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To the Chief Executive Department of Human Services

Opinion

I have audited the financial report of the Department of Human Services for the financial year ended 30 June 2025.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department of Human Services as at 30 June 2025, its financial performance and cash flows for 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 and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2025
- a Statement of Administered Financial Position as at 30 June 2025
- a Statement of Administered Cash Flows for the year ended 30 June 2025
- a Schedule of Income and Expense attributable to Administered Items for the year ended 30 June 2025
- notes, comprising material accounting policy and other explanatory information for administered items
- a Certificate from the Chief Executive and the Chief Financial Officer.

Basis for opinion

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 Department of Human Services. 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 opinion.

Responsibilities of the Chief Executive for the financial report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and 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 that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive is responsible for assessing the 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.

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*, I have audited the financial report of the Department of Human Services 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 Department of Human Services' internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive'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.

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 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.



Andrew Blaskett
Auditor-General

23 September 2025

Department of Human Services

Financial Statements
For the year ended 30 June 2025

Department of Human Services
Certification of Financial Statements
for the year ended 30 June 2025

We certify that the:

- financial statements of the Department of Human Services:
 - are in accordance with the accounts and records of the department;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the department 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 Department of Human Services for the financial year over its financial reporting and its preparation of the financial statements have been effective.



Sandy Pitcher
Chief Executive

15 September 2025



Nick Ashley
Chief Financial Officer

15 September 2025

Department of Human Services
Statement of Comprehensive Income
for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
<u>Income</u>			
Appropriation	3.1	1 203 409	981 178
Fees and charges	3.2	7 439	7 816
Grants and subsidies	3.3	70 731	152 636
Intra-government transfers	3.4	30 271	9 355
Sales of goods and services	3.5	158 540	128 147
Resources received free of charge	3.6	6 883	6 128
Other income	3.7	3 076	4 172
Total income		1 480 349	1 289 432
<u>Expenses</u>			
Employee related expenses	4.1	330 302	292 877
Supplies and services	4.2	110 594	97 216
Grants and funded services	4.4	170 855	84 694
NDIS expenses	4.5	880 724	808 253
Assets transferred for nil consideration	4.6	14 690	-
Net loss from disposal of assets	4.7	108	48
Depreciation and amortisation	5.7	8 268	6 403
Other expenses	4.8	1 361	845
Total expenses		1 516 902	1 290 336
Net result		(36 553)	(904)
<u>Other comprehensive income</u>			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus		17 721	67 369
Total other comprehensive income		17 721	67 369
Total comprehensive result		(18 832)	66 465

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

Department of Human Services
Statement of Financial Position
as at 30 June 2025

	Note	2025 \$'000	2024 \$'000
<u>Current assets</u>			
Cash and cash equivalents	5.2, 7.2	224 218	218 709
Receivables	5.3	28 252	43 498
Inventories	5.4	296	253
Non-current assets held for sale	5.6	1 467	-
Total current assets		254 233	262 460
<u>Non-current assets</u>			
Receivables	5.3	806	1 155
Property, plant and equipment	5.7	190 578	176 257
Capital works in progress	5.10	776	23 962
Intangible assets	5.11	-	313
Total non-current assets		192 160	201 687
Total assets		446 393	464 147
<u>Current liabilities</u>			
Payables	6.2	20 231	23 052
Other financial liabilities	6.3	329	1 309
Employee related liabilities	6.4	48 008	45 362
Provisions	6.5	12 894	10 817
Other non-financial liabilities	6.6	1 079	1 095
Total current liabilities		82 541	81 635
<u>Non-current liabilities</u>			
Other financial liabilities	6.3	1 085	2 475
Employee related liabilities	6.4	36 694	35 193
Provisions	6.5	46 694	40 624
Other non-financial liabilities	6.6	2 724	3 379
Total non-current liabilities		87 197	81 671
Total liabilities		169 738	163 306
Net assets		276 655	300 841
<u>Equity</u>			
Contributed capital		74 325	74 325
Retained earnings		109 523	140 441
Asset revaluation surplus		92 807	86 075
Total equity		276 655	300 841

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Department of Human Services
Statement of Changes in Equity
for the year ended 30 June 2025

		Contributed capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
	Note				
Balance at 1 July 2023		74 325	18 706	141 345	234 376
Net result for 2023-24		-	-	(904)	(904)
Gain/(loss) on revaluation of property, plant and equipment		-	67 369	-	67 369
Total comprehensive result for 2023-24		-	67 369	(904)	66 465
Balance at 30 June 2024		74 325	86 075	140 441	300 841
Prior period adjustments			-	(3 563)	(3 563)
Adjusted balance at 1 July 2024		74 325	86 075	136 878	297 278
Net result for 2024-25		-	-	(36 553)	(36 553)
Gain on revaluation of land and buildings		-	17 721	-	17 721
Total comprehensive result for 2024-25		-	17 721	(36 553)	(18 832)
Net liabilities transferred in from an administrative restructure	1.3	-	-	(1 791)	(1 791)
Transfer between equity components		-	(10 989)	10 989	-
Balance at 30 June 2025		74 325	92 807	109 523	276 655

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

Department of Human Services
Statement of Cash Flows
for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
<u>Cash flows from operating activities</u>			
<u>Cash inflows</u>			
Appropriation		1 203 409	981 178
Fees and charges		9 394	7 335
Grants and subsidies		66 272	152 636
Intra-government transfers		34 730	9 355
Sales of goods and services		178 115	118 635
GST recovered		31 139	24 765
Other receipts		3 076	4 145
<u>Cash outflows</u>			
Employee related payments		(320 787)	(298 129)
Supplies and services		(118 548)	(103 216)
Grants and funded services		(190 939)	(97 755)
NDIS contributions		(881 704)	(747 166)
Other		(879)	(454)
GST paid to the ATO		(5 259)	-
Net cash from/(used in) operating activities	7.2	8 019	51 329
<u>Cash flows from investing activities</u>			
<u>Cash inflows</u>			
Proceeds from sale of assets		-	910
<u>Cash outflows</u>			
Purchase of property, plant and equipment and intangible assets		(1 068)	(6 186)
Net cash from/(used in) investing activities		(1 068)	(5 276)
<u>Cash flows from financing activities</u>			
<u>Cash outflows</u>			
Repayment of principal portion of lease liabilities		(1 442)	(997)
Net cash from/(used in) financing activities		(1 442)	(997)
Net increase/(decrease) in cash and cash equivalents		5 509	45 056
Cash and cash equivalents at the beginning of the period		218 709	173 653
Cash and cash equivalents at the end of the period	5.2, 7.2	224 218	218 709

The accompanying notes form part of these financial statements.

Department of Human Services

Notes to and forming part of the financial statements

for the year ended 30 June 2025

1. About the Department of Human Services

The Department of Human Services (the department) is a government department of South Australia, established pursuant to the *Public Sector Act 2009* as an administrative unit acting on behalf of the Crown.

The department does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the department.

The department has administered activities and resources. Transactions and balances relating to administered items are presented in the administered financial statements separately.

1.1. Basis of preparation

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

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

Material accounting policies are set out throughout the notes.

No Australian Accounting Standards have been early adopted.

For the purposes of preparing the financial statements, the department is a not-for-profit entity. The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). 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.

The department 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;
- 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.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.2. Objectives and Programs

Objectives

The department delivers strategies, programs and services that improve the wellbeing and safety of South Australians.

Program 1: Women, Equality and Domestic, Family and Sexual Violence Prevention

The Women, Equality and Domestic, Family and Sexual Violence (DFSVM) Prevention program supports the full, safe and equal participation of women in the social and economic life of the state. Priorities include leading and coordinating the state government's response to the Royal Commission into Domestic, Family and Sexual Violence, implementing strategies to address and prevent DFSVM; striving for equality for women in all areas of the community; and increasing women's economic participation and leadership. The program provides cross government leadership on strategies and policy that promotes gender equality, strategic development and coordination of services that promote women's safety. It also provides funding and contract management of key initiatives including the Domestic and Family Violence Safety Alliance and those with a focus on domestic and family violence prevention and response. This program includes statewide information and referral services through the Women's Information Service (WIS).

Program 2: Communities and Families

The Communities and Families program commissions, funds and delivers services that improve the lives of individuals and families across South Australia. The program fosters inclusion, participation, safety, wellbeing and resilience across the South Australian community, including through place-based responses.

The program includes concessions and rebates which increase financial resilience; investing in the community through grants and funding; family preservation and support services to keep children safe in their families and communities and connected to culture; interpreting and translating services; employment related screening services and the regulation of restrictive practices in NDIS services. It also includes strategies to support young and ageing South Australians and increase volunteering.

The program actively partners and collaborates with Aboriginal people, communities and organisations, sharing decision-making and seeking to work in culturally appropriate ways.

Program 3: Youth Justice

The Youth Justice program is responsible for supervising children and young people on community-based youth justice mandates and in custody at Kurlana Tapa Youth Justice Centre.

Youth Justice contributes to community safety by supporting children and young people to desist from offending behaviour.

Program 4: Disability

The Disability program includes strategies to advance the inclusion of people with a disability by working with Commonwealth and state government agencies, the National Disability Insurance Agency (NDIA), the non-government sector and the broader disability community. It includes state disability reform and national disability policy, as well as direct service provision.

Program 5: Homelessness

The Homelessness program is responsible for strategic oversight and commissioning of the specialist homelessness sector. This program provides support to individuals and families who are experiencing or at risk of experiencing homelessness, management of homelessness information and data systems, and the extreme weather response.

