of the HACs and aged care.

12. Cash and cash equivalents

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand	4,642	5,180	3,104	2,710
Deposits with Treasurer: general operating	18,420	14,682	18,420	14,682
Deposits with Treasurer: special purpose funds	121	68	121	68
Total cash and cash equivalents in the Statement of Financial Position	23,183	19,930	21,645	17,460
Total cash and cash equivalents in the Statement of Cash Flows	23,183	19,930	21,645	17,460

Cash is measured at nominal amounts. The Hospital operates through the Department's general operating account held with the Treasurer and does not earn interest on this account. Interest is earned on HAC and GFT bank accounts and accounts holding aged care funds, including refundable deposits. Of the \$23.183 million (\$19.930 million) held, \$1.900 million (\$0.985 million) relates to aged care refundable deposits.

13. Receivables

Current	Note	Consolidated		Parent	
		2025	2024	2025	2024
		\$'000	\$'000	\$'000	\$'000
Patient/client fees: compensable		160	126	160	126
Patient/client fees: aged care		1,340	1,402	1,340	1,402
Patient/client fees: other		750	861	750	861
Debtors		1,555	1,510	1,554	1,508
Less: allowance for impairment loss on receivables	13.1	(304)	(434)	(304)	(434)
Prepayments		539	402	539	402
Interest		168	621	137	583
Workers compensation provision recoverable		426	347	426	347
Sundry receivables and accrued revenue		1,574	2,213	1,876	2,487
GST input tax recoverable		90	192	90	192
Total current receivables		6,298	7,240	6,568	7,474
Non-current					
Debtors		135	137	135	137
Workers compensation provision recoverable		1,546	1,249	1,546	1,249
Total non-current receivables		1,681	1,386	1,681	1,386
Total receivables		7,979	8,626	8,249	8,860

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Receivables arise in the normal course of selling goods and services to other agencies and to the public. The Hospital's trading terms for receivables are generally 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Other than as recognised in the impairment loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

13.1 Impairment of receivables

The Hospital has adopted the simplified impairment approach under AASB 9 *Financial Instruments* and measured lifetime expected credit losses on all trade receivables using an allowance matrix as a practical expedient to measure the impairment provision.

Movement in the impairment loss on receivables:

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	434	613	434	613
Increase/(Decrease) in allowance recognised in profit or loss	(130)	(179)	(130)	(179)
Carrying amount at the end of the period	304	434	304	434

Impairment losses relate to receivables arising from contracts with customers that are external to the SA Government. Refer to note 30 for details regarding credit risk and the methodology for determining impairment.

14. Other financial assets

The consolidated and parent entity holds term deposits of \$33.782 million (\$31.978 million) and \$29.810 million (\$27.917 million) respectively. Of these deposits \$28.306 million (\$26.476 million) relates to aged care refundable deposits, with the remaining funds primarily relating to aged care. These deposits are measured at amortised cost. There is no impairment on term deposits.

15. Inventories

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Drug supplies	516	528	516	528
Medical, surgical and laboratory supplies	1,101	859	1,101	859
Food and hotel supplies	143	130	143	130
Other	44	32	44	32
Total current inventories - held for distribution	1,804	1,549	1,804	1,549

All inventories are held for distribution at no or nominal consideration and are measured at the lower of average weighted cost and replacement cost. The amount of any inventory write-down to net realisable value/replacement cost or inventory losses are recognised as an expense in the period the write-down or loss occurred. Any write-down reversals are also recognised as an expense reduction.

16. Property, plant and equipment and intangible assets

16.1 Acquisition and recognition

Property, plant and equipment owned by the Hospital are initially recorded on a cost basis, and subsequently measured at fair value. Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. Where assets are acquired at no or nominal value as part of a restructure of administrative arrangements, the assets are recorded at the value held by the transferor public authority prior to the restructure.

The Hospital capitalises owned property, plant and equipment with a value equal to or in excess of \$10,000. Assets recorded as works in progress represent projects physically incomplete as at the reporting date. Componentisation of complex assets is generally performed when the complex asset's fair value at the time of acquisition is equal to or greater than \$5 million for infrastructure assets and \$1 million for other assets.

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16.2 Depreciation and amortisation

The residual values, useful lives, depreciation and amortisation methods of all major assets held by the Hospital are reviewed and adjusted if appropriate on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

Depreciation and amortisation are calculated on a straight line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	7 - 57
Right-of-use buildings	Lease Term
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	1 - 12
• Computing equipment	1 - 3
• Vehicles	10
• Other plant and equipment	1 - 20
Right-of-use plant and equipment	Lease Term
Intangibles	1 - 10

16.3 Revaluation

All non-current tangible assets owned by the Hospital are subsequently measured at fair value after allowing for accumulated depreciation (written down current cost).

