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## To the Board Chair Eyre and Far North Local Health Network Incorporated

### Qualified Opinion

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

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

The financial report comprises:

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

### Basis for qualified opinion

#### *Procurement reporting disclosure*

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

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

The Eyre and Far North Local Health Network Incorporated and the consolidated entity did not include the disclosure in the financial report.

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

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

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

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

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

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

### **Auditor's responsibilities for the audit of the financial report**

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

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

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

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

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

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

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

Andrew Blaskett  
**Auditor-General**


22 September 2025

**Certification of the financial statements  
Eyre and Far North Local Health Network**

We certify that the:

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

  
.....  
Michele Smith  
Board Chair

  
.....  
Julie Marron  
Chief Executive Officer

  
.....  
Judy Pink  
Chief Finance Officer

Date 11/09/2025 .....

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 30 June 2025**

		<b>Consolidated</b>		<b>Parent</b>	
	<b>Note</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>					
Revenues from SA Government	2	139,874	141,491	139,874	141,491
Fees and charges	3	11,392	12,750	11,392	12,750
Grants and contributions	4	32,005	30,491	32,032	30,731
Interest		1,018	999	1,008	981
Resources received free of charge	5	2,712	1,776	2,712	1,776
Other revenues/income	7	805	767	780	762
<b>Total income</b>		<b>187,806</b>	<b>188,274</b>	<b>187,798</b>	<b>188,491</b>
<b>Expenses</b>					
Staff related expenses	8	89,770	85,659	89,770	85,659
Supplies and services	9	97,868	91,949	97,867	91,949
Depreciation and amortisation	17,18	10,010	7,722	5,659	4,269
Grants and subsidies	10	1,913	1,926	1,913	1,926
Borrowing costs	21	41	26	41	26
Net loss from disposal of non-current and other assets	6	187	18	187	18
Impairment loss on receivables	13.1	(32)	(20)	(32)	(20)
Other expenses	11	314	367	1,832	482
<b>Total expenses</b>		<b>200,071</b>	<b>187,647</b>	<b>197,237</b>	<b>184,309</b>
<b>Net result</b>		<b>(12,265)</b>	<b>627</b>	<b>(9,439)</b>	<b>4,182</b>
<b>Other Comprehensive Income</b>					
<b>Items that will not be reclassified to net result</b>					
Changes in property, plant and equipment asset revaluation surplus		(237)	51,176	(237)	23,270
<b>Total other comprehensive income</b>		<b>(237)</b>	<b>51,176</b>	<b>(237)</b>	<b>23,270</b>
<b>Total comprehensive result</b>		<b>(12,502)</b>	<b>51,803</b>	<b>(9,676)</b>	<b>27,452</b>

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

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK**  
**STATEMENT OF FINANCIAL POSITION**  
**For the year ended 30 June 2025**

		<b>Consolidated</b>		<b>Parent</b>	
	<b>Note</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>					
Cash and cash equivalents	12	17,771	21,954	17,561	21,783
Receivables	13	3,175	4,934	3,175	4,916
Other financial assets	14	19,258	18,454	19,029	18,209
Inventories	15	1,569	1,479	1,569	1,479
<b>Total current assets</b>		<b>41,773</b>	<b>46,821</b>	<b>41,334</b>	<b>46,387</b>
<b>Non-current assets</b>					
Receivables	13	636	564	636	564
Other financial assets	14	71	70	-	-
Property, plant and equipment	16,17	173,489	181,087	94,291	99,056
Intangible assets	16,18	937	-	937	-
<b>Total non-current assets</b>		<b>175,133</b>	<b>181,721</b>	<b>95,864</b>	<b>99,620</b>
<b>Total assets</b>		<b>216,906</b>	<b>228,542</b>	<b>137,198</b>	<b>146,007</b>
<b>Current liabilities</b>					
Payables	20	5,804	5,687	5,805	5,687
Financial liabilities	21	222	284	222	284
Staff related liabilities	22	13,832	13,297	13,832	13,297
Provisions	23	728	624	728	624
Contract liabilities and other liabilities	24	17,267	17,563	17,267	17,563
<b>Total current liabilities</b>		<b>37,853</b>	<b>37,455</b>	<b>37,854</b>	<b>37,455</b>
<b>Non-current liabilities</b>					
Financial liabilities	21	448	349	448	349
Staff related liabilities	22	11,046	10,759	11,046	10,759
Provisions	23	1,963	1,911	1,963	1,911
<b>Total non-current liabilities</b>		<b>13,457</b>	<b>13,019</b>	<b>13,457</b>	<b>13,019</b>
<b>Total liabilities</b>		<b>51,310</b>	<b>50,474</b>	<b>51,311</b>	<b>50,474</b>
<b>Net assets</b>		<b>165,596</b>	<b>178,068</b>	<b>85,887</b>	<b>95,533</b>
<b>Equity</b>					
Retained earnings		98,572	110,807	62,854	72,263
Asset revaluation surplus		67,024	67,261	23,033	23,270
<b>Total equity</b>		<b>165,596</b>	<b>178,068</b>	<b>85,887</b>	<b>95,533</b>

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

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 June 2025**

**CONSOLIDATED**

	Note	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
<b>Balance at 30 June 2023</b>		<b>16,085</b>	<b>110,180</b>	<b>126,265</b>
<b>Net result for 2023-24</b>		-	627	627
Gain/(loss) on revaluation of land and buildings	17	51,176	-	51,176
<b>Total comprehensive result for 2023-24</b>		<b>51,176</b>	<b>627</b>	<b>51,803</b>
<b>Balance at 30 June 2024</b>		<b>67,261</b>	<b>110,807</b>	<b>178,068</b>
<b>Net result for 2024-25</b>		-	(12,265)	(12,265)
Gain/(loss) on revaluation of land and buildings	17	(237)	-	(237)
<b>Total comprehensive result for 2024-25</b>		<b>(237)</b>	<b>(12,265)</b>	<b>(12,502)</b>
<b>Transactions with SA Government as owner</b>				
Net assets transferred out as a result of an administrative restructure	1.6	-	30	30
<b>Balance at 30 June 2025</b>		<b>67,024</b>	<b>98,572</b>	<b>165,596</b>

