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To the Board Chair Barossa Hills Fleurieu Local Health Network Incorporated

Qualified opinion

I have audited the financial report of the Barossa Hills Fleurieu Local Health Network Incorporated and the consolidated entity comprising the Barossa Hills Fleurieu Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2024.

In my opinion, except for the possible effects of the matter described in the 'Basis for qualified opinion' section of my report, the accompanying financial report gives a true and fair view of the financial position of the Barossa Hills Fleurieu Local Health Network Incorporated and its controlled entities as at 30 June 2024, 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 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- 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 Barossa Hills Fleurieu Local Health Network Incorporated were required by the Treasurer's Instructions (Accounting Policy Statements) to include a disclosure reporting the value of procurement with South Australian and non-South Australian businesses for 2023-24. This requirement uses a framework established by the Treasurer's Instructions (Accounting Policy Statements) and definitions within Treasurer's Instruction 18 *Procurement*.

The Barossa Hills Fleurieu Local Health Network Incorporated included that disclosure in note 9.1 to the financial report.

My review of the processes used by the Barossa Hills Fleurieu Local Health Network Incorporated identified that it did not have an effective process to meet the requirements of the framework which has been established for procurement reporting under the Treasurer's Instructions.

As such, I am not able to obtain sufficient appropriate audit evidence for the amounts disclosed in note 9.1.

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

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

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

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

In preparing the financial report, the Chief Executive Officer is responsible for assessing the entity's and consolidated entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive 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 Barossa Hills Fleurieu Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2024.

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

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

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

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group financial report. I am responsible for the direction, supervision and performance 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 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.



Andrew Blaskett
Auditor-General

23 September 2024

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2024

	Note	Consolidated		Parent	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Income					
Revenues from SA Government	2	327,661	310,669	327,661	310,669
Fees and charges	3	23,364	26,317	23,364	26,317
Grants and contributions	4	47,545	42,223	47,956	42,424
Interest		1,739	921	1,544	823
Resources received free of charge	5	3,735	3,297	3,735	3,297
Other revenues/income	7	31,704	28,771	30,719	28,742
Total income		435,748	412,198	434,979	412,272
Expenses					
Staff related expenses	8	258,175	234,883	258,175	234,883
Supplies and services	9	158,767	154,175	158,747	154,150
Depreciation and amortisation	16,17	10,179	8,671	4,837	5,022
Grants and subsidies	10	181	149	181	136
Borrowing costs	21	57	33	57	33
Net loss from disposal of non-current and other assets	6	395	124	16	124
Impairment loss on receivables	13.1	(179)	(406)	(179)	(406)
Other expenses	11	590	357	1,227	15,689
Total expenses		428,165	397,986	423,061	409,631
Net result		7,583	14,212	11,918	2,641
Other Comprehensive Income					
Items that will not be reclassified to net result					
Changes in property, plant and equipment asset revaluation surplus		47,973	-	8,782	-
Total other comprehensive income		47,973	-	8,782	-
Total comprehensive result		55,556	14,212	20,700	2,641

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

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Note	Consolidated		Parent	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	12	19,930	22,333	17,460	21,554
Receivables	13	7,240	7,498	7,474	7,478
Other financial assets	14	31,978	23,997	27,917	19,117
Inventories	15	1,549	1,322	1,549	1,322
Total current assets		60,697	55,150	54,400	49,471
Non-current assets					
Receivables	13	1,386	1,702	1,386	1,702
Property, plant and equipment	16,17	224,704	165,061	116,907	91,371
Intangible assets	16,18	25	13	25	13
Total non-current assets		226,115	166,776	118,318	93,086
Total assets		286,812	221,926	172,718	142,557
Current liabilities					
Payables	20	15,866	13,296	15,810	13,110
Financial liabilities	21	612	928	612	928
Staff related liabilities	22	40,567	35,830	40,567	35,830
Provisions	23	1,599	1,916	1,599	1,916
Contract liabilities and other liabilities	24	31,909	32,611	31,909	32,610
Total current liabilities		90,553	84,581	90,497	84,394
Non-current liabilities					
Financial liabilities	21	971	1,037	971	1,037
Staff related liabilities	22	35,837	32,481	35,837	32,481
Provisions	23	5,931	5,863	5,931	5,863
Total non-current liabilities		42,739	39,381	42,739	39,381
Total liabilities		133,292	123,962	133,236	123,775
Net assets		153,520	97,964	39,482	18,782
Equity					
Retained earnings		82,536	75,027	30,700	18,782
Asset revaluation surplus		70,984	22,937	8,782	-
Total equity		153,520	97,964	39,482	18,782

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

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2024

CONSOLIDATED

	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2022	22,937	61,030	83,967
Net result for 2022-23	-	14,212	14,212
Total comprehensive result for 2022-23	-	14,212	14,212
Transactions with SA Government as owner			
Net assets transferred out as a result of an administrative restructure	-	(215)	(215)
Balance at 30 June 2023	22,937	75,027	97,964
Net result for 2023-24	-	7,583	7,583
Gain/(loss) on revaluation of land and buildings	47,973	-	47,973
Total comprehensive result for 2023-24	47,973	7,583	55,556
Transfer between equity components	74	(74)	-
Balance at 30 June 2024	70,984	82,536	153,520