The table on the following page presents income and expenses attributable to each program. Assets and liabilities are not disclosed as they cannot be reliably allocated across the programs.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.2. Objectives and Programs (continued)

Expenses and Income by program

	Women, Equality and Domestic, Family and Sexual Violence Prevention		Communities and Families		Youth Justice	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Income</u>						
Appropriation	-	-	-	-	-	-
Fees and charges	23	27	1 353	976	246	257
Grants and subsidies	11 660	11 129	36 413	35 313	294	12
Intra-government transfers	-	-	-	-	-	-
Sales of goods and services	-	3	25 212	19 207	-	26
Resources received free of charge	74	74	2 359	1 860	767	686
Other income	22	71	2 011	2 356	251	311
Total income	11 779	11 304	67 348	59 712	1 558	1 292
<u>Expenses</u>						
Employee related expenses	4 293	3 294	100 099	75 974	40 040	35 216
Supplies and services	1 493	1 311	51 467	38 121	9 444	8 915
Grants and funded services	38 535	16 382	70 889	66 649	1 685	1 041
NDIS expenses	-	-	-	-	-	-
Assets transferred for nil consideration	-	-	-	-	14 690	-
Net loss from disposal of assets	-	-	32	2	10	-
Depreciation and amortisation	137	105	2 051	1 645	3 556	2 721
Other expenses	10	16	301	265	677	95
Total expenses	44 468	21 108	224 839	182 656	70 102	47 988
Net result	(32 689)	(9 804)	(157 491)	(122 944)	(68 544)	(46 696)

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.2. Objectives and Programs (continued)

	Disability		Homelessness		General / Not Attributable		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Income</u>								
Appropriation	-	-	-	-	1 203 409	981 178	1 203 409	981 178
Fees and charges	5 806	6 555	11	-	-	-	7 439	7 816
Grants and subsidies	22 325	106 182	39	-	-	-	70 731	152 636
Intra-government transfers	-	-	-	-	30 271	9 355	30 271	9 355
Sales of goods and services	133 328	108 912	-	-	-	-	158 540	128 147
Resources received free of charge	3 649	3 508	34	-	-	-	6 883	6 128
Other income	786	1 434	6	-	-	-	3 076	4 172
Total income	165 894	226 591	90	-	1 233 680	990 533	1 480 349	1 289 432
<u>Expenses</u>								
Employee related expenses	184 211	178 393	1 659	-	-	-	330 302	292 877
Supplies and services	47 843	48 869	347	-	-	-	110 594	97 216
Grants and funded services	1 129	622	58 617	-	-	-	170 855	84 694
NDIS expenses	880 724	808 253	-	-	-	-	880 724	808 253
Assets transferred for nil consideration	-	-	-	-	-	-	14 690	-
Net loss from disposal of assets	66	46	-	-	-	-	108	48
Depreciation and amortisation	2 507	1 932	17	-	-	-	8 268	6 403
Other expenses	370	469	3	-	-	-	1 361	845
Total expenses	1 116 850	1 038 584	60 643	-	-	-	1 516 902	1 290 336
Net result	(950 956)	(811 993)	(60 553)	-	1 233 680	990 533	(36 553)	(904)

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.3. Changes to the department

Transfers in

Homelessness Services

As a result of an administrative arrangements outlined in the South Australian Government Gazette on 27 June 2024, the functions of Homelessness Services transferred from the South Australian Housing Trust to the department. The effective date of the transfer was 1 July 2024.

Office for Ageing Well

As a result of an administrative arrangements outlined in the South Australian Government Gazette on 27 June 2024, the Office for Ageing Well transferred from the Department for Health and Wellbeing to the department. The effective date of the transfer was 1 July 2024.

The following assets and liabilities were transferred to the department:

	Homelessness Services 1 July 2024 \$'000	Office for Ageing Well 1 July 2024 \$'000	Total \$'000
Employee related liabilities	235	1 556	1 791
Total liabilities	235	1 556	1 791
Total net liabilities transferred	(235)	(1 556)	(1 791)

Net assets assumed by the department because the administrative restructure are the carrying amount of those assets and liabilities in the transferor's Statement of Financial Position immediately prior to transfer. The net assets transferred were treated as contributions by the government as owner.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.4. Budget performance

The budget performance table compares the department's outcomes against budget information presented to Parliament (2024-25 Budget Paper 4). Appropriation reflects appropriation issued to special deposit accounts controlled by the department. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

Statement of Comprehensive Income	Note	Original budget 2025 \$'000	Actual 2025 \$'000	Variance \$'000
<u>Income</u>				
Appropriation		1 118 873	1 203 409	84 536
Fees and charges		12 683	7 439	(5 244)
Grants and subsidies		35 272	70 731	35 459
Intra-government transfers		29 060	30 271	1 211
Sales of goods and services		163 086	158 540	(4 546)
Resources received free of charge		-	6 883	6 883
Other income		768	3 076	2 308
Total income		1 359 742	1 480 349	120 607
<u>Expenses</u>				
Employee related expenses		303 809	330 302	26 493
Supplies and services		60 479	110 594	50 115
Grants and funded services		106 226	170 855	64 629
NDIS expenses		880 832	880 724	(108)
Assets transferred for nil consideration		-	14 690	14 690
Net loss from disposal of assets		-	108	108
Depreciation and amortisation		7 966	8 268	302
Other expenses		10 339	1 361	(8 978)
Total expenses		1 369 651	1 516 902	147 251
Net result		(9 909)	(36 553)	(26 644)
<u>Other comprehensive income</u>				
Items that will not be reclassified to net result				
Changes in property, plant and equipment asset revaluation surplus		-	17 721	17 721
Total other comprehensive income		-	17 721	17 721
Total comprehensive result		(9 909)	(18 832)	(8 923)

	Original budget 2025 \$'000	Actual 2025 \$'000	Variance \$'000
Investing expenditure summary			
Total new and existing projects	2 387	1 173	(1 214)
Total annual programs and leases	2 635	4 348	1 713
Total investing expenditure	5 022	5 521	499

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses. There are no variances in 2024-25 that exceed both thresholds.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.5. Significant transactions with government related entities

Significant transactions with the SA Government are identifiable throughout this financial report, including:

- Note 3.3. Grants and subsidies
- Note 3.4 Intra-government transfers
- Note 4.2 Accommodation provided by the Department for Infrastructure and Transport.

2. Board and committees

The Chief Executive is responsible to the Premier and the department's Ministers for supporting the achievement of the Government's objectives, the effective management of the department and the general conduct of its employees. A performance agreement, developed between the Chief Executive and the Ministers, outlines key agency leadership priorities and indicators of success for the financial year.

The Executive Leadership Team (ELT) is the principal governance and management body of DHS. ELT supports the Chief Executive to set and effectively monitor the strategic agenda, direction, governance, performance and culture of the department.

DHS board and committees are tasked with providing oversight and leadership of specific department responsibilities. This includes the Risk Management and Audit Committee which is responsible for overseeing risk management, internal controls, financial reporting, auditing and monitoring compliance with laws, policies and relevant codes of conduct, and reports to the Chief Executive.

2.1. Key management personnel

Key management personnel of the department include the Minister, the Chief Executive and 8 executive positions.

The compensation disclosed in this note excludes salaries and other benefits the Ministers receive. The Ministers' 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 under section 6 the *Parliamentary Remuneration Act 1990*. Refer to the administered financial statement.

	2025	2024
	\$'000	\$'000
Compensation		
Salaries and other short term employee related expenses	2 679	2 262
Post-employment benefits	308	260
Termination benefits	-	175
Total compensation	2 987	2 697

Transactions with key management personnel and other related parties

The department had no material transactions or balances and/or transactions outside normal day-to-day operations to disclose during the reporting period with key management personnel or their close family.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

2.2. Board and committee members

Members during the 2024-25 financial year were:

Risk Management and Audit Committee

C Mitchell	Chair
N Ashley*	Member
E Moran	Member
A Reid*	Member
S Waters	Member

Premier's Council for Women

F Dorman	Chair	
K Briggs	Member	
K Jamieson	Member	
S Mapuvire	Member	
I Marshall	Member	Expired
K Mundy	Member	
N Saunders*	Member	
M Smith	Member	Resigned
N Wade	Member	Expired
K Wanganeen	Member	Appointed

Grants SA Assessment Panel

L Albrecht	Member	Reappointed
C Bell	Member	Reappointed
T Biddlecombe	Member	Reappointed
I Bosio	Member	Reappointed
R Cunningham	Member	Resigned
C Duncan	Member	Reappointed
E Frankel	Member	Expired
P Gale	Member	Reappointed
K House	Member	Resigned
B Nolan	Member	Reappointed
J Russo	Member	Reappointed
S Ryan	Member	Reappointed
J Stone	Member	Expired
N Vassos	Member	Resigned
D Webb	Member	Reappointed

State Emergency Relief Fund Committee

R Ambler*	Chair	
N Ashley*	Member	
K Barr*	Member	
M Bradley*	Member	Appointed
L Connell*	Member	Expired
T Forde*	Member	
M Griffiths*	Member	
S Paul*	Member	
N Schranz*	Member	Resigned

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

2.2. Board and committee members (continued)

Disability Minister's Advisory Council

A Francis	Chair	Appointed
S Anna-Faria	Member	Appointed
B Caldwell	Member	Appointed
K Chia	Member	Reappointed
T Colquhoun	Member	Appointed
N Cook*	Member (Ex Officio)	Reappointed
S Crowley	Member	Reappointed
E Fraser-Barbour	Member	Expired
V Heather	Member	Appointed
A Holden	Member	Appointed
B Lambert	Member	Reappointed
K Langton	Member	Expired
S Maso	Member	Resigned
J Mcloughlin	Member	Expired
R Nankivell	Member	Appointed
B Owen	Member	Reappointed
S Philavong	Member	Expired
P Saunders	Member	Appointed
S Secomb	Member	Appointed
A Shiell	Member	Expired
M Taggart	Member	Expired
G Taylor	Member	Appointed

