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To the Board Chair Women's and Children's Health Network Incorporated

Qualified Opinion

I have audited the financial report of the Women's and Children's Health Network Incorporated for the financial year ended 30 June 2025.

In my opinion, except for the effects of the matters 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 Women's and Children's Health Network Incorporated as at 30 June 2025, its financial performance and its 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 and Commercial Officer.

Basis for qualified opinion

Procurement reporting disclosure

The Women's and Children's Local Health Network 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 Women's and Children's Local Health Network Incorporated 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 Women's and Children's Health Network Incorporated. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Chief Executive Officer and the Governing 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 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 Governing 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 Women's and Children's Health Network Incorporated 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 Women's and Children's 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.

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.

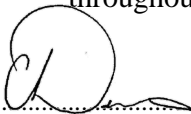
Andrew Blaskett
Auditor-General

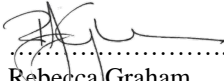
22 September 2025

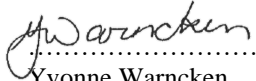
Certification of the financial statements

We certify that the:

- Financial statements of the Women's and Children's 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 Women's and Children's Health Network Inc. over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.


.....
Christine Dennis
Board Chair


.....
Rebecca Graham
Chief Executive Officer


.....
Yvonne Warncken
Chief Finance and Commercial Officer

Date 10 / 09 / 2025

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Income			
Revenues from SA Government	2	774,864	673,314
Fees and charges	3	46,819	38,915
Grants and contributions	4	16,580	15,371
Interest	11	674	651
Resources received free of charge	5	30,321	4,136
Gain on revaluation of investment property	16,17	1,168	-
Other revenues/income	6	12,026	12,265
Total income		882,452	744,652
Expenses			
Staff related expenses	7	504,057	481,920
Supplies and services	8	205,203	182,154
Depreciation and amortisation	16,17	20,351	25,856
Grants and subsidies		194	214
Borrowing costs	20	462	145
Net loss from disposal of non-current and other assets	9	226	319
Loss on revaluation of investment property		-	43
Impairment loss on receivables	13.1	795	710
Other expenses	10	930	569
Total expenses		732,218	691,930
Net result		150,234	52,722
Other Comprehensive Income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus		8,110	(2,259)
Items that will be reclassified subsequently to net result when specific conditions are met			
Gains or losses recognised directly in equity		148	20
Total other comprehensive income		8,258	(2,239)
Total comprehensive result		158,492	50,483

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

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF FINANCIAL POSITION
As at 30 June 2025

	Note	2025 \$'000	2024 \$'000
Current assets			
Cash and cash equivalents	11	40,985	22,938
Receivables	13	15,133	14,213
Inventories	15	1,318	1,285
Total current assets		57,436	38,436
Non-current assets			
Receivables	13	1,995	2,145
Other financial assets	14	1,389	1,241
Property, plant and equipment	16,17	619,873	463,937
Investment property	16,17	22,500	21,332
Intangible assets	16.5	314	1
Total non-current assets		646,071	488,656
Total assets		703,507	527,092
Current liabilities			
Payables	19	15,162	12,220
Financial liabilities	20	1,852	1,113
Staff related liabilities	21	82,931	75,199
Provisions	22	2,291	2,388
Contract liabilities and other liabilities	23	3,261	2,734
Total current liabilities		105,497	93,654
Non-current liabilities			
Financial liabilities	20	9,475	5,131
Staff related liabilities	21	78,625	73,692
Provisions	22	11,880	15,077
Total non-current liabilities		99,980	93,900
Total liabilities		205,477	187,554
Net assets		498,030	339,538
Equity			
Retained earnings		288,564	138,330
Asset revaluation surplus		208,784	200,674
Other reserves		682	534
Total equity		498,030	339,538

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

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2025

	Note	Asset revaluation surplus \$ '000	Other reserves \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2023		202,933	514	85,608	289,055
Net result for 2023-24		-	-	52,722	52,722
Gain/(loss) on revaluation of land and buildings		(2,259)	-	-	(2,259)
Gain/(loss) on revaluation of other financial assets		-	20	-	20
Total comprehensive result for 2023-24		(2,259)	20	52,722	50,483
Balance at 30 June 2024		200,674	534	138,330	339,538
Net result for 2024-25		-	-	150,234	150,234
Gain/(loss) on revaluation of land and buildings	17,18	8,110	-	-	8,110
Gain/(loss) on revaluation of other financial assets		-	148	-	148
Total comprehensive result for 2024-25		8,110	148	150,234	158,492
Balance at 30 June 2025		208,784	682	288,564	498,030

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

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from SA Government		568,152	509,350
Fees and charges		46,425	36,262
Grants and contributions		17,083	15,905
Interest received		674	651
Other receipts		2,385	3,514
GST recovered from ATO		8,257	7,546
Cash outflows			
Staff related payments		(493,987)	(454,252)
Payments for supplies and services		(113,485)	(101,688)
Payments of grants and subsidies		(176)	(219)
Interest paid		(462)	(145)
Other payments		(1,310)	(771)
Net cash from/(used in) operating activities		33,556	16,153
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(12,570)	(15,062)
Purchase of intangibles		(166)	-
Net cash from/(used in) investing activities		(12,736)	(15,062)
Cash flows from financing activities			
Cash outflows			
Repayment of lease liabilities		(2,773)	(2,564)
Net cash from/(used in) financing activities		(2,773)	(2,564)
Net increase/(decrease) in cash and cash equivalents		18,047	(1,473)
Cash and cash equivalents at the beginning of the period		22,938	24,411
Cash and cash equivalents at the end of the period	11,12	40,985	22,938
Non-cash transactions			

The accompanying notes form part of these financial statements.

