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## To the Chair, Governing Board Central Adelaide Local Health Network Incorporated

### Qualified opinion

I have audited the financial report of the Central Adelaide Local Health Network Incorporated and the consolidated entity comprising the Central Adelaide 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 Central Adelaide 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 Chair, Governing Board, the Acting Chief Executive Officer and the Executive Director, Finance and Business Services.

### Basis for qualified opinion

#### *Procurement reporting disclosure*

The Central Adelaide Local Health Network Incorporated was 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 business 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 Central Adelaide Local Health Network Incorporated included that disclosure in note 10.1 to the financial report.

My review of the processes used by the Central Adelaide 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 audit evidence for the amounts disclosed in note 10.1.

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 Central Adelaide 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 Governing Board for the financial report**

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued 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 Governing Board is responsible for overseeing the entity's financial reporting process.

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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 36(2) of the *Health Care Act 2008*, I have audited the financial report of the Central Adelaide 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 Central Adelaide 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.

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

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



Andrew Blaskett  
**Auditor-General**

23 September 2024

**CENTRAL ADELAIDE LOCAL HEALTH NETWORK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 30 June 2024**

	Note	Consolidated		Parent	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Revenues from SA Government	2	2,536,149	2,367,770	2,536,149	2,367,770
Fees and charges	3	522,985	480,794	503,731	466,347
Grants and contributions	4	292,633	281,769	293,272	282,255
Interest	5	6,589	3,675	6,576	3,625
Resources received free of charge	6	16,121	14,335	16,121	14,335
Other revenues/income	8	111,256	100,826	110,057	96,283
<b>Total income</b>		<b>3,485,733</b>	<b>3,249,169</b>	<b>3,465,906</b>	<b>3,230,615</b>
<b>Expenses</b>					
Staff related expenses	9	1,881,168	1,735,220	1,868,253	1,724,064
Supplies and services	10	1,178,228	1,135,255	1,175,595	1,131,034
Depreciation and amortisation	19,20	116,644	116,760	115,795	116,117
Grants and subsidies	11	1,307	1,417	687	615
Borrowing costs	23	207,151	187,370	207,102	187,327
Net loss from disposal of non-current and other assets	7	28	318	28	304
Impairment loss on receivables	14.1	1,378	(560)	1,344	(560)
Other expenses	12	11,745	17,124	11,399	16,760
<b>Total expenses</b>		<b>3,397,649</b>	<b>3,192,904</b>	<b>3,380,203</b>	<b>3,175,661</b>
<b>Net result</b>		<b>88,084</b>	<b>56,265</b>	<b>85,703</b>	<b>54,954</b>
<b>Other Comprehensive Income</b>					
<b>Items that will not be reclassified to net result</b>					
Changes in property, plant and equipment asset revaluation surplus		141,184	-	141,184	-
<b>Total other comprehensive income</b>		<b>141,184</b>	<b>-</b>	<b>141,184</b>	<b>-</b>
<b>Total comprehensive result</b>		<b>229,268</b>	<b>56,265</b>	<b>226,887</b>	<b>54,954</b>

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

**CENTRAL ADELAIDE LOCAL HEALTH NETWORK**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2024**

	Note	Consolidated		Parent	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>					
Cash and cash equivalents	13	207,652	180,068	203,042	175,121
Receivables	14	94,836	85,488	90,807	82,656
Other financial assets	15	6,630	5,534	-	-
Inventories	16	25,581	24,348	25,381	24,120
Contract assets	17	226	417	226	417
<b>Total current assets</b>		<b>334,925</b>	<b>295,855</b>	<b>319,456</b>	<b>282,314</b>
<b>Non-current assets</b>					
Receivables	14	10,318	8,773	10,318	8,773
Other financial assets	15	-	-	1,150	1,150
Property, plant and equipment	18,19	3,394,651	3,179,991	3,391,732	3,177,092
Investment property	18,19	8,600	8,600	-	-
Intangible assets	18,20	9,434	14,182	9,434	14,182
<b>Total non-current assets</b>		<b>3,423,003</b>	<b>3,211,546</b>	<b>3,412,634</b>	<b>3,201,197</b>
<b>Total assets</b>		<b>3,757,928</b>	<b>3,507,401</b>	<b>3,732,090</b>	<b>3,483,511</b>
<b>Current liabilities</b>					
Payables	22	103,218	88,587	101,043	86,218
Financial liabilities	23	71,339	71,254	71,026	70,785
Staff related liabilities	24	299,455	267,997	298,185	266,670
Provisions	25	11,882	11,523	11,882	11,523
Contract liabilities and other liabilities	26	616	1,117	604	1,104
<b>Total current liabilities</b>		<b>486,510</b>	<b>440,478</b>	<b>482,740</b>	<b>436,300</b>
<b>Non-current liabilities</b>					
Financial liabilities	23	2,399,698	2,467,841	2,399,032	2,467,051
Staff related liabilities	24	300,777	267,740	300,649	267,711
Provisions	25	47,420	37,087	47,420	37,087
<b>Total non-current liabilities</b>		<b>2,747,895</b>	<b>2,772,668</b>	<b>2,747,101</b>	<b>2,771,849</b>
<b>Total liabilities</b>		<b>3,234,405</b>	<b>3,213,146</b>	<b>3,229,841</b>	<b>3,208,149</b>
<b>Net assets</b>		<b>523,523</b>	<b>294,255</b>	<b>502,249</b>	<b>275,362</b>
<b>Equity</b>					
Retained earnings		342,470	252,800	321,196	233,907
Asset revaluation surplus		181,053	41,455	181,053	41,455
<b>Total equity</b>		<b>523,523</b>	<b>294,255</b>	<b>502,249</b>	<b>275,362</b>

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

**CENTRAL ADELAIDE LOCAL HEALTH NETWORK**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 June 2024**

**CONSOLIDATED**

	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
<b>Balance at 30 June 2022</b>	<b>42,743</b>	<b>195,247</b>	<b>237,990</b>
<b>Net result for 2022-23</b>	-	<b>56,265</b>	<b>56,265</b>
<b>Total comprehensive result for 2022-23</b>	-	<b>56,265</b>	<b>56,265</b>
Transfer between equity components	(1,288)	1,288	-
<b>Balance at 30 June 2023</b>	<b>41,455</b>	<b>252,800</b>	<b>294,255</b>
Error correction	-	-	-
<b>Restated balance at 30 June 2023</b>	-	<b>252,800</b>	<b>294,255</b>
<b>Net result for 2023-24</b>	-	<b>88,084</b>	<b>88,084</b>
Gain/(loss) on revaluation of land and buildings	135,140	-	135,140
Gain/(loss) on revaluation of plant and equipment	6,044	-	6,044
<b>Total comprehensive result for 2023-24</b>	<b>141,184</b>	<b>88,084</b>	<b>229,268</b>
Transfer between equity components	(1,586)	1,586	-
<b>Balance at 30 June 2024</b>	<b>181,053</b>	<b>342,470</b>	<b>523,523</b>

**PARENT**

	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
<b>Balance at 30 June 2022</b>	<b>42,743</b>	<b>177,665</b>	<b>220,408</b>
<b>Net result for 2022-23</b>	-	<b>54,954</b>	<b>54,954</b>
<b>Total comprehensive result for 2022-23</b>	-	<b>54,954</b>	<b>54,954</b>
Transfer between equity components	(1,288)	1,288	-
<b>Balance at 30 June 2023</b>	<b>41,455</b>	<b>233,907</b>	<b>275,362</b>
<b>Net result for 2023-24</b>	-	<b>85,703</b>	<b>85,703</b>
Gain/(loss) on revaluation of land and buildings	135,140	-	135,140
Gain/(loss) on revaluation of plant and equipment	6,044	-	6,044
<b>Total comprehensive result for 2023-24</b>	<b>141,184</b>	<b>85,703</b>	<b>226,887</b>
Transfer between equity components	(1,586)	1,586	-
<b>Balance at 30 June 2024</b>	<b>181,053</b>	<b>321,196</b>	<b>502,249</b>

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

**CENTRAL ADELAIDE LOCAL HEALTH NETWORK**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 30 June 2024**

	Note	Consolidated		Parent	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
<b>Cash inflows</b>					
Receipts from SA Government		2,528,359	2,419,413	2,528,359	2,419,413
Fees and charges		330,652	332,229	312,586	318,650
Grants and contributions		301,803	291,051	302,442	291,537
Interest received		6,592	3,672	6,576	3,625
GST recovered from ATO		89,758	81,288	89,758	81,288
Other receipts		15,822	10,327	15,296	9,613
<b>Cash generated from operations</b>		<b>3,272,986</b>	<b>3,137,980</b>	<b>3,255,017</b>	<b>3,124,126</b>
<b>Cash outflows</b>					
Staff benefits payments		(1,803,393)	(1,709,316)	(1,790,520)	(1,698,561)
Payments for supplies and services		(1,096,151)	(1,109,638)	(1,093,305)	(1,106,976)
Payments of grants and subsidies		(1,410)	(1,488)	(790)	(686)
Interest paid		(204,334)	(179,063)	(204,285)	(179,020)
Other payments		(25,594)	(25,404)	(25,248)	(25,040)
<b>Cash used in operations</b>		<b>(3,130,882)</b>	<b>(3,024,909)</b>	<b>(3,114,148)</b>	<b>(3,010,283)</b>
<b>Net cash provided by operating activities</b>		<b>142,104</b>	<b>113,071</b>	<b>140,869</b>	<b>113,843</b>
<b>Cash flows from investing activities</b>					
<b>Cash inflows</b>					
Proceeds from sale of property, plant and equipment		112	57	112	71
Proceeds from sale/maturities of investments		2,590	414	-	-
<b>Cash generated from investing activities</b>		<b>2,702</b>	<b>471</b>	<b>112</b>	<b>71</b>
<b>Cash outflows</b>					
Purchase of property, plant and equipment		(42,579)	(27,995)	(41,724)	(26,796)
Purchase of intangible assets		(329)	(160)	(329)	(160)
Purchase of investments		(3,013)	(232)	-	-
<b>Cash used in investing activities</b>		<b>(45,921)</b>	<b>(28,387)</b>	<b>(42,053)</b>	<b>(26,956)</b>
<b>Net cash provided by/(used in) investing activities</b>		<b>(43,219)</b>	<b>(27,916)</b>	<b>(41,941)</b>	<b>(26,885)</b>
<b>Cash flows from financing activities</b>					
<b>Cash outflows</b>					
Repayment of lease liabilities		(71,301)	(71,500)	(71,007)	(71,294)
<b>Cash used in financing activities</b>		<b>(71,301)</b>	<b>(71,500)</b>	<b>(71,007)</b>	<b>(71,294)</b>
<b>Net cash provided by/(used in) financing activities</b>		<b>(71,301)</b>	<b>(71,500)</b>	<b>(71,007)</b>	<b>(71,294)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>27,584</b>	<b>13,655</b>	<b>27,921</b>	<b>15,664</b>
Cash and cash equivalents at the beginning of the period		180,068	166,413	175,121	159,457
<b>Cash and cash equivalents at the end of the period</b>	13	<b>207,652</b>	<b>180,068</b>	<b>203,042</b>	<b>175,121</b>
Non-cash transactions	27				

The accompanying notes form part of these financial statements.