Revaluation of non-current assets or a group of assets is only performed when the owned asset's fair value at the time of acquisition is greater than \$1.500 million and the estimated useful life exceeds three years. Revaluations are undertaken on a regular cycle. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value. If at any time management considers that the carrying amount of an asset greater than \$1.500 million materially differs from its fair value, then the asset will be revalued regardless of when the last revaluation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

16.4 Impairment

The Hospital holds its property, plant and equipment and intangible assets for their service potential (value in use). Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be closer to or greater than fair value. Where there is an indication of impairment, the recoverable amount is estimated. Fair value is assessed each year. There were no indications of impairment for property, plant and equipment or intangibles as at 30 June 2025.

16.5 Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The amortisation period and the amortisation method for intangible assets with finite useful lives is reviewed on an annual basis.

The acquisition of, or internal development of, software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10,000. Capitalised software is amortised over the useful life of the asset.

16.6 Land and buildings

Consistent with Treasurer's Instructions, a public authority must at least every 6 years obtain a valuation appraisal from a qualified valuer. An independent valuation of land and buildings owned by the Hospital was performed between March to June 2024, by a certified practising valuer from Marsh Advisory Pacific, as at 1 June 2024.

Fair value of unrestricted land was determined using the market approach. The valuation was based on recent market transactions for similar land and buildings (non-specialised) in the area and includes adjustment for factors specific to the land and buildings being valued such as size, location and current use. For land classified as restricted in use, fair value was determined by applying an adjustment to reflect the restriction.

Fair value of buildings was determined using depreciated replacement cost due to there not being an active market. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature and restricted use of the assets; the size, condition and location. The valuation was based on a combination of internal records, specialised knowledge and acquisitions/transfer costs.

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Annual review of land and buildings fair values was undertaken effective 1 June 2025, including assessment using indices supplied by the Office of the Valuer-General for estimated cost and market values based on location. It was determined that carrying amounts of assets are materially accurate for fair value.

16.7 Plant and equipment

The value of plant and equipment has not been revalued and in accordance with APS 116D, the carrying value is deemed to approximate fair value. These assets are classified in Level 3 as there have been no subsequent adjustments to their value, except for management assumptions about the asset condition and remaining useful life.

16.8 Leased property, plant and equipment

Right-of-use assets (including concessional arrangements) leased by the Hospital as lessee are measured at cost and there were no indications of impairment. Short-term leases of 12 months or less and low value leases, where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and disclosed in note 9.

The Hospital has a number of lease agreements including concessional. Major lease activities include the use of:

- Properties – are health clinics generally leased from the private sector. Generally property leases are non-cancellable with many having the right of renewal. Rent is payable in arrears, with increases generally linked to CPI increases. Prior to renewal, most lease arrangements undergo a formal rent review linked to market appraisals or independent valuers.
- Motor vehicles – were leased from the South Australian Government Financing Authority (SAFA) through their agent LeasePlan Australia. Effective 1 April 2025, SAFA issued new lease agreements for all its existing leases. Each of these new lease agreements includes a standard clause that gives SAFA substantive substitution rights, as a result motor vehicle leases are no longer captured by AASB 16 *Leases*. Accordingly, the carrying values of existing right-of-use assets and corresponding lease liabilities were derecognised.

The Hospital has not committed to any lease arrangements that have not commenced. The Hospital has not entered into any sub-lease arrangements outside of the Consolidated Entity.

The lease liabilities related to the right-of-use assets (and the maturity analysis) are disclosed at note 21. Expenses related to right-of-use assets including depreciation and interest expense are disclosed at note 17 and 21. Cash outflows related to right-of-use assets are disclosed at note 25.

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17. Reconciliation of property, plant and equipment

The following table shows the movement:

Consolidated

2024-25

	Land and buildings:				Plant and equipment:					
	Land	Buildings	Right-of-use	Capital	Accommod-	Medical/	Other plant	Right-of-use	Capital	Total
	\$'000	\$'000	buildings	works in	ation and	surgical/	and	plant and	works in	\$'000
			\$'000	progress	Leasehold	dental/	equipment	equipment	progress	
				land and	improve-	biomedical	\$'000	\$'000	plant and	
				buildings	ments	\$'000			equipment	
				\$'000	\$'000				\$'000	
Carrying amount at the beginning of the period	19,085	182,522	586	16,103	4	2,857	1,535	921	1,091	224,704
Additions	-	-	1,131	53,504	-	703	-	408	834	56,580
Assets received free of charge	-	-	-	-	-	26	-	-	-	26
Disposals	-	(3,643)	-	(139)	-	-	(15)	(872)	(25)	(4,694)
Donated assets disposal	-	-	-	(3,773)	-	-	-	-	-	(3,773)
Transfers between asset classes	-	9,734	-	(10,311)	-	662	25	-	(672)	(562)
Subtotal:	19,085	188,613	1,717	55,384	4	4,248	1,545	457	1,228	272,281
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(7,955)	(245)	-	(4)	(1,207)	(277)	(457)	-	(10,145)
Subtotal:	-	(7,955)	(245)	-	(4)	(1,207)	(277)	(457)	-	(10,145)
Gains/(losses) for the period recognised in other comprehensive income:										
Revaluation increment / (decrement)	-	(8,467)	-	-	-	-	-	-	-	(8,467)
Subtotal:	-	(8,467)	-	-	-	-	-	-	-	(8,467)
Carrying amount at the end of the period*	19,085	172,191	1,472	55,384	-	3,041	1,268	-	1,228	253,669
Gross carrying amount										
Gross carrying amount	19,085	180,716	4,699	55,384	389	9,019	3,013	-	1,228	273,533
Accumulated depreciation / amortisation	-	(8,525)	(3,227)	-	(389)	(5,978)	(1,745)	-	-	(19,864)
Carrying amount at the end of the period	19,085	172,191	1,472	55,384	-	3,041	1,268	-	1,228	253,669