**PARENT**

	Note	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
<b>Balance at 30 June 2023</b>		-	68,081	68,081
<b>Net result for 2023-24</b>		-	4,182	4,182
Gain/(loss) on revaluation of land and buildings	17	23,270	-	23,270
<b>Total comprehensive result for 2023-24</b>		<b>23,270</b>	<b>4,182</b>	<b>27,452</b>
<b>Balance at 30 June 2024</b>		<b>23,270</b>	<b>72,263</b>	<b>95,533</b>
<b>Net result for 2024-25</b>		-	(9,439)	(9,439)
Gain/(loss) on revaluation of land and buildings	17	(237)	-	(237)
<b>Total comprehensive result for 2024-25</b>		<b>(237)</b>	<b>(9,439)</b>	<b>(9,676)</b>
<b>Transactions with SA Government as owner</b>				
Net assets transferred out as a result of an administrative restructure	1.6	-	30	30
<b>Balance at 30 June 2025</b>		<b>23,033</b>	<b>62,854</b>	<b>85,887</b>

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



**EYRE AND FAR NORTH LOCAL HEALTH NETWORK**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 30 June 2025**

	Note	Consolidated		Parent	
		2025	2024	2025	2024
		\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
<b>Cash inflows</b>					
Receipts from SA Government		123,580	124,701	123,580	124,701
Fees and charges		11,432	19,743	11,414	19,614
Grants and contributions		32,656	31,051	32,683	31,291
Interest received		835	560	834	561
Residential aged care bonds received		5,645	4,390	5,645	4,390
GST recovered from ATO		6,634	6,786	6,634	6,786
Other receipts		431	145	407	140
<b>Cash outflows</b>					
Staff benefits payments		(88,785)	(83,897)	(88,785)	(83,897)
Payments for supplies and services		(87,627)	(83,524)	(87,625)	(83,524)
Payments of grants and subsidies		(909)	(1,123)	(909)	(1,123)
Interest paid		(41)	(26)	(41)	(26)
Residential aged care bonds refunded		(4,640)	(4,690)	(4,640)	(4,690)
Other payments		(325)	(385)	(326)	(385)
<b>Net cash provided by operating activities</b>	25	<b>(1,114)</b>	<b>13,731</b>	<b>(1,129)</b>	<b>13,838</b>
<b>Cash flows from investing activities</b>					
<b>Cash inflows</b>					
Proceeds from sale/maturities of investments		1,434	1,301	1,410	1,049
<b>Cash outflows</b>					
Purchase of property, plant and equipment		(2,207)	(4,640)	(2,207)	(4,640)
Purchase of investments		(1,858)	(1,148)	(1,858)	(1,110)
<b>Net cash provided by/(used in) investing activities</b>		<b>(2,631)</b>	<b>(4,487)</b>	<b>(2,655)</b>	<b>(4,701)</b>
<b>Cash flows from financing activities</b>					
<b>Cash outflows</b>					
Repayment of lease liabilities		(438)	(319)	(438)	(319)
<b>Net cash provided by/(used in) financing activities</b>		<b>(438)</b>	<b>(319)</b>	<b>(438)</b>	<b>(319)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(4,183)</b>	<b>8,925</b>	<b>(4,222)</b>	<b>8,818</b>
Cash and cash equivalents at the beginning of the period		21,954	13,029	21,783	12,965
<b>Cash and cash equivalents at the end of the period</b>	12	<b>17,771</b>	<b>21,954</b>	<b>17,561</b>	<b>21,783</b>

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2025**

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## **1. About Eyre and Far North Local Health Network**

Eyre and Far North Local Health Network Incorporated (the Hospital) is a not-for-profit incorporated hospital established under the *Health Care Act 2008* (the Act). The financial statements and accompanying notes include all controlled activities of the Hospital.

### *Parent Entity*

The Parent Entity consists of the following:

- Port Lincoln Hospital – Health Services
- Ceduna Multi Purpose Site (MPS) – Hospital and Aged Care
- Cleve Multi Purpose Site (MPS) – Hospital and Aged Care
- Cowell Multi Purpose Site (MPS) – Hospital and Aged Care
- Coober Pedy Multi Purpose Site (MPS) – Hospital and Aged Care
- Cummins Multi Purpose Site (MPS) – Hospital and Aged Care
- Elliston Multi Purpose Site (MPS) – Hospital and Aged Care
- Kimba Multi Purpose Site (MPS) – Hospital and Aged Care
- Streaky Bay Multi Purpose Site (MPS) – Hospital and Aged Care
- Tumby Bay Multi Purpose Site (MPS) – Hospital and Aged Care
- Wudinna Multi Purpose Site (MPS) – Hospital and Aged Care
- Oodnadatta Health Service
- Ceduna, Cleve, Kimba Retirement Villages
- Ceduna Family Medical Practice, Mid Eyre Medical Practice and Coober Pedy Medical Practice

### *Consolidated Entity*

The Consolidated entity includes the Parent entity, the Incorporated Health Advisory Councils (HACs) and the Incorporated HAC Gift Fund Trusts (GFTs) as listed in note 32.

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

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

### *Administered items*

The Hospital has administered activities and resources. Transactions and balances relating to administered resources are presented separately and disclosed in note 33. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting principles as for the Hospital's transactions.

## **1.1 Objectives and activities**

The Hospital is committed to a health system that produces positive health outcomes by focusing on health promotion, illness prevention, early intervention and achieving equitable health outcomes for the Eyre and Far North region.

The Hospital is part of the SA Health portfolio providing health services for the Eyre and Far North region. The Hospital is structured to contribute to the outcomes for which the portfolio is responsible by providing health and related services across the Eyre and Far North region.

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

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

## **1.2 Basis of preparation**

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

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

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2025**

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- relevant Australian Accounting Standards.

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

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

### **1.3 Taxation**

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

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

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

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

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

### **1.4 Continuity of operations**

As at 30 June 2025, the Hospital had working capital surplus of \$3.920 million (\$9.366 million). The SA Government is committed and has consistently demonstrated a commitment to ongoing funding of the Hospital to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annually produced and published State Budget Papers which presents the SA Government's current and estimated future economic performance, including forward estimates of revenue, expenses and performance by Agency.

### **1.5 Equity**

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

### **1.6 Changes to reporting entity**

#### **2024-25**

In response to the Commonwealth Government's introduction of a new single assessment aged care system across all State and Territory jurisdictions, the South Australian Health Chief Executives Council (HCEC), on 2 July 2024, approved the proposal to transition Local Health Network based assessment services into a statewide Aged Care Assessment Service (ACAS), to be implemented by the Central Adelaide Local Health Network (CALHN) by 1 July 2025. The Chief Executive Officer of the Hospital, on 4 June 2025, approved the transition of one staff to the statewide ACAS in CALHN, effective 22 March 2025. Staff related liabilities of \$0.030 million were transferred out of the Hospital

The transfer of cash from the Country Health Gift Fund Health Advisory Council Inc GFT to Far North Health Advisory Council Inc GFT (\$0.019 million) occurred in November 2024.