**CENTRAL ADELAIDE LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2024**

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## **1. About Central Adelaide Local Health Network**

The Central Adelaide Local Health Network Incorporated (the Hospital) is a not-for-profit incorporated hospital under the *Health Care Act 2008*. The financial statements and accompanying notes include all controlled activities of the Hospital, this includes the Hospital and AusHealth Corporate Pty Ltd (AusHealth).

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 interest in other entities is at note 35.

### *Administered Items*

The Hospital has administered activities and resources. Transactions and balances relating to administered resources are presented separately and are disclosed in the Schedules of Administered Items – refer note 37. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for the Hospital's transactions.

### **1.1 Objectives and activities**

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

The Hospital is part of the SA Health portfolio providing health services for Central Adelaide, including those managed on a State-wide basis.

The Hospital is structured to contribute to the outcomes for which the portfolio is responsible by providing hospital-based tertiary and quaternary care including medical, surgical and other acute services, rehabilitation, mental health and palliative care, dental, breast screening and other community health services to veterans and other persons living within the central Adelaide metropolitan area and Statewide as appropriate.

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

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

The Hospital is comprised of:

- Royal Adelaide Hospital (RAH)
- Hampstead Rehabilitation Centre
- The Queen Elizabeth Hospital
- St Margaret's Hospital
- Pregnancy Advisory Centre
- Statewide Clinical Support Services including SA Pathology, SA Medical Imaging, SA Pharmacy, SA Dental Service and Breast Screen SA
- Donate Life
- Glenside and community health
- Primary Health Care Services
- Prison Health SA
- Statewide Rehabilitation Services at the Repat Health Precinct

### **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.

**CENTRAL ADELAIDE LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2024**

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Significant 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 a working capital deficiency of \$151.585 million (\$144.623 million deficiency). The SA Government is committed and has consistently demonstrated a commitment to the ongoing funding of the Hospital to enable it to perform its functions.

**1.5 Equity**

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

**1.6 Change in accounting policy**

The Hospital did not change any of its accounting policies during the year.

**2. Revenues from SA Government**

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Capital projects funding	162,559	121,468	162,559	121,468
Operational funding	2,373,590	2,246,302	2,373,590	2,246,302
<b>Total revenues from SA Government</b>	<b>2,536,149</b>	<b>2,367,770</b>	<b>2,536,149</b>	<b>2,367,770</b>

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 when the Hospital obtains control over the funding. Control over the funding is normally obtained upon receipt.

**CENTRAL ADELAIDE LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2024**

**3. Fees and charges**

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Ambulance transport	106	78	106	78
Car parking revenue	9,506	6,116	9,506	6,116
Commissions revenue	36	44	36	44
Fines, fees and penalties	102	78	102	78
Patient and client fees	442,684	406,945	423,373	392,330
Private practice fees	41,328	38,449	41,328	38,449
Fees for health services	10,714	11,225	10,714	11,225
Royalty income	669	855	669	855
Sale of goods - medical supplies	1,208	1,474	1,208	1,474
Training revenue	82	81	82	81
Other user charges and fees	16,550	15,449	16,607	15,617
<b>Total fees and charges</b>	<b>522,985</b>	<b>480,794</b>	<b>503,731</b>	<b>466,347</b>

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

All revenue from fees and charges is revenue recognised from contracts with customers except for fines, fees and penalties.

Consolidated Contracts with Customers disaggregated by pattern of revenue recognition and type of customer	2024	2024	2023	2023
	Goods/Services transferred at a point in time	Goods/Services transferred over a period of time	Goods/Services transferred at a point in time	Goods/Services transferred over a period of time
Ambulance transport	34	-	27	-
Car parking revenue	5,754	3,752	5,050	1,066
Commissions revenue	36	-	44	-
Patient and client fees	226,661	-	203,463	-
Private practice fees	41,328	-	38,449	-
Fees for health services	9,822	-	9,096	-
Royalty income	669	-	855	-
Sale of goods - medical supplies	43	-	24	-
Training revenue	78	-	81	-
Other user charges and fees	15,895	-	14,797	-
<b>Total contracts with external customers</b>	<b>300,320</b>	<b>3,752</b>	<b>271,886</b>	<b>1,066</b>
Ambulance transport	72	-	51	-
Patient and client fees	216,023	-	203,482	-
Fees for health services	892	-	2,129	-
Sale of goods - medical supplies	1,165	-	1,450	-
Training revenue	4	-	-	-
Other user charges and fees	655	-	652	-
<b>Total contracts with SA Government customers</b>	<b>218,811</b>	<b>-</b>	<b>207,764</b>	<b>-</b>
<b>Total contracts with customers</b>	<b>519,131</b>	<b>3,752</b>	<b>479,650</b>	<b>1,066</b>

The Hospital recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities (refer to note 26). 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 14 and 17).

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

*Patient and Client Fees*

Public health care is free for medicare eligible customers with the exception of co-payments for Pharmaceutical Benefits Scheme drugs. 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 medical, surgical, anaesthetic, theatre, 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.

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*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 specialists private practice. SA Health disburses amounts it collects on behalf of the specialist to the specialist via payroll (fortnightly) or accounts payable (monthly) depending on the rights of private practice scheme. Revenue from these services is recognised as it is collected as per the Rights of Private Practice Agreement.

**4. Grants and contributions**

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Commonwealth grants and donations	1,701	1,784	1,701	1,784
Pharmaceutical Benefits Scheme Commonwealth subsidy	259,236	246,394	259,236	246,394
SA Government capital contributions	(162)	162	(162)	162
Other SA Government grants and contributions	221	78	860	385
Private sector capital contributions	-	499	-	499
Private sector grants and contributions	31,637	32,852	31,637	33,031
<b>Total grants and contributions</b>	<b>292,633</b>	<b>281,769</b>	<b>293,272</b>	<b>282,255</b>

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

Of the \$292.633 million (\$281.769 million) received in 2023-24, \$23.664 million (\$24.304 million) was provided for specific purposes, including State and Commonwealth Health initiatives - Health reforms, research and other associated activities.

**5. Interest**

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Interest on operating accounts	13	50	-	-
Interest on Special Purpose Funds	6,576	3,625	6,576	3,625
<b>Total interest</b>	<b>6,589</b>	<b>3,675</b>	<b>6,576</b>	<b>3,625</b>

**6. Resources received free of charge**

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Land and buildings	-	1	-	1
Plant and equipment	178	-	178	-
Services	15,943	14,334	15,943	14,334
<b>Total resources received free of charge</b>	<b>16,121</b>	<b>14,335</b>	<b>16,121</b>	<b>14,335</b>

Resources received free of charge include plant and equipment and are recorded at their fair value.

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 \$11.708 million (\$11.413 million), ICT services and media monitoring services valued at \$4.235 million (\$2.921 million) from the Department of the Premier and Cabinet following Cabinet's approval to cease intra-government charging.

In addition, although not recognised the Hospital received volunteer services from the Royal Adelaide Hospital Lavender Lads and Ladies, Royal Adelaide Hospital Auxiliary, Friends of the Queen Elizabeth Hospital, Hampstead Rehabilitation Centre Volunteers and country based SA Pathology couriers. There are 354 volunteers whom provide patient and staff support services to individuals using the Hospital's services. The services include but not limited to: Emergency Department support, guide service, laundry service, RAH gift shop and a volunteer support team.

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

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Plant and equipment:</b>				
Proceeds from disposal	116	58	116	72
Less carrying amount of assets disposed	(124)	(375)	(124)	(375)
Less other costs of disposal	(4)	(1)	(4)	(1)
<b>Net gain/(loss) from disposal of plant and equipment</b>	<b>(12)</b>	<b>(318)</b>	<b>(12)</b>	<b>(304)</b>
<b>Intangibles:</b>				
Proceeds from disposal	-	-	-	-
Less carrying amount of assets disposed	(16)	-	(16)	-
Less other costs of disposal	-	-	-	-
<b>Net gain/(loss) from disposal of plant and equipment</b>	<b>(16)</b>	<b>-</b>	<b>(16)</b>	<b>-</b>
<b>Total assets:</b>				
Total proceeds from disposal	116	58	116	72
Less total carrying amount of assets disposed	(140)	(375)	(140)	(375)
Less other costs of disposal	(4)	(1)	(4)	(1)
<b>Total net gain/(loss) from disposal of assets</b>	<b>(28)</b>	<b>(318)</b>	<b>(28)</b>	<b>(304)</b>

Gains or losses on disposal are recognised at the date control of the asset is passed from the Hospital and are determined after deducting the carrying amount of the asset from the proceeds at that time. When revalued assets are disposed, the revaluation surplus is transferred to retained earnings.

**8. Other revenues/income**

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Dividend revenue	207	150	-	-
Donations	10,589	6,491	10,489	6,491
Health recoveries	93,425	85,690	93,425	85,690
Insurance recoveries	1,304	969	1,304	969
Other	5,731	7,526	4,839	3,133
<b>Total other revenues/income</b>	<b>111,256</b>	<b>100,826</b>	<b>110,057</b>	<b>96,283</b>

**9. Staff related expenses**

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	1,464,581	1,396,877	1,453,726	1,387,887
Targeted voluntary separation packages	93	261	93	261
Long service leave	61,688	25,067	61,628	25,002
Annual leave	147,545	138,397	146,895	137,908
Skills and experience retention leave	7,231	6,735	7,231	6,735
Staff on-costs - superannuation*	173,419	156,639	172,331	155,766
Staff on-costs - other	47	442	(1)	7
Workers compensation	23,480	7,477	23,397	7,388
Board and committee fees	454	451	345	353
Other staff related expenses	2,630	2,874	2,608	2,757
<b>Total staff related expenses</b>	<b>1,881,168</b>	<b>1,735,220</b>	<b>1,868,253</b>	<b>1,724,064</b>

\* The superannuation staff on-cost expense 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.

