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To the Board Chair Limestone Coast Local Health Network Incorporated

Qualified Opinion

I have audited the financial report of the Limestone Coast Local Health Network Incorporated and the consolidated entity comprising the Limestone Coast 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 Limestone Coast 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 Limestone Coast 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 Limestone Coast 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 Limestone Coast 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 Officer 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 Limestone Coast 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 Limestone Coast 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
Limestone Coast Local Health Network**

We certify that the:

- financial statements of the Limestone Coast 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 Limestone Coast Local Health Network Inc. over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.


.....
Dr. Andrew Saies
Board Chair


.....
Emma Poland
Chief Executive Officer


.....
Paul Harris
Chief Finance Officer

Date 11/9/2025

OFFICIAL

LIMESTONE COAST LOCAL HEALTH NETWORK
STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2025

		Consolidated		Parent	
	Note	2025	2024	2025	2024
		\$'000	\$'000	\$'000	\$'000
Income					
Revenues from SA Government	2	206,313	181,636	206,313	181,636
Fees and charges	3	17,861	18,427	17,861	18,427
Grants and contributions	4	35,889	31,923	36,074	32,324
Interest		1,273	1,167	1,223	1,113
Resources received free of charge	5	2,620	10,450	2,620	4,003
Other revenues/income	7	1,877	1,162	1,749	1,064
Total income		265,833	244,765	265,840	238,567
Expenses					
Staff related expenses	8	136,730	131,378	136,730	131,378
Supplies and services	9	107,010	94,317	107,007	94,315
Depreciation and amortisation	18,19	7,955	6,804	5,684	5,142
Grants and subsidies	10	-	375	-	375
Borrowing costs	11	655	679	655	679
Net loss from disposal of non-current and other assets	6	16	9	16	9
Impairment loss on receivables	14.1	(380)	198	(380)	198
Other expenses	12	531	2,716	1,550	2,788
Total expenses		252,517	236,476	251,262	234,884
Net result		13,316	8,289	14,578	3,683
Other Comprehensive Income					
Items that will not be reclassified to net result					
Changes in property, plant and equipment asset revaluation surplus		520	20,582	(267)	8,811
Total other comprehensive income		520	20,582	(267)	8,811
Total comprehensive result		13,836	28,871	14,311	12,494

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

LIMESTONE COAST LOCAL HEALTH NETWORK
STATEMENT OF FINANCIAL POSITION
As at 30 June 2025

		Consolidated		Parent	
	Note	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Current assets					
Cash and cash equivalents	13	20,570	14,468	20,223	14,106
Receivables	14	5,315	6,057	5,308	6,073
Other financial assets	15	26,547	23,414	25,442	22,290
Inventories	16	1,105	1,045	1,105	1,045
Total current assets		53,537	44,984	52,078	43,514
Non-current assets					
Receivables	14	1,055	1,029	1,055	1,029
Property, plant and equipment	17,18	152,826	145,376	109,520	101,606
Intangible assets	17,19	515	106	515	106
Total non-current assets		154,396	146,511	111,090	102,741
Total assets		207,933	191,495	163,168	146,255
Current liabilities					
Payables	21	5,408	6,013	5,406	6,011
Financial liabilities	22	3,905	3,879	3,905	3,879
Staff related liabilities	23	22,130	19,755	22,130	19,755
Provisions	24	1,182	1,110	1,182	1,110
Contract liabilities and other liabilities	25	22,472	19,446	22,472	19,446
Total current liabilities		55,097	50,203	55,095	50,201
Non-current liabilities					
Financial liabilities	22	26,813	30,226	26,813	30,226
Staff related liabilities	23	17,336	16,234	17,336	16,234
Provisions	24	3,127	3,207	3,127	3,207
Total non-current liabilities		47,276	49,667	47,276	49,667
Total liabilities		102,373	99,870	102,371	99,868
Net assets		105,560	91,625	60,797	46,387
Equity					
Retained earnings		76,528	63,113	52,253	37,576
Asset revaluation surplus		29,032	28,512	8,544	8,811
Total equity		105,560	91,625	60,797	46,387

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

LIMESTONE COAST LOCAL HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2025

CONSOLIDATED

	Note	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2023		7,930	54,824	62,754
Net result for 2023-24		-	8,289	8,289
Gain/(loss) on revaluation of land and buildings	18	20,582	-	20,582
Total comprehensive result for 2023-24		20,582	8,289	28,871
Balance at 30 June 2024		28,512	63,113	91,625
Net result for 2024-25		-	13,316	13,316
Gain/(loss) on revaluation of land and buildings	18	520	-	520
Total comprehensive result for 2024-25		520	13,316	13,836
Transactions with SA Government as owner				
Net assets transferred out as a result of an administrative restructure	1.6	-	99	99
Balance at 30 June 2025		29,032	76,528	105,560

PARENT

	Note	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2023		-	33,893	33,893
Net result for 2023-24		-	3,683	3,683
Gain/(loss) on revaluation of land and buildings	18	8,811	-	8,811
Total comprehensive result for 2023-24		8,811	3,683	12,494
Balance at 30 June 2024		8,811	37,576	46,387
Net result for 2024-25		-	14,578	14,578
Gain/(loss) on revaluation of land and buildings	18	(267)	-	(267)
Total comprehensive result for 2024-25		(267)	14,578	14,311
Transactions with SA Government as owner				
Net assets transferred out as a result of an administrative restructure	1.6	-	99	99
Balance at 30 June 2025		8,544	52,253	60,797