PARENT

	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2022	-	16,141	16,141
Net result for 2022-23	-	2,641	2,641
Total comprehensive result for 2022-23	-	2,641	2,641
Balance at 30 June 2023	-	18,782	18,782
Net result for 2023-24	-	11,918	11,918
Gain/(loss) on revaluation of land and buildings	8,782	-	8,782
Total comprehensive result for 2023-24	8,782	11,918	20,700
Balance at 30 June 2024	8,782	30,700	39,482

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

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the period ended 30 June 2024

	Note	Consolidated		Parent	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Cash inflows					
Receipts from SA Government		306,392	290,618	306,392	290,618
Fees and charges		15,891	13,424	15,636	13,523
Grants and contributions		48,520	43,347	48,931	43,548
Interest received		1,249	546	1,182	529
Residential aged care bonds received		10,920	11,363	10,920	11,363
GST recovered from ATO		9,512	8,318	9,512	8,318
Other receipts		1,332	374	347	344
Cash generated from operations		393,816	367,990	392,920	368,243
Cash outflows					
Staff benefits payments		(250,234)	(228,213)	(250,234)	(228,213)
Payments for supplies and services		(124,244)	(122,106)	(124,094)	(120,859)
Payments of grants and subsidies		(198)	(168)	(198)	(155)
Interest paid		(57)	(33)	(57)	(33)
Residential aged care bonds refunded		(8,096)	(4,700)	(8,096)	(4,700)
Other payments		(595)	(418)	(595)	(418)
Cash used in operations		(383,424)	(355,638)	(383,274)	(354,378)
Net cash provided by operating activities		10,392	12,352	9,646	13,865
Cash flows from investing activities					
Cash inflows					
Proceeds from sale/maturities of investments		1,445	2,456	500	-
Cash generated from investing activities		1,445	2,456	500	-
Cash outflows					
Purchase of property, plant and equipment		(3,956)	(3,738)	(3,956)	(3,738)
Purchase of intangible assets		(12)	(13)	(12)	(13)
Purchase of investments		(9,240)	(4,423)	(9,240)	(2,100)
Cash used in investing activities		(13,208)	(8,174)	(13,208)	(5,851)
Net cash provided by/(used in) investing activities		(11,763)	(5,718)	(12,708)	(5,851)
Cash flows from financing activities					
Cash outflows					
Cash transferred as a result of restructuring activities		-	(215)	-	-
Repayment of lease liabilities		(1,032)	(1,165)	(1,032)	(1,165)
Cash used in financing activities		(1,032)	(1,380)	(1,032)	(1,165)
Net cash provided by/(used in) financing activities		(1,032)	(1,380)	(1,032)	(1,165)
Net increase/(decrease) in cash and cash equivalents		(2,403)	5,254	(4,094)	6,849
Cash and cash equivalents at the beginning of the period		22,333	17,079	21,554	14,705
Cash and cash equivalents at the end of the period	12	19,930	22,333	17,460	21,554

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

1. About Barossa Hills Fleurieu Local Health Network

Barossa Hills Fleurieu Local Health Network Incorporated (the Hospital) is a not-for-profit incorporated health service established under the *Health Care (Local Health Networks) Proclamation 2019* which was an amendment to the *Health Care Act 2008 (the Act)*. The Hospital commenced service delivery on 1 July 2019 following the dissolution of Country Health SA Local Health Network (CHSALHN). Relevant assets, rights and liabilities were transferred from CHSALHN to the Hospital. The financial statements include all controlled activities of the Hospital.

The Parent Entity

The Parent Entity consists of the following:

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

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

The Consolidated Entity

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

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

Incorporated HACs and GFTs are separate reporting entities within our health service. Since 2008 the Hospital has hosted a number of unincorporated HACs and GFTs (on behalf of Eyre and Far North Local Health Network, Flinders and Upper North Local Health Network and Yorke and Northern Local Health Network) via the Country Health Gift Fund Health Advisory Council Inc and the Country Health Gift Fund Health Advisory Council Inc Gift Fund Trust. These HACs are now incorporated and the transfer of their net assets to the respective Local Health Network is at various stages of completion. Refer to notes 1.6 and 33 for details.

The Victor Harbor Private Hospital ceased operations from 19th April 2024 and services transitioned to the Hospital.

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.

Administered items

The Hospital has administered activities and resources. Transactions and balances relating to administered resources are presented separately and disclosed in note 35. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting principles as for the Hospital's transactions.

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

1.1 Objectives and activities

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

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

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

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

1.2 Basis of preparation

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

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

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

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

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

1.3 Taxation

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

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

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

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

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

1.4 Continuity of operations

As at 30 June 2024, the Hospital had working capital deficiency of \$29.856 million (\$29.430 million). The SA Government is committed to and has consistently demonstrated a commitment to ongoing funding of the Hospital to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annually produced and published State Budget Papers which presents the SA Government's current and estimated future economic performance, including forward estimates of revenue, expenses and performance by Agency.

1.5 Equity

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

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

1.6 Changes to reporting entity

Administrative Restructure - Transferred Out

2023-24

The transfer of cash from the Country Health Gift Fund Health Advisory Council Inc GFT to Port Lincoln Health Advisory Council Inc GFT (\$0.130 million) occurred in 2023-24; the transfer of cash to Far North Health Advisory Council Inc GFT (\$0.019 million) and Hawker District Memorial Health Advisory Council Inc GFT (\$0.035 million) is expected to occur in 2024-25. The Country Health Gift Fund Health Advisory Council Inc GFT is expected to dissolve in 2024-25, following the transfer of cash.