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2025

1. About Women's and Children's Health Network

The Women's and Children's Health Network Incorporated (the Hospital) is a not-for-profit incorporated hospital established under section 29 of the Health Care Act 2008. The financial statements include all controlled activities of the Hospital. The Hospital does not control any other entity and has no interest in unconsolidated structured entities.

Administered items

The Hospital has administered activities and resources. Transactions and balances relating to administered resources are presented separately and are disclosed in Administered Items (note 29). Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for the Hospital's transactions.

1.1 Objectives and activities

The Hospital is committed to protecting and improving the health of all South Australians by delivering a system that balances the provision of safe, high-quality and accessible services that are sustainable and reflective of local values, needs and priorities with strategic system leadership, regulatory responsibilities and an increased focus on wellbeing, illness prevention, early intervention and quality care.

The Hospital is part of the SA Health portfolio providing health services for women, youth and children across South Australia.

The Hospital is structured to contribute to the outcomes for which the portfolio is responsible by providing hospital, mental and community health services for children, youth and women across the State.

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

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

1.2 Basis of preparation

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

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

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

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

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

1.3 Taxation

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

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

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

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

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

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2025

1.4 Continuity of Operations

As at 30 June 2025, the Hospital had working capital deficiency of \$48.061 million (\$55.218 million deficiency). The SA Government is committed and has consistently demonstrated a commitment to the 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.

Other reserves include investment revaluation reserve to record unrealised gains or losses on available for sale investments.

2. Revenues from SA Government

	2025	2024
	\$'000	\$'000
Operational funding	642,671	570,685
Capital projects funding	132,193	102,629
Total revenues from Department for Health and Wellbeing	774,864	673,314

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

3. Fees and charges

	2025	2024
	\$'000	\$'000
Car parking revenue	2,609	2,641
Commissions revenue	79	69
Patient and client fees	26,050	20,374
Private practice fees	2,212	1,844
Fees for health services	2,356	2,165
Sale of goods - medical supplies	1,381	1,236
Training revenue	136	306
Other user charges and fees	11,996	10,280
Total fees and charges	46,819	38,915

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

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2025

Contracts with Customers disaggregated by pattern of revenue recognition and type of customer	2025 Goods/Services transferred at a point in time	2025 Goods/Services transferred over a period of time	2024 Goods/Services transferred at a point in time	2024 Goods/Services transferred over a period of time
Car parking revenue	2,284	325	2,342	299
Commissions revenue	79	-	69	-
Patient and client fees	24,708	-	18,880	-
Private practice fees	2,212	-	1,844	-
Fees for health services	1,884	-	1,542	-
Sale of goods - medical supplies	1,354	-	1,178	-
Training revenue	110	-	281	-
Other user charges and fees	11,689	-	10,034	-
Total contracts with external customers	44,320	325	36,170	299
Patient and client fees	1,342	-	1,494	-
Fees for health services	472	-	623	-
Sale of goods - medical supplies	27	-	58	-
Training revenue	26	-	25	-
Other user charges and fees	307	-	246	-
Total contracts with SA Government customers	2,174	-	2,446	-
Total contracts with customers	46,494	325	38,616	299

The Hospital recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities (refer to note 23). Similarly, if the Hospital satisfies a performance obligation before it receives the consideration, the Hospital recognises either a contract asset or a receivable, depending on whether something other than the passage of time is required before the consideration is due (refer to note 13).

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

Patient and Client Fees

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

Private practice fees

The Hospital allows their 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 on site. Fees derived from undertaking private practice are 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. The Hospital disburses amounts collected on behalf of the specialist to the specialist via payroll (fortnightly) or accounts payable (monthly) depending on the rights of private practice scheme. Revenue from these services is recognised as it's collected, as per the Rights of Private Practice Agreement.

Car Parking Revenue

The Hospital provides access to car parks directly to employees, patients and visitors. Public car parking is available for the Hospital at the Medical Centre Car Park located in Kermode Street, North Adelaide (adjacent to the pedestrian crossing) and is payable by the hour based on the time consumed. Tickets are purchased via the pay station. A discounted weekly ticket is also available. Revenue is recognised when control of the goods has transferred to the customer, being when the ticket is purchased.

Parking is also available at the Rogerson Car Park which is on-site.

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2025

4. Grants and contributions

	2025	2024
	\$'000	\$'000
SA Government capital contributions	100	511
Other SA Government grants and contributions	8,861	8,067
Private sector capital contributions	-	342
Private sector grants and contributions	7,619	6,451
Total grants and contributions	16,580	15,371

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

5. Resources received free of charge

	2025	2024
	\$'000	\$'000
Land and buildings	25,500	-
Plant and equipment	138	-
Services	4,683	4,136
Total resources received free of charge	30,321	4,136

Contributions of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been donated. The Hospital receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$3.263 million (\$3.128 million), ICT services valued at \$1.225 million (\$1.007 million) from the Department of Premier and Cabinet – OCIO following Cabinet's approval to cease intra-government charging. The hospital also received land contributions for the new Women's and Children's Hospital of \$10.500 million from the Adelaide Council and \$15.000 million from SA Police. \$0.138 million were also received from the Southern Adelaide Local Health Network for minor medical equipment.