*All property, plant and equipment are classified in the level 2 or level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 21 for details about the lease liability for right-of-use assets.

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For the period ended 30 June 2025

Consolidated

2023-24

	Land and buildings:				Plant and equipment:					
	Land	Buildings	Right-of-use	Capital	Accommod-	Medical/	Other plant	Right-of-use	Capital	Total
	\$'000	\$'000	buildings	works in	ation and	surgical/	and	plant and	works in	\$'000
			\$'000	progress	Leasehold	dental/	equipment	equipment	progress	
				land and	improve-	biomedical			plant and	
				buildings	ments	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	12,821	127,948	1,072	16,894	61	2,600	1,829	810	1,026	165,061
Additions	-	-	-	20,136	-	753	-	650	705	22,244
Disposals	-	(379)	-	-	-	(14)	(2)	-	-	(395)
Transfers between asset classes	-	20,942	-	(20,927)	22	603	-	-	(640)	-
Subtotal:	12,821	148,511	1,072	16,103	83	3,942	1,827	1,460	1,091	186,910
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(7,698)	(486)	-	(79)	(1,085)	(292)	(539)	-	(10,179)
Subtotal:	-	(7,698)	(486)	-	(79)	(1,085)	(292)	(539)	-	(10,179)
Gains/(losses) for the period recognised in other comprehensive income:										
Revaluation increment / (decrement)	6,264	41,709	-	-	-	-	-	-	-	47,973
Subtotal:	6,264	41,709	-	-	-	-	-	-	-	47,973
Carrying amount at the end of the period*	19,085	182,522	586	16,103	4	2,857	1,535	921	1,091	224,704
Gross carrying amount										
Gross carrying amount	19,085	183,293	3,568	16,103	389	7,833	3,021	1,838	1,091	236,221
Accumulated depreciation / amortisation	-	(771)	(2,982)	-	(385)	(4,976)	(1,486)	(917)	-	(11,517)
Carrying amount at the end of the period	19,085	182,522	586	16,103	4	2,857	1,535	921	1,091	224,704

*All property, plant and equipment are classified in the level 2 or level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 21 for details about the lease liability for right-of-use assets.

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Parent

2024-25

	Land and buildings:				Plant and equipment:					
	Land	Buildings	Right-of-use	Capital	Accommod-	Medical/	Other plant	Right-of-use	Capital	
	\$'000	\$'000	buildings	works in	ation and	surgical/	and	plant and	works in	Total
			\$'000	progress	Leasehold	dental/	equipment	equipment	progress	\$'000
				land and	improve-	biomedical			plant and	
				buildings	ments	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	3,550	99,739	586	16,103	4	2,857	1,535	921	1,091	126,386
Additions	-	-	1,131	53,889	-	703	-	408	834	56,965
Assets received free of charge	-	-	-	-	-	26	-	-	-	26
Disposals	-	-	-	(139)	-	-	(15)	(872)	(25)	(1,051)
Donated assets disposal	-	-	-	(4,940)	-	-	-	-	-	(4,940)
Transfers between asset classes	-	8,567	-	(9,144)	-	662	25	-	(672)	(562)
Subtotal:	3,550	108,306	1,717	55,769	4	4,248	1,545	457	1,228	176,824
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(3,451)	(245)	-	(4)	(1,207)	(277)	(457)	-	(5,641)
Subtotal:	-	(3,451)	(245)	-	(4)	(1,207)	(277)	(457)	-	(5,641)
Gains/(losses) for the period recognised in other comprehensive income:										
Revaluation increment / (decrement)	-	(8,467)	-	-	-	-	-	-	-	(8,467)
Subtotal:	-	(8,467)	-	-	-	-	-	-	-	(8,467)
Carrying amount at the end of the period*	3,550	96,388	1,472	55,769	-	3,041	1,268	-	1,228	162,716
Gross carrying amount										
Gross carrying amount	3,550	100,387	4,699	55,769	389	9,019	3,013	-	1,228	178,054
Accumulated depreciation / amortisation	-	(3,999)	(3,227)	-	(389)	(5,978)	(1,745)	-	-	(15,338)
Carrying amount at the end of the period	3,550	96,388	1,472	55,769	-	3,041	1,268	-	1,228	162,716

*All property, plant and equipment are classified in the level 2 or level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 21 for details about the lease liability for right-of-use assets.