2022-23

The net assets of the GFT associated with The Whyalla Hospital and Health Services Health Advisory Council (\$0.066 million) was transferred from the Country Health Gift Fund Health Advisory Council in 2022-23. Control of the net assets of the GFT's associated with the Far North Health Advisory Council (\$0.019 million) and Port Lincoln Health Advisory Council (\$0.130 million) were also transferred but the physical transfer of cash will occur in 2023-24. Although control of the net assets of Hawker District Memorial Health Advisory Council Inc GFT transferred in 2021-22, the physical transfer of cash (\$0.035 million) is expected to occur in 2023-24.

2. Revenues from SA Government

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Capital projects funding	21,554	22,675	21,554	22,675
Operational funding	306,107	287,994	306,107	287,994
Total revenues from SA Government	327,661	310,669	327,661	310,669

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

3. Fees and charges

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Commissions revenue	13	19	13	19
Patient and client fees	5,356	4,293	5,356	4,293
Private practice fees	859	672	859	672
Fees for health services	3,800	3,950	3,800	3,950
Residential and other aged care charges	7,219	6,579	7,219	6,579
Sale of goods - medical supplies	1,642	1,569	1,642	1,569
Training revenue	3	4	3	4
Other user charges and fees	4,472	9,231	4,472	9,231
Total fees and charges	23,364	26,317	23,364	26,317

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

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

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

Patient and Client Fees

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

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

Private practice fees

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

Residential and other aged care charges

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

Fees for health services

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

4. Grants and contributions

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Commonwealth grants and contributions	22,386	21,685	22,386	21,685
Commonwealth aged care subsidies	21,871	16,599	21,871	16,599
SA Government capital contributions	-	15	233	76
Other SA Government grants and contributions	-	319	178	459
Private sector capital contributions	125	-	125	-
Private sector grants and contributions	3,163	3,605	3,163	3,605
Total grants and contributions	47,545	42,223	47,956	42,424

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

Of the \$47.545 million (\$42.223 million) provided during the reporting period for grants and contributions, \$47.562 million (\$41.894 million) was provided for specific purposes such as aged care, community health services and other related health services.

5. Resources received free of charge

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Services	3,735	3,297	3,735	3,297
Total resources received free of charge	3,735	3,297	3,735	3,297

Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated. The Hospital receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$2.447 million (\$2.408 million) and ICT services from the Department of the Premier and Cabinet (DPC) valued at \$1.288 million (\$0.889 million), following Cabinet's approval to cease intra-government charging.

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

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

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Land and buildings:				
Proceeds from disposal	-	-	-	-
Less carrying amount of assets disposed	(379)	(55)	-	(55)
Net gain/(loss) from disposal of plant and equipment	(379)	(55)	-	(55)

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Plant and equipment:

Proceeds from disposal	-	-	-	-
Less carrying amount of assets disposed	(16)	(69)	(16)	(69)
Total net gain/(loss) from disposal of assets	(16)	(69)	(16)	(69)

Total assets:

Total proceeds from disposal	-	-	-	-
Less total carrying amount of assets disposed	(395)	(124)	(16)	(124)
Total net gain/(loss) from disposal of assets	(395)	(124)	(16)	(124)

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

7. Other revenues/income

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Donations	1,097	103	129	91
Health recoveries	30,398	28,410	30,398	28,410
Other	209	258	192	241
Total other revenues/income	31,704	28,771	30,719	28,742

8. Staff related expenses

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	202,276	185,426	202,276	185,426
Long service leave	8,157	5,209	8,157	5,209
Annual leave	19,703	17,948	19,703	17,948
Skills and experience retention leave	1,001	967	1,001	967
Staff on-costs - superannuation*	24,697	21,620	24,697	21,620
Workers compensation	1,917	3,381	1,917	3,381
Board and committee fees	238	313	238	313
Other staff related expenses	186	19	186	19
Total staff related expenses	258,175	234,883	258,175	234,883

* The superannuation employment on-cost charge represents the Hospital's contribution to superannuation plans in respect of current services of staff. The Department of Treasury and Finance (DTF) centrally recognises the superannuation liability in the whole-of-government financial statements.

8.1 Key Management Personnel

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

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

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

Compensation	2024	2023
	\$'000	\$'000
Salaries and other short term employee benefits	3,534	3,249
Post-employment benefits	459	433
Total	3,993	3,682

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.

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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:

	2024	2023
	No. of	No. of
	Members	Members
\$0 - \$20,000	10	9
\$20,001 - \$40,000	5	6
\$40,001 - \$60,000	1	1
Total	16	16

The total remuneration received or receivable by members was \$0.242 million (\$0.316 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax. In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

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

Refer to note 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	
	2024	2023	2024	2023
	Number	Number	Number	Number
The number of staff whose remuneration received or receivable falls within the following bands:				
\$160,001 - \$166,000*	n/a	10	n/a	10
\$166,001 - \$186,000	36	23	36	23
\$186,001 - \$206,000	8	3	8	3
\$206,001 - \$226,000	5	5	5	5
\$226,001 - \$246,000	6	3	6	3
\$246,001 - \$266,000	2	4	2	4
\$266,001 - \$286,000	6	5	6	5
\$286,001 - \$306,000	10	4	10	4
\$306,001 - \$326,000	4	2	4	2
\$326,001 - \$346,000	3	-	3	-
\$346,001 - \$366,000	10	9	10	9
\$366,001 - \$386,000	2	4	2	4
\$386,001 - \$406,000	2	2	2	2
\$406,001 - \$426,000	1	2	1	2
\$426,001 - \$446,000	2	3	2	3
\$446,001 - \$466,000	5	2	5	2
\$466,001 - \$486,000	2	2	2	2
\$486,001 - \$506,000	2	-	2	-
\$506,001 - \$526,000	2	4	2	4
\$526,001 - \$546,000	-	2	-	2
\$546,001 - \$566,000	2	-	2	-
\$566,001 - \$586,000	1	1	1	1
\$586,001 - \$606,000	-	1	-	1
\$606,001 - \$626,000	2	1	2	1
\$626,001 - \$646,000	1	-	1	-
\$646,001 - \$666,000	1	2	1	2
Total number of staff	115	94	115	94

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

*The \$160,001 to \$166,000 band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2022-23.