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

LIMESTONE COAST LOCAL HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the period ended 30 June 2025

	Note	Consolidated		Parent	
		2025	2024	2025	2024
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Cash inflows					
Receipts from SA Government		168,093	153,659	168,093	153,659
Fees and charges		18,702	17,397	18,723	17,360
Grants and contributions		36,046	32,136	36,232	32,537
Interest received		1,190	657	1,188	656
Residential aged care bonds received		9,076	8,668	9,076	8,668
GST recovered from ATO		7,470	6,260	7,470	6,260
Other receipts		559	277	430	179
Cash outflows					
Staff benefits payments		(133,286)	(127,370)	(133,286)	(127,370)
Payments for supplies and services		(86,305)	(70,833)	(86,384)	(70,833)
Payments of grants and subsidies		-	(413)	-	(413)
Interest paid		(655)	(679)	(655)	(679)
Residential aged care bonds refunded		(6,069)	(3,958)	(6,069)	(3,958)
Other payments		(593)	(2,797)	(592)	(2,797)
Net cash from operating activities	26	14,228	13,004	14,226	13,269
Cash flows from investing activities					
Cash inflows					
Proceeds from sale/maturities of investments		1,705	700	1,600	400
Cash outflows					
Purchase of property, plant and equipment		(1,254)	(1,377)	(1,172)	(1,377)
Purchase of investments		(4,485)	(5,645)	(4,445)	(5,495)
Net cash from/(used in) investing activities		(4,034)	(6,322)	(4,017)	(6,472)
Cash flows from financing activities					
Cash outflows					
Repayment of lease liabilities		(4,092)	(3,767)	(4,092)	(3,767)
Net cash from/(used in) financing activities		(4,092)	(3,767)	(4,092)	(3,767)
Net increase/(decrease) in cash and cash equivalents		6,102	2,915	6,117	3,030
Cash and cash equivalents at the beginning of the period		14,468	11,553	14,106	11,076
Cash and cash equivalents at the end of the period	13	20,570	14,468	20,223	14,106

The accompanying notes form part of these financial statements.

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

1. About Limestone Coast Local Health Network

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

Parent Entity

The Parent Entity consists of the following:

- Bordertown Memorial Hospital
- Bordertown Charla Lodge
- Integrated Mental Health Inpatient Unit
- Kingston Soldiers Memorial Hospital Multi-Purpose Service
- Limestone Coast Country Health Connect
- Mental Health Intensive Community Program
- Millicent and Districts Hospital and Health Service
- Millicent Sheoak Lodge
- Mount Gambier and Districts Health Service
- Naracoorte Health Service
- Naracoorte Moreton Bay House
- Penola War Memorial Hospital Multi-Purpose Service
- Keith and District Healthcare

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 33.

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 33.

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 Limestone Coast region.

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

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

1.2 Basis of preparation

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

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

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

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

Material accounting policies are set out throughout the notes.

Prior year comparative values will follow current year values in brackets throughout the notes.

1.3 Taxation

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

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

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

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

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

1.4 Continuity of operations

As at 30 June 2025, the Hospital had working capital deficiency of \$1.560 million (\$5.219 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

Administrative Restructure

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 five staff to the statewide ACAS in CALHN, effective 22 March 2025. Staff related liabilities of \$0.099 million were transferred out of the Hospital.

2023-24

The transition of the Keith & Districts Private Hospital to form part of the Limestone Coast Local Health Network took place on 23 September 2023. The assets of \$8.611 million and liabilities of \$2.391 million were transitioned to Limestone Coast Local Health Network in 2023-24. The Keith and District Health Advisory Council Incorporated was formed in 2023-24 and associated Gift Fund Trust subsequently established. For further details refer to note 5 and 12.

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

2. Revenues from SA Government

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Capital projects funding	14,716	5,061	14,716	5,061
Operational funding	191,597	176,575	191,597	176,575
Total revenues from SA Government	206,313	181,636	206,313	181,636

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

3. Fees and charges

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Patient and client fees	9,395	10,158	9,395	10,158
Private practice fees	699	669	699	669
Fees for health services	1,369	1,740	1,369	1,740
Residential and other aged care charges	5,955	5,472	5,955	5,472
Sale of goods - medical supplies	2	43	2	43
Other user charges and fees	441	345	441	345
Total fees and charges	17,861	18,427	17,861	18,427

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

The Hospital recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities (refer to note 25).

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, anesthetist, pathology, radiology services etc. Revenue from these services is recognized on a time-and-material basis as services are provided. Any amounts remaining unpaid at the end of the reporting period are treated as an accounts receivable.

Private practice fees

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

Residential and other aged care charges

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

Fees for health services

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

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

4. Grants and contributions

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Commonwealth grants and donations	18,113	17,481	18,113	17,481
Commonwealth aged care subsidies	17,611	14,103	17,611	14,103
SA Government capital contributions	-	-	43	-
Other SA Government grants and contributions	-	-	142	401
Private sector grants and contributions	165	339	165	339
Total grants and contributions	35,889	31,923	36,074	32,324

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

All grants and contributions were provided for specific purposes such as aged care, community health services and other related health services and were recognised in accordance with AASB 1058 *Income of Not-for-Profit Entities*.