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For the period ended 30 June 2025

Parent

2023-24

	Land and buildings:				Plant and equipment:					
	Land	Buildings	Right-of-use	Capital	Accommod-	Medical/	Other plant	Right-of-use	Capital	Total
	\$'000	\$'000	buildings	works in	ation and	surgical/	and	plant and	works in	\$'000
			\$'000	progress	Leasehold	dental/	equipment	equipment	progress	
				land and	improve-	biomedical			plant and	
				buildings	ments	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	4,178	62,901	1,072	16,894	61	2,600	1,829	810	1,026	91,371
Additions	-	-	-	20,136	-	753	-	650	705	22,244
Disposals	-	-	-	-	-	(14)	(2)	-	-	(16)
Donated assets disposal	-	-	-	(637)	-	-	-	-	-	(637)
Transfers between asset classes	-	20,305	-	(20,290)	22	603	-	-	(640)	-
Subtotal:	4,178	83,206	1,072	16,103	83	3,942	1,827	1,460	1,091	112,962
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(2,377)	(486)	-	(79)	(1,085)	(292)	(539)	-	(4,858)
Subtotal:	-	(2,377)	(486)	-	(79)	(1,085)	(292)	(539)	-	(4,858)
Gains/(losses) for the period recognised in other comprehensive income:										
Revaluation increment / (decrement)	(628)	18,910	-	-	-	-	-	-	-	18,282
Subtotal:	(628)	18,910	-	-	-	-	-	-	-	18,282
Carrying amount at the end of the period*	3,550	99,739	586	16,103	4	2,857	1,535	921	1,091	126,386
Gross carrying amount										
Gross carrying amount	3,550	100,287	3,568	16,103	389	7,833	3,021	1,838	1,091	137,680
Accumulated depreciation / amortisation	-	(548)	(2,982)	-	(385)	(4,976)	(1,486)	(917)	-	(11,294)
Carrying amount at the end of the period	3,550	99,739	586	16,103	4	2,857	1,535	921	1,091	126,386

*All property, plant and equipment are classified in the level 2 or level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 21 for details about the lease liability for right-of-use assets.

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18. Reconciliation of intangible assets

The following table shows the movement:

Consolidated	2024-25			2023-24		
	Computer software \$'000	Capital works in progress intangibles \$'000	Total \$'000	Computer software \$'000	Capital works in progress intangibles \$'000	Total \$'000
Carrying amount at the beginning of the period	-	25	25	-	13	13
Additions	-	-	-	-	12	12
Amortisation	(71)	-	(71)	-	-	-
Transfers between asset classes	587	(25)	562	-	-	-
Carrying amount at the end of the period	516	-	516	-	25	25
Gross carrying amount						
Gross carrying amount	602	-	602	765	25	790
Accumulated amortisation	(86)	-	(86)	(765)	-	(765)
Carrying amount at the end of the period	516	-	516	-	25	25
Parent						
Carrying amount at the beginning of the period	-	25	25	-	13	13
Additions	-	-	-	-	12	12
Amortisation	(71)	-	(71)	-	-	-
Transfers between asset classes	587	(25)	562	-	-	-
Carrying amount at the end of the period	516	-	516	-	25	25
Gross carrying amount						
Gross carrying amount	602	-	602	765	25	790
Accumulated amortisation	(86)	-	(86)	(765)	-	(765)
Carrying amount at the end of the period	516	-	516	-	25	25

19. Fair value measurement

The Hospital classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 – traded in active markets, and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market, and are derived from inputs (inputs other than quoted prices included within Level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market, and are derived from unobservable inputs.

The Hospital's current use is the highest and best use of the asset unless other factors suggest an alternative use. As the Hospital did not identify any factors to suggest an alternative use, fair value measurement was based on current use. The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1.500 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to notes 16 and 19.2 and for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

19.1 Fair value hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The Hospital categorises non-financial assets measured at fair value at Level 3 which are all recurring.

Fair value measurements at 30 June 2025

	Consolidated			Parent		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements (Note 17)						
Land	19,085	-	19,085	3,550	-	3,550
Buildings and improvements	3,607	168,584	172,191	2,262	94,126	96,388
Total recurring fair value measurements	22,692	168,584	191,276	5,812	94,126	99,938

Fair value measurements at 30 June 2024

	Consolidated			Parent		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements (Note 17)						
Land	19,085	-	19,085	3,550	-	3,550
Buildings and improvements	1,323	181,199	182,522	-	99,739	99,739
Total recurring fair value measurements	20,408	181,199	201,607	3,550	99,739	103,289

There are no non-recurring fair value measurements.

The Hospital's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Valuation techniques and inputs used to derive Level 2 and 3 fair values are at note 16 and 19.2.