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8.4 Staff remuneration by classification

The total remuneration received by staff included above:

	Consolidated				Parent			
	2024		2023		2024		2023	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Executive	4	1,005	4	1,019	4	1,005	4	1,019
Medical (excluding Nursing)	79	26,721	64	22,550	79	26,721	64	22,550
Non-medical (i.e. administration)	5	1,049	3	518	5	1,049	3	518
Nursing	27	4,823	23	3,921	27	4,823	23	3,921
Total	115	33,598	94	28,008	115	33,598	94	28,008

9. Supplies and services

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Administration	1,201	2,031	1,193	2,022
Advertising	266	727	262	726
Communication	2,342	2,525	2,342	2,525
Computing	6,454	6,346	6,454	6,346
Consultants	404	773	394	765
Contract of services	4,855	11,007	4,855	11,007
Contractors	1,894	2,455	1,894	2,455
Contractors - agency staff	20,949	17,853	20,949	17,853
Drug supplies	1,988	2,222	1,988	2,222
Electricity, gas and fuel	2,233	2,160	2,233	2,160
Fee for service ⁽¹⁾	34,606	29,563	34,606	29,563
Food supplies	3,295	2,992	3,295	2,992
Housekeeping	2,551	2,318	2,551	2,318
Insurance	3,358	2,910	3,358	2,910
Internal SA Health SLA payments	1,820	1,751	1,820	1,751
Interstate patient transfers	7	-	7	-
Legal	86	42	86	42
Medical, surgical and laboratory supplies	27,520	24,487	27,520	24,487
Minor equipment	2,656	2,568	2,656	2,568
Motor vehicle expenses	694	918	694	918
Occupancy rent and rates ⁽²⁾	1,403	984	1,399	980
Patient transport ⁽³⁾	18,680	14,864	18,680	14,864
Postage	708	766	708	766
Printing and stationery	832	1,026	832	1,026
Repairs and maintenance	6,602	6,170	6,602	6,170
Security	789	1,353	789	1,353
Services from Shared Services SA	2,460	2,412	2,460	2,412
Short term lease expense	355	493	355	493
Training and development	3,342	5,465	3,342	5,465
Travel expenses	1,744	2,012	1,744	2,012
Other supplies and services	2,673	2,982	2,679	2,979
Total supplies and services	158,767	154,175	158,747	154,150

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

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

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9.1 Expenditure – SA business and non-SA business

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

Expenditure is inclusive of non-recoverable GST.

	Consolidated		Parent	
	2024 \$'000	Proportion SA and non-SA businesses	2024 \$'000	Proportion SA and non-SA businesses
Total expenditure with South Australian businesses	82,528	67%	82,528	67%
Total expenditure with non-South Australian businesses	41,425	33%	41,425	33%
Total expenditure in relation to contracts above \$55,000	123,953	100%	123,953	100%

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

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

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

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

10. Grants and subsidies

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Funding to non-government organisations	181	136	181	136
Other	-	13	-	-
Total grants and subsidies	181	149	181	136

Other grants largely relate to grants paid by unincorporated HACs to the LHN with which the HAC is associated. The grants given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation.

11. Other expenses

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Debts written off	272	73	272	73
Bank fees and charges	11	10	11	10
Donated assets expense	-	1	637	15,333
Other*	307	273	307	273
Total other expenses	590	357	1,227	15,689

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

* Includes Audit fees paid/payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act* of \$0.127 million (\$0.126 million). No other services were provided by the Audit Office of South Australia. Also includes fees paid or payable to Galpins Accountants Auditors and Business Consultants of \$0.040 million (\$0.037 million) for audits of the HACs and aged care.

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12. Cash and cash equivalents

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand	5,180	8,953	2,710	8,174
Deposits with Treasurer: general operating	14,682	13,358	14,682	13,358
Deposits with Treasurer: special purpose funds	68	22	68	22
Total cash and cash equivalents in the Statement of Financial Position	19,930	22,333	17,460	21,554
Total cash and cash equivalents in the Statement of Cash Flows	19,930	22,333	17,460	21,554

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 \$19.930 million (\$22.333 million) held, \$0.985 million (\$6.944 million) relates to aged care refundable deposits.