#### **2023-24**

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

**EYRE AND FAR NORTH LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2025**

## 2. Revenues from SA Government

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Capital projects funding	2,064	4,516	2,064	4,516
Operational funding	137,810	136,975	137,810	136,975
<b>Total revenues from SA Government</b>	<b>139,874</b>	<b>141,491</b>	<b>139,874</b>	<b>141,491</b>

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

## 3. Fees and charges

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Patient and client fees	2,677	3,458	2,677	3,458
Private practice fees	37	25	37	25
Fees for health services	887	927	887	927
Residential and other aged care charges	4,347	3,848	4,347	3,848
Sale of goods - medical supplies	9	32	9	32
Other user charges and fees	3,435	4,460	3,435	4,460
<b>Total fees and charges</b>	<b>11,392</b>	<b>12,750</b>	<b>11,392</b>	<b>12,750</b>

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

The Hospital recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities (refer to note 24).

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

### *Patient and Client Fees*

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

### *Residential and other aged care charges*

Long stay nursing home fees include daily care fee and daily accommodation fees. Residents pay fortnightly in arrears for services rendered and accommodation supplied. Any amounts remaining unpaid or unbilled at the end of the reporting period are treated as an accounts receivable.

### *Fees for Health Services*

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

## 4. Grants and contributions

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Commonwealth grants and contributions	25,195	25,299	25,195	25,299
SA Government capital contributions	-	-	-	237
Other SA Government grants and contributions	1,100	716	1,127	719
Private sector grants and contributions	5,710	4,476	5,710	4,476
<b>Total grants and contributions</b>	<b>32,005</b>	<b>30,491</b>	<b>32,032</b>	<b>30,731</b>

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

All grants and contributions received were provided for specific purposes such as aged care, community health services and other related health services.

**5. Resources received free of charge**

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Intangible assets	1,051	-	1,051	-
Services	1,661	1,776	1,661	1,776
<b>Total resources received free of charge</b>	<b>2,712</b>	<b>1,776</b>	<b>2,712</b>	<b>1,776</b>

Contribution of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been donated. The Hospital receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable from Shared Services SA free of charge valued at \$1.271 million (\$1.246 million) and ICT services valued at \$0.303 million (\$0.530 million) from the Office of the Chief Information Officer (OCIO).

On 5 September 2024 the Treasurer approved the Auditor-General's request to cease audit fee charging arrangements for auditing the public accounts, effective for financial years ending on or after 30 June 2024. The Consolidated Entity received audit services from the Audit Office of South Australia free of charge valued at \$0.087 million for 2024-25.

In 2024-25 \$1.051 million of Intangible capital works in progress were received from the Barossa Hills Fleurieu Local Health Network. These have subsequently been capitalized as Computer Software (refer note 18).

Although not recognised, the Hospital receives volunteer services from around 40 volunteers who provide patient and staff support services to individuals using the Hospital's services. The services include but are not limited to patient liaison and support, administrative support, transport, community activities, gardening, kiosks and community advocacy.

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

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<b>Land and buildings:</b>				
Carrying amount of assets disposed	(15)	-	(15)	-
<b>Net gain/(loss) from disposal of land and buildings</b>	<b>(15)</b>	<b>-</b>	<b>(15)</b>	<b>-</b>
<b>Plant and equipment:</b>				
Carrying amount of assets disposed	(172)	(18)	(172)	(18)
<b>Net gain/(loss) from disposal of plant and equipment</b>	<b>(172)</b>	<b>(18)</b>	<b>(172)</b>	<b>(18)</b>
<b>Total assets:</b>				
Total carrying amount of assets disposed	(187)	(18)	(187)	(18)
<b>Total net gain/(loss) from disposal of assets</b>	<b>(187)</b>	<b>(18)</b>	<b>(187)</b>	<b>(18)</b>

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

**7. Other revenues/income**

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Donations	24	24	-	23
Health recoveries	363	614	363	614
Insurance recoveries	6	37	6	37
Other	412	92	411	88
<b>Total other revenues/income</b>	<b>805</b>	<b>767</b>	<b>780</b>	<b>762</b>

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**8. Staff related expenses**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	71,067	67,319	71,067	67,319
Long service leave	1,683	2,209	1,683	2,209
Annual leave	6,571	6,597	6,571	6,597
Skills and experience retention leave	292	277	292	277
Superannuation	9,101	8,348	9,101	8,348
Workers compensation	714	625	714	625
Board and committee fees	268	264	268	264
Other staff related expenses	74	20	74	20
<b>Total staff related expenses</b>	<b>89,770</b>	<b>85,659</b>	<b>89,770</b>	<b>85,659</b>

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

**8.1 Key Management Personnel**

Key management personnel (KMP) of the consolidated and parent entity includes the Minister, the eight members (eight members) of the Governing Board and the Chief Executive of the Department, who have responsibility for the strategic direction, Chief Executive Officer of the Hospital and the ten members (ten members) of the Executive Management Group who have responsibility for the day to day operations of the Hospital.

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

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

<b>Compensation</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and other short term employee benefits	2,229	2,397
Post-employment benefits	389	461
<b>Total</b>	<b>2,618</b>	<b>2,858</b>

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

**8.2 Remuneration of Boards and Committees**

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

	<b>2025</b>	<b>2024</b>
	<b>No. of</b>	<b>No. of</b>
	<b>Members</b>	<b>Members</b>
\$0 - \$20,000	2	1
\$20,001 - \$40,000	4	6
\$40,001 - \$60,000	3	2
<b>Total</b>	<b>9</b>	<b>9</b>

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, allowances, salary sacrifice benefits and any related fringe benefits and related fringe benefits tax. The total remuneration received or receivable by members was \$0.297 million (\$0.290 million). In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

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

Refer to note 34 for members of boards/committees that served for all or part of the financial year and were entitled to receive income from membership in accordance with APS 124.B.

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**8.3 Staff remuneration**

	Consolidated		Parent	
	2025	2024	2025	2024
	Number	Number	Number	Number
The number of staff whose remuneration received or receivable falls within the following bands:				
\$166,001 - \$171,000*	n/a	4	n/a	4
\$171,001 - \$191,000	14	12	14	12
\$191,001 - \$211,000	5	3	5	3
\$211,001 - \$231,000	2	-	2	-
\$231,001 - \$251,000	2	3	2	3
\$251,001 - \$271,000	3	1	3	1
\$271,001 - \$291,000	-	1	-	1
\$411,001 - \$431,000	1	-	1	-
\$491,001 - \$511,000	1	1	1	1
\$511,001 - \$531,000	1	-	1	-
\$731,001 - \$751,000	-	1	-	1
<b>Total number of staff</b>	<b>29</b>	<b>26</b>	<b>29</b>	<b>26</b>

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of staff reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax.