5. Resources received free of charge

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Plant and equipment	24	304	24	303
Land and buildings	-	6,446	-	-
Intangible assets	560	-	560	-
Inventory	-	8	-	8
Services	2,036	1,839	2,036	1,839
Other	-	1,853	-	1,853
Total resources received free of charge	2,620	10,450	2,620	4,003

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 services from Shared Services SA free of charge valued at \$1.501 million (\$1.439 million) and Information and Communication Technologies (ICT) services from Department of the Premier and Cabinet (DPC) valued at \$0.426 million (\$0.400 million).

On 5 September 2024 the Treasurer approved the Auditor-General's request to cease audit fee charging arrangements for auditing the public accounts, effective for financial years ending on or after 30 June 2024. The Hospital received audit services from the Audit Office of South Australia free of charge valued at \$0.109 million for 2024-25.

In addition, although not recognised, Limestone Coast Local Health Network receives volunteer services from around 288 volunteers across the Limestone Coast whom provide patient and staff support services to individuals using the Hospitals services, and also support clients and staff for Country Health Connect and Mental Health directorates. The volunteer services include but are not limited to: patient guides, social support groups, home delivered meals, allied health services, and administrative assistance and patient visitations in the acute ward settings.

In 2023-24 the Keith and District Hospital Inc transitioned to the Hospital, recognising a total of \$8.611 million of contributed assets. \$6.446 million of Land and buildings were recognised in Keith and District Health Advisory Council Inc, and the remaining \$2.165 million of Plant and Equipment, Inventory and Cash in the Parent. Refer also Note 12 Other expenses.

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

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Land and buildings				
Less carrying amount of assets disposed	-	1	-	1
Net gain/(loss) from disposal of land and buildings	-	1	-	1
 Plant and equipment:				
Less carrying amount of assets disposed	(16)	(10)	(16)	(10)
Net gain/(loss) from disposal of land and buildings	(16)	(10)	(16)	(10)
 Less total carrying amount of assets disposed	(16)	(9)	(16)	(9)
Total net gain/(loss) from disposal of assets	(16)	(9)	(16)	(9)

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

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. When revalued assets are disposed, the revaluation surplus is transferred to retained earnings.

7. Other revenues/income

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Donations	132	164	10	67
Health recoveries	1,156	812	1,156	812
Insurance recoveries	144	12	144	12
Other	445	174	439	173
Total other revenues/income	1,877	1,162	1,749	1,064

8. Staff related expenses

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	108,273	103,919	108,273	103,919
Long service leave	2,844	3,287	2,844	3,287
Annual leave	10,072	9,753	10,072	9,753
Skills and experience retention leave	381	411	381	411
Superannuation	13,653	12,433	13,653	12,433
Workers compensation	1,022	1,157	1,022	1,157
Board and committee fees	283	258	283	258
Other staff related expenses	202	160	202	160
Total staff benefits expenses	136,730	131,378	136,730	131,378

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 Hospital includes the Minister, the eight (seven) members of the governing board, the Chief Executive of the Department, the Chief Executive Officer of the Hospital and the twelve (ten) members of the Executive Management Group who have responsibility for the strategic direction and management of the Hospital.

The compensation detailed below excludes salaries and other benefits:

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

	2025	2024
	\$'000	\$'000
Salaries and other short term employee benefits	2,411	2,525
Post-employment benefits	332	248
Other long-term employment benefits	-	39
Total	2,743	2,812

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

8.2 Remuneration of Boards and Committees

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

	2025	2024
	No. of Members	No. of Members
\$0 - \$20,000	3	4
\$20,001 - \$40,000	7	6
\$40,001 - \$60,000	1	1
Total	11	11

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

The total remuneration received or receivable by members was \$0.311 million (\$0.274 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax paid. 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 so exempted by the Minister.

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.

8.3 Staff Remuneration

	Consolidated		Parent	
	2025	2024	2025	2024
	Number	Number	Number	Number
The number of staff whose remuneration received or receivable fall within the following bands:				
\$166,001 - \$171,000*	N/A	6	N/A	6
\$171,001 - \$191,000	11	13	11	13
\$191,001 - \$211,000	7	4	7	4
\$211,001 - \$231,000	1	1	1	1
\$231,001 - \$251,000	3	-	3	-
\$251,001 - \$271,000	2	-	2	-
\$271,001 - \$291,000	1	2	1	2
\$311,001 - \$331,000	1	-	1	-
\$331,001 - \$351,000	-	1	-	1
\$351,001 - \$371,000	1	2	1	2
\$371,001 - \$391,000	1	2	1	2
\$391,001 - \$411,000	-	1	-	1
\$411,001 - \$431,000	-	1	-	1
\$431,001 - \$451,000	1	2	1	2
\$451,001 - \$471,000	3	3	3	3
\$471,001 - \$491,000	1	-	1	-
\$491,001 - \$511,000	-	2	-	2
\$511,001 - \$531,000	3	1	3	1
\$531,001 - \$551,000	2	3	2	3
\$551,001 - \$571,000	3	-	3	-
\$591,001 - \$611,000	1	1	1	1
\$611,001 - \$631,000	-	1	-	1
\$631,001 - \$651,000	1	-	1	-
\$651,001 - \$671,000	1	-	1	-
\$671,001 - \$691,000	-	1	-	1
\$691,001 - \$711,000	-	1	-	1
\$711,001 - \$791,000	1	-	1	-
\$791,001 - \$811,000	1	-	1	-
Total number of staff	46	48	46	48

The table includes all staff whose normal 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, 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.