Refer to note 24 for further discussion on long service leave movement.

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**9.1 Key Management Personnel**

Key management personnel (KMP) of the Hospital includes the Minister, the eight members of the governing board, the Chief Executive of the Department, Chief Executive Officer of the Hospital and the 12 (12) members of the Executive Management Group.

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

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

Compensation	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Salaries and other short term employee benefits	5,065	4,356	5,065	4,356
Post-employment benefits	849	718	849	718
<b>Total</b>	<b>5,914</b>	<b>5,074</b>	<b>5,914</b>	<b>5,074</b>

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

**9.2 Remuneration of boards and committee members**

	2024	2023
	No. of	No. of
	Members	Members
\$0	632	550
\$1 - \$20,000	94	82
\$20,001 - \$40,000	5	6
\$40,001 - \$60,000	3	2
\$60,001 - \$80,000	1	1
<b>Total</b>	<b>735</b>	<b>641</b>

The total remuneration received or receivable by members was \$0.487 million (\$0.498 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and any related 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 36 for members of boards/committees that served for all or part of the financial year and were entitled to receive income from membership in accordance with APS 124.B.

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**9.3 Staff remuneration**

Remuneration of employees	Consolidated		Parent	
	2024 Total Number	2023 Total Number	2024 Total Number	2023 Total Number
The number of staff whose remuneration received or receivable falls within the following bands:				
\$160,001 - \$166,000*	n/a	110	n/a	110
\$166,001 - \$186,000	336	282	336	281
\$186,001 - \$206,000	217	191	216	191
\$206,001 - \$226,000	118	122	117	119
\$226,001 - \$246,000	88	71	88	71
\$246,001 - \$266,000	81	69	81	69
\$266,001 - \$286,000	66	71	66	71
\$286,001 - \$306,000	55	44	55	44
\$306,001 - \$326,000	47	47	47	47
\$326,001 - \$346,000	40	29	40	29
\$346,001 - \$366,000	35	35	35	35
\$366,001 - \$386,000	32	28	32	28
\$386,001 - \$406,000	18	31	18	31
\$406,001 - \$426,000	26	21	26	20
\$426,001 - \$446,000	31	40	31	40
\$446,001 - \$466,000	43	31	43	31
\$466,001 - \$486,000	28	37	28	37
\$486,001 - \$506,000	38	19	37	19
\$506,001 - \$526,000	18	18	18	18
\$526,001 - \$546,000	15	23	15	23
\$546,001 - \$566,000	19	22	19	22
\$566,001 - \$586,000	23	6	23	6
\$586,001 - \$606,000	10	19	10	19
\$606,001 - \$626,000	22	22	22	22
\$626,001 - \$646,000	8	15	8	15
\$646,001 - \$666,000	10	14	10	14
\$666,001 - \$686,000	17	10	17	10
\$686,001 - \$706,000	11	10	11	10
\$706,001 - \$726,000	8	8	8	8
\$726,001 - \$746,000	4	1	4	1
\$746,001 - \$766,000	3	2	3	2
\$766,001 - \$786,000	5	1	5	1
\$786,001 - \$806,000	-	1	-	1
\$806,001 - \$826,000	-	1	-	1
\$826,001 - \$846,000	1	-	1	-
\$846,001 - \$866,000	1	-	1	-
\$866,001 - \$886,000	2	-	2	-
\$906,001 - \$926,000	-	3	-	3
\$946,001 - \$966,000	1	-	1	-
\$966,001 - \$986,000	1	-	1	-
\$986,001 - \$1,006,000	-	1	-	1
\$1,006,001 - \$1,026,000	2	-	2	-
\$1,046,001 - \$1,066,000	-	1	-	1
\$1,406,001 - \$1,426,000	-	1	-	1
\$1,746,001 - \$1,766,000	1	-	1	-
<b>Total number of staff</b>	<b>1,481</b>	<b>1,457</b>	<b>1,478</b>	<b>1,452</b>

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

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

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**9.4 Staff remuneration by classification**

The total remuneration received by staff, included in note 9.3:

	Consolidated				Parent			
	2024		2023		2024		2023	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Executive	36	9,625	31	7,812	33	8,731	26	6,583
Medical (excluding Nursing)	1,204	399,965	1,204	388,789	1,204	399,965	1,204	388,789
Non-medical (i.e. administration)	94	17,822	77	14,521	94	17,822	77	14,521
Nursing	147	26,825	145	25,389	147	26,825	145	25,389
<b>Total</b>	<b>1,481</b>	<b>454,237</b>	<b>1,457</b>	<b>436,511</b>	<b>1,478</b>	<b>453,343</b>	<b>1,452</b>	<b>435,282</b>

**9.5 Targeted voluntary separation packages (TVSP)**

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Amount paid/payable to separated staff:				
Targeted voluntary separation packages	93	261	93	261
Leave paid/payable to separated employees	27	120	27	120
<b>Net cost to the Hospital</b>	<b>120</b>	<b>381</b>	<b>120</b>	<b>381</b>

	2024	2023	2024	2023
The number of staff who accepted a TVSP during the reporting period	1	3	1	3

**10. Supplies and services**

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Administration	2,090	2,361	5,490	4,902
Advertising	1,251	1,123	958	868
Communication	7,067	5,888	6,923	5,740
Computing	44,670	35,044	43,595	33,942
Consultants	1,835	1,272	1,807	1,264
Contract of services	26,208	24,285	26,208	24,285
Contractors	6,346	10,538	6,274	10,448
Contractors - agency staff	47,262	47,322	47,238	47,156
Cost of goods sold	2,096	2,795	-	(1)
Drug supplies	324,236	310,694	324,236	310,694
Electricity, gas and fuel	15,812	16,166	15,748	16,110
Fee for service	77,201	82,580	77,201	82,740
Food supplies	7,202	6,535	7,202	6,535
Housekeeping	29,103	33,994	28,885	33,843
Insurance	16,321	15,063	16,197	14,945
Internal SA Health SLA payments	25,999	25,075	25,999	25,075
Interstate patient transfers	14	69	14	69
Legal	907	2,506	700	2,195
Medical, surgical and laboratory supplies	211,364	199,127	211,364	199,127
Minor equipment	11,004	8,338	10,974	8,312
Motor vehicle expenses	2,224	2,023	2,224	2,023
Occupancy rent and rates	16,190	14,554	16,113	14,471
Patient transport	10,850	9,322	10,850	9,322
Postage	9,498	9,137	9,452	9,111
Printing and stationery	4,926	4,937	4,869	4,887
Public Private Partnership operating expenses	128,531	125,960	128,531	125,960
Repairs and maintenance	45,831	43,157	45,646	43,028
Security	28,016	27,026	28,016	27,026
Services from Shared Services SA	11,852	11,550	11,852	11,550
Short term lease expense	-	2	-	2
Training and development	18,641	17,923	18,555	17,813
Travel expenses	13,801	12,078	13,226	11,438
Other supplies and services	29,880	26,811	29,248	26,154
<b>Total supplies and services</b>	<b>1,178,228</b>	<b>1,135,255</b>	<b>1,175,595</b>	<b>1,131,034</b>

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



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

**10.1 Expenditure – SA business and non-SA business**

The following table includes all expenditure in relation to arrangements above \$55,000 (GST inclusive) resulting from a procurement as defined in *Treasurer's Instructions 18 – Procurement (TI18)*. Arrangements between public authorities and other governments are not included.

Expenditure is inclusive of non-recoverable GST.

	Consolidated 2024 \$'000	Proportion SA and non SA businesses	Parent 2024 \$'000	Proportion SA and non SA businesses
Total expenditure with South Australian businesses	911,346	68%	911,346	68%
Total expenditure with non-South Australian businesses	422,169	32%	422,169	32%
<b>Total expenditure in relation to contracts above \$55,000</b>	<b>1,333,515</b>	<b>100%</b>	<b>1,333,515</b>	<b>100%</b>

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 prior to 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.

**11. Grants and subsidies**

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Subsidies	683	802	63	-
Funding to non-government organisations	624	615	624	615
<b>Total grants and subsidies</b>	<b>1,307</b>	<b>1,417</b>	<b>687</b>	<b>615</b>

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

**12. Other expenses**

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Assets transferred to the Department	-	5,000	-	5,000
Debts written off	1,375	1,616	1,375	1,616
Bank fees and charges	221	142	96	84
Donated assets expense	175	1,560	175	1,560
Net loss on sale of investments	(16)	115	-	-
Write-down of inventory	694	2,659	694	2,659
Rights of Private Practice Payover amounts paid to the Department	5,350	4,502	5,350	4,502
Other*	3,946	1,530	3,709	1,339
<b>Total other expenses</b>	<b>11,745</b>	<b>17,124</b>	<b>11,399</b>	<b>16,760</b>

Donated assets expense includes transfer of plant and equipment and is recorded as expenditure at their fair value.

\* Includes audit fees paid/payable to the Audit Office of South Australia relating to work performed under the Public Finance and Audit Act 1987 of \$0.409 million (\$0.398 million). No other services were provided by the Audit Office of South Australia. Also includes fees paid or payable to BDO for audit services for AusHealth of \$0.082 million (\$0.039 million.).

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**13. Cash and cash equivalents**

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand	6,974	7,366	2,364	2,419
Deposits with Treasurer: general operating	23,723	18,101	23,723	18,101
Deposits with Treasurer: special purpose funds	176,955	154,601	176,955	154,601
<b>Total cash and cash equivalents</b>	<b>207,652</b>	<b>180,068</b>	<b>203,042</b>	<b>175,121</b>
<b>Total cash and cash equivalents in the Statement of Cash Flows</b>	<b>207,652</b>	<b>180,068</b>	<b>203,042</b>	<b>175,121</b>

Cash is measured at nominal amounts. The Hospital earns interest on the special purpose deposit account and the operating accounts held by AusHealth.