LGBTIQA+ Minister's Advisory Council

Varo*	Chair	Reappointed
J Anderson	Member	Reappointed
M Barnes	Member	Reappointed
S Bates	Member	Appointed
K Bird	Member	Appointed
L Brinsley	Member	Expired
N Cook*	Member (Ex Officio)	Reappointed
K Gbla	Member	Reappointed
L Hackworth*	Member	Reappointed
R Hatwell	Member	Appointed
A Hawkins-Nicholls	Member	Expired
S Henschke	Member	Expired
G Kellis	Member	Appointed
K Lawler*	Member	Appointed
B Mcaloney	Member	Expired
T Masson*	Member	Appointed
S Moran	Member	Expired
J Scott	Member	Appointed
H Skene	Member	Appointed
L Solonsch	Member	Reappointed
L Tong	Member	Appointed
L Young	Member	Expired
T Young	Member	Expired

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

2.2. Board and committee members (continued)

Youth Minister's Advisory Council

Z Leblond	Chair	Reappointed
S Ali	Member	Appointed
J Bingham	Member	Reappointed
L Boundey	Member	Reappointed
A Burgos-Garabelli	Member	Expired
A Cook	Member	Expired
N Cook*	Member (Ex Officio)	Reappointed
W Day	Member	Expired
E Gill	Member	Appointed
S Green	Member	Reappointed
T Hoey	Member	Appointed
A Hughes	Member	Appointed
T Manivel	Member	Appointed
J Munyonge	Member	Expired
A Musarra	Member	Reappointed
S Richards	Member	Expired
T Sanderson-Bromley	Member	Expired
H Staunton	Member	Appointed
J Tefler	Member	Appointed
J Tresidder	Member	Appointed
R Vijayan	Member	Appointed

South Australian Gender Pay Gap Taskforce

Taskforce creased on 31 March 2025

S Andrews*	Chair	Expired
O Bennell	Member	Resigned
N Brown	Member	Expired
J Carney*	Member	Expired
A Kay	Member	Expired
A Kendall	Member	Expired
C Kulik	Member	Expired
M O'Callaghan	Member	Expired
J Pickering	Member	Expired
J Purdie	Member	Resigned
E Ranieri*	Member	Expired
S Vas Dev*	Member (Ex Officio)	Expired
R Womersley	Member	Expired

* Government employees did not receive any remuneration for board/committee duties during the financial year in accordance with the Premier and Cabinet's Circular PC016, *Remuneration for Government Appointed Part-time Board and Committee*.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

2.2. Board and committee members (continued)

Board and committee remuneration

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax paid.

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

	2025	2024
\$0	61	17
\$1 - \$19 999	54	77
Total number of members	115	94

The total remuneration received or receivable by members was \$0.057 million (2024: \$0.074 million). Where a board or committee member has been appointed, resigned, retired or ceased their term during the year, this has been disclosed above.

3. Income

3.1. Appropriation

	2025	2024
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	1 203 409	963 281
Appropriation from Governor's Appropriation Fund	-	17 897
Total appropriation	1 203 409	981 178
Net revenues from SA Government	1 203 409	981 178

Appropriation is recognised upon receipt.

Appropriation pursuant to the *Appropriation Act* (the Act) consists of \$1,203.409 million (2024: \$963.281 million) used for operational funding, inclusive of \$5.022 million (2024: \$8.613 million) for capital projects.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

3.2. Fees and charges

	2025	2024
	\$'000	\$'000
Client fees	4 640	5 004
Business services	1 472	1 453
Rent	984	1 188
Other fees and charges	343	171
Total fees and charges	7 439	7 816

Client fees relates to supported accommodation provided to DHS managed clients to help offset the cost of supporting the daily living needs, including provision of utilities, groceries, household consumables etc. Revenue is recognised at a point in time when the support is provided.

Business services are provided to the SA Housing Trust (SAHT) as per the Memorandum of Administrative Arrangements (MOAA), where revenue is recognised when services are provided.

All other fees and charges are recognised upon receipt.

3.3. Grants and subsidies

	2025	2024
	\$'000	\$'000
Commonwealth-sourced grants		
Disability Support for Older Australians	15 874	17 990
Family, Domestic and Sexual Violence Response	9 852	10 347
Residential Aged Care	3 371	3 535
Safety and Wellbeing Programme	1 200	1 260
Living Safe Together Intervention Program Expansion	748	748
DisabilityCare Australia Fund	-	83 430
Other	3 105	3 281
Total Commonwealth-sourced grants	34 150	120 591
SA Government grants and subsidies		
National Education Reform Agreement	21 760	21 230
Community Development Fund	3 400	3 000
APY Lands Youth Programs and Family Services	2 662	2 676
Screening System Transformation	2 636	2 100
Funding Central System Replacement	1 823	-
Other grants from SA Government agencies	4 300	3 039
Total SA Government grants and subsidies	36 581	32 045
Total grants and subsidies	70 731	152 636

The Disability Support for Older Australians is funded under an agreement between the Commonwealth and the department. Revenue is recognised at a point in time and adjusted at the end of the financial year for any unspent funding.

All other Commonwealth-sourced grants and funding are recognised in accordance with AASB 1058 as income on receipt.

SA Government grants and subsidies and transfers are recognised as income on receipt. The funding arrangements either have no enforceable agreement or the performance obligations are not sufficiently specific.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

3.4. Intra-government transfers

	2025	2024
	\$'000	\$'000
Transfer received from other SA Government entities		
DTF Contingency Fund - Other	30 271	8 604
DTF Contingency Fund - TVSP reimbursement	-	751
Total intra-government transfers	30 271	9 355

Intra-government transfers are recognised as income on receipt.

3.5. Sales of goods and services

	2025	2024
	\$'000	\$'000
Provision of disability support services	133 327	109 009
Screening check fees	17 809	12 171
Interpreter and translator services	7 404	6 967
Total sales of goods and services	158 540	128 147

The department recognises revenue from the following major sources:

Provision of disability support services

Care is provided in group homes and facilities to provide assistance with daily personal care and community activities. This includes services such as supported independent living, community participation and support coordination. Revenue is recognised at a point in time which is when the support is provided. These services are billed in arrears.

Screening check fees

The department's screening unit provides checks of workers and volunteers to organisations, contributing to creating safe environments for children and other vulnerable people. Prices are set by the State Government, with volunteer checks provided free of charge.

Approximately 89% of requests are paid upon request and approximately 11% paid by account. Refunds may occasionally occur within a few days of the initial request, often due to a request relating to a current existing screening check.

After a request, the screening check is usually provided within three weeks, with the exception of a small number of checks that may require further investigation or are complex in nature. Revenue is recognised at a point in time that the screening check is requested.

Interpreter and translator services

The department's Interpreting and Translating Centre (ITC) provides interpreting and translating assignments to private and business clients from a wide range of cultural and linguistic backgrounds.

Base fee schedules are used to calculate each service request. In some instances, a service may change upon delivery. For example, an extension in translating is required at the time of providing the service and the quoted price may be adjusted. Revenue is recognised when the service is provided.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

3.6. Resources received free of charge

	2025	2024
	\$'000	\$'000
Shared Services SA (SSSA)	4 720	4 291
Department of Treasury and Finance (DTF)	1 851	1 837
Audit Office of South Australia (Audit SA)	312	-
Total resources received free of charge	6 883	6 128

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.

Following Cabinet's approval to cease intra-government charging, the department receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from SSSA valued at \$4.720 million (2024: \$4.291 million). In addition, DTF provides ICT services valued at \$1.804 million (2024: \$1.791 million) and media monitoring services valued at \$0.047 million (2024: \$0.046 million). During 2024-25, the department also received audit services free of charge from Audit SA valued at \$0.312 million.

3.7. Other income

	2025	2024
	\$'000	\$'000
Recoveries	2 574	3 934
Other	502	238
Total other income	3 076	4 172

Recoveries mainly relate to the recovery of funds for grants, salaries and wages and goods and services.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

4. Expenses

4.1. Employee related expenses

	2025	2024
	\$'000	\$'000
Salaries and wages	236 790	218 891
Superannuation	29 968	26 688
Annual leave	23 714	22 561
Workers compensation	16 787	1 211
Payroll Tax	14 656	13 553
Long service leave	5 650	6 919
Skills and experience retention leave	971	914
Targeted voluntary separation packages	555	1 156
Eligible termination payments	540	288
Board and committee fees	58	86
Other employee related expenses	613	610
Total employee related expenses	330 302	292 877

The superannuation expense represent the department's contributions to superannuation plans in respect of current services of current employees.

Remuneration of employees

The number of employees whose remuneration received or receivable falls within the following bands:

	2025	2024
	No.	No.
\$166,001 to \$171,000*	n/a	4
\$171,001 to \$191,000	15	9
\$191,001 to \$211,000	13	4
\$211,001 to \$231,000	4	8
\$231,001 to \$251,000	8	8
\$251,001 to \$271,000	4	2
\$271,001 to \$291,000	1	2
\$291,001 to \$311,000	1	1
\$311,001 to \$331,000	3	-
\$331,001 to \$351,000	-	1
\$351,001 to \$371,000	1	3
\$371,001 to \$391,000	1	-
\$391,001 to \$411,000	-	1
\$451,001 to \$471,000	1	-
\$471,001 to \$491,000	-	1
\$551,001 to \$571,000	1	-
Total	53	44

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year.

Total remuneration received by these employees for the year was \$12.478 million (2024: \$10.471 million).

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who left the department.

*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2023-24.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

4.1. Employee related expenses (continued)

Targeted voluntary separation packages (TVSPs)

The number of employees who received a TVSP during the reporting period was 6 (2024: 12).