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

8.4 Staff remuneration by classification

The total remuneration received by staff included above:

		Consolidated 2025		2024		Parent 2025		2024
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Executive	1	330	-	-	1	330	-	-
Medical (excluding Nursing)	34	13,922	31	12,666	34	13,922	31	12,666
Non-medical (i.e. administration)	1	175	3	510	1	175	3	510
Nursing	10	1,884	14	2,486	10	1,884	14	2,486
Total	46	16,311	48	15,662	46	16,311	48	15,662

9. Supplies and services

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Administration	215	210	214	210
Advertising	128	101	128	101
Communication	770	851	770	851
Computing	2,986	2,772	2,986	2,772
Consultants	479	217	479	217
Contract of services	1,854	1,559	1,854	1,559
Contractors	110	368	110	368
Contractors - agency staff	12,185	8,225	12,185	8,225
Drug supplies	3,454	2,793	3,454	2,793
Electricity, gas and fuel	1,833	1,716	1,833	1,716
Fee for service*	31,643	28,164	31,643	28,164
Food supplies	2,914	2,570	2,914	2,570
Housekeeping	1,652	1,570	1,652	1,570
Insurance	1,854	1,690	1,854	1,690
Internal SA Health SLA payments	6,661	6,310	6,661	6,310
Legal	32	22	32	22
Medical, surgical and laboratory supplies	19,673	17,707	19,673	17,707
Minor equipment	1,828	1,478	1,828	1,478
Motor vehicle expenses	597	467	597	467
Occupancy rent and rates	478	453	478	453
Patient transport	2,106	1,906	2,106	1,906
Postage	274	301	274	301
Printing and stationery	510	486	510	486
Repairs and maintenance	6,175	5,504	6,175	5,504
Security	1,270	1,157	1,270	1,157
Services from Shared Services SA	1,543	1,492	1,543	1,492
Short term lease expense	739	845	739	845
Training and development	693	1,086	693	1,086
Travel expenses	643	518	643	518
Other supplies and services	1,711	1,779	1,709	1,777
Total supplies and services	107,010	94,317	107,007	94,315

* 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) 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

Grants and subsidies relate to funding to non-government organisations to assist in maintaining vital health services in the Limestone Coast region.

The Hospital provided \$0.375 million in funding to non-government organisations to assist in maintaining vital health services in the Limestone Coast region in 2023-24.

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

11. Borrowing costs

The Hospital does not capitalise borrowing costs. The total borrowing costs from financial liabilities not at fair value through the profit and loss was \$0.655 million (\$0.679 million). Refer to note 22 for more information on financial liabilities.

12. Other expenses

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Debts written off	279	139	279	139
Bank fees and charges	8	5	7	5
Donated assets expense	-	-	1,020	72
Other	244	2,572	244	2,572
Total other expenses	531	2,716	1,550	2,788

Donated assets expense includes transfer of buildings and improvements to the HACs and is recorded as expenditure at their fair value.

* Included in other expenses is audit fees paid/payable to Galpins Accountants Auditors and Business Consultants of \$0.048 million (\$0.030 million) for HAC and aged care audit services.

In 2023-24 the Keith and District Hospital Inc transitioned to the Hospital, recognising a total of \$2.391 million of other expenses. This relates to assumption of liabilities for aged care refundable accommodation deposits and employee entitlements. Refer also Note 5 Resources received free of charge.

13. Cash and cash equivalents

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand	3,417	3,427	3,070	3,065
Deposits with Treasurer: general operating	16,652	10,182	16,652	10,182
Deposits with Treasurer: special purpose funds	501	859	501	859
Total cash and cash equivalents in the Statement of Financial Position	20,570	14,468	20,223	14,106
Total cash and cash equivalents in the Statement of Cash Flows	20,570	14,468	20,223	14,106

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 \$20.570 million (\$14.468 million) held, \$2.809 million (\$2.650 million) relates to aged care refundable deposits.

14. Receivables

	Note	Consolidated		Parent	
		2025	2024	2025	2024
		\$'000	\$'000	\$'000	\$'000
Current					
Patient/client fees: compensable		425	621	425	621
Patient/client fees: aged care		1,302	614	1,302	614
Patient/client fees: other		852	1,431	852	1,431
Debtors		967	1,339	973	1,340
Less: allowance for impairment loss on receivables	14.1	(667)	(1,047)	(667)	(1,047)
Prepayments		416	201	416	201
Interest		281	551	258	530
Workers compensation provision recoverable		262	251	262	251
Sundry receivables and accrued revenue		1,434	1,774	1,444	1,810
GST input tax recoverable		43	322	43	322
Total current receivables		5,315	6,057	5,308	6,073

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

Non-current

Debtors	107	125	107	125
Workers compensation provision recoverable	948	904	948	904
Total non-current receivables	1,055	1,029	1,055	1,029

Total receivables	6,370	7,086	6,363	7,102
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Receivables arise in the normal course of selling goods and services to other agencies and to the public. The Hospitals trading terms for receivables are generally 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

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

14.1 Impairment of receivables

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

Movement in the impairment loss on receivables:

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1,047	849	1,047	849
Increase/(Decrease) in allowance recognised in profit or loss	(380)	198	(380)	198
Carrying amount at the end of the period	667	1,047	667	1,047

Impairment losses related to receivables arising from contracts with customers that are external to the SA Government Refer to note 31 for details regarding credit risk and the methodology for determining impairment.

15. Other financial assets

The consolidated and parent entity, hold term deposits of \$26.547 million (\$23.414 million) and \$25.442 million (\$22.290 million) respectively. Of these deposits \$18.242 million (\$15.397 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.