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. During 2024-25, the Hospital received audit services from the Audit Office of South Australia free of charge valued at \$0.195 million.

In addition, although not recognised in financial terms, the Hospital received volunteer services. The volunteers provide patient and staff support services using the Hospital's resources. The services include therapeutic activities, fundraising activities and provision of the Friends Rainbows gift shop and Vic's Coffee shop.

6. Other revenues/income

	2025	2024
	\$'000	\$'000
Dividend revenue	29	79
Donations	1,134	1,423
Health recoveries	10,175	10,080
Insurance recoveries	100	230
Other*	588	453
Total other revenues/income	12,026	12,265

* Includes audit services provided by the Audit Office of South Australia valued at \$0.198 million for the 2024 financial year. In accordance with the Treasurer's approval and the Auditor-General's request, audit services for 2023-24 have been recognised as other income.

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2025

7. Staff related expenses

	2025	2024
	\$'000	\$'000
Salaries and wages	398,982	368,121
Long service leave	11,935	17,825
Annual leave	40,461	37,885
Skills and experience retention leave	1,891	1,974
Superannuation*	50,464	44,105
Workers compensation	(1,126)	10,837
Board and committee fees	337	350
Other staff related expenses	1,113	823
Total staff related expenses	504,057	481,920

* The superannuation expense represents the Hospital's contribution to superannuation plans in respect of current services of the Hospital's current employees.

7.1 Key Management Personnel

Key management personnel (KMP) of the Hospital includes the Minister, the eight (eight) members of the governing board, the Chief Executive of the Department, the Chief Executive Officer of the Hospital and the eight (eight) members of the Executive Management Group.

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

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

Compensation

	2025	2024
	\$'000	\$'000
Salaries and other short term employee benefits	2,923	2,758
Post-employment benefits	556	862
Other long-term employment benefits	-	29
Total	3,479	3,649

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.

7.2 Remuneration of Board and Committees

	2025	2024
	No. of	No. of
	Members	Members
0	1	1
\$1 - \$19,999	3	3
\$20,000 - \$39,399	6	6
\$40,000 - \$59,999	1	1
\$60,000 - \$79,999	1	1
Total	12	12

The total remuneration, including superannuation, received or receivable by members was \$0.379 million (\$0.374 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax. In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for the hospital's board/committee duties during the financial year.

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

Refer to note 30 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.

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2025

7.3 Remuneration of Staff

	2025	2024
The number of staff whose remuneration received or receivable falls within the following bands:	No.	No.
\$166,001 - \$171,000*	n/a	25
\$171,001 - \$191,000	90	63
\$191,001 - \$211,000	45	48
\$211,001 - \$231,000	40	23
\$231,001 - \$251,000	26	29
\$251,001 - \$271,000	31	23
\$271,001 - \$291,000	15	16
\$291,001 - \$311,000	18	13
\$311,001 - \$331,000	19	15
\$331,001 - \$351,000	8	9
\$351,001 - \$371,000	13	14
\$371,001 - \$391,000	13	7
\$391,001 - \$411,000	11	9
\$411,001 - \$431,000	13	13
\$431,001 - \$451,000	4	8
\$451,001 - \$471,000	11	9
\$471,001 - \$491,000	13	5
\$491,001 - \$511,000	8	7
\$511,001 - \$531,000	6	8
\$531,001 - \$551,000	4	3
\$551,001 - \$571,000	3	6
\$571,001 - \$591,000	3	4
\$591,001 - \$611,000	9	9
\$611,001 - \$631,000	6	3
\$631,001 - \$651,000	3	2
\$651,001 - \$671,000	3	1
\$711,001 - \$731,000	1	-
\$731,001 - \$751,000	-	1
\$751,001 - \$771,000	-	2
\$771,001 - \$791,000	3	-
Total number of staff	419	375

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

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

7.4 Remuneration of staff by classification

The total remuneration received by these staff included above:

	2025		2024	
	No.	\$'000	No.	\$'000
Executive	8	2,154	8	1,967
Medical	367	118,080	331	104,289
Nursing	40	7,473	31	5,516
Salaried	4	761	5	919
Total	419	128,468	375	112,691

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2025

8. Supplies and services

	2025	2024
	\$'000	\$'000
Administration	242	500
Advertising	272	396
Communication	2,945	3,158
Computing	8,554	9,501
Consultants	198	226
Contract of services	-	8
Contractors	1,146	964
Contractors - agency staff	10,995	14,947
Drug supplies	16,537	12,826
Electricity, gas and fuel	4,607	4,137
Fee for service	5,381	5,555
Food supplies	3,172	2,922
Housekeeping	15,227	14,790
Insurance	8,087	8,007
Internal SA Health SLA payments	8,213	7,951
Legal	372	420
Medical, surgical and laboratory supplies	56,277	49,525
Minor equipment	6,669	2,907
Motor vehicle expenses	1,334	988
Occupancy rent and rates	3,814	3,611
Patient transport	4,565	3,162
Postage	1,136	1,105
Printing and stationery	1,954	1,733
Rental expense on operating lease*	-	2
Repairs and maintenance	18,961	12,264
Security	4,730	3,155
Services from Shared Services SA	3,366	3,187
Training and development	6,638	5,459
Travel expenses	4,143	3,892
Other supplies and services	5,668	4,856
Total supplies and services	205,203	182,154

*Part of the Hospital's accommodation is provided by the Department of Infrastructure and Transport (DIT) under MoAA issued in accordance with Government-wide accommodation policies. These arrangements did not meet the definition of a lease and accordingly are expensed (disclosed within Occupancy rent and rates).