	2025	2024
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	555	1 156
Leave paid to separated employees	138	674
Recovery from the DTF	-	(751)
Net cost to the department	693	1 079

4.2. Supplies and services

	2025	2024
	\$'000	\$'000
Contractors and agency staff	21 273	23 271
Information technology and communication charges	16 888	14 081
Accommodation	15 629	13 733
Brokerage care services	13 697	9 536
Business services	7 242	6 544
Client related expenses	6 890	6 769
Crimtrac history check fees	4 996	3 078
Motor vehicles	3 800	2 848
Minor equipment	3 484	3 113
Insurance	1 903	1 107
Seminars courses and training	1 723	1 593
Printing, stationery, postage and periodicals	1 581	1 619
Repairs and maintenance	1 440	1 392
Travel and accommodation	1 332	1 367
Consultants	369	315
Drugs and medical supplies	233	264
Low-value leases	115	66
Short term leases	111	202
Other	7 888	6 318
Total supplies and services	110 594	97 216

Accommodation

Most of the department's accommodation is provided by the Department for Infrastructure and Transport (DIT) under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease and accordingly are expensed.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

4.3. Expenditure – SA Business and Non-SA Business

The following table includes all expenditure in relation to contracts above \$55,000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instructions 18 – *Procurement* (TI 18). Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST.

	2025 \$'000	Proportion SA and non-SA businesses
Total expenditure with South Australian businesses	151 608	91%
Total expenditure with non-South Australian businesses	14 110	9%
Total expenditure	165 718	100%

Classification of SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to the department, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI 18.

TI 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI 18 definition and in some instances includes the cost of goods sourced from outside South Australia.

The disclosure includes funded services with not-for-profit organisations. These are procurements to provide goods and/or services on behalf of the department.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

4.4. Grants and funded services

Grants and funded services by program	2025 \$'000	2024 \$'000
Homelessness Services	58 617	-
Family, Domestic and Sexual Violence Response	38 534	16 382
Child and Family Support Grants	28 919	29 859
Family and Community Development	12 753	9 864
Community Connections	12 449	11 935
Financial Hardship Programs	8 678	8 357
Aboriginal Community Benefit Grants	5 061	3 999
Other	5 844	4 298
Total grants and funded services	170 855	84 694

Grants and funded services paid are usually subject to terms and conditions set out in the contract, correspondence or by legislation. Funded services are paid to not-for-profit organisations to provide goods and/or services on behalf of the department.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

4.5. NDIS expenses

Total NDIS expenses for the year were \$880.724 million (2024: \$808.253 million). The department makes payments to the NDIA for the NDIS pursuant to the *National Disability Insurance Act 2013* and in accordance with the Bilateral Agreement between the Commonwealth of Australia and the State of South Australia. South Australia's financial contribution is adjusted for transitional provisions including in-kind services that South Australia continue to provide to NDIS participants and invoice wash-up adjustments.

4.6. Assets transferred for nil consideration

	2025 \$'000	2024 \$'000
Land	14 690	-
Total assets transferred for nil consideration	14 690	-

Under the Post Release Supported Accommodation Service initiative, land at Jonal Drive, Cavan was transferred to Department of Correctional Services on 20 November 2024.

4.7. Net gain / (loss) from disposal of assets

	2025 \$'000	2024 \$'000
<u>Assets held for sale</u>		
Proceeds from disposal	-	910
Less carrying amount of assets disposed	-	(931)
Net gain from disposal of asset held for sale	-	(21)
<u>Plant and equipment</u>		
Less carrying amount of assets disposed	(108)	(27)
Net gain/(loss) from disposal of plant and equipment	(108)	(27)
<u>Total disposal of assets</u>		
Total proceeds from disposal	-	910
Less total carrying amount of assets disposed	(108)	(958)
Net gain/(loss) from disposal of owned assets	(108)	(48)
Total net gain/(loss) from disposal of assets	(108)	(48)

4.8. Other expenses

	2025 \$'000	2024 \$'000
Donated assets	587	-
Interest expense on lease liabilities	203	80
Impairment loss	430	-
Impairment of receivables	(204)	393
Other	345	372
Total other expenses	1 361	845

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

4.8. Other expenses (continued)

Other

Audit fees include the fair value of resources received free of charge for audit services received from Audit SA of \$0.312 million (2024: \$0.312 million) for work performed under the *Public Finance and Audit Act 1987*. No other services were provided by Audit SA.

5. Assets

5.1. Financial assets

	2025 Carrying amount \$'000	2024 Carrying amount \$'000
Financial assets measured at amortised cost		
Cash and cash equivalents	224 218	218 709
Contractual receivables	10 204	17 006
Total financial assets	234 422	235 715

5.2. Cash and cash equivalents

	2025 \$'000	2024 \$'000
Deposits with the Treasurer (special deposit accounts)		
Operating Account	222 647	217 084
Other deposits	1 550	1 525
Total deposits with the Treasurer (special deposit accounts)	224 197	218 609
Advance accounts	21	100
Total cash and cash equivalents in the Statement of Financial Position	224 218	218 709
Total cash and cash equivalents in the Statement of Cash Flows	224 218	218 709

Deposits with the Treasurer

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

The department does not earn interest on its deposits with the Treasurer. Some of the department's appropriation is deposited into the Accrual Appropriation Excess Funds account. Although the department controls the money in the Accrual Appropriation Excess Funds account, its use must be approved by the Treasurer. The balance of the Accrual Appropriation Excess Fund account at 30 June is \$135.185 million (2024: \$135.185 million).

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

5.3. Receivables

	2025	2024
	\$'000	\$'000
<u>Current</u>		
<u>Contractual receivables</u>		
From SA government entities	2 946	1 113
From non-SA government entities	7 409	16 286
Less impairment loss on contractual receivables	(151)	(393)
Total contractual receivables	10 204	17 006
Recoveries for NDIS contributions	7 684	6 704
Accrued revenue	5 328	17 296
GST input tax recoverable	2 575	-
Prepayments	1 716	1 609
Overpaid salaries	599	618
Other receivables	146	265
Total current receivables	28 252	43 498
<u>Non-current</u>		
Other receivables - workers compensation	806	1 155
Total non-current receivables	806	1 155
Total receivables	29 058	44 653

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

It is not anticipated that counter-parties will fail to discharge their obligations, other than those recognised in the impairment loss of receivable. The carrying amount of contractual receivables approximates net fair value due to being receivable on demand.

There is no concentration of credit risk. Refer to note 9.2 for information on risk management.

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.

Impairment of contractual receivables

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

Allowance for impairment loss on contractual receivables

	2025	2024
	\$'000	\$'000
Carrying amount at the beginning of the period	393	27
Increase/(decrease) in allowance recognised in profit or loss	(204)	379
Amounts written off	(38)	(13)
Carrying amount at the end of the period	151	393

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. Refer to note 9.2 for details regarding credit risk and the methodology for determining impairment.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

5.4. Inventories

Total current inventories as at 30 June 2025 is \$0.296 million (2024: \$0.253 million).

Inventories held for distribution at no or nominal consideration are measured at cost and adjusted when applicable for any loss of service potential. Inventories held for sale are measured at the lower of cost or their net realisable value.

Cost for all other inventory is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

Cost of inventories

The cost recognised as an expense for raw materials and consumables is \$0.043 million.

5.5. Useful life and depreciation of non-financial assets

Depreciation expense

All non-current assets, with a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential. Land and non-current assets held for sale are not depreciated.

Useful life

Depreciation and amortisation are calculated on a straight-line basis over the estimated useful life as follows:

<i>Class of asset</i>	<i>Useful life (years)</i>
Buildings	1-34
Accommodation and leasehold improvements	2-25
Plant and equipment	3-15
Right-of-use buildings	lease term (1-8 years)
Computer software	3-5

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected 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.

The department revalued its buildings as at 30 June 2025 which resulted in an increase in the fair value of the buildings. The impact of this on future depreciation expense is estimated to be \$1.326 million.

Depreciation and amortisation expenses are presented in the reconciliation tables in note 5.7 and note 5.11.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

5.6. Non-current asset classified held for sale

	2025	2024
	\$'000	\$'000
Land	1 250	-
Building	217	-
Total non-current assets classified as held for sale	1 467	-

A property at Cheltenham was listed on the market during 2024-25 and a property at Moonta is scheduled to be transferred to the South Australia Housing Trust in 2025-26. The fair value hierarchy for non-current assets classified as held for sale is land classified at level 2 and buildings, plant and equipment classified at level 3.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

5.7. Property, plant and equipment by asset class

Property, plant and equipment comprises owned and right-of-use (leased) tangible assets that do not meet the definition of investment property.

Reconciliation 2024-25

	Land \$'000	Buildings \$'000	Accommodation and leasehold improvements \$'000	Plant and equipment \$'000	ROU buildings \$'000	ROU vehicles \$'000	Total \$'000
Carrying amount at 1 July 2024	74 560	89 612	4 150	4 264	1 482	2 189	176 257
Prior period adjustment	-	(2 454)	-	-	-	-	(2 454)
Restated carrying amount at 1 July 2024	74 560	87 158	4 150	4 264	1 482	2 189	173 803
Additions	-	-	-	65	249	3 583	3 897
Disposals	-	-	-	(108)	-	-	(108)
Asset derecognised	-	-	-	-	-	(4 669)	(4 669)
Transfers (to)/from assets held for sale	(1 250)	(217)	-	-	-	-	(1 467)
Donated assets	-	-	-	(587)	-	-	(587)
Impairment assets	-	(429)	-	-	-	-	(429)
Revaluation increment/(decrement)	6 231	11 490	-	-	-	-	17 721
Transfers (to)/from works in progress	-	24 375	-	687	-	-	25 062
Assets transferred out at nil consideration	(14 690)	-	-	-	-	-	(14 690)
Subtotal:	64 851	122 377	4 150	4 321	1 731	1 103	198 533
Gains/(losses) for the period recognised in net result:							
Depreciation and amortisation for the year	-	(4 819)	(668)	(967)	(398)	(1 103)	(7 955)
Subtotal:	-	(4 819)	(668)	(967)	(398)	(1 103)	(7 955)
Carrying amount at the end of the period	64 851	117 558	3 482	3 354	1 333	-	190 578
Gross carrying amount							
Gross carrying amount	64 851	117 558	8 556	8 348	1 939	-	201 252
Accumulated depreciation/amortisation	-	-	(5 074)	(4 994)	(606)	-	(10 674)
Carrying amount at the end of the period	64 851	117 558	3 482	3 354	1 333	-	190 578