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

**8.4 Staff remuneration by classification**

The total remuneration received by staff included above:

	Consolidated				Parent			
	2025		2024		2025		2024	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Executive	1	264	1	243	1	264	1	243
Medical (excluding Nursing)	5	1,947	4	1,757	5	1,947	4	1,757
Non-medical (i.e. administration)	3	521	4	693	3	521	4	693
Nursing	20	3,868	17	3,250	20	3,868	17	3,250
<b>Total</b>	<b>29</b>	<b>6,600</b>	<b>26</b>	<b>5,943</b>	<b>29</b>	<b>6,600</b>	<b>26</b>	<b>5,943</b>

**9. Supplies and services**

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Administration	233	335	233	335
Advertising	126	252	126	252
Communication	672	785	672	785
Computing	2,671	2,363	2,671	2,363
Consultants	98	36	98	36
Contract of services	8,704	8,470	8,704	8,470
Contractors	93	272	93	272
Contractors - agency staff	19,796	17,894	19,796	17,894
Drug supplies	1,974	1,355	1,974	1,355
Electricity, gas and fuel	2,030	1,899	2,030	1,899
Fee for service*	27,116	26,367	27,116	26,367
Food supplies	2,142	2,050	2,142	2,050
Housekeeping	843	802	843	802
Insurance	1,363	1,343	1,363	1,343
Internal SA Health SLA payments	5,622	5,324	5,622	5,324
Legal	20	29	20	29
Medical, surgical and laboratory supplies	9,085	8,128	9,085	8,128
Minor equipment	1,633	1,332	1,633	1,332
Motor vehicle expenses	577	455	577	455
Occupancy rent and rates	652	385	652	385
Patient transport	582	828	582	828
Postage	235	262	235	262
Printing and stationery	422	424	422	424

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	<b>Consolidated</b>		<b>Parent</b>	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Repairs and maintenance	5,022	4,768	5,022	4,768
Security	1,158	1,075	1,158	1,075
Services from Shared Services SA	1,271	1,246	1,271	1,246
Short term lease expense	746	793	746	793
Training and development	545	594	545	594
Travel expenses	947	806	947	806
Other supplies and services	1,490	1,277	1,489	1,277
<b>Total supplies and services</b>	<b>97,868</b>	<b>91,949</b>	<b>97,867</b>	<b>91,949</b>

\*Fee for Service primarily relates to medical services provided by doctors not employed by the Hospital.

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

## 10. Grants and subsidies

	<b>Consolidated</b>		<b>Parent</b>	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Funding to non-government organisations	1,188	1,003	1,188	1,003
Other	725	923	725	923
<b>Total grants and subsidies</b>	<b>1,913</b>	<b>1,926</b>	<b>1,913</b>	<b>1,926</b>

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

## 11. Other expenses

	<b>Consolidated</b>		<b>Parent</b>	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Debts written off	72	93	72	93
Bank fees and charges	5	5	5	5
Donated assets expense	-	-	1,518	115
Other	237	269	237	269
<b>Total other expenses</b>	<b>314</b>	<b>367</b>	<b>1,832</b>	<b>482</b>

Donated assets expense includes transfer of buildings and improvements and plant and equipment and is recorded as expenditure at their fair value. For the Parent donated assets for 2024 relates to the transfer of completed works in progress to the HAC asset class. Refer to note 17 for further details.

Included in other expenses is audit fees paid/payable to Galpins Accountants, Auditors and Business Consultants of \$0.040 million (\$0.039 million) for the audit of HAC's and Aged Care.

## 12. Cash and cash equivalents

	<b>Consolidated</b>		<b>Parent</b>	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand	5,586	7,281	5,376	7,110
Deposits with Treasurer: general operating	12,185	14,673	12,185	14,673
<b>Total cash and cash equivalents</b>	<b>17,771</b>	<b>21,954</b>	<b>17,561</b>	<b>21,783</b>

Cash is measured at nominal amounts. The Hospital operates through the Department's general operating account held with the Treasurer and does not earn interest on this account. Interest is earned on HAC and GFT bank accounts and accounts holding aged care funds, including refundable deposits. Of the \$17.771 million (\$21.954 million) held, \$2.691 million (\$2.012 million) relates to aged care refundable deposits.



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**13. Receivables**

Current	Note	Consolidated		Parent	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Patient/client fees: compensable		127	157	127	157
Patient/client fees: aged care		294	284	294	284
Patient/client fees: other		200	290	200	290
Debtors		921	2,110	921	2,090
Less: allowance for impairment loss on receivables	13.1	(166)	(198)	(166)	(198)
Prepayments		270	190	270	190
Interest		182	380	181	379
Workers compensation provision recoverable		161	143	161	143
Sundry receivables and accrued revenue		1,159	1,484	1,160	1,487
GST input tax recoverable		27	94	27	94
<b>Total current receivables</b>		<b>3,175</b>	<b>4,934</b>	<b>3,175</b>	<b>4,916</b>
<b>Non-current</b>					
Debtors		51	47	51	47
Workers compensation provision recoverable		585	517	585	517
<b>Total non-current receivables</b>		<b>636</b>	<b>564</b>	<b>636</b>	<b>564</b>
<b>Total receivables</b>		<b>3,811</b>	<b>5,498</b>	<b>3,811</b>	<b>5,480</b>

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

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

**13.1 Impairment of receivables**

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

Movement in the allowance for impairment of receivables:

	Consolidated		Parent	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Carrying amount at the beginning of the period</b>	<b>198</b>	<b>218</b>	<b>198</b>	<b>218</b>
Increase/(Decrease) in allowance recognised in profit or loss	(32)	(20)	(32)	(20)
<b>Carrying amount at the end of the period</b>	<b>166</b>	<b>198</b>	<b>166</b>	<b>198</b>

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

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**14. Other financial assets**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Current</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Term deposits	19,258	18,454	19,029	18,209
<b>Total current investments</b>	<b>19,258</b>	<b>18,454</b>	<b>19,029</b>	<b>18,209</b>
<b>Non-current</b>				
Joint venture	71	70	-	-
<b>Total non-current investments</b>	<b>71</b>	<b>70</b>	<b>-</b>	<b>-</b>
<b>Total investments</b>	<b>19,329</b>	<b>18,524</b>	<b>19,029</b>	<b>18,209</b>

The Hospital holds term deposits of \$19.258 million (\$18.454 million) of which \$9.945 million (\$10.015 million) relates to aged care refundable deposits, with the remaining funds primarily relating to aged care. These deposits are measured at amortised cost. There is no impairment on term deposits.

The Hospital has a 12.28% equity interest in property at Whyte Street, Cleve in the State of South Australia by way of a mortgage on certificate of title volume 5902 folio 901. The registered proprietor of the property is Cornerstone Housing Ltd, formerly Lutheran Community Housing Support Unit Inc.