16. Inventories

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Drug supplies	215	200	215	200
Medical, surgical and laboratory supplies	719	665	719	665
Food and hotel supplies	121	128	121	128
Engineering supplies	10	16	10	16
Other	40	36	40	36
Total current inventories - held for distribution	1,105	1,045	1,105	1,045

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.

17. Property, plant and equipment, investment property and intangible assets

17.1 Acquisition and recognition

Property, plant and equipment owned are initially recorded on a cost basis, and subsequently measured at fair value. Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. Where assets

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

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 in excess of \$5 million for infrastructure assets and \$1 million for other assets.

17.2 Depreciation and amortisation

The residual values, useful lives, depreciation and amortisation methods of all major assets held by the Hospital are reviewed and adjusted if appropriate on an annual basis. Changes in 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:

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	12 - 46
Right-of-use-buildings	Lease term
Leasehold improvements	Lease term
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	1 - 12
• Other plant and equipment	1 - 20
Computing equipment	2
Vehicles	1 - 3
Intangibles	1 - 10

17.3 Revaluation

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

The scope of the valuation of PPE included all: land, buildings, site improvements, site infrastructure and Plant and Equipment with an acquisition greater than \$1.5 million and useful life greater than three (3) 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 \$1.5 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. Upon disposal or derecognition, any asset revaluation surplus relating to that asset is transferred to retained earnings.

17.4 Impairment

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

17.5 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 any accumulated impairment losses. The amortisation period and the amortisation method for intangible assets with finite useful lives are reviewed on an annual basis. Amortisation is not recognised against these intangible assets.

The acquisition of, or internal development of, software is capitalised only when the expenditure meets the definition criteria and the 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.

17.6 Land and building

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 Advisory Pacific, as at 1 June 2024.

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

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

Fair value of buildings was determined using depreciated replacement cost due to there not being an active market. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature and restricted

use of the assets; the size, condition and location. The valuation was based on a combination of internal records, specialised knowledge and acquisitions/transfer costs.

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.

17.7 Plant and equipment

The value of plant and equipment has not been revalued and in accordance with APS 116D as the carrying value is deemed to approximate fair value.

17.8 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 – buildings are mainly leased from the private sector for office space or accommodation for clients, locums and students. 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.
- Health Facilities – Mount Gambier Hospital lease commenced in June 1997, initially for 25 years, with an option to renew for 10 years. The underlease was renewed until 29 June 2032, with the rental increasing by 3.5% each financial year.
- 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. Accordingly, the carrying values of existing right-of-use assets and corresponding lease liabilities were derecognised.

The Hospital has not committed to any lease arrangements that have not commenced. The Hospital has entered into two sub-lease arrangements outside of SA Health, which have continued to be recognised as operating leases.

The lease liabilities related to the right-of-use assets (and the maturity analysis) are disclosed at note 22. Expenses related to right-of-use assets including depreciation and interest expense are disclosed at note 18 and 11. Cash outflows related to right-of-use assets are disclosed at note 26.

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

18. 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	Accommodation	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	and Leasehold improve-ments \$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	7,640	74,014	39,112	5,612	16,360	869	670	669	430	145,376
Additions	-	-	1,054	13,223	-	516	-	352	269	15,414
Assets received free of charge	-	-	-	-	-	24	-	-	-	24
Disposals	-	-	-	-	-	(2)	(14)	(688)	-	(704)
Transfers between asset classes	-	514	-	(514)	-	381	50	-	(431)	-
Subtotal:	7,640	74,528	40,166	18,321	16,360	1,788	706	333	268	160,110
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(4,323)	(2,026)	-	(510)	(468)	(144)	(333)	-	(7,804)
Subtotal:	-	(4,323)	(2,026)	-	(510)	(468)	(144)	(333)	-	(7,804)
Gains/(losses) for the period recognised in other comprehensive income:										
Revaluation increment / (decrement)	-	520	-	-	-	-	-	-	-	520
Subtotal:	-	520	-	-	-	-	-	-	-	520
Carrying amount at the end of the period*	7,640	70,725	38,140	18,321	15,850	1,320	562	-	268	152,826
Gross carrying amount										
Gross carrying amount	7,640	75,358	49,125	18,321	18,842	4,601	1,416	-	268	175,571
Accumulated depreciation / amortisation	-	(4,633)	(10,985)	-	(2,992)	(3,281)	(854)	-	-	(22,745)
Carrying amount at the end of the period	7,640	70,725	38,140	18,321	15,850	1,320	562	-	268	152,826

* All property, plant and equipment are classified in the level 2 and level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 22 for details about the lease liability for right-of-use assets.