All property, plant and equipment owned by the department are classified in the level 3 fair value hierarchy except for land valued at \$54.145 million and buildings valued at \$3.263 million are classified in level 2, with total depreciation of \$0.367 million also classified in level 2. Capital works in progress are not classified. Refer to note 9.1 for more information about the fair value hierarchy and note 6.3 for details about the lease liability for right-of-use assets and liabilities.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

5.7. Property, plant and equipment by asset class (continued)

Reconciliation 2023-24

	Land \$'000	Buildings \$'000	Accommodation and leasehold improvements \$'000	Plant and equipment \$'000	ROU buildings \$'000	ROU vehicles \$'000	Total \$'000
Carrying amount at 1 July 2023	32 432	66 607	5 075	4 658	319	966	110 057
Prior period adjustment	-	-	(246)	-	-	-	(246)
Restated carrying amount at 1 July 2023	32 432	66 607	4 829	4 658	319	966	109 811
Additions	-	-	-	330	1 361	2 075	3 766
Disposals	-	-	-	(27)	-	-	(27)
Revaluation increment/(decrement)	41 433	25 936	-	-	-	-	67 369
Transfers (to)/from works in progress	-	-	-	308	-	-	308
Transfers (to)/from assets held for sale	695	27	-	-	-	-	722
Subtotal:	74 560	92 570	4 829	5 269	1 680	3 041	181 949
Gains/(losses) for the period recognised in net result:							
Depreciation and amortisation for the year	-	(2 958)	(679)	(1 005)	(198)	(852)	(5 692)
Subtotal:	-	(2 958)	(679)	(1 005)	(198)	(852)	(5 692)
Carrying amount at the end of the period	74 560	89 612	4 150	4 264	1 482	2 189	176 257
Gross carrying amount							
Gross carrying amount	74 560	89 612	8 630	10 275	1 798	3 142	188 017
Accumulated depreciation/amortisation	-	-	(4 480)	(6 011)	(316)	(953)	(11 760)
Carrying amount at the end of the period	74 560	89 612	4 150	4 264	1 482	2 189	176 257

All property, plant and equipment owned by the department are classified in the level 3 fair value hierarchy except for land valued at \$68.835 million and buildings valued at \$3.630 million are classified in level 2, with total depreciation of \$0.180 million also classified in level 2. Capital works in progress are not classified. Refer to note 9.1 for more information about the fair value hierarchy and note 6.3 for details about the lease liability for right-of-use assets and liabilities.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

5.8. Property, plant and equipment owned by the department

Property, plant and equipment owned by the department with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the department is recorded at fair value. The department's approach to fair value is set out in note 9.1.

Impairment

Property, plant and equipment owned by the department is assessed for impairment on an annual basis. A building in Woodville was determined to have structural damage caused by a combination of termites and wood rot. At 30 June 2025, the asset was fully impaired.

5.9. Property, plant and equipment leased by the department

Right-of-use (ROU) assets for property, plant and equipment leased by the department as lessee are measured at cost.

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 ROU assets. The associated lease payments are recognised as an expense and are disclosed in note 4.2.

The department has a limited number of leases:

- One lease with DIT for a residential property in Ceduna, with rent paid monthly. No contingent rental provisions exist within the lease agreement and there is no right of renewal at the end of the lease.
- One lease with TAFE SA for office accommodation at Whyalla campus with rent paid monthly. No contingent rental provisions exist within the lease agreement and there is an option to renew the lease at the end of its term.
- One lease with Townsend House Inc (Can:Do 4Kids) for office accommodation at Can:Do Group's Noarlunga facility with rent paid monthly. No contingent rental provisions exist within the lease agreement and there is no right of renewal at the end of its lease.
- One lease with Southern Adelaide Local Health Network Incorporated acting through Drug and Alcohol Services South Australia for office accommodation at Stepney. Rent will be invoiced on a quarterly basis and is payable in advance. No contingent rental provisions exist within the lease agreement and there is no right of renewal at the end of its lease.
- One lease with SAHT for property as part of the Community Lease Program. Rent is paid monthly in advance. No contingent rental provisions exist within the lease agreement and there is no right of renewal at the end of its lease.
- One lease with the Noarlunga Health Village for office accommodation as part of the Strong Start Program. Rent is paid monthly in advance. No contingent rental provisions exist within the lease agreement and there is no right of renewal at the end of its lease.

Effective 1 April 2025, motor vehicle lease contractual arrangements with SAFA Fleet are no longer accounted for under AASB 16 *Leases*. From 1 April 2025, SAFA Fleet motor vehicle lease payments were recorded directly in the Income Statement. All related right-of-use assets (ROU) and liabilities up to 31 March 2025 were derecognised in accordance with the changes.

The lease liabilities related to the ROU assets and the department's maturity analysis of its lease liabilities are disclosed in note 6.3. Expenses related to leases, including amortisation and interest expenses, are disclosed in note 5.7 and 4.8. Cash outflows related to leases are disclosed in note 7.2.

Impairment

Property, plant and equipment leased by the department has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

5.10. Capital works in progress

	2025	2024
	\$'000	\$'000
Property, plant and equipment in progress at cost	776	23 962
Total capital works in progress	776	23 962

The following table shows the movement of capital works in progress:

	2025	2024
	\$'000	\$'000
Carrying amount at the beginning of the period	23 962	16 311
Purchases	1 876	7 959
Transfers to completed works	(25 062)	(308)
Carrying amount at the end of the period	776	23 962

Capital works in progress is not classified in the fair value hierarchy. Refer to note 9.1 for more information.

5.11. Intangible assets

The department has intangible assets relating to both internally developed and externally acquired computer software. 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 accumulated amortisation and any accumulated impairment losses.

The acquisition of internally developed 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.

All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 *Intangible Assets* are expensed. There was no indication of impairment for intangible assets as at 30 June 2025.

The following table shows the movement of intangible assets:

	2025	2024
	\$'000	\$'000
Carrying amount at the beginning of the period	313	1 024
Amortisation	(313)	(711)
Carrying amount at the end of the period	-	313
Gross carrying amount		
Gross carrying amount	11 962	11 962
Accumulated amortisation	(11 962)	(11 649)
Carrying amount at the end of the period	-	313

Internally developed computer software has been fully depreciated.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

6. Liabilities

6.1. Financial liabilities

	2025	2024
	Carrying	Carrying
	amount	amount
	\$'000	\$'000
Financial liabilities measured at amortised cost		
Contractual payables	9 469	10 196
Lease liabilities	1 414	3 784
Total financial liabilities	10 883	13 980

6.2. Payables

	2025	2024
	\$'000	\$'000
<u>Current</u>		
Trade payables	9 469	10 196
Accrued expenses	8 282	8 390
Unearned revenue	1 270	-
GST Payables	-	2 684
Other	1 210	1 782
Total current payables	20 231	23 052
Total payables	20 231	23 052

Payables and accruals are recognised for all amounts owed and unpaid. 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 represents approximate net fair value due to their short-term nature.

6.3. Other financial liabilities

The department's financial liabilities are all lease liabilities of \$1.414 million (2024: \$3.784 million), refer to note 5.9. The department measures these at discounted future lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTFs incremental borrowing rate. There were no defaults or breaches throughout the year.

The interest expense associated with these lease liabilities was \$0.2 million (2024: \$0.080 million). The department does not capitalise borrowing costs.

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

	2025	2024
	\$'000	\$'000
Lease liabilities		
Within one year	311	1 389
Later than one year but not longer than five years	1 103	2 706
Later than five years	-	8
Total lease liabilities (undiscounted)	1 414	4 103

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

6.4. Employee related liabilities

	2025	2024
	\$'000	\$'000
<u>Current</u>		
Annual leave	27 085	26 574
Accrued salaries and wages	9 061	8 203
Long service leave	3 690	3 001
Skills and experience retention leave	1 298	1 239
Employment on-costs	6 874	6 345
Total current employee related liabilities	48 008	45 362
<u>Non-current</u>		
Long service leave	33 209	31 918
Employment on-costs	3 485	3 275
Total non-current employee related liabilities	36 694	35 193
Total employee related liabilities	84 702	80 555

Employee related liabilities are accrued as a result of services provided up to the reporting date that remain unpaid. Apart from long service leave liability, employee related liabilities are measured at nominal amounts.

Salary 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 remuneration rates current at reporting date.

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

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.

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.

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability.

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 wages levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds at the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has remained at 4.25% in 2025 (2024:4.25%).

The bond yield is used as the rate to discount future long service leave cash flows.

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 actuarial assessment performed by DTF left the salary inflation rate the same at 3.5% (2024: 3.5%) for the long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

6.4. Employee related liabilities (continued)

The current portion of employee related liabilities reflects the amount for which the department does not have right to defer settlement for at least 12 months after reporting date. For long service leave, the amount relates to leave approved before year end that will be taken within 12 months, expected amount of leave to be approved and taken by eligible employees within 12 months, and expected amount of leave to be paid on termination to eligible employees within 12 months.

Employment on-costs liabilities

Employment on-costs liabilities include payroll tax, Fringe Benefits Tax, Pay As You Go Withholding, ReturnToWorkSA levies and superannuation contributions. They are settled when the respective employee benefits that they relate to are discharged. These on-costs liabilities primarily relate to the balance of leave owing to employees. The estimated proportion of long service leave to be taken as leave, rather than to be paid on termination, affects whether certain on-costs liabilities recognised as a consequence of long service leave liabilities.

The department contributes 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 respective superannuation funds.

As a result of an actuarial assessment performed by DTF, the proportion of long service leave taken as leave has remained the same at 44% in 2024 and 2025. The average factor for the calculation of employer superannuation on-costs has changed from the 2024 rate 11.5% to 12% in 2025. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost and employee benefits expense of \$0.534 million. The impact on future periods is impracticable to estimate.