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

**14. Receivables**

Current	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Patient/client fees: compensable	8,286	5,558	8,286	5,558
Patient/client fees: other	44,937	32,455	44,937	32,455
Debtors	20,288	21,383	16,315	18,641
Less: allowance for impairment loss on receivables	(6,621)	(5,243)	(6,443)	(5,099)
Prepayments	2,882	2,901	2,595	2,659
Interest	-	3	-	-
Grants	75	220	75	220
Workers compensation provision recoverable	2,547	4,115	2,547	4,115
Sundry receivables and accrued revenue	21,707	23,753	21,707	23,709
GST input tax recoverable	735	343	788	398
<b>Total current receivables</b>	<b>94,836</b>	<b>85,488</b>	<b>90,807</b>	<b>82,656</b>
<b>Non-current</b>				
Debtors	1,138	825	1,138	825
Workers compensation provision recoverable	9,180	7,948	9,180	7,948
<b>Total non-current receivables</b>	<b>10,318</b>	<b>8,773</b>	<b>10,318</b>	<b>8,773</b>
<b>Total receivables</b>	<b>105,154</b>	<b>94,261</b>	<b>101,125</b>	<b>91,429</b>

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

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

**14.1 Impairment loss on 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 allowance for impairment loss on receivables:

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	<b>5,243</b>	<b>5,803</b>	<b>5,099</b>	<b>5,659</b>
Increase/(Decrease) in allowance recognised in profit or loss	1,378	(560)	1,344	(560)
<b>Carrying amount at the end of the period</b>	<b>6,621</b>	<b>5,243</b>	<b>6,443</b>	<b>5,099</b>

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. Refer to note 33 for details relating to credit risk and the methodology for determining impairment.

### 15. Other financial assets

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Term deposits	-	1	-	-
Other investments FVPL	6,630	5,533	-	-
<b>Total current investments</b>	<b>6,630</b>	<b>5,534</b>	<b>-</b>	<b>-</b>
<b>Non-current</b>				
Interest in wholly owned subsidiary	-	-	1,150	1,150
<b>Total non-current investments</b>	<b>-</b>	<b>-</b>	<b>1,150</b>	<b>1,150</b>
<b>Total investments</b>	<b>6,630</b>	<b>5,534</b>	<b>1,150</b>	<b>1,150</b>

The Hospital measures term deposits at amortised cost, listed equities and other investments are measured as fair value represented by market value. Other investments include shares in other corporations, floating rate notes, listed securities and managed funds.

There is no impairment on other financial assets. Refer to note 33 for further information on risk management.

### 16. Inventories

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Drug supplies	15,308	16,282	15,308	16,282
Inventory imprest stock	9,950	7,733	9,950	7,733
Other	323	333	123	105
<b>Total current inventories - held for distribution</b>	<b>25,581</b>	<b>24,348</b>	<b>25,381</b>	<b>24,120</b>

Inventories are held for distribution at no or nominal consideration and are measured at the lower of average weighted cost and replacement cost.

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

### 17. Contract assets

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Contract assets	226	417	226	417
<b>Total contract assets</b>	<b>226</b>	<b>417</b>	<b>226</b>	<b>417</b>

Contract assets primarily relate to the Hospital's rights to consideration for work completed but not yet billable at the reporting date. The Hospital has recognised revenue for pathology services provided but not yet processed through the billing system. Payments for pathology services are not due from the customer until the pathology services are correctly coded and therefore a contract asset is recognised over the period in which pathology services are performed to represent the Hospital's right to consideration for the services

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transferred to date. Any amounts previously recognised as a contract asset are transferred to receivables when the rights become unconditional (i.e. at the point at which it is invoiced to the customer).

There were no impairment losses recognised on contract assets in the reporting period.

**18. Property, plant and equipment, investment property and intangible assets**

**18.1 Acquisition and recognition**

Property, plant and equipment owned by the Hospital are initially recorded on a cost basis and are 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 all owned property, plant and equipment valued at or greater than \$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.

**18.2 Depreciation and amortisation**

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

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

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	11 - 100
Right-of-use buildings	1- 16
Accommodation and Leasehold improvements	Lease term
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	5 - 10
• Computing equipment	3 - 10
• Vehicles	3 - 15
• Other plant and equipment	10
Right-of-use plant and equipment	Lease term
Intangible assets	3 - 10

**18.3 Revaluation**

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

Revaluation of non-current assets or a group of assets owned by the Hospital is only performed when the asset's fair value at the time of acquisition is greater than \$1.5 million and the estimated useful life exceeds three years. Revaluations are undertaken on a regular cycle. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair-value. If at any time management considers that the carrying amount of an asset greater than \$1.5 million materially differs from its fair value, then the asset will be revalued regardless of when the last revaluation took place.

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

**18.4 Impairment**

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

There were no indications of impairment for property, plant and equipment, intangibles, or investment properties as at 30 June 2024.

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**18.5 Intangible assets**

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

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

**18.6 Land and building**

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

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

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

**18.7 Plant and equipment**

The Hospital's plant and equipment assets with a fair value greater than \$1.500 million or had an estimated useful life of greater than three years were revalued using the fair value methodology, as at 1 June 2024, based on independent valuations performed by a Certified Practising Valuers from Marsh Pty Ltd. The value of all other plant and equipment has not been revalued, this is in accordance with APS 116D, the carrying value of these items is deemed to approximate fair value.

**18.8 Investment property**

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

The valuation of the investment property located at Dalglish Street, Thebarton was performed by a Certified Practising Valuer from Knight Frank as at June 2023. The Valuer arrived at a fair value based on recent market transactions for similar properties in the area taking into account zoning and restricted use.

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

Amounts recognised in profit or loss

The Hospital recognised rental income from investment property during the period of \$0.506 million (\$0.471 million).

**18.9 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 for impairment. Additions to right of use assets during 2023-24 were \$3.766 million (\$14.621 million). 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 10.

The Hospital has a number of lease agreements. Lease terms vary in length from 2 to 26 years. Major lease activities include the use of:

- Properties – SA Pathology collection centres, primary health, dental clinics and non-DIT provided office accommodation are 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.

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- Health Facilities – lease include the Royal Adelaide Hospital.  
The Royal Adelaide Hospital (RAH) lease commenced in June 2011, achieved commercial acceptance in June 2017, and is for 35 years. The SA Health Partnership Consortium trading as Celsus entered into an arrangement to finance, design, build, operate and maintain the new RAH. Under the arrangement, Celsus will maintain and provide non-medical support services including facilities management by Spotless and information and communication technology (ICT) support and maintenance by DXC Technology for the duration of the contract. The arrangement is referred to as a Public Private Partnership (PPP). At the conclusion of the contract in 2046, the Hospital will take full ownership of the RAH. Celsus have an obligation to deliver the RAH in a condition fit for its intended purpose and fully maintained in accordance with the agreed asset management plan.
- 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 specific time period (usually 3 years) or a specific 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 SA Health.

The lease liabilities related to the right-of-use assets (and the maturity analysis) are disclosed at note 23. Expenses related to right-of-use assets including depreciation and interest expense are disclosed at note 19 and 23. Cash outflows related to right-of-use assets are disclosed at note 27.

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**19. Reconciliation of property, plant and equipment and investment property**

The following table shows the movement:

Consolidated 2023-24	Land and buildings:				Plant and equipment:						
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommo- dation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	Investment property \$'000	Total \$'000
<b>Carrying amount at the beginning of the period</b>	108,935	218,918	2,384,735	149,879	17,656	74,762	4,431	207,582	13,093	8,600	3,188,591
Additions	-	-	2,821	153,279	-	16,545	90	945	16,402	-	190,082
Assets received free of charge	-	-	-	-	-	178	-	-	-	-	178
Disposals	-	-	(5,172)	-	-	(84)	(40)	-	-	-	(5,296)
Donated assets disposal	-	-	-	-	-	(175)	-	-	-	-	(175)
Transfers between asset classes	-	3,526	-	(12,658)	1,080	18,089	974	-	(10,837)	-	174
Remeasurement	-	-	270	-	-	-	-	-	-	-	270
<b>Subtotal:</b>	<b>108,935</b>	<b>222,444</b>	<b>2,382,654</b>	<b>290,500</b>	<b>18,736</b>	<b>109,315</b>	<b>5,455</b>	<b>208,527</b>	<b>18,658</b>	<b>8,600</b>	<b>3,373,824</b>
<b>Gains/(losses) for the period recognised in net result:</b>											
Depreciation and amortisation	-	(22,951)	(54,501)	-	(1,521)	(20,969)	(2,067)	(9,748)	-	-	(111,757)
<b>Subtotal:</b>	<b>-</b>	<b>(22,951)</b>	<b>(54,501)</b>	<b>-</b>	<b>(1,521)</b>	<b>(20,969)</b>	<b>(2,067)</b>	<b>(9,748)</b>	<b>-</b>	<b>-</b>	<b>(111,757)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>											
Revaluation increment / (decrement)	29,765	105,375	-	-	-	1,919	4,125	-	-	-	141,184
<b>Subtotal:</b>	<b>29,765</b>	<b>105,375</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,919</b>	<b>4,125</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>141,184</b>
<b>Carrying amount at the end of the period*</b>	<b>138,700</b>	<b>304,868</b>	<b>2,328,153</b>	<b>290,500</b>	<b>17,215</b>	<b>90,265</b>	<b>7,513</b>	<b>198,779</b>	<b>18,658</b>	<b>8,600</b>	<b>3,403,251</b>
<b>Gross carrying amount</b>											
Gross carrying amount	138,700	309,483	2,678,532	290,500	34,642	297,370	24,040	260,772	18,658	8,600	4,061,297
Accumulated depreciation / amortisation	-	(4,615)	(350,379)	-	(17,427)	(207,105)	(16,527)	(61,993)	-	-	(658,046)
<b>Carrying amount at the end of the period</b>	<b>138,700</b>	<b>304,868</b>	<b>2,328,153</b>	<b>290,500</b>	<b>17,215</b>	<b>90,265</b>	<b>7,513</b>	<b>198,779</b>	<b>18,658</b>	<b>8,600</b>	<b>3,403,251</b>

\*All property, plant and equipment are classified as either level 2 or level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 23 for details about the lease liability for right of use assets.