**15. Inventories**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Drug supplies	340	289	340	289
Medical, surgical and laboratory supplies	1,008	1,001	1,008	1,001
Food and hotel supplies	169	140	169	140
Other	52	49	52	49
<b>Total current inventories - held for distribution</b>	<b>1,569</b>	<b>1,479</b>	<b>1,569</b>	<b>1,479</b>

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

**16. Property, plant and equipment and intangible assets**

**16.1 Acquisition and recognition**

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

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

**16.2 Depreciation and amortisation of non-current assets**

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

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

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<u><b>Class of asset</b></u>	<u><b>Useful life (years)</b></u>
Buildings and improvements	6 - 57
Right-of-use buildings	Lease term
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	1 - 10
• Computing equipment	3 - 5
• Vehicles	1
• Other plant and equipment	1 - 20
Right-of-use plant and equipment	Lease term
Intangibles	10

### **16.3 Revaluation**

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

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

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

### **16.4 Impairment**

The Hospital holds its property, plant and equipment for their service potential (value in use). Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be closer to or greater than fair value. Where there is an indication of impairment, the recoverable amount is estimated. For revalued assets, fair value is assessed each year.

There were no indications of impairment for property, plant and equipment as at 30 June 2025.

### **16.5 Intangible assets**

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

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

### **16.6 Land and buildings**

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

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

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

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

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**16.7 Plant and equipment**

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

**16.8 Leased property, plant and equipment**

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

Major lease activities include the use of:

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

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

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

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**17. Reconciliation of property, plant and equipment**

The following table shows the movement:

**Consolidated**

**2024-25**

	Land and buildings:			Plant and equipment:					
	Land	Buildings	Right-of-use	Capital	Medical/	Other	Right-of-use	Capital	Total
	\$'000	\$'000	buildings	works in	surgical/	plant and	plant and	works in	\$'000
			\$'000	progress	dental/	equipment	equipment	progress	
				land and	biomedical			plant and	
				buildings	\$'000	\$'000	\$'000	equipment	\$'000
				\$'000				\$'000	
<b>Carrying amount at the beginning of the period</b>	<b>10,183</b>	<b>161,406</b>	<b>236</b>	<b>6,361</b>	<b>1,320</b>	<b>851</b>	<b>381</b>	<b>349</b>	<b>181,087</b>
Additions	-	-	606	1,255	151	295	534	536	3,377
Disposals	-	-	-	(168)	(19)	-	(655)	-	(842)
Transfers between asset classes	-	2,774	-	(2,801)	326	50	-	(349)	-
<b>Subtotal:</b>	<b>10,183</b>	<b>164,180</b>	<b>842</b>	<b>4,647</b>	<b>1,778</b>	<b>1,196</b>	<b>260</b>	<b>536</b>	<b>183,622</b>
<b>Gains/(losses) for the period recognised in net result:</b>									
Depreciation and amortisation	-	(8,875)	(208)	-	(409)	(144)	(260)	-	(9,896)
<b>Subtotal:</b>	<b>-</b>	<b>(8,875)</b>	<b>(208)</b>	<b>-</b>	<b>(409)</b>	<b>(144)</b>	<b>(260)</b>	<b>-</b>	<b>(9,896)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>									
Revaluation increment / (decrement)	-	(237)	-	-	-	-	-	-	(237)
<b>Subtotal:</b>	<b>-</b>	<b>(237)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(237)</b>
<b>Carrying amount at the end of the period*</b>	<b>10,183</b>	<b>155,068</b>	<b>634</b>	<b>4,647</b>	<b>1,369</b>	<b>1,052</b>	<b>-</b>	<b>536</b>	<b>173,489</b>
<b>Gross carrying amount</b>									
Gross carrying amount	10,183	164,661	1,184	4,647	3,941	1,869	-	536	187,021
Accumulated depreciation / amortisation	-	(9,593)	(550)	-	(2,572)	(817)	-	-	(13,532)
<b>Carrying amount at the end of the period</b>	<b>10,183</b>	<b>155,068</b>	<b>634</b>	<b>4,647</b>	<b>1,369</b>	<b>1,052</b>	<b>-</b>	<b>536</b>	<b>173,489</b>

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

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**Consolidated**

**2023-24**

	Land and buildings:			Plant and equipment:					
	Land	Buildings	Right-of-use	Capital	Medical/	Other	Right-of-use	Capital	Total
	\$'000	\$'000	buildings	works in	surgical/	plant and	plant and	works in	\$'000
			\$'000	progress	dental/	equipment	equipment	progress	
				land and	biomedical			plant and	\$'000
				buildings	\$'000	\$'000	\$'000	equipment	\$'000
				\$'000				\$'000	
<b>Carrying amount at the beginning of the period</b>	<b>6,874</b>	<b>119,991</b>	<b>307</b>	<b>1,659</b>	<b>442</b>	<b>700</b>	<b>404</b>	<b>1,378</b>	<b>131,755</b>
Additions	-	-	-	5,153	251	12	229	251	5,896
Disposals	-	-	-	-	(18)	-	-	-	(18)
Transfers between asset classes	-	417	-	(451)	1,041	273	-	(1,280)	-
<b>Subtotal:</b>	<b>6,874</b>	<b>120,408</b>	<b>307</b>	<b>6,361</b>	<b>1,716</b>	<b>985</b>	<b>633</b>	<b>349</b>	<b>137,633</b>
<b>Gains/(losses) for the period recognised in net result:</b>									
Depreciation and amortisation	-	(6,869)	(71)	-	(396)	(134)	(252)	-	(7,722)
<b>Subtotal:</b>	<b>-</b>	<b>(6,869)</b>	<b>(71)</b>	<b>-</b>	<b>(396)</b>	<b>(134)</b>	<b>(252)</b>	<b>-</b>	<b>(7,722)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>									
Revaluation increment / (decrement)	3,309	47,867	-	-	-	-	-	-	51,176
<b>Subtotal:</b>	<b>3,309</b>	<b>47,867</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,176</b>
<b>Carrying amount at the end of the period*</b>	<b>10,183</b>	<b>161,406</b>	<b>236</b>	<b>6,361</b>	<b>1,320</b>	<b>851</b>	<b>381</b>	<b>349</b>	<b>181,087</b>
<b>Gross carrying amount</b>									
Gross carrying amount	10,183	162,125	578	6,361	3,604	1,524	754	349	185,478
Accumulated depreciation / amortisation	-	(719)	(342)	-	(2,284)	(673)	(373)	-	(4,391)
<b>Carrying amount at the end of the period</b>	<b>10,183</b>	<b>161,406</b>	<b>236</b>	<b>6,361</b>	<b>1,320</b>	<b>851</b>	<b>381</b>	<b>349</b>	<b>181,087</b>