6.5. Provisions

	2025	2024
	\$'000	\$'000
<u>Current</u>		
Workers compensation	11 668	10 471
Insurance	1 226	346
Total current provisions	12 894	10 817
<u>Non-current</u>		
Workers compensation	46 694	40 624
Total non-current provisions	46 694	40 624
Total provisions	59 588	51 441

Reconciliation of workers compensation

	2025	2024
	\$'000	\$'000
Carrying amount at the beginning of the period	51 095	60 529
Increase/(Decrease) to provision due to revision of estimates	16 225	1 211
Reduction due to payments	(8 958)	(10 645)
Carrying amount at the end of the period	58 362	51 095

The department is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the department 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.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

6.5. Provisions (continued)

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 assessment of the outstanding liability as at 30 June 2025 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

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 nonserious 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 claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions. The department is responsible for the payment of workers compensation claims.

Reconciliation of insurance provision

The following table shows the movement of insurance during 2024-25:

	Public liability \$'000	Property \$'000	Total \$'000
Carrying amount at the beginning of the period	326	20	346
Increase to provision due to new claims	740	-	740
Net revision of estimates	142	(2)	140
Carrying amount at the end of the period	1 208	18	1 226

The following table shows the movement of insurance during 2023-24:

	Public liability \$'000	Property \$'000	Total \$'000
Carrying amount at the beginning of the period	71	42	113
Increase to provision due to new claims	220	-	220
Reduction due to payments	-	(20)	(20)
Net revision of estimates	35	(2)	33
Carrying amount at the end of the period	326	20	346

6.6. Other non-financial liabilities

	2025 \$'000	2024 \$'000
Current		
Accommodation incentive	654	654
Unclaimed monies	84	84
Other liabilities	341	357
Total current other non-financial liabilities	1 079	1 095
Non-current		
Accommodation incentive	2 724	3 379
Total non-current other non-financial liabilities	2 724	3 379
Total other non-financial liabilities	3 803	4 474

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

6.6. Other non-financial liabilities (continued)

Accommodation incentive liabilities relate to arrangements with DIT for office accommodation. These arrangements do not comprise leases and the accommodation incentives do not comprise financial liabilities. DIT has provided incentives for fit out free of charge to the department. The benefit of these incentives are spread over the accommodation term so that each year reported accommodation expenses reflect the economic substance of the office accommodation arrangements and related benefits provided.

7. Other disclosures

7.1. Equity

The asset revaluation surplus is used to record increments and decrements in the fair value of property, plant and equipment to the extent that they offset one another.

7.2. Cash flow

Reconciliation of net result to cash flows from operating activities

	2025	2024
	\$'000	\$'000
<u>Reconciliation of net cash provided by operating activities to net result</u>		
Net cash provided by/(used in) operating activities	8 019	51 329
<u>Add / (less) non-cash items</u>		
Depreciation and amortisation expense of non-current assets	(8 268)	(6 403)
Accommodation incentive amortisation	655	626
Assets transferred out at nil consideration	(14 690)	-
Impairment of non-current assets	(430)	-
Gain/loss on sale or disposal of non-current assets	(108)	(48)
Capital accruals	1 057	2 103
Donated assets	(587)	-
<u>Movement in assets and liabilities</u>		
Increase/(decrease) in receivables	(15 595)	(49 488)
Increase/(decrease) in inventories	43	57
(Increase)/decrease in provisions	(8 147)	9 201
(Increase)/decrease in payables	3 859	(4 048)
(Increase)/decrease in employee related liabilities	(2 356)	(4 238)
(Increase)/decrease in other liabilities	(5)	5
Net result	(36 553)	(904)

Total cash outflows for leases were \$0.847 million (2024: \$1.309 million)

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

8. Outlook

8.1. Unrecognised contractual commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual sources. They are disclosed at their nominal value and inclusive of non-recoverable GST.

Contractual commitments

	2025	2024
	\$'000	\$'000
Within one year	7 369	7 492
Later than one year but not longer than five years	23 600	25 185
Later than five years	2 657	9 140
Total expenditure commitments	33 626	41 817

The department's expenditure commitments primarily consist of MOAA with DIT for accommodation.

Grant commitments

	2025	2024
	\$'000	\$'000
Within one year	153 934	70 945
Later than one year but not longer than five years	112 651	26 009
Total grant commitments	266 585	96 954

Grant commitments consists of fixed amounts specified in the grant contract.

8.2. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The terms of offer for a proposed 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 approved by the South Australian Employment Tribunal (SAET). In accordance with the terms of the new Enterprise Agreement, eligible staff are entitled to, amongst other items, salary increases backdated to the first full pay period after 1 May 2025. The financial impact of the backpay cannot be reliably measured at this stage.

8.3. Impact of standards not yet effective

The department has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet effective and does not expect these to have a material impact on the department's statements.

8.4. Events after the reporting period

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 the SAET on 11 August 2025. Refer to note 8.2.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

9. Measurement and risk

9.1. Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial recognition

Non-current tangible assets owned by the department are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

Revaluation

Property, plant and equipment owned by the department are subsequently measured at fair value after allowing for accumulated depreciation.

The revaluation process is reviewed by the department each year.

Non-current tangible assets are valued at fair value and revaluation of non-current assets, or a group of assets, is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

A full site revaluation is undertaken on a regular cycle every six years. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset class will be revalued regardless of when the last valuation 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.

Fair value hierarchy

The department 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 department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

During 2025 and 2024, the department had no valuations categorised into level 1; there were no transfers of assets between level hierarchy levels.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

9.1. Fair value (continued)

Land and buildings

In June 2025, the department undertook an internal assessment of land and buildings using the indices methodology developed by DTF. Land and building indices for the financial year were provided by the Office of the Valuer-General.

The results of the valuation were considered to have a material impact on the department's assets and were processed accordingly.

The indices adopted were based on the local government area for the land and buildings. The majority of assets were valued using indices under the market approach, with the cost approach used for specialised buildings.

Plant and equipment

All items of plant and equipment had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life of less than three years. Plant and equipment have not been revalued in accordance with APS 116.D. The carrying values of these items are deemed to approximate fair value.

9.2. Financial instruments

Financial risk management

Departmental risk management policies are in accordance with the *Risk Management Guide* issued by the Premier and Treasurer and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

The department'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 department is funded principally from appropriation by the SA Government. The department works with DTF to determine the cash flows associated with its 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 7.1 and 7.2 for further information.

Credit risk

The department has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The department has minimal concentration of credit risk.

No collateral is held as security and no credit enhancements relate to financial assets held by the department.

Impairment of financial assets

Loss allowances for contractual receivables are measured at an amount equal to lifetime expected credit loss (ECL) using the simplified approach in AASB 9. The department uses an allowance matrix to measure the expected credit loss of contractual receivables from non-government debtors which comprise a large number of small balances.

To measure the expected credit losses, contractual receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the department 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 department's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the department is exposed to credit risk.

Department of Human Services
Notes to and forming part of the financial statements
for the year ended 30 June 2025

9.2. Financial instruments (continued)

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

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.

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
2025			
Current (not past due)	2 571	0.00%	-
1 - 30 days past due	509	1.22%	6
31 - 60 days past due	184	1.82%	3
61 - 90 days past due	80	2.15%	2
More than 90 days past due	4 065	3.43%	140
Total	7 409		151

Loss rates are based on actual history of credit loss. 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.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the department and a failure to make contractual payments for a period of greater than 180 days past due.

Impairment losses on the department's receivables arising from the department's contracts with customers were \$38,000 in 2025(2024: \$13,000).

Cash and debt instruments

The department considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

All of the department's debt instruments at amortised cost are considered to have low credit risk and the consideration of expected credit loss was limited to 12 months expected losses. The expected credit loss is nil.

Market risk

The department does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the government's risk management strategy articulated in TI 23 *Management of Foreign Currency Exposures*.

There have been no changes in risk exposure since the last reporting period.

Categorisation of financial instruments

Details of the material accounting policy information and methods adopted including the criteria for recognition, the basis of measurement, 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.

The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these balances (refer to note 5.3 and 6.2).

Classification of financial instruments

The department measures all financial instruments at amortised cost. All financial assets and liabilities carrying amounts equal their fair value as at 30 June 2025 and are expected to be settled within one year excluding lease liabilities. Maturity analysis for lease liabilities is presented in note 6.3.

Department of Human Services

**Administered Financial Statements
for the year ended 30 June 2025**

Department of Human Services
Statement of Administered Comprehensive Income
for the year ended 30 June 2025

		2025	2024
	Note	\$'000	\$'000
<u>Administered income</u>			
Appropriation	A2.1	292 312	334 574
Grants and subsidies	A2.2	272 658	67 282
Intra-government transfers		49	135
Fees and charges		160	415
Interest		2 703	933
Client Trust receipts	A5.2	7 708	8 335
Net gain from disposal of assets	A2.3	-	17 355
Other income		758	837
Total administered income		576 348	429 866
<u>Administered expenses</u>			
Employee related expenses		415	396
Supplies and services		2 586	3 174
Grants and funded services	A3.1	511 864	401 767
Client Trust payments	A5.2	8 592	9 527
Donations		-	49
Total administered expenses		523 457	414 913
Net result		52 891	14 953
Total comprehensive result		52 891	14 953

The accompanying notes form part of these financial statements.

Department of Human Services
Statement of Administered Financial Position
as at 30 June 2025

	Note	2025 \$'000	2024 \$'000
<u>Administered current assets</u>			
Cash and cash equivalents	A4.2	159 278	112 839
Receivables		221	111
Total current assets		159 499	112 950
Total assets		159 499	112 950
<u>Administered current liabilities</u>			
Payables		42 431	48 773
Total current liabilities		42 431	48 773
Total liabilities		42 431	48 773
Net assets		117 068	64 177
<u>Administered equity</u>			
Retained earnings		117 068	64 177
Total equity		117 068	64 177

The accompanying notes form part of these financial statements.