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

Consolidated

2023-24

	Land and buildings:				Plant and equipment:					
	Land	Buildings	Right-of-use	Capital	Accommodation	Medical/	Other	Right-of-use	Capital	Total
	\$'000	\$'000	buildings	works in	and Leasehold	surgical/	plant and	plant and	works in	\$'000
			\$'000	progress	improve-ments	dental/	equipment	equipment	progress	
				land and	\$'000	biomedical	\$'000	\$'000	plant and	\$'000
				buildings					equipment	
				\$'000					\$'000	
Carrying amount at the beginning of the period	4,154	52,095	40,960	2,279	16,882	935	754	514	543	119,116
Additions	-	-	1	4,991	-	(17)	-	506	403	5,884
Assets received free of charge	215	6,231	-	-	-	-	63	-	-	6,509
Disposals	-	-	-	1	-	-	(10)	-	-	(9)
Transfers between asset classes	-	1,679	-	(1,659)	-	467	29	-	(516)	-
Subtotal:	4,369	60,005	40,961	5,612	16,882	1,385	836	1,020	430	131,500
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(3,302)	(1,849)	-	(522)	(516)	(166)	(351)	-	(6,706)
Subtotal:	-	(3,302)	(1,849)	-	(522)	(516)	(166)	(351)	-	(6,706)
Gains/(losses) for the period recognised in other comprehensive income:										
Revaluation increment / (decrement)	3,271	17,311	-	-	-	-	-	-	-	20,582
Subtotal:	3,271	17,311	-	-	-	-	-	-	-	20,582
Carrying amount at the end of the period*	7,640	74,014	39,112	5,612	16,360	869	670	669	430	145,376
Gross carrying amount										
Gross carrying amount	7,640	74,324	48,072	5,612	18,842	3,817	1,450	1,290	430	161,477
Accumulated depreciation / amortisation	-	(310)	(8,960)	-	(2,482)	(2,948)	(780)	(621)	-	(16,101)
Carrying amount at the end of the period	7,640	74,014	39,112	5,612	16,360	869	670	669	430	145,376

*All property, plant and equipment are classified in the level 2 and level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 22 for details about the lease liability for right-of-use assets.

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

Parent

2024-25

	Land and buildings:				Plant and equipment:					
			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
	Land \$'000	Buildings \$'000	buildings \$'000	works in progress land and buildings \$'000	Accommodation and Leasehold improvements \$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	4,310	32,787	39,112	6,399	16,360	869	670	669	430	101,606
Additions	-	-	1,054	13,223	-	516	-	352	269	15,414
Assets received free of charge	-	-	-	-	-	24	-	-	-	24
Disposals	-	-	-	-	-	(2)	(14)	(688)	-	(704)
Donated assets disposal	-	-	-	(1,020)	-	-	-	-	-	(1,020)
Transfers between asset classes	-	280	-	(280)	-	381	50	-	(431)	-
Subtotal:	4,310	33,067	40,166	18,322	16,360	1,788	706	333	268	115,320
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(2,052)	(2,026)	-	(510)	(468)	(144)	(333)	-	(5,533)
Subtotal:	-	(2,052)	(2,026)	-	(510)	(468)	(144)	(333)	-	(5,533)
Gains/(losses) for the period recognised in other comprehensive income:										
Revaluation increment / (decrement)	-	(267)	-	-	-	-	-	-	-	(267)
Subtotal:	-	(267)	-	-	-	-	-	-	-	(267)
Carrying amount at the end of the period*	4,310	30,748	38,140	18,322	15,850	1,320	562	-	268	109,520
Gross carrying amount										
Gross carrying amount	4,310	32,923	49,125	18,322	18,842	4,601	1,416	-	268	129,807
Accumulated depreciation / amortisation	-	(2,175)	(10,985)	-	(2,992)	(3,281)	(854)	-	-	(20,287)
Carrying amount at the end of the period	4,310	30,748	38,140	18,322	15,850	1,320	562	-	268	109,520

* All property, plant and equipment are classified in the level 2 and level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 22 for details about the lease liability for right-of-use assets.

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

Parent

2023-24

	Land and buildings:				Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommodation and Leasehold improve-ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	2,517	26,589	40,960	2,280	16,882	935	754	514	543	91,974
Additions	-	-	1	4,991	-	(17)	-	506	403	5,884
Assets received free of charge	-	-	-	-	-	-	63	-	-	63
Disposals	-	-	-	1	-	-	(10)	-	-	(9)
Donated assets disposal	-	-	-	(23)	-	-	-	-	(49)	(72)
Transfers between asset classes	-	821	-	(850)	-	467	29	-	(467)	-
Subtotal:	2,517	27,410	40,961	6,399	16,882	1,385	836	1,020	430	97,840
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(1,641)	(1,849)	-	(522)	(516)	(166)	(351)	-	(5,045)
Subtotal:	-	(1,641)	(1,849)	-	(522)	(516)	(166)	(351)	-	(5,045)
Gains/(losses) for the period recognised in other comprehensive income:										
Revaluation increment / (decrement)	1,793	7,018	-	-	-	-	-	-	-	8,811
Subtotal:	1,793	7,018	-	-	-	-	-	-	-	8,811
Carrying amount at the end of the period*	4,310	32,787	39,112	6,399	16,360	869	670	669	430	101,606
Gross carrying amount										
Gross carrying amount	4,310	32,910	48,072	6,399	18,842	3,817	1,450	1,290	430	117,520
Accumulated depreciation / amortisation	-	(123)	(8,960)	-	(2,482)	(2,948)	(780)	(621)	-	(15,914)
Carrying amount at the end of the period	4,310	32,787	39,112	6,399	16,360	869	670	669	430	101,606

* All property, plant and equipment are classified in the level 2 and level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 22 for details about the lease liability for right-of-use assets.

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

19. Reconciliation of intangible assets

The following table shows the movement:

Consolidated	2024-25	2023-24
	Computer software \$'000	Computer software \$'000
Carrying amount at the beginning of the period	106	203
Assets received free of charge	560	-
Amortisation	(151)	(97)
Carrying amount at the end of the period*	515	106
Gross carrying amount		
Gross carrying amount	1,045	485
Accumulated amortisation	(530)	(379)
Carrying amount at the end of the period	515	106
Parent		
Carrying amount at the beginning of the period	106	203
Assets received free of charge	560	-
Amortisation	(151)	(97)
Carrying amount at the end of the period*	515	106
Gross carrying amount		
Gross carrying amount	1,045	485
Accumulated amortisation	(530)	(379)
Carrying amount at the end of the period	515	106

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

20. 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 scope of the valuation of PPE included all: land, buildings, site improvements, site infrastructure and plant and Equipment with an acquisition greater than \$1.5 million and useful life greater than three (3) years.