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2025

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

	2025	2024
	\$'000	\$'000
Land and buildings:		
Less carrying amount of assets disposed	-	(288)
Net gain/(loss) from disposal of land and buildings	-	(288)
Plant and equipment:		
Less carrying amount of assets disposed	(226)	(31)
Total net gain/(loss) from disposal of plant and equipment	(226)	(31)
Total assets:		
Less total carrying amount of assets disposed	(226)	(319)
Total net gain/(loss) from disposal of non-current and other assets	(226)	(319)

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.

10. Other expenses

	2025	2024
	\$'000	\$'000
Debts written off	276	67
Bank fees and charges	40	60
Other	614	442
Total other expenses	930	569

11. Cash and cash equivalents

	2025	2024
	\$'000	\$'000
Cash at bank or on hand	2,117	1,395
Deposits with Treasurer: general operating	21,612	4,367
Deposits with Treasurer: special purpose funds	17,256	17,176
Total cash and cash equivalents	40,985	22,938

Cash is measured at nominal amounts. The Government has a policy to align agency cash balances with the appropriation and expenditure authority.

The Hospital receives specific purpose funds from various sources including government, private sector, and individuals. The amounts are controlled by the Hospital, and are used to help achieve the Hospital objectives, notwithstanding that specific uses can be determined by the grantor or donor. Accordingly, the amounts are treated as revenue at the time they are earned or at the time control passes to the Hospital.

The Hospital earns interest on the special deposit account and in 2024-25, received \$0.674 million (\$0.651 million).

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2025

12. Cash flow reconciliation

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

	2025	2024
	\$'000	\$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	40,985	22,938
Cash as per Statement of Financial Position	40,985	22,938
Balance as per Statement of Cash Flows	40,985	22,938

Reconciliation of net cash provided by operating activities to net result:

Net cash provided by (used in) operating activities	33,556	16,153
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Add/less non-cash items

Capital revenues	122,485	88,420
Depreciation and amortisation expense of non-current assets	(20,351)	(25,856)
Gain/(loss) on sale or disposal of non-current assets	(226)	(319)
Increments/(decrements) on revaluation of investments	1,168	(43)
Resources received free of charge	25,638	-
Capitalised interest expense on finance lease	-	(41)

Movement in assets and liabilities

Increase/(decrease) in receivables	770	3,267
Increase/(decrease) in inventories	33	139
(Increase)/decrease in staff related liabilities	(12,665)	(17,829)
(Increase)/decrease in payables and provisions	353	(9,699)
(Increase)/decrease in other liabilities	(527)	(1,470)
Net result	150,234	52,722

Total cash outflows for leases is (\$3.235) million (\$2.709) million.

13. Receivables

		2025	2024
	Note	\$'000	\$'000
Current			
Patient/client fees: compensable		727	1,509
Patient/client fees: other		11,838	8,948
Debtors		3,326	3,761
Less: allowance for impairment loss on receivables	13.1	(3,213)	(2,418)
Prepayments		506	218
Dividends		23	47
Workers compensation provision recoverable		486	507
Sundry receivables and accrued revenue		1,336	1,387
GST input tax recoverable		104	254
Total current receivables		15,133	14,213
Non-current			
Workers compensation provision recoverable		1,764	1,821
Debtors		231	324
Total non-current receivables		1,995	2,145
Total receivables		17,128	16,358

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

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

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2025

13.1 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 allowance for impairment loss on receivables:

	2025	2024
	\$'000	\$'000
Carrying amount at the beginning of the period	2,418	1,708
Increase/(Decrease) in allowance recognised in profit or loss	795	710
Carrying amount at the end of the period	3,213	2,418

Impairment losses relate to receivables arising from contracts with customers that are external to the SA Government. Refer to note 27 for details regarding credit risk and the methodology for determining impairment.

14. Other financial assets

	2025	2024
	\$'000	\$'000
Non-current		
Other investments FVOCI	1,389	1,241
Total non-current investments	1,389	1,241
Total investments	1,389	1,241

The Hospital measures other investments at Fair Value through Other Comprehensive Income (FVOCI) represented by market value. This includes shares in other corporations, floating rate notes, listed securities and managed funds. There is no impairment on other financial assets. Refer to note 27 for information on risk management.

15. Inventories

Inventories of \$1.318 million (\$1.285 million) are held for distribution at no or nominal consideration and are measured at the lower of average weighted cost and replacement cost.

The amount of any inventory write-down to net realisable value/replacement cost or inventory losses are recognised as an expense in the period the write-down or loss occurred. Any write-down reversals are also recognised as an expense reduction.

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

16.1 Acquisition and recognition

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

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

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2025

16.2 Depreciation and amortisation

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

Depreciation and amortisation 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 – 57
Right-of-use buildings	Lease term
Accommodation and Leasehold improvements	Lease term
Plant and equipment	
• Medical, surgical, dental and biomedical equipment and furniture	5-10
• Computing equipment	3
• Other plant and equipment	5-20
Intangibles	5

16.3 Revaluation

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

The scope of the valuation of Property, Plant and Equipment included all: land, buildings, site improvements, site infrastructure and plant and equipment with an acquisition greater than \$1.500 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 \$1.500 million materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset. Upon disposal or derecognition, any asset revaluation surplus relating to that asset is transferred to retained earnings.