Department of Human Services
Statement of Administered Cash Flows
for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
<u>Cash flows from operating activities</u>			
<u>Cash inflows</u>			
Appropriation		292 312	334 574
Grants and funding		272 707	67 417
Fees and charges		159	428
Interest		2 594	908
Client Trust receipts		7 708	8 335
GST received on sale of property, plant and equipment		-	4 205
Other receipts		758	837
<u>Cash outflows</u>			
Employee related payments		(414)	(409)
Supplies and services		(4 067)	(6 727)
Concessions		(480 987)	(361 491)
Grants and funded services		(31 534)	(31 370)
Client Trust payments		(8 592)	(9 527)
Donations paid		-	(49)
Other payments		-	(5)
GST paid to the ATO		(4 205)	-
Net cash from/(used in) operating activities	A5.1	46 439	7 126
<u>Cash flows from investing activities</u>			
Proceeds from the sale of property, plant and equipment		-	42 052
Cash generated from investing activities		-	42 052
Net cash from/(used in) investing activities		-	42 052
Net increase / (decrease) in cash and cash equivalents		46 439	49 178
Cash and cash equivalents at the beginning of the period		112 839	63 661
Cash and cash equivalents at the end of the period	A4.2	159 278	112 839

The accompanying notes form part of these financial statements.

Department of Human Services
Schedule of Income and Expense attributable to Administered Items
for the year ended 30 June 2025

Administered income and expense by program	Client Trust Accounts		Charitable Social Welfare Fund		Community Service Obligations		Concessions	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<u>Administered income</u>								
Appropriation	-	-	55	29	21 083	19 548	266 959	309 930
Grants and subsidies	-	-	4 000	4 000	-	-	261 230	55 868
Intra-government transfers	-	-	2	25	-	-	-	-
Fees and charges	-	-	97	28	-	-	-	-
Interest	579	598	-	-	-	-	-	-
Client Trust receipts	7 708	8 335	-	-	-	-	-	-
Other income	-	-	-	115	-	-	-	-
Total administered income	8 287	8 933	4 154	4 197	21 083	19 548	528 189	365 798
<u>Administered expenses</u>								
Supplies and services	-	-	200	220	-	-	(2)	2
Grants and funded services	-	-	3 870	3 160	19 547	18 899	478 690	369 060
Client Trust payments	8 592	9 527	-	-	-	-	-	-
Total administered expenses	8 592	9 527	4 070	3 380	19 547	18 899	478 688	369 062
Net result	(305)	(594)	84	817	1 536	649	49 501	(3 264)

Department of Human Services
Schedule of Income and Expense attributable to Administered Items
for the year ended 30 June 2025

Administered income and expense by program	Disability Services Donations and Bequests		Gambler's Rehabilitation Fund		Health and Aged Care Services Donations and Bequests		Home for Incurables Trust	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<u>Administered income</u>								
Appropriation	-	-	879	750	-	-	-	-
Grants and subsidies	-	-	7 428	7 414	-	-	-	-
Intra-government transfers	-	-	47	110	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	271
Interest	7	7	162	148	22	21	1 927	152
Net gain from disposal of assets	-	-	-	-	-	-	-	17 355
Other income	-	-	755	715	-	-	-	-
Total administered income	7	7	9 271	9 137	22	21	1 927	17 778
<u>Administered expenses</u>								
Supplies and services	-	-	2 325	2 368	-	-	63	584
Grants and funded services	-	-	7 114	6 876	-	-	-	-
Donations	-	1	-	-	-	8	-	-
Total administered expenses	-	1	9 439	9 244	-	8	63	584
Net result	7	6	(168)	(107)	22	13	1 864	17 194

Department of Human Services
Schedule of Income and Expense attributable to Administered Items
for the year ended 30 June 2025

Administered income and expense by program	Minister's salary		Personal Alert SA		State Emergency Relief Fund		Supported Residential Facilities Indemnity Fund		Total	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<u>Administered income</u>										
Appropriation	415	396	2 921	3 921	-	-	-	-	292 312	334 574
Grants and subsidies	-	-	-	-	-	-	-	-	272 658	67 282
Intra-government transfers	-	-	-	-	-	-	-	-	49	135
Fees and charges	-	-	63	116	-	-	-	-	160	415
Interest	-	-	-	-	4	5	2	2	2 703	933
Client Trust receipts	-	-	-	-	-	-	-	-	7 708	8 335
Net gain from disposal of assets	-	-	-	-	-	-	-	-	-	17 355
Other income	-	-	-	-	3	7	-	-	758	837
Total administered income	415	396	2 984	4 037	7	12	2	2	576 348	429 866
<u>Administered expenses</u>										
Employee related expenses	415	396	-	-	-	-	-	-	415	396
Supplies and services	-	-	-	-	-	-	-	-	2 586	3 174
Grants and funded services	-	-	2 643	3 772	-	-	-	-	511 864	401 767
Client Trust payments	-	-	-	-	-	-	-	-	8 592	9 527
Donations	-	-	-	-	-	40	-	-	-	49
Total administered expenses	415	396	2 643	3 772	-	40	-	-	523 457	414 913
Net result	-	-	341	265	7	(28)	2	2	52 891	14 953

The above statement should be read in conjunction with the accompanying notes.

Department of Human Services
Notes to Administered Items Financial Statements
for the year ended 30 June 2025

A1. About the Department of Human Services

A1.1. Basis of preparation and accounting policies

The basis of preparation for the administered financial statements is the same as the basis outlined in note 1.1 of the department's financial statements. The department applies the same accounting policies to the administered financial statements as set out in the notes to the department's financial statements.

A1.2. Objectives/activities of the department's administered items

The department's administered items are structured to contribute to the twelve main activities. These are:

- Client Trust Accounts
- Charitable and Social Welfare Fund
- Community Service Obligations
- Concessions
- Disability Services Donations and Bequests
- Gambler's Rehabilitation Fund
- Health and Aged Care Services Donations and Bequests
- Home for Incurables Trust
- Minister's Salary
- Personal Alert SA
- State Emergency Relief Fund
- Supported Residential Facilities Indemnity Fund

Department of Human Services
Notes to Administered Items Financial Statements
for the year ended 30 June 2025

A1.3. Budget performance

The budget performance table compares the department's outcomes against budget information presented to Parliament (2024-25 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

		Original budget 2025 \$'000	Actual 2025 \$'000	Variance \$'000
Statement of Administered Comprehensive Income				
<u>Administered Income</u>				
Appropriation	a	236 038	292 312	56 274
Grants and subsidies	b	23 188	272 658	249 470
Intra-government transfers		11 485	49	(11 436)
Fees and charges		-	160	160
Interest		402	2 703	2 301
Client Trust receipts		11 772	7 708	(4 064)
Other income		410	758	348
Total administered income		283 295	576 348	293 053
<u>Administered Expenses</u>				
Employee related expenses		404	415	11
Supplies and services		3 012	2 586	(426)
Grants and funded services	c	268 091	511 864	243 773
Client Trust payments		11 968	8 592	(3 376)
Total administered expenses		283 475	523 457	239 982
Net result		(180)	52 891	53 071
Total comprehensive result		(180)	52 891	53 071

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses. These variances are explained below:

- Additional appropriation was provided during 2024-25 to ensure there was sufficient working capital to meet payment under the Energy Bill Relief Fund.
- Primarily reflects the extension of the Federation Funding Agreement for national Energy Bill Relief Fund.
- Relates to higher payments due to the extension of the national Energy Bill Relief Fund.

Department of Human Services
Notes to Administered Items Financial Statements
for the year ended 30 June 2025

A2. Income

A2.1. Appropriation

	2025	2024
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	235 899	304 081
Appropriation from Governor's Appropriation Fund	56 413	30 493
Total appropriation	292 312	334 574

Appropriation is recognised upon receipt.

A2.2 Grants and subsidies

	2025	2024
	\$'000	\$'000
Commonwealth-sourced grants		
Energy Bill Relief Fund	261 230	55 868
Total Commonwealth-sourced grants	261 230	55 868
SA Government grants and subsidies		
Gambler's Rehabilitation Fund	7 428	7 414
Charitable and Social Welfare Fund	4 000	4 000
Total SA Government grants and subsidies	11 428	11 414
Total grants and subsidies	272 658	67 282

A2.3 Net gain from disposal of assets

	2025	2024
	\$'000	\$'000
Assets held for sale		
Proceeds from disposal	-	42 052
Less carrying amount of assets disposed	-	(24 697)
Net gain from disposal of assets held for sale	-	17 355
Net gain from disposal of assets	-	17 355

A3. Expenses

A3.1. Grants and funded services

	2025	2024
	\$'000	\$'000
Concessions (refer to note A3.2)	478 690	369 060
Community Service Obligations	19 547	18 899
Gamblers Rehabilitation	7 114	6 876
Charitable Social Welfare Fund	3 870	3 160
Personal Alert SA	2 643	3 772
Total grants and funded services	511 864	401 767

Grants and subsidies paid are usually subject to terms and conditions set out in the contract, correspondence or by legislation. Funded services are paid to not-for-profit organisations to provide goods and/or services on behalf of the department.

Department of Human Services
Notes to Administered Items Financial Statements
for the year ended 30 June 2025

A3.2. Concessions

	2025	2024
	\$'000	\$'000
Energy Bill Relief Fund	257 359	130 430
Water and sewerage rates	70 384	59 851
Energy	62 904	55 134
Cost of Living	57 615	94 800
Transport	27 369	26 506
Other	3 059	2 339
Total concessions	478 690	369 060

Energy Bill Relief Fund

The Energy Bill Relief Fund provides electricity bill rebates to households and eligible small business electricity customers to ease the cost-of-living pressures. The Fund is provided by the Australian Government and administered by State and Territory governments. Payments commenced on 1 July 2023 and continued through 2024-25.

Cost of Living

In response to the rising cost of living, the government made an additional Cost-of-Living Concession (COLC) payment in 2023-24.