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

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Parent

2024-25

	Land and buildings:			Plant and equipment:					
	Land	Buildings	Right-of-use	Capital	Medical/	Other	Right-of-use	Capital	Total
	\$'000	\$'000	buildings	works in	surgical/	plant and	plant and	works in	\$'000
			\$'000	progress	dental/	equipment	equipment	progress	
				land and	biomedical			plant and	
				buildings	\$'000	\$'000	\$'000	equipment	
				\$'000				\$'000	
<b>Carrying amount at the beginning of the period</b>	<b>3,310</b>	<b>86,248</b>	<b>236</b>	<b>6,361</b>	<b>1,320</b>	<b>851</b>	<b>381</b>	<b>349</b>	<b>99,056</b>
Additions	-	-	606	1,255	151	295	534	536	3,377
Disposals	-	-	-	(168)	(19)	-	(655)	-	(842)
Donated assets disposal	-	-	-	(1,518)	-	-	-	-	(1,518)
Transfers between asset classes	-	1,314	-	(1,341)	326	50	-	(349)	-
<b>Subtotal:</b>	<b>3,310</b>	<b>87,562</b>	<b>842</b>	<b>4,589</b>	<b>1,778</b>	<b>1,196</b>	<b>260</b>	<b>536</b>	<b>100,073</b>
<b>Gains/(losses) for the period recognised in net result:</b>									
Depreciation and amortisation	-	(4,524)	(208)	-	(409)	(144)	(260)	-	(5,545)
<b>Subtotal:</b>	<b>-</b>	<b>(4,524)</b>	<b>(208)</b>	<b>-</b>	<b>(409)</b>	<b>(144)</b>	<b>(260)</b>	<b>-</b>	<b>(5,545)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>									
Revaluation increment / (decrement)	-	(237)	-	-	-	-	-	-	(237)
<b>Subtotal:</b>	<b>-</b>	<b>(237)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(237)</b>
<b>Carrying amount at the end of the period*</b>	<b>3,310</b>	<b>82,801</b>	<b>634</b>	<b>4,589</b>	<b>1,369</b>	<b>1,052</b>	<b>-</b>	<b>536</b>	<b>94,291</b>
<b>Gross carrying amount</b>									
Gross carrying amount	3,310	87,694	1,184	4,589	3,941	1,869	-	536	103,123
Accumulated depreciation / amortisation	-	(4,893)	(550)	-	(2,572)	(817)	-	-	(8,832)
<b>Carrying amount at the end of the period</b>	<b>3,310</b>	<b>82,801</b>	<b>634</b>	<b>4,589</b>	<b>1,369</b>	<b>1,052</b>	<b>-</b>	<b>536</b>	<b>94,291</b>

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

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**Parent**

**2023-24**

	Land and buildings:			Plant and equipment:					
	Land	Buildings	Right-of-use	Capital	Medical/surgical/dental/biomedical	Other plant and equipment	Right-of-use plant and equipment	Capital works in progress plant and equipment	Total
	\$'000	\$'000	buildings \$'000	works in progress land and buildings \$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	<b>3,097</b>	<b>66,305</b>	<b>307</b>	<b>1,659</b>	<b>442</b>	<b>700</b>	<b>404</b>	<b>1,378</b>	<b>74,292</b>
Additions	-	-	-	5,153	251	12	229	251	5,896
Disposals	-	-	-	-	(18)	-	-	-	(18)
Donated assets disposal	-	-	-	(115)	-	-	-	-	(115)
Transfers between asset classes	-	302	-	(336)	1,041	273	-	(1,280)	-
<b>Subtotal:</b>	<b>3,097</b>	<b>66,607</b>	<b>307</b>	<b>6,361</b>	<b>1,716</b>	<b>985</b>	<b>633</b>	<b>349</b>	<b>80,055</b>
<b>Gains/(losses) for the period recognised in net result:</b>									
Depreciation and amortisation	-	(3,416)	(71)	-	(396)	(134)	(252)	-	(4,269)
<b>Subtotal:</b>	<b>-</b>	<b>(3,416)</b>	<b>(71)</b>	<b>-</b>	<b>(396)</b>	<b>(134)</b>	<b>(252)</b>	<b>-</b>	<b>(4,269)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>									
Revaluation increment / (decrement)	213	23,057	-	-	-	-	-	-	23,270
<b>Subtotal:</b>	<b>213</b>	<b>23,057</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,270</b>
<b>Carrying amount at the end of the period*</b>	<b>3,310</b>	<b>86,248</b>	<b>236</b>	<b>6,361</b>	<b>1,320</b>	<b>851</b>	<b>381</b>	<b>349</b>	<b>99,056</b>
<b>Gross carrying amount</b>									
Gross carrying amount	3,310	86,617	578	6,361	3,604	1,524	754	349	103,097
Accumulated depreciation / amortisation	-	(369)	(342)	-	(2,284)	(673)	(373)	-	(4,041)
<b>Carrying amount at the end of the period</b>	<b>3,310</b>	<b>86,248</b>	<b>236</b>	<b>6,361</b>	<b>1,320</b>	<b>851</b>	<b>381</b>	<b>349</b>	<b>99,056</b>

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



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**18. Reconciliation of intangible assets**

The following table shows the movement:

<b>Consolidated</b>	<b>2025</b>	<b>2024</b>
	<b>Computer software</b>	
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	-	-
Amortisation	(114)	-
Assets received free of charge	1,051	-
<b>Carrying amount at the end of the period</b>	<b>937</b>	-
<b>Gross carrying amount</b>		
Gross carrying amount	1,051	-
Accumulated amortisation	(114)	-
<b>Carrying amount at the end of the period</b>	<b>937</b>	-
<b>Parent</b>		
<b>Carrying amount at the beginning of the period</b>	-	-
Amortisation	(114)	-
Assets received free of charge	1,051	-
<b>Carrying amount at the end of the period</b>	<b>937</b>	-
<b>Gross carrying amount</b>		
Gross carrying amount	1,051	-
Accumulated amortisation	(114)	-
<b>Carrying amount at the end of the period</b>	<b>937</b>	-

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**19. Fair value measurement**

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

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

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

Refer to notes 16 and 19.1 and for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

**19.1 Fair value hierarchy**

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

**Fair value measurements at 30 June 2025**

	Consolidated			Parent		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b> (Note 17)						
Land	10,183	-	10,183	3,310	-	3,310
Buildings and improvements	4,250	150,818	155,068	2,948	79,853	82,801
<b>Total recurring fair value measurements</b>	<b>14,433</b>	<b>150,818</b>	<b>165,251</b>	<b>6,258</b>	<b>79,853</b>	<b>86,111</b>

**Fair value measurements at 30 June 2024**

	Consolidated			Parent		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b> (Note 17)						
Land	10,183	-	10,183	3,310	-	3,310
Buildings and improvements	2,547	158,859	161,406	997	85,251	86,248
<b>Total recurring fair value measurements</b>	<b>12,730</b>	<b>158,859</b>	<b>171,589</b>	<b>4,307</b>	<b>85,251</b>	<b>89,558</b>

There are no non-recurring fair value measurements.