16.4 Impairment

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

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

16.5 Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The amortisation period and the amortisation method for intangible assets with finite useful lives are reviewed on an annual basis.

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

Intangible assets consist of the carrying amount at the beginning of the period \$0.001 million, plus additions of \$0.166 million (nil) less amortisation of \$0.026 million (nil), and transfer between asset classes of \$0.173 million (nil) resulting in a carrying amount at end of the period of \$0.314 million (\$0.001 million).

16.6 Land and buildings

An independent valuation of land and buildings owned by the Hospital was performed from March to June 2024 by Certified Practicing Valuers from Marsh Pty Ltd as at 1 June 2024, within the regular valuation cycle.

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

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2025

the land only should be increased to better reflect fair value based on changes in replacement cost and market conditions. The carrying amount of the buildings were materially correct as stated and no adjustments were made.

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

16.7 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.

16.8 Investment property

Subsequent to initial recognition at cost, investment properties are revalued to fair value with changes in the fair value recognised as income or expense in the period that they arise. The properties are not depreciated and are not tested for impairment.

An independent valuation was performed on the investment property at Unit 1, 27 Kermode Street North Adelaide by a Certified Practising Valuer from Marsh Pty Ltd, as at 30 April 2025. Fair value has been determined by the income approach, whereby the net income is capitalized at an appropriate yield with recent experience in the local market and comparable properties. The fair value of the investment property increased in 2024-25 to \$22.500 million compared to \$21.332 million in 2023-24. The gain was recognised in the Statement of Comprehensive Income.

Where there is a recent market transaction for similar properties, the valuations are based on the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in the active market for similar properties. The investment property has been categorised as Level 2.

16.9 Leased property, plant and equipment

Right-of-use assets are recorded at cost, and there were no indications for impairment. Additions to right-of-use assets during 2024-25 were \$9.159 million (\$5.122 million).

The Hospital has a number of lease agreements. Lease terms vary in length from 2 to 20 years.

Major lease activities include the use of:

- Properties – buildings and health clinics are generally leased from the private sector. Generally, property leases are non-cancellable with many having the right of renewal. Rent is usually payable in arrears, with increases generally linked to CPI increases. Prior to renewal, most lease arrangements undergo a formal rent review linked to market appraisals or independent valuers.
- Motor vehicles – were leased from the South Australian Government Financing Authority (SAFA) through their agent LeasePlan Australia. Effective 1 April 2025, SAFA issued new lease agreements for all its existing leases. Each of these new lease agreements includes a standard clause that gives SAFA substantive substitution rights, as a result motor vehicle leases are no longer captured by AASB 16. Accordingly, the carrying values of existing right-of-use assets and corresponding lease liabilities were derecognised.
- Plant and equipment – these leases for material handling equipment are cancellable and renewable every 2 years.

The Hospital has committed to lease arrangements that commence from 1 July 2025, which are included in the lease liability maturity analysis. The Hospital has not entered into any sub-lease arrangements and has no concessional lease arrangements.

The lease liabilities related to the right-of-use assets (and the maturity analysis) are disclosed at note 20. Expenses related to right-of-use assets including depreciation and interest expense are disclosed at note 17 and 20. Cash outflows related to right-of-use assets are disclosed at note 12.

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2025

17. Reconciliation of property, plant and equipment and investment properties

The following table shows the movement :

2024-25	Land and buildings:				Plant and equipment:						
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommoda- tion 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	Investment property \$'000	Total \$'000
Carrying amount at the beginning of the period	60,525	238,461	4,792	148,646	100	8,521	1,015	1,232	645	21,332	485,269
Additions	-	-	8,280	130,329	-	3,373	-	879	1,353	-	144,214
Assets received free of charge	25,500	-	-	-	-	138	-	-	-	-	25,638
Disposals	-	-	-	-	-	(43)	(182)	(1,313)	-	-	(1,538)
Transfers between asset classes	-	-	-	(1,340)	-	1,373	-	-	(206)	-	(173)
Other movements	-	-	-	-	-	-	-	-	-	-	-
Remeasurement	-	-	10	-	-	-	-	-	-	-	10
Subtotal:	86,025	238,461	13,082	277,635	100	13,362	833	798	1,792	21,332	653,420
Gains/(losses) for the period recognised in net result:											
Depreciation and amortisation	-	(13,715)	(2,283)	-	(18)	(3,346)	(165)	(798)	-	-	(20,325)
Revaluation increment / (decrement)	-	-	-	-	-	-	-	-	-	1,168	1,168
Subtotal:	-	(13,715)	(2,283)	-	(18)	(3,346)	(165)	(798)	-	1,168	(19,157)
Gains/(losses) for the period recognised in other comprehensive income:											
Revaluation increment / (decrement)	8,110	-	-	-	-	-	-	-	-	-	8,110
Subtotal:	8,110	-	-	-	-	-	-	-	-	-	8,110
Carrying amount at the end of the period	94,135	224,746	10,799	277,635	82	10,016	668	-	1,792	22,500	642,373
Gross carrying amount											
Accumulated depreciation / amortisation	-	(15,012)	(8,007)	-	(2,275)	(20,682)	(2,577)	-	-	-	(48,553)
Gross carrying amount	94,135	239,758	18,806	277,635	2,357	30,698	3,245	-	1,792	22,500	690,926
Carrying amount at the end of the period	94,135	224,746	10,799	277,635	82	10,016	668	-	1,792	22,500	642,373

Property, plant and equipment are classified in levels 2 and 3 fair value hierarchy, including investment property (classified as level 2) and capital works in progress (not classified). Refer to note 20 for details about the lease liability for right-of-use assets.