13. Receivables

Current	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Patient/client fees: compensable	126	184	126	184
Patient/client fees: aged care	1,402	1,185	1,402	1,185
Patient/client fees: other	861	855	861	855
Debtors	1,510	1,661	1,508	1,662
Less: allowance for impairment loss on receivables	13.1	(434)	(434)	(613)
Prepayments	402	593	402	593
Interest	621	317	583	281
Workers compensation provision recoverable	347	806	347	806
Sundry receivables and accrued revenue	2,213	2,258	2,487	2,273
GST input tax recoverable	192	252	192	252
Total current receivables	7,240	7,498	7,474	7,478
Non-current				
Debtors	137	126	137	126
Workers compensation provision recoverable	1,249	1,576	1,249	1,576
Total non-current receivables	1,386	1,702	1,386	1,702
Total receivables	8,626	9,200	8,860	9,180

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

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

13.1 Impairment of receivables

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

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Movement in the impairment loss on receivables:

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	613	1,019	613	1,019
Increase/(Decrease) in allowance recognised in profit or loss	(179)	(406)	(179)	(406)
Carrying amount at the end of the period	434	613	434	613

Impairment losses relate 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.

14. Other financial assets

The consolidated and parent entity holds term deposits of \$31.978 million (\$23.997 million) and \$27.917 million (\$19.117 million) respectively. Of these deposits \$26.476 million (\$17.736 million) relates to aged care refundable deposits, with the remaining funds primarily relating to aged care. These deposits are measured at amortised cost. There is no impairment on term deposits.

15. Inventories

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Drug supplies	528	439	528	439
Medical, surgical and laboratory supplies	859	746	859	746
Food and hotel supplies	130	109	130	109
Other	32	28	32	28
Total current inventories - held for distribution	1,549	1,322	1,549	1,322

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

16. Property, plant and equipment and intangible assets

16.1 Acquisition and recognition

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

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

16.2 Depreciation and amortisation

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

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

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<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	30 - 120
Right-of-use buildings	2 - 5
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	2 - 20
• Computing equipment	3 - 5
• Vehicles	2 - 20
• Other plant and equipment	3 - 30
Right-of-use plant and equipment	2 - 3
Intangibles	5 - 10

16.3 Revaluation

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

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 \$1.5 million and useful life greater than three years. Revaluations are undertaken on a regular cycle. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair-value. If at any time management considers that the carrying amount of an asset greater than \$1.5 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.

16.4 Impairment

The Hospital holds its property, plant and equipment and intangible assets for their service potential (value in use). Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be closer to or greater than fair value. Where there is an indication of impairment, the recoverable amount is estimated. Fair value is assessed each year. There were no indications of impairment for property, plant and equipment or intangibles as at 30 June 2024.

16.5 Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The amortisation period and the amortisation method for intangible assets with finite useful lives is reviewed on an annual basis. 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 recognition criteria and when the amount of expenditure is greater than or equal to \$10,000. Capitalised software is amortised over the useful life of the asset.

16.6 Land and buildings

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

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

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

16.7 Plant and equipment

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

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16.8 Leased property, plant and equipment

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

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

- Properties – are health clinics generally leased from the private sector. Generally property leases are non-cancellable with many having the right of renewal. Rent is payable in arrears, with increases generally linked to CPI increases. Prior to renewal, most lease arrangements undergo a formal rent review linked to market appraisals or independent valuers.
- Motor vehicles – leased from the South Australian Government Financing Authority (SAFA) through their agent LeasePlan Australia. The leases are non-cancellable and the vehicles are leased for a specified time period (usually 3 years) or a specified number of kilometres, whichever occurs first.

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

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

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17. Reconciliation of property, plant and equipment

The following table shows the movement:

Consolidated

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

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

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Consolidated

2022-23

	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	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	
Carrying amount at the beginning of the period	12,821	118,506	1,718	12,535	166	2,122	1,718	654	1,301	151,541
Additions	-	-	-	20,024	-	584	48	665	995	22,316
Disposals	-	-	-	(55)	-	(6)	-	-	(63)	(124)
Donated assets disposal	-	-	-	(1)	-	-	-	-	-	(1)
Transfers between asset classes	-	15,314	-	(15,609)	-	1,032	470	-	(1,207)	-
Subtotal:	12,821	133,820	1,718	16,894	166	3,732	2,236	1,319	1,026	173,732
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(5,872)	(646)	-	(105)	(1,132)	(407)	(509)	-	(8,671)
Subtotal:	-	(5,872)	(646)	-	(105)	(1,132)	(407)	(509)	-	(8,671)
Carrying amount at the end of the period*	12,821	127,948	1,072	16,894	61	2,600	1,829	810	1,026	165,061
Gross carrying amount										
Gross carrying amount	12,821	154,073	3,568	16,894	367	6,799	3,037	1,573	1,026	200,158
Accumulated depreciation / amortisation	-	(26,125)	(2,496)	-	(306)	(4,199)	(1,208)	(763)	-	(35,097)
Carrying amount at the end of the period	12,821	127,948	1,072	16,894	61	2,600	1,829	810	1,026	165,061