During 2024 and 2025, the Hospital had no valuations categorised into Level 1.

19.2 Valuation techniques and inputs

Land fair values were derived by using the market approach, being recent sales transactions of other similar land holdings within the region, adjusted for differences in key attributes such as property size, zoning and any restrictions on use, and then adjusted with a discount factor.

Due to the predominantly specialised nature of health service assets, the majority of land and buildings have been undertaken using a cost approach (depreciated replacement cost), an accepted valuation methodology under AASB 13 *Fair Value Measurement*. The extent of unobservable inputs and professional judgement required in valuing these assets is significant.

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Unobservable inputs used to arrive at final valuation figures included:

- Estimated remaining useful life, which is an economic estimate and by definition, is subject to economic influences;
- Cost rate, which is the estimated cost to replace an asset with the same service potential as the asset undergoing valuation (allowing for over-capacity), and based on a combination of internal records including: refurbishment and upgrade costs, historical construction costs, functional utility users, industry construction guides, specialised knowledge and estimated acquisition/transfer costs;
- Characteristics of the asset, including condition, location, any restrictions on sale or use and the need for ongoing provision of Government services;
- Effective life, being the expected life of the asset assuming general maintenance is undertaken to enable functionality but no upgrades are incorporated which extend the technical life or functional capacity of the asset; and
- Depreciation methodology, noting that AASB 13 *Fair Value Measurement* dictates that regardless of the depreciation methodology adopted, the exit price should remain unchanged.

20. Payables

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Current				
Creditors and accrued expenses	8,415	15,572	8,415	15,570
Paid Parental Leave Scheme	63	37	63	37
Other payables	664	257	664	203
Total current payables	9,142	15,866	9,142	15,810

Payables are measured at nominal amounts. Creditors and accruals are recognised for all amounts owed and unpaid. Contractual payables are normally settled within 15 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to their short term nature.

The Paid Parental Leave Scheme payable represents amounts which the Hospital has received from the Commonwealth Government to forward onto eligible staff via the Hospital's standard payroll processes. That is, the Hospital is acting as a conduit through which the payment to eligible staff is made on behalf of the Family Assistance Office.

Refer to note 30 for information on risk management.

21. Financial liabilities

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Current				
Lease liabilities	288	612	288	612
Total current financial liabilities	288	612	288	612
Non-current				
Lease liabilities	1,274	971	1,274	971
Total non-current financial liabilities	1,274	971	1,274	971
Total financial liabilities	1,562	1,583	1,562	1,583

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. Borrowing costs of \$0.072 million (\$0.057 million) relate to interest on lease liabilities. There were no defaults or breaches on any of the above liabilities throughout the year.

Refer to note 30 for information on risk management.

Refer note 16 and 17 for details about the right of use assets (including depreciation).

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21.1 Maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flows is reported in the table below:

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Lease Liabilities				
Within one year	335	644	335	644
Later than one year but not longer than five years	1,143	856	1,143	856
Later than five years	231	142	231	142
Total lease liabilities (undiscounted)	1,709	1,642	1,709	1,642

22. Staff related liabilities

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Current				
Accrued salaries and wages	10,492	8,669	10,492	8,669
Annual leave	25,865	22,977	25,865	22,977
Long service leave	3,389	3,154	3,389	3,154
Skills and experience retention leave	1,711	1,601	1,711	1,601
Staff on-costs	4,772	4,166	4,772	4,166
Total current staff related liabilities	46,229	40,567	46,229	40,567
Non-current				
Long service leave	36,809	34,299	36,809	34,299
Staff on-costs	2,119	1,538	2,119	1,538
Total non-current staff related liabilities	38,928	35,837	38,928	35,837
Total staff related liabilities	85,157	76,404	85,157	76,404

Staff related liabilities accrue as a result of services provided up to the reporting date that remain unpaid. Long-term staff related liabilities are measured at present value and short-term staff related liabilities are measured at nominal amounts.

22.1 Salaries and wages, annual leave, skills and experience retention leave and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability and the skills and experience retention leave liability are expected to be payable within 12 months and are measured at the undiscounted amounts expected to be paid.

As a result of the actuarial assessment performed by DTF, the salary inflation rate has increased from the 2024 rate (2.4%) to 3.2% for annual leave and skills and experience retention leave liability. As a result, there is an increase in the staff related liabilities and staff related expenses of \$0.214 million. The impact on future periods is impractical to estimate.

No provision has been made for sick leave, as all sick leave is non-vesting, and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

22.2 Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations which, are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities and the health sector across government.

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has remained unchanged at 4.25%. The actuarial assessment performed by DTF leaves the salary inflation rate unchanged from 2024 at 3.5% for long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is immaterial. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The split of long service leave between current and non-current is based on the best estimate of the amount to be paid based on leave taken in prior years.

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22.3 Staff on-costs

Staff on-costs include Return to Work SA levies and superannuation contributions and are settled when the respective staff related liabilities that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to staff. Estimates as to the proportion of long service leave estimate to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognized as a consequence of long service leave liabilities.