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2025

17. Reconciliation of property, plant and equipment and investment properties

The following table shows the movement :

2023-24	Land and buildings:				Plant and equipment:						
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommod- ation 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	Investment property \$'000	Total \$'000
Carrying amount at the beginning of the period	45,802	274,045	2,269	50,501	186	7,993	1,214	1,167	553	21,375	405,105
Additions	-	-	4,189	99,800	-	1,808	-	933	1,874	-	108,604
Disposals	-	-	-	(222)	(66)	(16)	(15)	-	-	-	(319)
Transfers between asset classes	-	1,498	-	(1,433)	-	1,717	-	-	(1,782)	-	-
Remeasurement	-	-	37	-	-	-	-	-	-	-	37
Subtotal:	45,802	275,543	6,495	148,646	120	11,502	1,199	2,100	645	21,375	513,427
Gains/(losses) for the period recognised in net result:											
Depreciation and amortisation	-	(20,100)	(1,703)	-	(20)	(2,981)	(184)	(868)	-	-	(25,856)
Revaluation increment / (decrement)	-	-	-	-	-	-	-	-	-	(43)	(43)
Subtotal:	-	(20,100)	(1,703)	-	(20)	(2,981)	(184)	(868)	-	(43)	(25,899)
Gains/(losses) for the period recognised in other comprehensive income:											
Revaluation increment / (decrement)	14,723	(16,982)	-	-	-	-	-	-	-	-	(2,259)
Subtotal:	14,723	(16,982)	-	-	-	-	-	-	-	-	(2,259)
Carrying amount at the end of the period	60,525	238,461	4,792	148,646	100	8,521	1,015	1,232	645	21,332	485,269
Gross carrying amount											
Accumulated depreciation / amortisation	-	(1,297)	(5,724)	-	(2,257)	(19,417)	(2,947)	(1,545)	-	-	(33,187)
Gross carrying amount	60,525	239,758	10,516	148,646	2,357	27,938	3,962	2,777	645	21,332	518,456
Carrying amount at the end of the period	60,525	238,461	4,792	148,646	100	8,521	1,015	1,232	645	21,332	485,269

All property, plant and equipment are classified in the levels 2 and 3 fair value hierarchy except for investment property (classified as level 2) and capital works in progress (not classified). Refer to note 20 for details about the lease liability for right-of-use assets.

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2025

18. 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 16 and 18.2 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

18.1 Fair value hierarchy

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

Fair value measurements at 30 June 2025

	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements (Note 18)			
Land	94,135	-	94,135
Buildings and improvements	1,473	223,273	224,746
Investment property	22,500	-	22,500
Total recurring fair value measurements	118,108	223,273	341,381

Fair value measurements at 30 June 2024

	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements (Note 18)			
Land	24,802	35,723	60,525
Buildings and improvements	165	238,296	238,461
Investment property	21,332	-	21,332
Total recurring fair value measurements	46,299	274,019	320,318

There are no non-recurring fair value measurements.

The Hospital's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Valuation techniques and inputs used to derive Level 2 and 3 fair values are at note 16 and 18.2.

During 2025 and 2024, the hospital had no valuations categorised into Level 1. Except for land transferred from Level 3 to Level 2, there were no others transfers between Level 1, 2 and 3 fair value hierarchy levels during 2025.

18.2 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. To the extent that land has had any restrictions on use and been adjusted with a discount factor these assets are classified as level 3. All other land has been classified as level 2.

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

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2025

Unobservable inputs used to arrive at final valuation figures included:

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

Investment property has been valued using the income approach, based on capitalised net income at an appropriate yield, and is classified as Level 2.

The Hospital buildings have been valued on the basis of existing/current use with no consideration given to any future alternate use.

19. Payables

	2025	2024
	\$'000	\$'000
Current		
Creditors and accrued expenses	13,887	11,572
Paid Parental Leave Scheme	(20)	(1)
Other payables	1,295	649
Total current payables	15,162	12,220
Total payables	15,162	12,220

Payables are measured at nominal amounts. Creditors and accruals are raised 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.

20. Financial liabilities

	2025	2024
	\$'000	\$'000
Current		
Lease liabilities	1,852	1,113
Total current financial liabilities	1,852	1,113
Non-current		
Lease liabilities	9,475	5,131
Total non-current financial liabilities	9,475	5,131
Total financial liabilities	11,327	6,244

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or Treasury's incremental borrowing rate. There were no defaults or breaches on any of the above liabilities throughout the year. The borrowing cost associated with leasing activities is \$0.462 million (\$0.145 million).

Refer to note 27 for information on risk management.

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

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2025

20.1 Concessional lease arrangements

The Hospital has no concessional lease arrangements.

20.2 Maturity analysis

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

	2025	2024
	\$'000	\$'000
Lease Liabilities		
1 to 3 years	6,308	3,697
3 to 5 years	3,203	1,025
5 to 10 years	3,669	706
Total lease liabilities (undiscounted)	13,180	5,428

21. Staff related liabilities

	2025	2024
	\$'000	\$'000
Current		
Accrued salaries and wages	14,604	11,643
Annual leave	49,357	45,121
Long service leave	6,844	6,485
Skills and experience retention leave	3,742	3,689
Staff on-costs	8,383	8,258
Other	1	3
Total current staff benefits	82,931	75,199
Non-current		
Long service leave	74,346	70,529
Staff on-costs	4,279	3,163
Total non-current staff benefits	78,625	73,692
Total staff benefits	161,556	148,891

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

21.1 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 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 amount 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 benefits liability and employee benefits expenses of \$0.410 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.