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

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Parent

2023-24

	Land and buildings:			Plant and equipment:						Total \$'000
	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	
Carrying amount at the beginning of the period	4,178	62,901	1,072	16,894	61	2,600	1,829	810	1,026	91,371
Additions	-	-	-	20,136	-	753	-	650	705	22,244
Disposals	-	-	-	-	-	(14)	(2)	-	-	(16)
Donated assets disposal	-	-	-	(637)	-	-	-	-	-	(637)
Transfers between asset classes	-	20,305	-	(20,290)	22	603	-	-	(640)	-
Subtotal:	4,178	83,206	1,072	16,103	83	3,942	1,827	1,460	1,091	112,962
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(2,356)	(486)	-	(79)	(1,085)	(292)	(539)	-	(4,837)
Subtotal:	-	(2,356)	(486)	-	(79)	(1,085)	(292)	(539)	-	(4,837)
Gains/(losses) for the period recognised in other comprehensive income:										
Revaluation increment / (decrement)	(628)	9,410	-	-	-	-	-	-	-	8,782
Subtotal:	(628)	9,410	-	-	-	-	-	-	-	8,782
Carrying amount at the end of the period*	3,550	90,260	586	16,103	4	2,857	1,535	921	1,091	116,907
Gross carrying amount										
Gross carrying amount	3,550	90,787	3,568	16,103	389	7,833	3,021	1,838	1,091	128,180
Accumulated depreciation / amortisation	-	(527)	(2,982)	-	(385)	(4,976)	(1,486)	(917)	-	(11,273)
Carrying amount at the end of the period	3,550	90,260	586	16,103	4	2,857	1,535	921	1,091	116,907

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

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Parent

2022-23

	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	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	
Carrying amount at the beginning of the period	4,178	65,142	1,718	12,535	166	2,122	1,718	654	1,301	89,534
Additions	-	-	-	20,024	-	584	48	665	995	22,316
Disposals	-	-	-	(55)	-	(6)	-	-	(63)	(124)
Donated assets disposal	-	-	-	(15,281)	-	-	-	-	(52)	(15,333)
Transfers between asset classes	-	(18)	-	(329)	-	1,032	470	-	(1,155)	-
Subtotal:	4,178	65,124	1,718	16,894	166	3,732	2,236	1,319	1,026	96,393
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(2,223)	(646)	-	(105)	(1,132)	(407)	(509)	-	(5,022)
Subtotal:	-	(2,223)	(646)	-	(105)	(1,132)	(407)	(509)	-	(5,022)
Carrying amount at the end of the period*	4,178	62,901	1,072	16,894	61	2,600	1,829	810	1,026	91,371
Gross carrying amount										
Gross carrying amount	4,178	71,409	3,568	16,894	367	6,799	3,037	1,573	1,026	108,851
Accumulated depreciation / amortisation	-	(8,508)	(2,496)	-	(306)	(4,199)	(1,208)	(763)	-	(17,480)
Carrying amount at the end of the period	4,178	62,901	1,072	16,894	61	2,600	1,829	810	1,026	91,371

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

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18. Reconciliation of intangible assets

The following table shows the movement:

Consolidated	2023-24			2022-23		
	Computer software \$'000	Capital works in progress intangibles \$'000	Total \$'000	Computer software \$'000	Capital works in progress intangibles \$'000	Total \$'000
Carrying amount at the beginning of the period	-	13	13	-	-	-
Additions	-	12	12	-	13	13
Other movements	-	-	-	-	-	-
Carrying amount at the end of the period	-	25	25	-	13	13
Gross carrying amount						
Gross carrying amount	765	25	790	765	13	778
Accumulated amortisation	(765)	-	(765)	(765)	-	(765)
Carrying amount at the end of the period	-	25	25	-	13	13
Parent						
Carrying amount at the beginning of the period	-	13	13	-	-	-
Additions	-	12	12	-	13	13
Other movements	-	-	-	-	-	-
Carrying amount at the end of the period	-	25	25	-	13	13
Gross carrying amount						
Gross carrying amount	765	25	790	765	13	778
Accumulated amortisation	(765)	-	(765)	(765)	-	(765)
Carrying amount at the end of the period	-	25	25	-	13	13

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19. Fair value measurement

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

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

The Hospital's current use is the highest and best use of the asset unless other factors suggest an alternative use. As the Hospital did not identify any factors to suggest an alternative use, fair value measurement was based on current use. The 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 \$1.5 million and useful life greater than three years.

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

19.1 Fair value hierarchy

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

Fair value measurements at 30 June 2024

	Consolidated			Parent		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements (Note 17)						
Land	19,085	-	19,085	3,550	-	3,550
Buildings and improvements	1,323	181,199	182,522	-	90,260	90,260
Total recurring fair value measurements	20,408	181,199	201,607	3,550	90,260	93,810

Fair value measurements at 30 June 2023

	Consolidated			Parent		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements (Note 17)						
Land	-	12,821	12,821	-	4,178	4,178
Buildings and improvements	-	127,948	127,948	-	62,901	62,901
Total recurring fair value measurements	-	140,769	140,769	-	67,079	67,079

There are no non-recurring fair value measurements.

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

During 2023 and 2024, the Hospital had no valuations categorised into Level 1.

19.2 Valuation techniques and inputs

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

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

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Unobservable inputs used to arrive at final valuation figures included:

- Estimated remaining useful life, which is an economic estimate and by definition, is subject to economic influences;
- Cost rate, which is the estimated cost to replace an asset with the same service potential as the asset undergoing valuation (allowing for over-capacity), and based on a combination of internal records including: refurbishment and upgrade costs, 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.

20. Payables

	Consolidated		Parent	
	2024	2023	2024	2023
Current	\$'000	\$'000	\$'000	\$'000
Creditors and accrued expenses	15,572	12,916	15,570	12,914
Paid Parental Leave Scheme	37	19	37	19
Other payables	257	361	203	177
Total current payables	15,866	13,296	15,810	13,110

Payables are measured at nominal amounts. Creditors and accruals are recognised for all amounts owed and unpaid. Contractual payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to their short term nature.

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

Refer to note 31 for information on risk management.