The Hospital makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed superannuation schemes.

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has increased from 2024 (38%) to 47% and the average factor for the calculation of employer superannuation on-costs has increased from the 2024 rate (11.5%) to 12.0% to reflect the increase in super guarantee. These rates are used in the staff on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the staff on-cost liability and staff related expenses of \$0.649 million. The estimated impact on future periods is impracticable to estimate.

23. Provisions

Provisions represent workers compensation.

Reconciliation of workers compensation (statutory and non-statutory)

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	7,530	7,779	7,530	7,779
Payments	(2,547)	(1,933)	(2,547)	(1,933)
Remeasurement	298	(38)	298	(38)
Additions	2,181	1,722	2,181	1,722
Carrying amount at the end of the period	7,462	7,530	7,462	7,530

Workers compensation

The Hospital is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs. Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial estimate of the outstanding liability as at 30 June 2025 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

The workers compensation provision includes the additional compensation scheme. The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are non-serious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

There is a significant degree of uncertainty associated with estimating future claims and expense payments, and also around the timing of future payments due to the variety of factors involved. The liability is impacted by the agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions. In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meet, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

24. Contract liabilities and other liabilities

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Current				
Contract liabilities	2,121	3,696	2,121	3,696
Residential aged care bonds	30,987	28,161	30,987	28,161
Other	53	52	53	52
Total contract liabilities and other liabilities	33,161	31,909	33,161	31,909

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A contract liability is recognised for revenue relating to home care packages, training programs and other health programs received in advance and is realised as agreed milestones have been achieved. All performance obligations from these existing contracts (deferred service income) will be satisfied during the next reporting period and accordingly all amounts will be recognised as revenue.

Residential aged care bonds are accommodation bonds, refundable accommodation contributions and refundable accommodation deposits. These are non-interest bearing deposits made by aged care facility residents to the Hospital upon their admission to residential accommodation. The liability for accommodation is carried at the amount that would be payable on exit of the resident. This is the amount received on entry of the resident less applicable deductions for fees and retentions pursuant to the *Aged Care Act 1997*. Residential aged care bonds are classified as current liabilities as the Hospital does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. The obligation to settle could occur at any time. Once a refunding event occurs the other liability becomes interest bearing. The interest rate applied is the prevailing interest rate at the time as prescribed by the Commonwealth Department of Health and Aged Care. The majority of residential aged care bonds are held in term deposits with the remainder primarily held as cash. Refer to note 12.

25. Cash flow reconciliation

Reconciliation of net cash provided by operating activities in the net result:	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Net cash provided by (used in) operating activities	9,591	10,392	11,122	9,646
Add/less non-cash items				
Asset donated free of charge	(3,773)	-	(4,940)	(637)
Capital revenues	50,874	17,556	50,874	17,556
Depreciation and amortisation expense of non-current assets	(10,216)	(10,179)	(5,712)	(4,858)
Gain/(loss) on sale or disposal of non-current assets	(3,822)	(395)	(179)	(16)
Interest credited directly to investments	188	186	63	60
Resources received free of charge	26	-	26	-
Movement in assets/liabilities				
Increase/(decrease) in inventories	255	227	255	227
Increase/(decrease) in receivables	(647)	(574)	(611)	(320)
(Increase)/decrease in other liabilities	(1,252)	702	(1,252)	701
(Increase)/decrease in payables and provisions	6,313	(2,239)	6,257	(2,369)
(Increase)/decrease in staff benefits	(8,457)	(8,093)	(8,457)	(8,093)
Net result	39,080	7,583	47,446	11,897

Total cash outflows for leases is \$0.741 million (\$1.025) million.

26. Unrecognised contractual commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Expenditure commitments	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Within one year	9,977	13,987	9,977	13,987
Later than one year but not longer than five years	3,150	4,738	3,150	4,738
Later than five years	600	1,128	600	1,128
Total expenditure commitments	13,727	19,853	13,727	19,853

The Hospital expenditure commitments are for agreements for goods and services ordered but not received and memorandum of administrative arrangements with DIT for accommodation and are disclosed at nominal amounts.

27. Trust funds

The Hospital holds money in trust on behalf of consumers that reside in LHN facilities whilst the consumer is receiving residential mental health services, residential drug and alcohol rehabilitation services, or residential aged care services. As the Hospital only performs custodial role in respect of trust monies, they are excluded from the financial statements as the Hospital cannot use these funds to achieve its objectives.

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	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Carry amount at the beginning of period	14	12	14	12
Client trust receipts	32	18	32	18
Client trust payments	(27)	(16)	(27)	(16)
Carrying amount at the end of the period	19	14	19	14

28. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed within this note and, if quantifiable are measured at nominal value. The Hospital is not aware of any contingent assets and has made no guarantees.