21.2 Long service leave

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

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has remained unchanged at 4.25%. No movement in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an immaterial movement in the reported long service leave liability.

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2025

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

The actuarial assessment performed by DTF leaves the salary inflation rate unchanged from 2024 at 3.5% for long service leave liability.

21.3 Staff on-cost

Staff on-costs include payroll tax, fringe benefits tax, Return to Work SA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. The Hospital makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed superannuation schemes.

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has increased from 2024 (38%) to 47% and the average factor for the calculation of employer superannuation on-costs has increased from the 2024 rate (11.5%) to 12.0% to reflect the increase in super guarantee. These rates are used in the staff on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the staff on-cost liability and staff benefits expenses of \$1.298 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

22. Provisions

22.1 Workers Compensation

Reconciliation of workers compensation (statutory and non-statutory)

	2025	2024
	\$'000	\$'000
Carrying amount at the beginning of the period	17,465	8,417
Additions	2,659	2,589
Payments	(2,200)	(1,569)
Remeasurements	(3,753)	8,028
Carrying amount at the end of the period	14,171	17,465

Total workers compensation contains current provision of \$2.291 million (\$2.388 million) and non-current provision of \$11.880 million (\$15.077 million).

Workers compensation provision (statutory and additional compensation schemes)

The Hospital is an exempt employer under the Return to Work Act 2014. Under a scheme arrangement, the Hospital is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs. Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

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

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

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by the agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2025

23. Contract liabilities and other liabilities

	2025	2024
	\$'000	\$'000
Current		
Unearned revenue	3,038	2,575
Other	223	159
Total current contract liabilities and other liabilities	3,261	2,734
Total contract liabilities and other liabilities	3,261	2,734

A contract liability is recognised for revenue relating to access assistance and health assistance projects /programs in advance and is realised as agreed milestones have been achieved.

All performance obligations from these existing contracts (deferred service income) will be satisfied during the next reporting period and accordingly all amounts will be recognised as revenue.

24. Unrecognised contractual commitments

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

24.1.1 Contractual commitments to acquire property, plant and equipment

	2025	2024
	\$'000	\$'000
Within one year	17,857	4,203
Later than one year but not longer than five years	5,705	6,613
Total capital commitments	23,562	10,816

The Hospital's capital commitments are for building works, plant and equipment that has been ordered or planned works not completed/received. Capital commitments recognized in 2025 are for the new Women's and Children Hospital all other major infrastructure works are recognised in the Department for Infrastructure and Transport's (DIT) financial statements.

24.1.2 Other contractual commitments

	2025	2024
	\$'000	\$'000
Within one year	2,945	18,096
Later than one year but not longer than five years	37	939
Total other expenditure commitments	2,982	19,035

The Hospital expenditure commitments are for agreements for goods and services ordered but not received; and administrative arrangements with DIT for accommodation.

25. 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.

25.1 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 is estimated to be \$0.824 million.

25.2 The Hospital is a respondent (together with other Hospital's) to unfair dismissal claims brought against SA Health by a number of former employees who were terminated in 2023 due to non-compliance with COVID-19 vaccination requirements. Individual settlements have been reached with a number of claimant employees; however, proceedings are ongoing before the SA Employment Tribunal in respect to a number of remaining claimants. Quantum of potential liability is not able to be reasonably estimated, however, based on settlements achieved to date and the number of remaining claimants, if found in favour of the applicants WCHN liability will potentially be at minimum around \$0.101 million.

25.3 SASMOA recently lodged a monetary claim in the SA Employment Tribunal and at the conciliation conference held on 25 June 2025, SASMOA made it clear that their interpretation/expectation is that there need not be a full time consultant on the roster to 'trigger' payment of the allowance at 1 FTE. Rather, the entitlement should be based on the frequency that a full-time consultant would be required to be on-call, should there be a full-time consultant on the roster. It is not possible to estimate the financial impact.

25.4 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 not possible to estimate the financial impact, timing, or likelihood.

25.5 The hospital has contingent liabilities related to property and public claims, which arise upon settlement. DHW handles the settlement of these claims, while the hospital is responsible for any excess payments. The estimated financial impact of the hospital's share of existing claims is \$0.229 million.

26. Events after balance date

26.1 On 6 July 2025, allied health workers supported the terms for a new *South Australian Allied Health Professionals, Assistants and Psychologists Enterprise Agreement 2025*. The Enterprise Agreement was approved by the SAET on 11 August 2025. Also refer to note 25.

26.2 On 29 July 2025 SASMOA endorsed the State Government's latest pay offer for Medical Officers which will be backdated to April 2025. Members are yet to vote.

26.3 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.

27. Financial instruments/financial risk management

27.1 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 via the Department. The Department works with DTF 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 19 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 11, 13 and 14 for further information.

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2025

Market risk

The Hospital does not engage in high risk hedging for its financial assets. Exposure to interest rate risk may arise through its 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.