Refer to notes 17 and 20.2 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

20.1 Fair value hierarchy

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

Fair value measurements at 30 June 2025

	Consolidated			Parent		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements (Note 18)						
Land	6,750	890	7,640	3,420	890	4,310
Buildings and improvements	6,583	64,142	70,725	5,170	25,578	30,748
Total recurring fair value measurements	13,333	65,032	78,365	8,590	26,468	35,058

Fair value measurements at 30 June 2024

	Consolidated			Parent		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements (Note 18)						
Land	6,520	230	6,750	3,420	-	3,420
Buildings and improvements	730	74,173	74,903	730	32,948	33,678
Total recurring fair value measurements	7,250	74,403	81,653	4,150	32,948	37,098

There are no non-recurring fair value measurements.

The Hospital's policy is to recognize 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 17 and 20.2.

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

20.2 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 buildings 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.

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

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

(allowing for over-capacity), and based on a combination of internal records including: refurbishment and upgrade costs, recent construction costs, 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.

21. Payables

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Current				
Creditors and accrued expenses	5,093	5,884	5,091	5,882
Paid Parental Leave Scheme	14	34	14	34
Other payables	301	95	301	95
Total current payables	5,408	6,013	5,406	6,011

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.

Refer to note 31 for information on risk management.

22. Financial liabilities

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Current				
Lease liabilities	3,905	3,879	3,905	3,879
Total current financial liabilities	3,905	3,879	3,905	3,879
Non-current	\$'000	\$'000	\$'000	\$'000
Lease liabilities	26,813	30,226	26,813	30,226
Total non-current financial liabilities	26,813	30,226	26,813	30,226
Total financial liabilities	30,718	34,105	30,718	34,105

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

Refer to note 31 for information on risk management.

Refer note 18 for details about the right-of-use assets (including depreciation) and note 11 for financing costs associated with these leasing activities.

22.1 Maturity analysis

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

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Lease Liabilities				
Within one year	4,462	4,488	4,462	4,488
Later than one year but not longer than five years	18,507	17,714	18,507	17,714
Later than five years	9,919	14,628	9,919	14,628
Total lease liabilities (undiscounted)	32,888	36,830	32,888	36,830

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

23. Staff related liabilities

	Consolidated		Parent	
	2025	2024	2025	2024
Current	\$'000	\$'000	\$'000	\$'000
Accrued salaries and wages	5,287	4,325	5,287	4,325
Annual leave	12,437	11,298	12,437	11,298
Long service leave	1,509	1,428	1,509	1,428
Skills and experience retention leave	630	627	630	627
Staff on-costs	2,267	2,077	2,267	2,077
Total current staff related liabilities	22,130	19,755	22,130	19,755
Non-current				
Long service leave	16,392	15,537	16,392	15,537
Staff on-costs	944	697	944	697
Total non-current staff related liabilities	17,336	16,234	17,336	16,234
Total staff related liabilities	39,466	35,989	39,466	35,989

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

23.1 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 employee staff related liability and employee related expenses of \$ 0.101 million.

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 staff is estimated to be less than the annual entitlement for sick leave.

23.2 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 staff up to the end of the reporting period using the projected unit credit method.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is 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 long-term Commonwealth Government bonds is the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has remained unchanged from 2024, 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 year is immaterial. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption being the long-term discount rate.

The split for long service leave between current and non-current is based on the best estimate of the amount to be within 12 months based on leave taken in prior years.

23.3 Staff on-costs

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

The Hospital makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

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 \$0.293 million. The estimated impact on future periods is impracticable to estimate.

24. Provisions

Provisions represent workers compensation.

Reconciliation of workers compensation (statutory and non-statutory)

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	4,317	3,680	4,317	3,680
Payments	(799)	(423)	(799)	(423)
Remeasurement	(514)	(178)	(514)	(178)
Additions	1,305	1,238	1,305	1,238
Carrying amount at the end of the period	4,309	4,317	4,309	4,317

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 April 2025 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

Included in the workers compensation amount is the additional compensation provision which 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 agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions. In addition to these uncertainties, the additional compensation provision 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.

25. Contract liabilities and other liabilities

	Consolidated		Parent	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Current				
Contract liabilities	679	1,380	679	1,380
Residential aged care bonds	21,780	18,047	21,780	18,047
Other	13	19	13	19
Total contract liabilities and other liabilities	22,472	19,446	22,472	19,446

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.