The terms of offer for a new *South Australian Allied Health Professionals, Assistants and Psychologists Enterprise Agreement 2025* were presented on 13 June 2025, contingent on an agreement being reached and approval by the South Australian Employment Tribunal (SAET). In accordance with the terms of the new Enterprise Agreement eligible staff are entitled to, among other things, salary increases of 4.0% per annum back dated to the first full pay period after 1 May 2025. The financial impact of backpay and remeasurement of staff related liabilities estimated to be \$0.489 million.

Negotiations have commenced for several other enterprise agreements which have nominally expired. Arrears payments may become due for employment up to 30 June 2025, if salary increases or other changes to entitlements are backdated, contingent on acceptance by members and approval by SAET. It is impossible to estimate the financial impact, timing, or likelihood.

The hospital has commenced an internal review of Nurses Rural and Remote Incentive Payment (Nurses zone allowance) and has identified instances of potential underpayments. The financial impact of these underpayments is estimated to be \$0.117 million. As the detailed review is ongoing, the timing and amount of any required payments remain uncertain.

29. Events after balance date

On 6 July 2025, allied health workers supported the terms for a new *South Australian Allied Health Professionals, Assistants and Psychologists Enterprise Agreement 2025*. The Enterprise Agreement was approved by SAET on 11 August 2025.

On 1 September 2025, Salaried Medical Officers endorsed the terms for a new *SA Health Salaried Medical Officers Enterprise Agreement 2025*, including 3.5% salary increase backdated to 14 April 2025 among the changes to conditions and entitlements. The proposed Enterprise Agreement is yet to be approved by SAET. Also refer to note 28.

30. Financial instruments/financial risk management

30.1 Financial risk management

The Hospital's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Liquidity Risk

The Hospital is funded principally by the SA Government. The Hospital works with the SA Government to determine the cash flows associated with the SA Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows. Refer to note 1.4, 20 and 21 for further information.

Credit risk

The Hospital has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Hospital has minimal concentration of credit risk. No collateral is held as security and no credit enhancements relate to financial assets held by the Hospital. Refer to notes 13 and 14 for further information.

Market risk

The Hospital does not engage in hedging for its financial assets. Exposure to interest rate risk may arise through interest bearing liabilities, including borrowings. There is no exposure to foreign currency or other price risks.

30.2 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, maturity analysis and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

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The carrying amounts of each of the following categories of financial assets and liabilities: financial assets measured at amortised cost; financial assets measured at fair value through profit or loss; financial assets measured at fair value through other comprehensive income; and financial liabilities measured at amortised cost are detailed below. All of the resulting fair value estimates are included in Level 2 as all significant inputs required are observable.

Financial assets and financial liabilities are measured at amortised cost. Amounts relating to statutory receivables and payables (e.g. Commonwealth taxes; audit fees etc.) and prepayments are excluded as they are not financial assets or liabilities. Receivables and Payables at amortised cost are \$5.214 million (\$6.271 million) and \$9.040 million (\$15.665 million) respectively.

30.3 Credit risk exposure and impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9 *Financial Instruments*.

The Hospital uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors. The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties. Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

The carrying amount of receivables approximates net fair value due to being receivable on demand. Receivables are written off when there is no reasonable expectation of recovery and not subject to enforcement activity. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the Hospital.

To measure the expected credit loss, receivables are grouped based on shared risks characteristics and the days past due. When estimated expected credit loss, the Consolidated entity considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Hospital's historical experience and informed credit assessment, including the forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The Hospital's historical credit loss experience and forecast of economic conditions may not be representative of customers' actual default in the future.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor. The following table provides information about the credit risk exposure and expected credit loss for non-government debtors:

CONSOLIDATED AND PARENT

	30 June 2025			30 June 2024		
	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000
Days past due						
Current	0.1 - 4.8%	1,025	23	0.1-5.0%	1,126	15
<30 days	0.8 - 6.0%	411	15	0.6-6.0%	520	15
31-60 days	2.1 - 8.6%	248	9	1.6-8.1%	156	9
61-90 days	3.6 - 15.0%	106	12	3.7-11.8%	137	10
91-120 days	4.2 - 19.4%	110	12	4.5-15.0%	278	25
121-180 days	5.5 - 25.8%	64	10	5.7-20.4%	173	19
181-360 days	10.1 - 67.0%	295	71	8.2-63.1%	340	121
361-540 days	13.5 - 99.2%	190	58	21.0-94.2%	148	87
>540 days	15.7 - 100.0%	259	94	24.1-100%	231	132
Total		2,708	304		3,109	433

31. Significant transactions with government related entities

The Hospital is controlled by the SA Government.

Related parties of the Hospital include all key management personnel, and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Significant transactions with the SA Government are identifiable throughout this financial report.

The Hospital received funding from the SA Government via the Department (note 2), and incurred significant expenditure via the Department for medical, surgical and laboratory supplies, computing and insurance (note 9). The Department transferred capital works in progress of \$35.614 million (\$18.765 million) to the Hospital. The Hospital incurred significant expenditure with the Department for Infrastructure and Transport (DIT) for occupancy rent and rates \$0.868 million (\$0.650 million) (note 9). The value of unrecognised contractual expenditure commitments for accommodation with DIT is \$3.001 million (\$3.621 million) (note 26.1).