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

27.2 Categorisation of financial instruments

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

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

A financial asset is measured at amortised cost if:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

	Notes	2025 Carrying amount/ Fair value \$'000	2024 Carrying amount/ Fair value \$'000
Category of financial asset and financial liability			
Financial assets			
Cash and equivalent			
Cash and cash equivalents	11,12	40,985	22,938
Amortised Cost			
Receivables ⁽¹⁾⁽²⁾	13	13,978	13,426
Fair value through other comprehensive income			
Other financial assets	14	1,389	1,241
Total financial assets		56,352	37,605
Financial liabilities			
Financial liabilities at amortised cost			
Payables ⁽¹⁾	19	15,182	12,023
Other liabilities	23	223	159
Total financial liabilities		15,405	12,182

⁽¹⁾ Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and fees and charges. This is in addition to staff related receivables and payables such as payroll tax, fringe benefits tax etc. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the disclosure requirements of AASB 7 will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

⁽²⁾ Receivables amount disclosed here excludes prepayments as they are not financial assets.

27.3 Credit risk exposure and impairment of financial assets

Loss allowances for receivables are measured at an amount equal to the lifetime expected credit loss using the simplified approach in AASB 9. Loss allowances for contract assets are measured at an amount equal to the expected credit loss method using a 12 month method. No impairment losses were recognised in relation to contract assets during the year, an allowance matrix is used 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 the net result, subsequent recoveries of amounts previously written off are credited against the same line item.

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

WOMEN'S AND CHILDREN'S HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2025

To measure the expected credit loss, receivables are grouped based on shared risk characteristics and the days past. When estimated expected credit loss, the Hospital considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes 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 also 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:

	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	0.4%-2.1%	2,223	20	0.4%-2.6%	2,162	18
<30 days	0.8%-2.6%	1,833	21	1.0%-3.3%	2,035	33
31-60 days	1.7%-5.3%	2,058	36	1.6%-6.7%	777	16
61-90 days	3.4%-8.7%	704	26	3.2%-9.9%	968	64
91-120 days	5.7%-12.8%	875	64	5.2%-13.1%	1,582	91
121-180 days	11.6%-18.6%	1,189	138	9.7%-19.0%	396	47
181-360 days	28.0%-43.8%	1,027	368	28.1%-43.6%	904	277
361-540 days	48.7%-71.8%	532	372	48.8%-64.3%	1,918	1,222
>540 days	54.4%-87.7%	2,573	2,168	54.5%-80.7%	866	650
Total		13,014	3,213		11,608	2,418

28. 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 receives funding from the SA Government via the Department of Health and Wellbeing (DHW) (note 2). The Hospital also receives goods from DHW's bulk warehouse, including medical, surgical and laboratory supplies and services including procurement, insurance and computing (note 8). The Hospital incurred significant expenditure from the Department for Infrastructure and Transport (DIT) for capital works of \$105.357 million (\$67.617 million) which largely reflects works undertaken for the New Women's and Children's Hospital and maintenance of the old Women's and Children's Hospital.

The Hospital provides and receives trainee medical officers and other staff to and from other Local Health Networks within South Australia. Resources are provided to the Department of Education for the Access Assistants and Neurodiversity Education Health Collaborative programs. Resources are also provided on behalf of Department of Human Services Early Childhood Development program within Child and Family Health Services (CAFHS).

WOMEN'S AND CHILDREN'S HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

29. Administered items

The Hospital administers:

- *Strata Corp* represents the financial operations of the Car Park located at Unit 1, 27 Kermode Street North Adelaide which services the Hospital and surrounds. Strata Corp administers and manages the Car Park on behalf of the Unit holders (the Hospital, Women's and Children's Hospital Foundation, and the Residential Unit holders).
- *Private Practice* represents funds billed on behalf of salaried medical officers and subsequently distributed to the Hospital and salaried medical officers according to individual Rights of Private Practice Deeds of Agreement.

	Strata Corp		Private Practice		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Employee benefit expenses	(60)	(60)	-	-	(60)	(60)
Supplies and services	(280)	(319)	-	-	(280)	(319)
Depreciation and amortisation expense	(3)	(3)	-	-	(3)	(3)
Other expenses	-	-	(4,773)	(4,040)	(4,773)	(4,040)
Revenue from fees and charges	339	363	4,805	4,089	5,144	4,452
Net result	(4)	(19)	32	49	28	30
Other provisions/liabilities	-	-	(2)	(3)	(2)	(3)
Cash and cash equivalents	4	265	484	452	488	717
Property, plant and equipment	19	21	-	-	19	21
Receivables	59	21	212	302	271	323
Payables	(8)	(229)	-	-	(8)	(229)
Net assets	74	78	694	751	768	829
Cash at 1 July	-	-	-	-	717	421
Cash inflows	-	-	-	-	4,544	4,336
Cash outflows	-	-	-	-	(4,773)	(4,040)
Cash at 30 June	-	-	-	-	488	717

WOMEN’S AND CHILDREN’S HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

30. Board and committee members

Members of boards/committees that served for all or part of the financial year, where at least one member was entitled to receive income from membership in accordance with the APS 124 B were:

Board/Committee name:	Government employee members*	Other members
Audit and Risk Committee	-	Daw S (Chair), Dennis C, Tsogas A.
Clinical Governance Group	-	Daw S (Chair), Cadzow M, Griffin L, Healey T, Dennis C, Morris S, Everett D.
Women’s and Children’s Governing Board	-	Dennis C (Chair), Daw S (Deputy Chair) Miller S, Wilson B, Donaghy T, Everett D, Morris S, Davis E.
Women's and Children's Finance and Performance	-	Wilson B (Chair), Morris S, Dennis C.

*Refer to note 7.2 for remuneration of board and committee members. Note board members only received income from board membership.