21. Financial liabilities

	Consolidated		Parent	
	2024	2023	2024	2023
Current	\$'000	\$'000	\$'000	\$'000
Lease liabilities	612	928	612	928
Total current financial liabilities	612	928	612	928
Non-current				
Lease liabilities	971	1,037	971	1,037
Total non-current financial liabilities	971	1,037	971	1,037
Total financial liabilities	1,583	1,965	1,583	1,965

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. Borrowing costs of \$0.057 million (\$0.033 million) relate to interest on lease liabilities. There were no defaults or breaches on any of the above liabilities throughout the year.

Refer to note 31 for information on risk management.

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

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21.1 Maturity analysis

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

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Lease Liabilities				
Within one year	644	956	644	956
Later than one year but not longer than five years	856	816	856	816
Later than five years	142	253	142	253
Total lease liabilities (undiscounted)	1,642	2,025	1,642	2,025

22. Staff related liabilities

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current				
Accrued salaries and wages	8,669	7,112	8,669	7,112
Annual leave	22,977	20,823	22,977	20,823
Long service leave	3,154	2,814	3,154	2,814
Skills and experience retention leave	1,601	1,620	1,601	1,620
Staff on-costs	4,166	3,429	4,166	3,429
Other	-	32	-	32
Total current staff related liabilities	40,567	35,830	40,567	35,830
Non-current				
Long service leave	34,299	31,132	34,299	31,132
Staff on-costs	1,538	1,349	1,538	1,349
Total non-current staff related liabilities	35,837	32,481	35,837	32,481
Total staff related liabilities	76,404	68,311	76,404	68,311

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

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

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

The annual leave liability and the skills and experience retention leave liability is expected to be payable within 12 months and is 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 2023 rate (2.0%) to 2.4% for annual leave and skills and experience retention leave liability. As a result, there is an increase in the staff related liabilities and staff related expenses of \$0.096 million. The impact on future periods is impractical to estimate.

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

22.2 Long service leave

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

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 2023 (4.00%) to 4.25%. This increase in the bond yield results in a decrease in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$1.787 million, payables (staff on-costs) of \$0.078 million and staff related expenses of \$1.865 million. 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.

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The actuarial assessment performed by DTF increased the salary inflation rate from 2.50% to 3.50% for long service leave liability resulting in an increase in the reported long service leave liability.

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

22.3 Staff on-costs

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

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

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave is unchanged from 38% and the average factor for the calculation of employer superannuation on-costs has increased from the 2023 rate (11.1%) to 11.5% 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 \$0.128 million. The estimated impact on future periods is impracticable to estimate.

23. Provisions

Provisions represent workers compensation.

Reconciliation of workers compensation (statutory and non-statutory)

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	7,779	5,862	7,779	5,862
Payments	(1,933)	(1,020)	(1,933)	(1,020)
Remeasurement	(38)	(581)	(38)	(581)
Additions	1,722	3,518	1,722	3,518
Carrying amount at the end of the period	7,530	7,779	7,530	7,779

Workers compensation

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 estimate of the outstanding liability as at 30 June 2024 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

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

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

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24. Contract liabilities and other liabilities

	Consolidated		Parent	
	2024	2023	2024	2023
Current	\$'000	\$'000	\$'000	\$'000
Unclaimed monies	-	3	-	3
Contract liabilities	3,696	7,457	3,696	7,456
Residential aged care bonds	28,161	25,120	28,161	25,120
Other	52	31	52	31
Total contract liabilities and other liabilities	31,909	32,611	31,909	32,610

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

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

25. Cash flow reconciliation

Reconciliation of net cash provided by operating activities in the net result:	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Net cash provided by (used in) operating activities	10,392	12,352	9,646	13,865
Add/less non-cash items				
Asset donated free of charge	-	(1)	(637)	(15,333)
Capital revenues	17,556	18,035	17,556	18,035
Depreciation and amortisation expense of non-current assets	(10,179)	(8,671)	(4,837)	(5,022)
Gain/(loss) on sale or disposal of non-current assets	(395)	(124)	(16)	(124)
Interest credited directly to investments	186	85	60	36
Movement in assets/liabilities				
Increase/(decrease) in inventories	227	146	227	146
Increase/(decrease) in receivables	(574)	3,844	(320)	3,712
(Increase)/decrease in other liabilities	702	(4,553)	701	(4,552)
(Increase)/decrease in payables and provisions	(2,239)	(2,817)	(2,369)	(4,038)
(Increase)/decrease in staff benefits	(8,093)	(4,084)	(8,093)	(4,084)
Net result	7,583	14,212	11,918	2,641

Total cash outflows for leases is \$1.025 million (\$1.198) million.

26. Unrecognised contractual commitments

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

26.1 Other contractual commitments

Expenditure commitments	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Within one year	13,987	9,468	13,987	9,468
Later than one year but not longer than five years	4,738	844	4,738	844
Later than five years	1,128	-	1,128	-
Total expenditure commitments	19,853	10,312	19,853	10,312

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

26.2 Contractual commitments to acquire property, plant & equipment

Capital commitments	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Within one year	-	135	-	135
Total capital commitments	-	135	-	135

The Hospital capital commitments are for agreements for goods and services ordered but not received and are disclosed at nominal amounts.

27. Trust funds

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

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Carry amount at the beginning of period	12	11	12	11
Client trust receipts	18	1	18	1
Client trust payments	(16)	-	(16)	-
Carrying amount at the end of the period	14	12	14	12

28. Contingent assets and liabilities

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

The Hospital is not aware of any contingent assets or liabilities. In addition, it has made no guarantees.