32. Interests in other entities

The Hospital has interests in a number of other entities as detailed below.

Controlled Entities

The Hospital has effective control over, and a 100% interest in, the net assets of the HACs. The HACs were established as a consequence of the Act being enacted and certain assets, rights and liabilities of the former Hospitals and Incorporated Health Centres were vested in them with the remainder being vested in the Hospital.

By proclamation dated 26 June 2008, the following assets, rights and liabilities were vested in the Incorporated HACs:

- all real property, including any estate, interest or right in, over or in respect of such property except for all assets, rights and liabilities associated with any land
- all real property, including any estate, interest or right in, over or in respect of such property except for all assets, rights and liabilities associated with any land dedicated under any legislation dealing with Crown land; and
- all funds and personal property held on trust and bank accounts and investments that are solely constituted by the proceeds of fundraising except for all gift funds, and other funds or personal property constituting gifts or deductible contributions under *the Income Tax Assessment Act 1997* (Commonwealth).

The HACs have no powers to direct or make decisions with respect to the management and administration of the Hospital.

The Hospital also has effective control over, and a 100% interest in, the net assets of the associated GFTs. The GFT's were established by virtue of a deed executed between the Department for Health and Wellbeing and the individual HAC.

Health Advisory Council		
Incorporated HACs		
Barossa and Districts Health Advisory Council Inc	Country Health Gift Fund Health Advisory Council Inc*	Eudunda Kapunda Health Advisory Council Inc
Gawler District Health Advisory Council Inc	Hills Area Health Advisory Council Inc	Kangaroo Island Health Advisory Council Inc
Southern Fleurieu Health Advisory Council Inc		

Gift Fund Trusts		
Incorporated GFTs		
The trustee for Country Health Gift Fund Health Advisory Council Inc Gift Fund Trust *	The trustee for Barossa and Districts Health Advisory Council Inc Gift Fund Trust	The trustee for Eudunda Kapunda Health Advisory Council Inc Gift Fund Trust
The trustee for Gawler District Health Advisory Council Inc Gift Fund Trust	The trustee for Hills Area Health Advisory Council Inc Gift Fund Trust	The trustee for Kangaroo Island Health Advisory Council Inc Gift Fund Trust
The trustee for Southern Fleurieu Health Advisory Council Inc Gift Fund Trust		

*Country Health Gift Fund Health Advisory Council Inc and its associated GFT is now dissolved following the finalisation of the transfer of net assets from the GFTs associated with the previously unincorporated HACs (dissolution by Government Gazette notice, effective 30 May 2025). Refer to note 1.6.

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33. Board and committee members

Members of boards/committees that served for all or part of the financial year and were entitled to receive income from membership in accordance with APS124.B were:

Board/Committee name:	Government employee members	Other members
Country Health Gift Fund Health Advisory Council Inc***	2	Fuller J (Chair)
Barossa Hills Fleurieu Local Health Network Governing Board	-	Hazel J (Chair), Batt R, Blackwell P, Gaston C (resigned 30/6/2024)**, Russell G, Williams H, Zimmermann A, Tedesco H (appointed 01/07/2024), Watson I (appointed 01/07/2024, resigned 31/01/2025)
Barossa Hills Fleurieu Audit and Risk Committee*	-	Russell G (Chair), Batt R, Zimmermann A, Tedesco H
Barossa Hills Fleurieu Clinical Governance Committee*	8	Williams H (Chair), Tedesco H
Barossa Hills Fleurieu Consumer and Community Engagement Committee*	6	Blackwell P (Chair), Zimmermann A, Brook J, Hourigan K, Richardson H.
Rural Support Service Governance Committee*	3	Batt R (Chair), Blackwell P, Cook L, Ottaway M, Dunchue L, Badenoch J, Irving J

*only independent members are entitled to receive remuneration for being a member on this committee.

** resigned 2023-24 but final payment made in 2024-25.

*** The Country Health Gift Fund Health Advisory Council Inc dissolved effective 30 May 2025.

Refer to note 8.2 for remuneration of board and committee members.

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34. Administered items

The Hospital administers Private Practice arrangements. This represents funds billed on behalf of salaried medical officers. The Net assets will be subsequently distributed to the Hospital and salaried medical officers according to individual Rights of Private Practice Deeds of Agreement.

	2025	2024
	\$'000	\$'000
Revenue from fees and charges	4,744	4,721
Other expenses	(4,644)	(4,785)
Net result	100	(64)
Cash and cash equivalents	427	328
Receivables	2	4
Payables	-	(3)
Net assets	429	329
Cash at 1 July	328	386
Cash inflows	4,743	4,724
Cash outflows	(4,644)	(4,782)
Cash at 30 June	427	328