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	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	Accommo- dation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	Investment property \$'000		
<b>Carrying amount at the beginning of the period</b>	113,935	237,632	2,425,668	46,588	19,205	79,339	3,258	216,443	10,054	5,550	3,157,672	
Additions	-	-	13,627	107,483	-	9,410	996	994	12,948	-	145,458	
Assets received free of charge	-	-	-	1	-	-	-	-	-	-	1	
Disposals	-	-	-	-	-	(253)	(70)	-	(66)	-	(389)	
Donated assets disposal	(5,000)	-	-	(1,246)	-	-	-	-	(314)	-	(6,560)	
Transfers between asset classes	-	2,797	-	(2,947)	-	8,321	1,358	-	(9,529)	-	-	
Remeasurement	-	-	210	-	-	-	-	-	-	-	210	
<b>Subtotal:</b>	<b>108,935</b>	<b>240,429</b>	<b>2,439,505</b>	<b>149,879</b>	<b>19,205</b>	<b>96,817</b>	<b>5,542</b>	<b>217,437</b>	<b>13,093</b>	<b>5,550</b>	<b>3,296,392</b>	
<b>Gains/(losses) for the period recognised in net result:</b>												
Depreciation and amortisation	-	(21,511)	(54,770)	-	(1,549)	(22,055)	(1,111)	(9,855)	-	-	(110,851)	
Revaluation increment / (decrement)	-	-	-	-	-	-	-	-	-	3,050	3,050	
<b>Subtotal:</b>	<b>-</b>	<b>(21,511)</b>	<b>(54,770)</b>	<b>-</b>	<b>(1,549)</b>	<b>(22,055)</b>	<b>(1,111)</b>	<b>(9,855)</b>	<b>-</b>	<b>3,050</b>	<b>(107,801)</b>	
<b>Carrying amount at the end of the period*</b>	<b>108,935</b>	<b>218,918</b>	<b>2,384,735</b>	<b>149,879</b>	<b>17,656</b>	<b>74,762</b>	<b>4,431</b>	<b>207,582</b>	<b>13,093</b>	<b>8,600</b>	<b>3,188,591</b>	
<b>Gross carrying amount</b>												
Gross carrying amount	108,935	330,894	2,683,925	149,879	33,562	314,134	30,865	260,699	13,093	8,600	3,934,586	
Accumulated depreciation / amortisation	-	(111,976)	(299,190)	-	(15,906)	(239,372)	(26,434)	(53,117)	-	-	(745,995)	
<b>Carrying amount at the end of the period</b>	<b>108,935</b>	<b>218,918</b>	<b>2,384,735</b>	<b>149,879</b>	<b>17,656</b>	<b>74,762</b>	<b>4,431</b>	<b>207,582</b>	<b>13,093</b>	<b>8,600</b>	<b>3,188,591</b>	

\*All property, plant and equipment were classified in the level 3 fair value hierarchy except for investment properties valued at \$8.600 million (\$8.600 million) (classified as level 2) and capital works in progress (not classified). Refer to note 23 for details about the lease liability for right of use assets.



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	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommo- dation 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			
<b>Carrying amount at the beginning of the period</b>	108,935	218,918	2,383,560	149,879	17,656	74,762	2,818	207,582	12,982	-	3,177,092	
Additions	-	-	2,697	153,279	-	16,545	90	945	15,547	-	189,103	
Assets received free of charge	-	-	-	-	-	178	-	-	-	-	178	
Disposals	-	-	(5,062)	-	-	(84)	(40)	-	-	-	(5,186)	
Donated assets disposal	-	-	-	-	-	(175)	-	-	-	-	(175)	
Transfers between asset classes	-	3,526	-	(12,658)	1,080	18,089	684	-	(10,547)	-	174	
Remeasurement	-	-	270	-	-	-	-	-	-	-	270	
<b>Subtotal:</b>	<b>108,935</b>	<b>222,444</b>	<b>2,381,465</b>	<b>290,500</b>	<b>18,736</b>	<b>109,315</b>	<b>3,552</b>	<b>208,527</b>	<b>17,982</b>	<b>-</b>	<b>3,361,456</b>	
<b>Gains/(losses) for the period recognised in net result:</b>												
Depreciation and amortisation	-	(22,951)	(54,205)	-	(1,521)	(20,969)	(1,514)	(9,748)	-	-	(110,908)	
<b>Subtotal:</b>	<b>-</b>	<b>(22,951)</b>	<b>(54,205)</b>	<b>-</b>	<b>(1,521)</b>	<b>(20,969)</b>	<b>(1,514)</b>	<b>(9,748)</b>	<b>-</b>	<b>-</b>	<b>(110,908)</b>	
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>												
Revaluation increment / (decrement)	29,765	105,375	-	-	-	1,919	4,125	-	-	-	141,184	
<b>Subtotal:</b>	<b>29,765</b>	<b>105,375</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,919</b>	<b>4,125</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>141,184</b>	
<b>Carrying amount at the end of the period*</b>	<b>138,700</b>	<b>304,868</b>	<b>2,327,260</b>	<b>290,500</b>	<b>17,215</b>	<b>90,265</b>	<b>6,163</b>	<b>198,779</b>	<b>17,982</b>	<b>-</b>	<b>3,391,732</b>	
<b>Gross carrying amount</b>												
Gross carrying amount	138,700	309,483	2,676,441	290,500	34,642	297,370	21,060	260,772	17,982	-	4,046,950	
Accumulated depreciation / amortisation	-	(4,615)	(349,181)	-	(17,427)	(207,105)	(14,897)	(61,993)	-	-	(655,218)	
<b>Carrying amount at the end of the period</b>	<b>138,700</b>	<b>304,868</b>	<b>2,327,260</b>	<b>290,500</b>	<b>17,215</b>	<b>90,265</b>	<b>6,163</b>	<b>198,779</b>	<b>17,982</b>	<b>-</b>	<b>3,391,732</b>	

\* All property, plant and equipment are classified as either level 2 or level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 23 for details about the lease liability for right of use assets.

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	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommo- dation 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	113,935	237,632	2,425,434	46,588	19,205	79,339	2,443	216,443	9,956	-	3,150,975	
Additions	-	-	12,417	107,483	-	9,410	996	994	11,749	-	143,049	
Assets received free of charge	-	-	-	1	-	-	-	-	-	-	1	
Disposals	-	-	-	-	-	(253)	(56)	-	(66)	-	(375)	
Donated assets disposal	(5,000)	-	-	(1,246)	-	-	-	-	(314)	-	(6,560)	
Transfers between asset classes	-	2,797	-	(2,947)	-	8,321	172	-	(8,343)	-	-	
Remeasurement	-	-	210	-	-	-	-	-	-	-	210	
<b>Subtotal:</b>	<b>108,935</b>	<b>240,429</b>	<b>2,438,061</b>	<b>149,879</b>	<b>19,205</b>	<b>96,817</b>	<b>3,555</b>	<b>217,437</b>	<b>12,982</b>	<b>-</b>	<b>3,287,300</b>	
<b>Gains/(losses) for the period recognised in net result:</b>												
Depreciation and amortisation	-	(21,511)	(54,501)	-	(1,549)	(22,055)	(737)	(9,855)	-	-	(110,208)	
<b>Subtotal:</b>	<b>-</b>	<b>(21,511)</b>	<b>(54,501)</b>	<b>-</b>	<b>(1,549)</b>	<b>(22,055)</b>	<b>(737)</b>	<b>(9,855)</b>	<b>-</b>	<b>-</b>	<b>(110,208)</b>	
<b>Carrying amount at the end of the period*</b>	<b>108,935</b>	<b>218,918</b>	<b>2,383,560</b>	<b>149,879</b>	<b>17,656</b>	<b>74,762</b>	<b>2,818</b>	<b>207,582</b>	<b>12,982</b>	<b>-</b>	<b>3,177,092</b>	
<b>Gross carrying amount</b>												
Gross carrying amount	108,935	330,894	2,682,225	149,879	33,562	314,134	28,177	260,699	12,982	-	3,921,487	
Accumulated depreciation / amortisation	-	(111,976)	(298,665)	-	(15,906)	(239,372)	(25,359)	(53,117)	-	-	(744,395)	
<b>Carrying amount at the end of the period</b>	<b>108,935</b>	<b>218,918</b>	<b>2,383,560</b>	<b>149,879</b>	<b>17,656</b>	<b>74,762</b>	<b>2,818</b>	<b>207,582</b>	<b>12,982</b>	<b>-</b>	<b>3,177,092</b>	

\*All property, plant and equipment were classified in the level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 23 for details about the lease liability for right of use assets.

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**20. 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
<b>Carrying amount at the beginning of the period</b>	<b>13,719</b>	<b>463</b>	<b>14,182</b>	<b>19,628</b>	<b>303</b>	<b>19,931</b>
Additions	-	329	329	-	160	160
Disposals	(16)	-	(16)	-	-	-
Amortisation	(4,887)	-	(4,887)	(5,909)	-	(5,909)
Transfers between asset classes	233	(407)	(174)	-	-	-
<b>Carrying amount at the end of the period</b>	<b>9,049</b>	<b>385</b>	<b>9,434</b>	<b>13,719</b>	<b>463</b>	<b>14,182</b>
<b>Gross carrying amount</b>						
Gross carrying amount	77,717	385	78,102	77,553	463	78,016
Accumulated amortisation	(68,668)	-	(68,668)	(63,834)	-	(63,834)
<b>Carrying amount at the end of the period</b>	<b>9,049</b>	<b>385</b>	<b>9,434</b>	<b>13,719</b>	<b>463</b>	<b>14,182</b>
<b>Parent</b>						
<b>Carrying amount at the beginning of the period</b>	<b>13,719</b>	<b>463</b>	<b>14,182</b>	<b>19,628</b>	<b>303</b>	<b>19,931</b>
Additions	-	329	329	-	160	160
Disposals	(16)	-	(16)	-	-	-
Amortisation	(4,887)	-	(4,887)	(5,909)	-	(5,909)
Transfers between asset classes	233	(407)	(174)	-	-	-
<b>Carrying amount at the end of the period</b>	<b>9,049</b>	<b>385</b>	<b>9,434</b>	<b>13,719</b>	<b>463</b>	<b>14,182</b>
<b>Gross carrying amount</b>						
Gross carrying amount	77,717	385	78,102	77,553	463	78,016
Accumulated amortisation	(68,668)	-	(68,668)	(63,834)	-	(63,834)
<b>Carrying amount at the end of the period</b>	<b>9,049</b>	<b>385</b>	<b>9,434</b>	<b>13,719</b>	<b>463</b>	<b>14,182</b>