29. Events after balance date

The Hospital is not aware of any material events occurring between the end of the reporting period and when the financial statements were authorised

30. Impact of Standards not yet implemented

The Hospital has assessed the impact of the new and changed Australian Accounting Standards and Interpretations not yet effective.

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* will apply from 1 July 2024. There is complexity and significant level of judgement required in applying AASB 13 and the new amending standard. The Department on behalf of the Hospital engaged a valuer to assist in determining the impact, which is not material.

The Hospital does not expect any other standards issued but not yet effective to have a material impact on the financial statements.

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, 20 and 21 for further information.

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Credit risk

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

Market risk

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

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.

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

Financial assets and financial liabilities are measured at amortised cost. Amounts relating to statutory receivables and payables (e.g. Commonwealth taxes; audit fees etc.) and prepayments are excluded as they are not financial assets or liabilities. Receivables and Payables at amortised cost are \$6.271 million (\$5.829 million) and \$15.665 million (\$13.113 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.

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

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

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

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

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CONSOLIDATED AND PARENT	30 June 2024			30 June 2023		
	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000
Days past due						
Current	0.1-5.0%	1,126	15	0.1-7.1%	1,564	20
<30 days	0.6-6.0%	520	15	0.7-8.9%	475	15
31-60 days	1.6-8.1%	156	9	1.5-14%	183	11
61-90 days	3.7-11.8%	137	10	2-18.7%	195	14
91-120 days	4.5-15.0%	278	25	2.3-21%	114	10
121-180 days	5.7-20.4%	173	19	3-29.2%	93	12
181-360 days	8.2-63.1%	340	121	5.7-64.5%	281	84
361-540 days	21.0-94.2%	148	87	7.7-90.8%	123	51
>540 days	24.1-100%	231	132	9-100%	472	396
Total		3,109	433		3,500	613

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 (note 2), and incurred significant expenditure via the Department for medical, surgical and laboratory supplies, computing and insurance (note 9). The Department transferred capital works in progress of \$18.765 million (\$16.234 million) to the Hospital. The Hospital incurred significant expenditure with the Department for Infrastructure and Transport (DIT) for occupancy rent and rates \$0.650 million (\$0.437 million) (note 9). The value of unrecognised contractual expenditure commitments for accommodation with DIT is \$3.621 million (\$0.173 million) (note 26.1).

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 HACs. The HACs were established as a consequence of the Act being enacted and certain assets, rights and liabilities of the former Hospitals and Incorporated Health Centres were vested in them with the remainder being vested in the Hospital.

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

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

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

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

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

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

*Country Health Gift Fund Health Advisory Council Inc and its associated GFT will be dissolved following the finalisation of the transfer of net assets from the GFTs associated with the previously unincorporated HACs. Refer to note 1.6.

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34. Board and committee members

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

Board/Committee name:	Government employee members	Other members
Country Health Gift Fund Health Advisory Council Inc	-	Fuller J (Chair), Mackay M, Mcarthur A.
Barossa Hills Fleurieu Local Health Network Governing Board	-	Hazel J (Chair), Batt R (appointed 12/10/2023) Blackwell P, Curran J (resigned 30/06/2023)**, Fuller J (resigned 11/10/2023), Gaston C (resigned 30/6/2024), Russell G, Williams H, Zimmermann A (appointed 01/07/2023)
Barossa Hills Fleurieu Local Health Network Audit and Risk Committee*	-	Russell G (Chair), Powell D (resigned 31/12/2023), Batt R, Zimmermann A.
Barossa Hills Fleurieu Local Health Network Consumer and Community Engagement Committee*	-	Blackwell P (Chair), Zimmermann A, Brooks J, Hourigan K.
Barossa Hills Fleurieu Local Health Network Clinical Governance Committee*	-	Williams H (Chair), Gaston C (resigned 30/6/2024), Fuller J (resigned 11/10/2023)
Rural Support Service Governance Committee*	-	Batt R (Chair), Cook L, Ottaway M, Voumard J, Dunchue L, Badenoch J, Blackwell P.

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

** resigned 2022-23 but final payment made in 2023-24

Refer to note 8.2 for remuneration of board and committee members

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
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35. Administered items

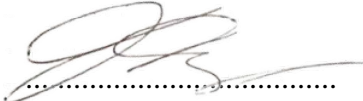
The Hospital administers Private Practice arrangements. This represents funds billed on behalf of salaried medical officers. The Net assets will be subsequently distributed to the Hospital and salaried medical officers according to individual Rights of Private Practice Deeds of Agreement.

	2024	2023
	\$'000	\$'000
Revenue from fees and charges	4,721	3,834
Other expenses	(4,785)	(3,701)
Net result	(64)	133
Cash and cash equivalents	328	386
Receivables	4	7
Payables	(3)	-
Net assets	329	393
Cash at 1 July	386	260
Cash inflows	4,724	3,827
Cash outflows	(4,782)	(3,701)
Cash at 30 June	328	386

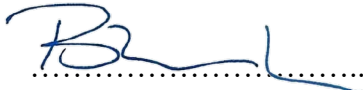
**Certification of the financial statements
Barossa Hills Fleurieu Local Health Network**

We certify that the:

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



James Hazel
Board Chair



Bronwyn Masters
Chief Executive Officer



Rose Dickinson
Chief Finance Officer

Date 11/09/2024