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

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

**19.2 Valuation techniques and inputs**

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

Due to the predominantly specialised nature of health service assets, the majority of building valuations have been undertaken using a cost approach (depreciated replacement cost), an accepted valuation methodology under AASB 13. The extent of unobservable inputs and professional judgement required in valuing these assets is significant, and as such they are deemed to have been valued using Level 3 valuation inputs.

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Unobservable inputs used to arrive at final valuation figures included:

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

## 20. Payables

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Creditors and accrued expenses	5,605	5,632	5,606	5,632
Paid Parental Leave Scheme	22	7	22	7
Other payables	177	48	177	48
<b>Total current payables</b>	<b>5,804</b>	<b>5,687</b>	<b>5,805</b>	<b>5,687</b>

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

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

Refer to note 30 for information on risk management.

## 21. Financial liabilities

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Lease liabilities	222	284	222	284
<b>Total current financial liabilities</b>	<b>222</b>	<b>284</b>	<b>222</b>	<b>284</b>
<b>Non-current</b>				
Lease liabilities	448	349	448	349
<b>Total non-current financial liabilities</b>	<b>448</b>	<b>349</b>	<b>448</b>	<b>349</b>
<b>Total financial liabilities</b>	<b>670</b>	<b>633</b>	<b>670</b>	<b>633</b>

All financial liabilities relate to lease liabilities for right of use assets and are measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or Treasury's incremental borrowing rate. There were no defaults or breaches on any of the above liabilities throughout the year. Borrowing costs on lease liabilities was \$0.041 million (\$0.026 million).

Refer to note 30 for information on risk management.

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**21.1 Maturity analysis**

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

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Lease Liabilities</b>				
Within one year	242	298	242	298
Later than one year but not longer than five years	470	360	470	360
<b>Total lease liabilities (undiscounted)</b>	<b>712</b>	<b>658</b>	<b>712</b>	<b>658</b>

**22. Staff related liabilities**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>				
Accrued salaries and wages	3,602	3,072	3,602	3,072
Annual leave	7,361	7,445	7,361	7,445
Long service leave	962	947	962	947
Skills and experience retention leave	485	468	485	468
Staff on-costs	1,422	1,365	1,422	1,365
<b>Total current staff related liabilities</b>	<b>13,832</b>	<b>13,297</b>	<b>13,832</b>	<b>13,297</b>
<b>Non-current</b>				
Long service leave	10,445	10,297	10,445	10,297
Staff on-costs	601	462	601	462
<b>Total non-current staff related liabilities</b>	<b>11,046</b>	<b>10,759</b>	<b>11,046</b>	<b>10,759</b>
<b>Total staff related liabilities</b>	<b>24,878</b>	<b>24,056</b>	<b>24,878</b>	<b>24,056</b>

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

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

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

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

As a result of the actuarial assessment performed by DTF, the salary inflation rate has increased from the 2024 rate (2.4%) to 3.2% for annual leave and skills and experience retention leave liability. As a result, there is an increase in the staff related liabilities and staff related expenses of \$0.061 million. The impact on future periods is impractical to estimate.

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

**22.2 Long service leave**

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

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

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

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

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**22.2 Staff on-costs**

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

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

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has increased from 2024 (38%) to 47% and the average factor for the calculation of employer superannuation on-costs has increased from the 2024 rate (11.5%) to 12.0% to reflect the increase in super guarantee. These rates are used in the staff on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the staff on-cost liability and staff related expenses of \$0.184 million. The estimated impact on future periods is impracticable to estimate.

**23. Provisions**

Provisions represent workers compensation

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	2,535	2,577	2,535	2,577
Payments	(476)	(529)	(476)	(529)
Remeasurement	(182)	(226)	(182)	(226)
Additions	814	713	814	713
<b>Carrying amount at the end of the period</b>	<b>2,691</b>	<b>2,535</b>	<b>2,691</b>	<b>2,535</b>

**Workers compensation provision (statutory and additional compensation schemes)**

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

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

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

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

**24. Contract liabilities and other liabilities**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>				
Contract liabilities	1,025	1,799	1,025	1,799
Residential aged care bonds	16,217	15,735	16,217	15,735
Other	25	29	25	29
<b>Total current contract liabilities and other liabilities</b>	<b>17,267</b>	<b>17,563</b>	<b>17,267</b>	<b>17,563</b>

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

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

## 25. Cash flow reconciliation

Reconciliation of net cash provided by operating activities to net result:	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Net cash provided by (used in) operating activities	(1,114)	13,731	(1,129)	13,838
<b>Add/less non-cash items</b>				
Asset donated free of charge	-	-	(1,518)	(115)
Capital revenues	40	1,027	40	1,027
Depreciation and amortisation expense of non-current assets	(10,010)	(7,722)	(5,659)	(4,269)
Gain/(loss) on sale or disposal of non-current assets	(187)	(18)	(187)	(18)
Interest credited directly to investments	381	315	372	296
Resources received free of charge	1,051	-	1,051	-
Revaluation of investments	-	-	-	-
<b>Movement in assets/liabilities</b>				
Increase/(decrease) in inventories	90	(73)	90	(73)
Increase/(decrease) in receivables	(1,687)	(7,014)	(1,669)	(6,885)
(Increase)/decrease in other liabilities	296	129	296	129
(Increase)/decrease in payables and provisions	(331)	2,050	(332)	2,050
(Increase)/decrease in staff benefits	(794)	(1,798)	(794)	(1,798)
<b>Net result</b>	<b>(12,265)</b>	<b>627</b>	<b>(9,439)</b>	<b>4,182</b>

Total cash outflows for leases is \$0.479 million (\$0.306 million).

## 26. Unrecognised contractual commitments

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

### 26.1 Other contractual commitments

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Within one year	4,503	7,819	4,503	7,819
Later than one year but not longer than five years	4,526	67	4,526	67
<b>Total expenditure commitments</b>	<b>9,029</b>	<b>7,886</b>	<b>9,029</b>	<b>7,886</b>

The Hospital contractual commitments are for agreements for goods and services ordered but not received. The Hospital also has commitments to provide funding to various non-government organisations in accordance with negotiated service agreements.