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**21. Fair value measurement**

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

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

The Hospital's current use is the highest and best use of the asset unless other factors suggest an alternative use. As the Hospital did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets owned by the Hospital with a fair value at the time of acquisition that was less than \$1.5 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to notes 19 and 21.2 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

**21.1 Fair value hierarchy**

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

**Fair value measurements at 30 June 2024**

	Consolidated			Parent		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>						
Land	51,530	87,170	138,700	51,530	87,170	138,700
Buildings and improvements	8,374	296,494	304,868	8,374	296,494	304,868
Leasehold improvements	-	17,215	17,215	-	17,215	17,215
Plant and equipment	-	97,778	97,778	-	96,428	96,428
Investment property	8,600	-	8,600	-	-	-
<b>Total recurring fair value measurements</b>	<b>68,504</b>	<b>498,657</b>	<b>567,161</b>	<b>59,904</b>	<b>497,307</b>	<b>557,211</b>

**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
<b>Recurring fair value measurements</b>						
Land	-	108,935	108,935	-	108,935	108,935
Buildings and improvements	-	218,919	218,919	-	218,918	218,918
Leasehold improvements	-	17,656	17,656	-	17,656	17,656
Plant and equipment	-	79,193	79,193	-	77,580	77,580
Investment property	8,600	-	8,600	-	-	-
<b>Total recurring fair value measurements</b>	<b>8,600</b>	<b>424,703</b>	<b>433,303</b>	<b>-</b>	<b>423,089</b>	<b>423,089</b>

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

During 2024 and 2023, the Hospital had no valuations categorised into Level 1; there were no transfers of assets between Level 1 and 2 fair value hierarchy levels in 2023-24. Through the valuation process undertaken in June 2024, some land and building assets were transferred between Level 2 and 3.

**21.2 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.

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Due to the predominantly specialised nature of health service assets, the majority of building and plant and equipment valuations have been undertaken using a cost approach (depreciated replacement cost), an accepted valuation methodology under AASB 13. As a result of the revaluation, some buildings have been reclassified to Level 2 from Level 3. For plant and equipment, the extent of unobservable inputs and professional judgement required in valuing these assets is significant, and as such they are deemed to have been valued using Level 3 valuation inputs.

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, current 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.

As a result of the revaluation, some land has been reclassified to Level 2 from Level 3. Investment property has been valued using the income approach, based on capitalised net income at an appropriate yield, and is classified as Level 2.

## 22. Payables

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Creditors and accrued expenses	98,847	84,191	96,672	81,822
Paid Parental Leave Scheme	313	330	313	330
Other payables	4,058	4,066	4,058	4,066
<b>Total current payables</b>	<b>103,218</b>	<b>88,587</b>	<b>101,043</b>	<b>86,218</b>
<b>Total payables</b>	<b>103,218</b>	<b>88,587</b>	<b>101,043</b>	<b>86,218</b>

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 33 for information on risk management.

## 23. Financial liabilities

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Lease liabilities	71,339	71,254	71,026	70,785
<b>Total current financial liabilities</b>	<b>71,339</b>	<b>71,254</b>	<b>71,026</b>	<b>70,785</b>
<b>Non-current</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Lease liabilities	2,399,698	2,467,841	2,399,032	2,467,051
<b>Total non-current financial liabilities</b>	<b>2,399,698</b>	<b>2,467,841</b>	<b>2,399,032</b>	<b>2,467,051</b>
<b>Total financial liabilities</b>	<b>2,471,037</b>	<b>2,539,095</b>	<b>2,470,058</b>	<b>2,537,836</b>

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Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or Treasury's incremental borrowing rate. Borrowing costs of \$207.151 million (\$187.363 million) relate to interest on lease liabilities. Included in these borrowing costs is a reduction in contingent rental amounts of \$183.504 million (\$146.743 million). There were no defaults or breaches on any of the above liabilities throughout the year.

Refer to note 33 for information on risk management.

Refer notes 18 and 19 for details about the right-of-use assets (including depreciation).

**23.1 Concessional lease arrangements for right-of-use assets**

The Hospital has concessional lease arrangements for right-of-use assets, as lessee, within the SA Health economic entity, with SA government entities, with other government entities (e.g. local councils, universities and the Commonwealth government), and with not-for-profit entities.

Right of use asset	Nature of arrangements	Details
Buildings and improvements	Terms are up to 31 years Payments range from \$0 to \$1 pa	Concessional building arrangements include the use of premises for dental services, pathology collection, Breastscreen services, community health services and vacant land.

**23.2 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
<b>Lease Liabilities</b>				
Within one year	297,904	310,806	297,553	307,324
Later than one year but not longer than five years	1,165,545	1,181,174	1,164,844	1,183,649
Later than five years	4,188,477	4,468,577	4,188,477	4,468,578
<b>Total lease liabilities (undiscounted)</b>	<b>5,651,926</b>	<b>5,960,557</b>	<b>5,650,874</b>	<b>5,959,551</b>

**24. Staff related liabilities**

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Accrued salaries and wages	45,766	36,743	45,306	36,228
Annual leave	181,082	167,594	180,562	167,129
Long service leave	26,707	23,480	26,456	23,194
Skills and experience retention leave	12,500	11,734	12,500	11,734
Staff on-costs	33,351	28,416	33,312	28,355
Other	49	30	49	30
<b>Total current staff related liabilities</b>	<b>299,455</b>	<b>267,997</b>	<b>298,185</b>	<b>266,670</b>
<b>Non-current</b>				
Long service leave	287,873	256,623	287,745	256,594
Staff on-costs	12,904	11,117	12,904	11,117
<b>Total non-current staff related liabilities</b>	<b>300,777</b>	<b>267,740</b>	<b>300,649</b>	<b>267,711</b>
<b>Total staff related liabilities</b>	<b>600,232</b>	<b>535,737</b>	<b>598,834</b>	<b>534,381</b>

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

**24.1 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.

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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. In the unusual event where salary and wages, annual leave and skills and experience retention leave liability are payable later than 12 months, the liability will be measured at present value. 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, experience and retention leave liability. As a result, there is an increase in the staff related liability and staff related expenses of \$0.754 million.

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

**24.2 Long service leave - measurement**

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 (4.0%) 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 an increase in the long service leave liability of \$15.108 million, staff on-costs of \$0.661 million and staff related expense of \$15.769 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.

The actuarial assessment performed by DTF increased the salary inflation rate from 2.5% to 3.5% for long service leave liability resulting in an increase in the reported long service leave liability.

**24.3 Staff on-costs**

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

**24.4 Superannuation funds**

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 at 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 and staff related expense of \$1.018 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

**25. 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	48,610	49,161	48,610	49,161
Payments	(10,378)	(8,498)	(10,378)	(8,498)
Remeasurement	7,890	(1,808)	7,890	(1,808)
Additions	13,180	9,755	13,180	9,755
<b>Carrying amount at the end of the period</b>	<b>59,302</b>	<b>48,610</b>	<b>59,302</b>	<b>48,610</b>

The amount of the provision considered to be current is \$11.882 million (\$11.523 million). The amount of the provision considered to be non-current is \$47.420 million (\$37.087 million).

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

The Hospital is an exempt employer under the Return to Work Act 2014. Under a scheme arrangement, the Hospital is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes). The workers compensation provision is based on an actuarial 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 additional compensation provision provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are non-serious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

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

**26. Contract liabilities and other liabilities**

	Consolidated		Parent	
	2024	2023	2024	2023
Current	\$'000	\$'000	\$'000	\$'000
Unclaimed monies	10	112	10	112
Unearned revenue	113	13	101	-
Contract liabilities	429	471	429	471
Other	64	521	64	521
<b>Total current contract liabilities and other liabilities</b>	<b>616</b>	<b>1,117</b>	<b>604</b>	<b>1,104</b>
<b>Total contract liabilities and other liabilities</b>	<b>616</b>	<b>1,117</b>	<b>604</b>	<b>1,104</b>

A contract liability is recognised for revenue relating to SA Dental Service co-payments and grant funded projects /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.



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**27. Cash flow reconciliation**

Reconciliation of net cash provided by operating activities to net result:	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Net cash provided by (used in) operating activities	142,104	113,071	140,869	113,843
<b>Add/less non-cash items</b>				
Asset donated free of charge	(175)	(6,560)	(175)	(6,560)
Capital revenues	143,737	102,842	143,737	102,842
Capitalised interest expense on finance lease	(2,817)	(8,307)	(2,817)	(8,307)
Depreciation and amortisation expense of non-current assets	(116,644)	(116,760)	(115,795)	(116,117)
Gain/(loss) on sale or disposal of non-current assets	(28)	(318)	(28)	(304)
Increments (decrements) on revaluation of non-current assets	-	3,050	-	-
Resources received free of charge	178	1	178	1
Revaluation of investments	673	779	-	-
<b>Movement in assets/liabilities</b>				
Increase/(decrease) in contract assets	(191)	(1,110)	(191)	(1,110)
Increase/(decrease) in inventories	1,233	1,081	1,261	1,309
Increase/(decrease) in receivables	9,331	(19,650)	8,134	(20,495)
(Increase)/decrease in other liabilities	501	466	500	466
(Increase)/decrease in payables and provisions	(25,323)	4,489	(25,517)	5,776
(Increase)/decrease in staff benefits	(64,495)	(16,809)	(64,453)	(16,390)
<b>Net result</b>	<b>88,084</b>	<b>56,265</b>	<b>85,703</b>	<b>54,954</b>

Total cash outflows for leases is \$275.635 million (\$250.563 million) for the consolidated entity, and \$275.292 million (\$250.314 million) for the parent entity.

**28. Unrecognised contractual commitments**

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

**28.1 Capital and Expenditure commitments**

**28.1.1 Contractual commitments to acquire property, plant and equipment**

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Within one year	10,615	13,910	10,615	13,760
<b>Total capital commitments</b>	<b>10,615</b>	<b>13,910</b>	<b>10,615</b>	<b>13,760</b>

The Hospital's capital commitments are for plant and equipment ordered but not received and capital works. Capital commitments for major infrastructure works are recognised in the Department for Infrastructure and Transport financial statements.