Department of Human Services
Notes to Administered Items Financial Statements
for the year ended 30 June 2025

A3.3. Expenditure – SA Business and Non-SA Business

The following table includes all expenditure in relation to contracts above \$55,000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instructions 18 – *Procurement* (TI 18). Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST.

	2025 \$'000	Proportion SA and non- SA businesses
Total expenditure with South Australian businesses	6 598	94%
Total expenditure with non-South Australian businesses	446	6%
Total expenditure	7 044	100%

Classification of SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to the department, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI 18.

TI 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI 18 definition and in some instances includes the cost of goods sourced from outside South Australia.

The disclosure includes funded services with not-for-profit organisations. These are procurements to provide goods and/or services on behalf of the department.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

Department of Human Services
Notes to Administered Items Financial Statements
for the year ended 30 June 2025

A4. Assets

A4.1. Financial assets

	2025	2024
	\$'000	\$'000
Financial assets measured at amortised cost		
Cash and cash equivalents	159 278	112 839
Total financial assets	159 278	112 839

A4.2. Cash and cash equivalents

	2025	2024
	\$'000	\$'000
Special deposit account with the Treasurer	98 456	49 293
Deposit account with SAFA	59 879	62 569
Other deposits	943	977
Total deposits with the Treasurer (special deposit accounts)	159 278	112 839
Total cash and cash equivalents in the Statement of Financial Position	159 278	112 839
Total cash and cash equivalents in the Statement of Cash Flows	159 278	112 839

Department of Human Services
Notes to Administered Items Financial Statements
for the year ended 30 June 2025

A5. Other disclosures

A5.1. Cash flow

	2025	2024
	\$'000	\$'000
<u>Reconciliation of net cash provided by / (used in) operating activities to net result</u>		
Net cash provided by/(used in) operating activities	46 439	7 126
<u>Add / (less) non-cash items</u>		
Gain/loss on sale or disposal of non-current assets	-	17 355
<u>Movement in assets and liabilities</u>		
Increase/(decrease) in receivables	110	12
(Increase)/decrease in payables	6 342	(9 540)
Net result	52 891	14 953

A5.2. Client Trust accounts

The department acts as trustee of Client Trust accounts, including clients of the former Intellectual Disability Services Council Incorporated (IDSC) and the former Julia Farr Services (JFS). These amounts cannot be used by the department to achieve its own objectives, and accordingly are not included in the controlled financial statements. Client Trust receipts include interest revenue of \$0.579 million (2024: \$0.597 million).

	2025	2024
	\$'000	\$'000
Opening balance at the beginning of the period	14 992	15 586
Add receipts	8 287	8 933
Less expenses	(8 592)	(9 527)
Closing balance at the end of the period	14 687	14 992

A5.3. Disability Services donations and bequests

The department receives and administers donations and bequests held by Disability Services. Both donations and bequests must be used to benefit the community and public and cannot be used by the department to achieve its own objectives.

	2025	2024
	\$'000	\$'000
Opening balance at the beginning of the period	174	168
Add receipts	7	7
Less expenses	-	(1)
Closing balance at the end of the period	181	174

A5.4. Health and Aged Care Services donations and bequests

Donations and bequests must be used to benefit the community and public and cannot be used by the department to achieve its own objectives.

	2025	2024
	\$'000	\$'000
Opening balance at the beginning of the period	530	517
Add receipts	22	21
Less expenses	-	(8)
Closing balance at the end of the period	552	530

Department of Human Services
Notes to Administered Items Financial Statements
for the year ended 30 June 2025

A5.5. State Emergency Relief Fund

The State Emergency Relief Fund (the Fund) is established as part of the *Emergency Management Act 2004*. The Fund's main purpose is to provide financial support for the relief of persons who suffer injury, loss or damage as a result of a declared emergency within South Australia.

	2025 \$'000	2024 \$'000
Opening balance at the beginning of the period	88	116
Add receipts	7	12
Less expenses	-	(40)
Closing balance at the end of the period	95	88

In February 2023, the Fund was activated to administer the receipt and distribution of monies donated by the community to assist people affected by the SA River Murray Floods. Donations closed in December 2023 and \$40 000 was distributed in 2023-24 to four councils affected by the floods. There were no active appeals during 2024-25.

A5.6. Supported Residential Facilities Indemnity Fund

This note has been prepared to meet the requirements of section 56 (11) of the *Supported Residential Facilities Act 1992* in reporting upon the operations of the Supported Residential Facilities Indemnity Fund.

	2025 \$'000	2024 \$'000
Opening balance at the beginning of the period	55	53
Add receipts	2	2
Closing balance at the end of the period	57	55

A6. Outlook

A6.1. Contingent assets and liabilities

The department has investigated and there are no contingent assets or liabilities that impact the department's administered items.

A7. Measurement and risk

A7.1. Fair value

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The department categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into three levels.

The department had no valuations categorised into level 1.

The department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between hierarchy levels in 2023-24 or 2024-25. All property, plant and equipment, including non-current assets classified as held for sale, are classified at the level 3 except for land classified in level 2. Investment property is classified as level 2.

Department of Human Services
Notes to Administered Items Financial Statements
for the year ended 30 June 2025

A7.1. Fair value (continued)

Valuation techniques and inputs

There were no changes in valuation techniques during 2024-25.

A8. Home for Incurables Trust

As part of wide-ranging reforms relating to the delivery of disability services by the department, effective 1 July 2007, JFS was dissolved and all assets and liabilities vested in or held by JFS were transferred or assigned or vested with the Minister for Human Services. Certain assets held by the former JFS are subject to the terms and conditions of the Home for Incurables Trust. The original Trust was established in June 1879 and was varied by the Supreme Court on 7 November 1997.

The former Board of JFS was trustee of the Home for Incurables Trust and on dissolution, the Board of JFS resolved to resign as trustee of the Home for Incurables Trust. The Minister for Human Services is the trustee for the Home for Incurables Trust.

The role of the Trust is "*... to apply property vested in it for the purpose of providing for persons whose ability to live independently is temporarily or permanently impaired or in jeopardy as a consequence of an acquired brain injury or degenerative neurological condition or a physical condition resulting in disability including but not limiting the foregoing in any way whatsoever, the following services and facilities;*

(a) by providing for them, in a variety of residential, centre and community-based settings

(i) accommodation

(ii) nursing, medical, allied health and attendant care service

(iii) personal and community support services

(iv) technical and personal support aids

(v) rehabilitation, respite and recreational services

(vi) out-patient and day care services

(vii) measures and services to enhance their quality of life

(b) by providing facilities for education research with respect to such persons

(c) by providing any services and facilities ancillary or in relation to the foregoing or by providing additional services and facilities that may be appropriate from time to time."

Department of Human Services
Notes to Administered Items Financial Statements
for the year ended 30 June 2025

A8. Home for Incurables Trust (continued)

The following income, expenses, assets and liabilities of the Home for Incurables Trust have been included in the administered items financial statements but are separately disclosed in the following schedules in accordance with the governance requirements of the Trust.

Schedule of Income and Expenses for the year ended 30 June 2025	2025 \$'000	2024 \$'000
<u>Income</u>		
Fees and charges	-	271
Interest	1 927	152
Net gain from disposal of assets	-	17 355
Total income	1 927	17 778
<u>Expenses</u>		
Supplies and services	63	584
Total expenses	63	584
Net result	1 864	17 194
Total comprehensive result	1 864	17 194

Schedule of Financial Position as at 30 June 2025	2025 \$'000	2024 \$'000
<u>Current assets</u>		
Special deposits with the Treasurer	27	64
Deposits with SAFA	46 179	48 605
Receivables	146	30
Total current assets	46 352	48 699
Total assets	46 352	48 699
<u>Current liabilities</u>		
Payables	-	4 211
Total current liabilities	-	4 211
Total liabilities	-	4 211
Net assets	46 352	44 488

Department of Human Services
Notes to Administered Items Financial Statements
for the year ended 30 June 2025

A8. Home for Incurables Trust (continued)

Schedule of Changes in Equity for the year ended 30 June 2025	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 30 June 2023	37 449	(10 155)	27 294
Net result for 2023-24	-	17 194	17 194
Total comprehensive result for 2023-24	-	17 194	17 194
Transfer between equity components	(37 449)	37 449	-
Balance at 30 June 2024	-	44 488	44 488
Net result for 2024-25	-	1 864	1 864
Total comprehensive result for 2024-25	-	1 864	1 864
Transfer between equity components	-	-	-
Balance at 30 June 2025	-	46 352	46 352

Schedule of Administered Cash Flows for the year ended 30 June 2025	2025 \$'000	2024 \$'000
Cash flows from operating activities		
<u>Cash inflows</u>		
Interest	1 811	152
Fees and charges	-	250
GST received on sale of property, plant and equipment	-	4 205
Cash generated from operations	1 811	4 607
<u>Cash outflows</u>		
Supplies and services	(69)	(598)
GST paid on sale of property, plant and equipment	(4 205)	-
Cash used in operations	(4 274)	(598)
Net cash provided by / (used in) operating activities	(2 463)	4 009
Cash flows from investing activities		
<u>Cash inflows</u>		
Proceeds from sale of assets	-	42 052
Cash generated from investing activities	-	42 052
Net cash provided by / (used in) investing activities	-	42 052
Net increase / (decrease) in cash and cash equivalents	(2 463)	46 061
Cash and cash equivalents at the beginning of the reporting period	48 669	2 608
Cash and cash equivalents at the end of the reporting period	46 206	48 669

Department of Human Services
Notes to Administered Items Financial Statements
for the year ended 30 June 2025

A8. Home for Incurables Trust (continued)

Accounting policies

Cash and cash equivalents

Cash and cash equivalents are reported in the Schedule of Assets and Liabilities - Home for Incurables Trust. This includes cash on hand, deposits held at call and other short-term, highly liquid investments with maturities of three months or less that are readily convertible to cash and which are subject to insignificant risk of changes in value. Cash is measured at nominal value.