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

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

26. Cash flow reconciliation

Reconciliation of cash and cash equivalents at the end of the reporting period

Reconciliation of net cash provided by operating activities to net result:	Consolidated		Parent	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Net cash provided by (used in) operating activities	14,228	13,004	14,226	13,269
Add/less non-cash items				
Asset donated free of charge	-	-	(1,020)	(72)
Capital revenues	12,836	3,873	12,836	3,873
Depreciation and amortisation expense of non-current assets	(7,955)	(6,804)	(5,684)	(5,142)
Gain/(loss) on sale or disposal of non-current assets	(16)	(9)	(16)	(9)
Interest credited directly to investments	353	177	307	134
Resources received free of charge	584	6,509	584	63
Movement in assets/liabilities				
Increase/(decrease) in inventories	60	44	60	44
Increase/(decrease) in receivables	(716)	1,453	(739)	1,480
(Increase)/decrease in other liabilities	(3,026)	(4,897)	(3,026)	(4,897)
(Increase)/decrease in payables and provisions	352	(1,739)	434	(1,738)
(Increase)/decrease in staff benefits	(3,384)	(3,322)	(3,384)	(3,322)
Net result	13,316	8,289	14,578	3,683

Total cash outflows for leases is \$4.747 million (\$4.400 million).

27. Unrecognised contractual commitments

Expenditure commitments	Consolidated		Parent	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Within one year	1,339	928	1,339	928
Later than one year but not longer than five years	-	111	-	111
Total expenditure commitments	1,339	1,039	1,339	1,039

The Hospital expenditure commitments are for agreements for goods and services ordered but not received and are disclosed as nominal amounts. The Hospital also has commitments to provide funding to various non-government organisations in accordance with negotiated service agreements. The value of these commitments as at 30 June 2025 has not been quantified.

28. 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 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Carry amount at the beginning of period	21	27	21	27
Client trust receipts	44	38	44	38
Client trust payments	(36)	(44)	(36)	(44)
Carrying amount at the end of the period	29	21	29	21

29. 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.

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

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 \$1.286million. As the detailed review is ongoing, the timing and amount of any required payments remain uncertain.

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 \$0.133 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.

30. 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 proposed Enterprise Agreement was approved by the SAET on 11 August 2025. Also refer to note 29.

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.

31. Financial instruments/financial risk management

31.1 Financial risk management

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

Liquidity Risk

The Hospital is funded principally by the SA Government. The Hospital works with the SA Government to determine the cash flows associated with the SA Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows. Refer to note 1.4, 21 and 22 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, 14 and 15 for further information.

Market risk

The Hospital does not engage in hedging for its financial assets. Exposure to interest rate risk may arise through interest bearing liabilities, including borrowings. 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.

31.2 Categorisation of financial instruments

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

Financial assets and financial liabilities are measured at amortised cost. Amounts relating to statutory receivables and payables (e.g. Commonwealth taxes; Audit Office of South Australia audit fees etc.) and prepayments are excluded as they are not financial assets or liabilities. Receivables and Payables at amortised costs are \$4.570 million (\$5.254 million) and \$5.363 million (\$5.847 million) respectively.

31.3 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.

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

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:

Consolidated

	30 June 2025			30 June 2024		
	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000
Days past due						
Current	0.3-2.5%	1,041	20	0.2-2.7%	1,387	24
<30 days	0.8-5.2%	389	12	0.6-5.4%	464	13
31-60 days	2.9-11.7%	133	8	2.5-11.9%	443	24
61-90 days	4.6-13.7%	193	24	3.8-14.0%	150	16
91-120 days	6.1-18.1%	46	7	4.7-18.4%	117	13
121-180 days	8.0-23.4%	99	20	6.1-23.8%	93	16
181-360 days	23.4-50.7%	217	90	17.7-46.8%	251	97
361-540 days	43.6-90.7%	91	53	40.0-83.3%	204	110
>540 days	46.9-100.0%	799	433	46.2-93.4%	844	734
Total		3,008	667		3,953	1,047

32. 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 (refer to note 2), and incurred significant expenditure via the Department for medical, surgical and laboratory supplies, computing and insurance (refer to note 9). The Department transferred capital works in progress of \$9.929 million (\$3.306 million) to the Hospital.

33. 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 associated 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

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2025

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

The HAC have no powers to direct or make decisions with respect to the management and administration of Limestone Coast Local Health Network.

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

Health Advisory Council		
Incorporated HACs and GFTs		
Bordertown and District Health Advisory Council Inc	Kingston/Robe Health Advisory Council Inc	Millicent and Districts Health Advisory Council Inc
Mount Gambier and Districts Health Advisory Council Inc	Naracoorte Area Health Advisory Council Inc	Penola and Districts Health Advisory Council Inc
Keith and District Health Advisory Council Inc		
Bordertown and District Health Advisory Council Inc Gift Fund Trust	Kingston/Robe Health Advisory Council Inc Gift Fund Trust	Millicent and Districts Health Advisory Council Inc Gift Fund Trust
Mount Gambier and Districts Health Advisory Council Inc Gift Fund Trust	Naracoorte Area Health Advisory Council Inc Gift Fund Trust	Penola and Districts Health Advisory Council Inc Gift Fund Trust
Keith and District Health Advisory Council Inc Gift Fund Trust		

LIMESTONE COAST LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

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
Limestone Coast Local Health Network Governing Board	-	Saies A (Chair, appointed 01/07/2024), Cook L, Irving J, Bishop L, Rappensberg G, McKenzie C, Groth K, Davidson J, King G, James P
Limestone Coast Local Health Network Audit and Risk Management Committee*	-	Bishop L (Chair), Irving J, Rappensberg G, McKenzie C, Pearson C*
Limestone Coast Local Health Network Engagement Strategy Oversight Committee	-	Cook L (Chair), Davidson J, Groth K
Limestone Coast Local Health Network Clinical Governance Committee	-	Saies A (Chair), Rappensberg G, James P
Limestone Coast Local Health Network Finance and Performance Committee	-	Irving J (Chair), Cook L, Bishop L

*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