**28.1.2 Other contracted commitments**

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Within one year	127,683	117,614	127,683	117,614
Later than one year but not longer than five years	403,923	378,785	403,923	378,785
Later than five years	1,987,429	2,082,378	1,987,429	2,082,378
<b>Total other expenditure commitments</b>	<b>2,519,035</b>	<b>2,578,777</b>	<b>2,519,035</b>	<b>2,578,777</b>
Less contingent rentals	(1,090,093)	(1,111,836)	(1,090,093)	(1,111,836)
<b>Total finance lease commitments</b>	<b>1,428,942</b>	<b>1,466,941</b>	<b>1,428,942</b>	<b>1,466,941</b>

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

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Included in other expenditure commitments above is \$2,439.547 million (\$2,523.411 million), including contingent rentals, which relates directly to the PPP operations and maintenance commitments.

The Hospital also has commitments to provide funding to various non-government organisations in accordance with negotiated service agreements. The value of these commitments as at 30 June 2024 have not been quantified.

**28.2 Expected rental income from lessor arrangements**

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Within one year	509	448	-	-
Later than one year but not longer than five years	1,103	1,418	-	-
<b>Total operating lease revenue commitments</b>	<b>1,612</b>	<b>1,866</b>	<b>-</b>	<b>-</b>

The operating lease revenue commitments relates to property owned by the Hospital and leased to external parties. The table above sets out a maturity analysis of operating lease payments receivable, showing undiscounted lease payments to be received after the reporting date. These amounts are not recognised as assets.

**29. Trust funds**

The Hospital holds money in trust on behalf of consumers that reside in CALHN facilities whilst the consumer is receiving residential mental health services. As the Hospital only performs a 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 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Carrying amount at the beginning of period	22	35	22	35
Client trust receipts	26	22	26	22
Client trust payments	(25)	(35)	(25)	(35)
<b>Carrying amount at the end of the period</b>	<b>23</b>	<b>22</b>	<b>23</b>	<b>22</b>

**30. 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.

**30.1 Contingent Assets**

The new RAH project is being delivered under a public-private partnership agreement with Celsus. The new RAH PPP agreement contains a number of indexation elements which relate to adjustments to certain service payments i.e. interest rate and refinancing service payment adjustments. Where the indexation element is closely related to a lease contract, such as the interest rate payment adjustment, it is not required to be separately accounted for as a derivative. The change in interest rate is accounted for as a contingent rental and expensed in the period incurred.

Like the interest rate service payment adjustment, the refinancing element is an embedded derivative. However, the economic characteristics and risks of this embedded derivative are not closely related to the lease contract and are required to be accounted for separately in the financial statements. The refinancing element could be considered akin to a purchase option in that the Hospital benefits from a portion of gains without exposure to any of the losses. The valuation of this derivative would be derived via the present value of the estimated future cash flows over the life of the project based on observable interest yield curves, basis spread, credit spreads and option pricing models, as appropriate, adjusted for Celsus's credit risk, (i.e. forward curve of credit risk margin).

The estimated value of the contingent asset is unable to be fully determined because of the following uncertain future events that will have an impact on Celsus's credit margin:

- Celsus's credit risk profiling and the number of times Celsus will refinance during the term of the PPP arrangement.
- The type of finance Celsus sources e.g. short term debt from the banking market vs longer term debt potentially sourced via a private placement.
- Uncertainty around the margin negotiated and whether it will be higher or lower than those assumed margins in the financial modelling.
- Whether the State Government will make a Capital Contribution during the first or any refinancing points.
- The lodgment and resolution of any claims under the PPP Agreement.

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**For the year ended 30 June 2024**

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**30.2 Contingent Liabilities**

On 1 August 2017, Hansen Yuncken Pty Ltd and CBP Contractors Pty Ltd (formerly known as Leighton Contractors Pty Ltd) filed legal proceedings in the Federal Court of Australia against Celsus Pty Ltd (formerly known as SA Health Partnership Nominees Pty Ltd), independent certifier Donald Cant Watts Corke Pty Ltd and the Crown in right of the State of South Australia for alleged breaches of contract in relation to the construction of the new Royal Adelaide Hospital. In December 2017 the respondents to the builder's Federal Court proceedings successfully obtained a stay of the proceedings pending the outcome of an arbitration process. At the time of this Report, the arbitration process was still in progress. It is not possible to estimate the dollar effect of this claim or whether it will be successful.

**30.3 Guarantees**

The Hospital has made no guarantees.

**31. 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.

**32. Impact of Standards not yet implemented**

The Hospital has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer. There are no Accounting Policy Statements that are not yet in effect.

- Amending Standard 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 has engaged a valuer to assist in determining the impact, which is not expected to be material.

**33. Financial instruments/financial risk management**

**33.1 Financial risk management**

Risk management is managed by the Hospital's Risk and Assurance Services section. Risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

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 South Australian Government via the Department. The Department works with DTF to determine the cash flows associated with the SA Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows. Refer to notes 1.4, 22 and 23 for further information.

*Credit risk*

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

Refer to notes 13, 14 and 15 for further information.

*Market risk*

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

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

**33.2 Categorisation of financial instruments**

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

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

A financial asset is measured at amortised cost if:

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

Category of financial asset and financial liability	Notes	Consolidated		Parent	
		2024 Carrying amount/ Fair value \$'000	2023 Carrying amount/ Fair value \$'000	2024 Carrying amount/ Fair value \$'000	2023 Carrying amount/ Fair value \$'000
<b>Financial assets</b>					
Cash and equivalent					
Cash and cash equivalents	13, 27	207,652	180,068	203,042	175,121
Loans and receivables					
Receivables	14	88,432	78,011	84,637	75,366
Available for sale financial assets					
Other financial assets	15	6,630	5,534	1,150	1,150
<b>Total financial assets</b>		<b>302,714</b>	<b>263,613</b>	<b>288,829</b>	<b>251,637</b>
<b>Financial liabilities</b>					
Financial liabilities at amortised cost					
Payables	22	102,496	87,859	100,321	85,490
Lease liabilities	23, 28	2,471,037	2,539,095	2,470,058	2,537,836
Other financial liabilities	26	187	646	175	633
<b>Total financial liabilities</b>		<b>2,573,720</b>	<b>2,627,600</b>	<b>2,570,554</b>	<b>2,623,959</b>

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

<sup>(2)</sup> Receivable amount disclosed excludes prepayments as they are not financial assets.

### 33.3 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. Loss allowances for contract assets are measured at an amount equal to an expected credit loss method using a 12 month method. No impairment losses were recognised in relation to contract assets during the year.

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

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

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

	30 June 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
<b>Days past due</b>						
Current	0.3-1.8%	19,797	154	0.3-2.0%	15,560	127
<30 days	0.9-2.1%	10,531	175	1.2-2.3%	8,874	174
31-60 days	2.3-3.9%	5,523	162	2.8-4.0%	3,539	101
61-90 days	3.9-6.6%	3,242	148	4.6-6.6%	2,479	107
91-120 days	5.8-9.4%	2,998	203	6.8-9.2%	2,161	148
121-180 days	9.2-15.4%	1,631	169	10.2-15.0%	2,643	280
181-360 days	17.0-36.2%	3,608	988	17.3-34.9%	4,463	1,235
361-540 days	38.9-60.5%	1,835	1,059	39.1-63.1%	1,272	665
>540 days	45.2-68.2%	5,180	3,563	45.5-71.4%	3,274	2,406
<b>Total</b>		<b>54,345</b>	<b>6,621</b>		<b>44,265</b>	<b>5,243</b>

#### 34. 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, inter-health staff recharging, insurance and computing (note 10). The Hospital incurred expenditure with the Department for Infrastructure and Transport (DIT) of \$153.726 million (\$75.810 million) which largely reflects occupancy rent and rates (note 10). As at 30 June 2024 the value of unrecognised contractual expenditure commitments with DIT for accommodation was \$11.445 million (\$14.878 million).

In addition, the Hospital has lease arrangements as lessee with other SA Government controlled entities. The premises are received at nil or nominal rental with outgoings such as utilities being paid by the lessee.

#### 35. Interests in other entities

##### Controlled Entities

Central Adelaide Local Health Network Incorporated has a 100% interest (1,150,000 shares) in AusHealth Corporate Pty Ltd. AusHealth is a national provider of on-site health and safety services delivered by qualified and experienced professional staff to businesses throughout Australia. AusHealth also manages patient payment solutions for Australian hospitals and commercialises hospital research into leading edge medical technologies and treatments. AusHealth Corporate Pty Ltd falls under the umbrella of health charity, The AusHealth Hospital Research Fund (AHRF).

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**Joint arrangements**

**The Hospital participates in the following joint operations:**

<b>Name of arrangement</b>	<b>Nature of the arrangement</b>	<b>Principal activity</b>	<b>Location</b>	<b>Interest</b>
Adelaide Health Innovation Partnership	Company limited by guarantee comprising of three members – South Australia Health and Medical Research Institute, Central Adelaide Local Health Network, and The University of Adelaide.	Advocates for change, innovation and improvements in health service delivery, medical research, education and patient care.	Adelaide SA	33%
Centre for Cancer Biology Alliance	Agreement between the University of South Australia and Central Adelaide Local Health Network Incorporated.	Undertake health and medical research in South Australia as an integrated clinical, educational and research activity, with a focus on cancer research.	Adelaide SA	50%
South Australian Immunogenomics Cancer Institute	Agreement between the University of Adelaide and Central Local Health Network.	Established as an independently - governed Institute that operates as a discrete academic unit within the University of Adelaide's Faculty of Health and Medical Sciences, supported by an alliance with CALHN	Adelaide SA	50%

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**36. 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 APS 124.B were:

Board/Committee name:	Government employee members	Other members
Allied Health Directorate Clinical Governance Committee	16	Heydrich S
AusHealth Corporate Pty Ltd	3	Johansen G, Hayden S, Livesey S Dr and Reid M (Resigned 22/08/2023)
AusHealth Hospital Research Fund Ltd	2	Johansen G, Hayden S, Livesey S Dr and Reid M (Resigned 22/08/2023)
BreastScreen SA State Quality Committee	7	Beckmann K Dr (Appointed 29/01/2024), Eaton M Dr, Kerrins E, Roder D Prof and Smith K (Appointed 24/01/2024)
Care and Management of Aboriginal Remains Task Force	7	Wanganeen F
Central Adelaide Local Health Network 260 Currie Street Governance Committee <i>(This committee terminated on 14/12/2023)</i>	12	Bruce-Gordon S (Resigned 14/12/2023), Caldwell B (Resigned 14/12/2023), Massey A (Resigned 25/07/23) and Robinson M (Resigned 14/12/2023)
Central Adelaide Local Health Network Clinical Ethics Committee	9	Cardinali R, Carter D Dr (Resigned 01/12/2023), Digance A, and Lambert A (Resigned 15/05/2024)
Central Adelaide Local Health Network Consumer Carer Advisory Group	8	Bickley B, Blake S (Appointed 05/03/2024), Burns T, Cruz J (Appointed 05/03/2024), Earle-Bandaralage L, Joyce M (Appointed 05/03/2024), Law D, Lucas G, Mitchell J (Appointed 05/03/2024, Resigned 20/06/2024), Stefani S (Appointed 05/03/2024, Resigned 06/06/2024), Thai L (Resigned 14/11/2023) and Vega L (Resigned 14/11/2023)
Central Adelaide Local Health Network Critical Care & Perioperative Program Intensive Care Services Quality and Governance Committee	44	Bampton J, Bickley B, Bruce K, How C, Johns P, Kelly P, Venhoek J, Workman D and Yeend K
Central Adelaide Local Health Network Critical Care & Perioperative Program Perioperative Services Quality and Governance Committee	35	Sheehy H (Resigned 01/03/2024)
Central Adelaide Local Health Network Drug and Therapeutics Committee	43	Cullen M
Central Adelaide Local Health Network Executive Quality Governance Committee	42	Bruce K, Fyfe D (Resigned 17/08/2023) and Knight S
Central Adelaide Local Health Network Geriatric Safety and Quality Committee	27	Curry M
Central Adelaide Local Health Network Governing Board	1	Beilby J Prof, Cantley K (Appointed 15/04/2024), Dwyer J Prof, Haythorpe I, Kilpatrick C (Appointed 27/11/2023), Mohamed J (Appointed 01/07/2023), Reid M (Resigned 01/09/2023) and Spencer R (Chair)
Central Adelaide Local Health Network Governing Board Audit and Risk Committee	15	Batt R, Davis E (Appointed 01/09/2023), Haythorpe I (Chair), Mohamed J (Appointed 01/07/2023) and Reid M (Resigned 01/09/2023)
Central Adelaide Local Health Network Governing Board Clinical Governance and Consumer Engagement Committee <i>(Formerly Central Adelaide Local Health Network Governing Board Clinical Governance Committee)</i>	2	Beilby J Prof (Chair), Dwyer J Prof, Fyfe D, McWhinnie S and Touli S

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Central Adelaide Local Health Network Governing Board Consumer and Community Engagement Committee <i>(This Committee disbanded 31/12/2023, merged with Clinical Governance and Consumer Engagement Committee)</i>	-	Fyfe D (Resigned 31/12/2023), McWhinnie S (Resigned 31/12/2023) and Touli S (Resigned 31/12/2023)
Central Adelaide Local Health Network Governing Board Finance and Investment Committee	1	Cantley K, McLoughlin V (Appointed 01/06/2024) and Kilpatrick C (Appointed 01/01/2024)
Central Adelaide Local Health Network Governing Board People and Culture Committee	1	Beilby J Prof (Resigned 30/12/2023), Dwyer J Prof, McEwen K and Mohamed J (Appointed 01/07/2023)
Central Adelaide Local Health Network Human Research Ethics Committee	10	Air T, Bonython J, Bradshaw A (Appointed 01/03/2024), Crabb A (Resigned 01/08/2024), Crockett J, Cullen J, Digance A, Dykes L (Appointed 18/01/2024), Faulbaum S (Appointed 07/09/2023), Fisher A, Greenberg Z, Lu L, Need A A/Prof, Newsham P, Parry C, Partridge G, Phillips C, Piccolo R, Ruediger C and Slater H
Central Adelaide Local Health Network Integrated Care Clinical Governance Committee	-	Wing M
Central Adelaide Local Health Network Pelvic Mesh Specialists Group	14	Blieschke, K (Resigned 31/08/2023), Lilley D, Short K (Resigned 31/08/2023) and Williamson W
Clinical Governance and Quality Committee	12	Touli S
CNARTS Transplant Management Committee	39	Laver H, Myers D and Palk N
Critical Care and Periop Consumer Representative Committee <i>(Formerly Critical Care and Periop Safety and Quality Leadership Consumer Representative)</i>	16	Bruce K (Appointed 21/02/2024), How C (Appointed 21/02/2024), Kelly P (Appointed 21/02/2024) and Yeend K (Appointed 21/02/2024)
General Medicine Safety and Quality Committee	40	Cardinali R (Resigned 20/12/2023) and Klemm G (Resigned 20/12/2023)
Heart and Lung Safety and Quality Committee	28	Carroll N (Appointed 09/02/2024) and Lane B (Resigned 20/12/2023)
Learning from Dying Committee	32	Anderson R
Priority Care Committee: CALHN Clinical Trials	-	Kerr K (Appointed 20/02/2024) and Tunn G (Appointed 14/03/2024)
Priority Care Committee: Communicating for Safety	42	Curry M, Raschella F
Priority Care Committee: Comprehensive Care	43	Anderson R, Bickley B, Coates P, Curry M and Messing L
Priority Care Committee: Managing Deterioration	51	Bampton J (Resigned 20/11/2023) and Bickley B
Priority Care Committee: Patient Blood Management	7	Caldwell N (Appointed 22/04/2024), Johns P, Kowalski S (Appointed 23/05/2024) and Venhoek J
Priority Care Committee: Standard 2 Consumer Partnering	-	Bampton J, Curry M, Klemm G and McMahon J
Renal Community of Practice Steering Committee	22	Lester R, Robson B, Weber D and Williams K
Royal Adelaide Hospital Joint Services Review Committee	-	Klemm G
SA Brain Injury Rehabilitation Service Consumer Advisory Group	3	Bollella D, Crawford S, Francese L, Hoile L, Long J, Makrid D (Appointed 10/08/2023) and Morgan T (Chair)
SA Dental Consumer Representative Group	-	Barker S, Fernando R, Hunt P, Janmaat P, Kendal R, Lockhart F (Appointed 11/04/2024), Milne L (Appointed 01/08/2023), Musakanye S (Appointed 11/04/2024), Saunders C, Truong T (Appointed 11/04/2024) and Whiteway L (Chair)
SA Dental Services Consumer Advisory Panel	2	Costa D Dr, Ireland K, Matiasz S Dr, O'Malley L (Appointed 11/04/2024), Saunders C, Smith S (Appointed 11/04/2024), Stephenson-Jones T, Whiteway L and Zerna J
Statewide Clinical Support Services Committee	-	Beilby J Prof, Donaghy T (Appointed 15/03/2024), Luchich M (Appointed 01/05/2024), Smith M and Spencer R (Resigned 30/04/2024)



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SCSS Audit and Risk Committee	1	Christley S Dr (Resigned 14/08/23) and Davies T (Chair)
Stroke Community of Practice Strategic Executive Committee <i>(This committee is temporarily on hold)</i>	27	Chamberlain S and Whitlam K (Appointed 01/07/2023)
The Queen Elizabeth Hospital Emergency Department Steering Committee	23	Myers A
Youth Cancer Advisory Group	2	Binns T, Custance B (Resigned 11/05/2024), Dix M (Resigned 26/03/2024), Edwards S, Galic L (Appointed 18/06/2024), Gascoigne S, Gogel C (Resigned 07/02/2024), Jones J (Appointed 18/06/2024), Jordans I (Appointed 18/06/2024), Hassall N, Kincaid J, Mimidas E (Appointed 18/06/2024), Roth E, Tyson H, Watson K (Appointed 18/06/2024) and Winston T

Refer to note 9.2 for remuneration of board and committee member.

**CENTRAL ADELAIDE LOCAL HEALTH NETWORK**  
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**For the year ended 30 June 2024**

**37. Administered items**

The Hospital administers the following:

- Private practice arrangements, representing funds billed on behalf of salaried medical officers and subsequently distributed to the Hospital and salaried medical officers according to Rights of Private Practice Deeds of Agreement; and
- Other, which largely represents Research funds


The Hospital cannot use these administered funds for the achievement of its objectives.

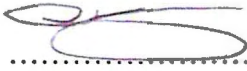
	Private Practice		Other		Total	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from fees and charges	61,949	55,931	-	-	61,949	55,931
Interest revenue	-	-	-	-	-	-
Staff benefit expenses	-	-	-	-	-	-
Supplies and services	(608)	(245)	-	-	(608)	(245)
Other expenses	(61,005)	(56,671)	-	(50)	(61,005)	(56,721)
<b>Net result</b>	<b>336</b>	<b>(985)</b>	<b>-</b>	<b>(50)</b>	<b>336</b>	<b>(1,035)</b>
Cash and cash equivalents	6,912	6,161	1	-	6,913	6,161
Receivables	4,885	5,868	-	-	4,885	5,868
Payables	(7,165)	(7,751)	-	-	(7,165)	(7,751)
Staff benefits	-	-	-	-	-	-
Other provisions/liabilities	(32)	(14)	-	-	(32)	(14)
<b>Net assets</b>	<b>4,600</b>	<b>4,264</b>	<b>1</b>	<b>-</b>	<b>4,601</b>	<b>4,264</b>
Cash at 1 July	6,161	7,529	-	7	6,161	7,536
Cash inflows	62,932	54,856	1	71	62,933	54,927
Cash outflows	(62,181)	(56,225)	-	(78)	(62,181)	(56,303)
<b>Cash at 30 June</b>	<b>6,912</b>	<b>6,161</b>	<b>1</b>	<b>-</b>	<b>6,913</b>	<b>6,161</b>


### Certification of the financial statements

We certify that the:

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

  
.....  
Raymond Spencer  
Chair, Governing Board

  
.....  
Rachael Kay  
A/Chief Executive  
Officer

  
.....  
Catherine Shadbolt  
Executive Director,  
Finance and Business Services

Date 12/09/2024 .....