### 26.2 Contractual commitments to acquire property, plant & equipment

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Within one year	1,553	-	1,553	-
<b>Total expenditure commitments</b>	<b>1,553</b>	<b>-</b>	<b>1,553</b>	<b>-</b>

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The Hospital capital commitments are for agreements for property, plant and equipment ordered but not received and are disclosed at nominal amounts.

## 27. Trust funds

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

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Carry amount at the beginning of period	19	12	19	12
Client trust receipts	31	16	31	16
Client trust payments	(41)	(9)	(41)	(9)
Carrying amount at the end of the period	9	19	9	19

## 28. Contingent assets and liabilities

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

The terms of offer for a new *South Australian Allied Health Professionals, Assistants and Psychologists Enterprise Agreement 2025* were presented on 13 June 2025, contingent on an agreement being reached and approval by the South Australian Employment Tribunal (SAET). In accordance with the terms of the new Enterprise Agreement eligible staff are entitled to, among other things, salary increases of 4.0% per annum back dated to the first full pay period after 1 May 2025. The financial impact of backpay and remeasurement of staff related liabilities estimated to be \$0.116 million.

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

The Hospital has commenced an internal review of Nurses Rural and Remote Incentive Payment (Nurses zone allowance) and has identified instances of potential underpayments. The financial impact of these underpayments is estimated to be \$0.754 million. As the detailed review is ongoing, the timing and amount of any required payments remain uncertain.

## 29. Events after balance date

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

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

## 30. Financial instruments/financial risk management

### 30.1 Financial risk management

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

#### Liquidity Risk

The Hospital is funded principally from appropriation by the SA Government. The Hospital works with the SA Government to determine the cash flows associated with the SA Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to note 20 and 21 for further information.

#### Credit risk

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

Refer to notes 13 and 14 for further information.

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*Market risk*

The Hospital does not engage in high risk hedging for its financial assets. Exposure to interest rate risk may arise through interest bearing liabilities, including borrowings. The Hospital's interest bearing liabilities are managed through SAFA and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

**30.2 Categorisation of financial instruments**

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, 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.

Financial assets and liabilities are measured at amortised cost. Amounts relating to statutory receivables and payable (e.g. Commonwealth taxes; audit fees etc.) and prepayments are excluded as they are not financial assets or liabilities. Receivables and Payables at amortised cost are \$2.706 million (\$4.498 million) and \$5.742 million (\$5.557 million) respectively.

**30.3 Credit risk exposure and impairment of financial assets**

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

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

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

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

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

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



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**CONSOLIDATED and PARENT**

	30 June 2025			30 June 2024		
	Expected credit loss rate(s)	Gross carrying amount	Expected credit losses	Expected credit loss rate(s)	Gross carrying amount	Expected credit losses
	%	\$'000	\$'000	%	\$'000	\$'000
<b>Days past due</b>						
Current	0.2 - 6.1%	589	17	0.2-6.7%	420	15
<30 days	0.6 - 6.8%	165	8	0.5-7.4%	195	12
31-60 days	2.2 - 11.6%	73	5	2.8-13.6%	61	5
61-90 days	3.2 - 15.7%	72	8	3.8-20.1%	99	14
91-120 days	5.3 - 18.4%	18	2	4.4-24.9%	28	6
121-180 days	7.4 - 22.7%	30	4	5.5-33.5%	27	6
181-360 days	21.2 - 57.6%	76	20	18.7-64.0%	89	33
361-540 days	24.9 - 92.2%	35	15	25.7-91.1%	31	21
>540 days	26.9 - 100.0%	154	86	27.7-100%	158	85
<b>Total</b>		<b>1,212</b>	<b>165</b>		<b>1,108</b>	<b>197</b>

### 31. Significant transactions with government related entities

The Hospital is controlled by the SA Government.

Related parties of the Hospital include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government. Significant transactions with the SA Government are identifiable throughout this financial report.

The Hospital received funding from the SA Government via the Department (note 2), and incurred significant expenditure via the Department for medical, surgical and laboratory supplies, computing and insurance (note 9). The Department transferred capital works in progress of \$0.046 million (\$1.341 million) to the Hospital.

### 32. Interests in other entities

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

#### Controlled Entities

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

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

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

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The HAC have no powers to direct or make decisions with respect to the management and administration of Eyre and Far North Local Health Network Incorporated.

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

<b>Health Advisory Councils and associated Gift Fund Trusts</b>		
<b>Incorporated HACs and GFTs</b>		
Ceduna District Health Services Health Advisory Council Inc	Eastern Eyre Health Advisory Council Inc	Far North Health Advisory Council Inc
Lower Eyre Health Advisory Council Inc	Mid West Health Advisory Council Inc	Port Lincoln Health Advisory Council Inc
Ceduna District Health Services Health Advisory Council Inc Gift Fund Trust	Eastern Eyre Health Advisory Council Inc Gift Fund Trust	Lower Eyre Health Advisory Council Inc Gift Fund Trust
Mid West Health Advisory Council Inc Gift Fund Trust	Far North Health Advisory Council Gift Fund Trust	Port Lincoln Health Advisory Council Gift Fund Trust

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### **33. Administered Items**

The Hospital administers arrangements at the Ceduna Family Medical Centre. Fees and charges are collected on behalf of doctors who work in the Hospital-owned Medical Centre. The Hospital cannot use these administered funds for the achievement of its objectives.

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue from fees and charges	1,186	1,545
Other expenses	(1,252)	(1,530)
<b>Net result</b>	<b>(66)</b>	<b>15</b>
Cash and cash equivalents	112	178
Payables	(163)	(163)
<b>Net assets</b>	<b>(51)</b>	<b>15</b>
Cash at 1 July	178	2,616
Cash inflows	1,186	1,545
Cash outflows	(1,252)	(3,983)
<b>Cash at 30 June</b>	<b>112</b>	<b>178</b>

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34. Board and committee members

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

Board/Committee name:	Government employee members	
		Other members
Eyre and Far North Local Health Network Governing Board	1	Smith M (Chair), Dunchue L, Mills P Dr, Siviour J, Sweet C, Thyer C, Auhl P, Smith T (appointment ended 30/09/2024)
Audit and Risk Management Committee*	1	Smith T (Independent Chair from 01/10/2024), Sweet C
Clinical Governance Committee*	-	Mills P Dr (Chair), Siviour J (ended 31/07/2024), Auhl P, Blacker P
Finance and Performance Committee*	-	Dunchue L (Chair), Sweet C
Consumer, Community and Clinician Engagement Committee*	-	Siviour J (Co Chair), Thyer C (Co Chair)
Digital Strategy Committee*	-	Auhl P (Chair), Siviour J (from 01/08/2024),

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

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