



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
ABN 53 327 061 410
enquiries@audit.sa.gov.au
www.audit.sa.gov.au

To the Board Chair Riverland Mallee Coorong Local Health Network Incorporated

Qualified opinion

I have audited the financial report of the Riverland Mallee Coorong Local Health Network Incorporated and the consolidated entity comprising the Riverland Mallee Coorong 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 the qualified opinion' section of my report, the accompanying financial report gives a true and fair view of the financial position of the Riverland Mallee Coorong Local Health Network Incorporated and its controlled entities as at 30 June 2024, their financial performance and their cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Board Chair, the Chief Executive Officer and the Acting Chief Finance Officer.

Basis for qualified opinion

Procurement reporting disclosure

The Riverland Mallee Coorong Local Health Network Incorporated were required by the Treasurer's Instructions (Accounting Policy Statements) to include a disclosure reporting the value of procurement with South Australian and non-South Australian businesses for 2023-24. This requirement uses a framework established by the Treasurer's Instructions (Accounting Policy Statements) and definitions within Treasurer's Instruction 18 *Procurement*.

The Riverland Mallee Coorong Local Health Network Incorporated included that disclosure in note 9.1 to the financial report.

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 36(2) of the *Health Care Act 2008*, I have audited the financial report of the Riverland Mallee Coorong 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 Riverland Mallee Coorong Local Health Network Incorporated's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group financial report. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

Andrew Blaskett
Auditor-General

23 September 2024

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2024

	Note	Consolidated		Parent	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Income					
Revenues from SA Government	2	163,359	146,929	163,359	146,929
Fees and charges	3	15,547	14,561	15,547	14,561
Grants and contributions	4	51,193	44,364	51,332	44,504
Interest		1,755	959	1,605	867
Resources received free of charge	5	2,080	2,232	2,080	2,232
Other revenues/income	7	1,849	3,035	1,545	2,924
Total income		235,783	212,080	235,468	212,017
Expenses					
Staff related expenses	8	125,313	129,853	125,313	129,853
Supplies and services	9	98,930	78,172	98,927	78,170
Depreciation and amortisation	17	9,724	9,600	1,480	1,550
Borrowing costs	10	41	32	41	32
Net loss from disposal of non-current and other assets	6	135	225	37	225
Impairment loss on receivables	13.1	37	77	37	77
Other expenses	11	675	645	1,577	1,475
Total expenses		234,855	218,604	227,412	211,382
Net result		928	(6,524)	8,056	635
Other Comprehensive Income					
Items that will not be reclassified to net result					
Changes in property, plant and equipment asset revaluation surplus		38,551	-	(614)	-
Items that will be reclassified subsequently to net result when specific conditions are met					
Gains or losses recognised directly in equity		(29)	12	-	-
Total other comprehensive income		38,522	12	(614)	-
Total comprehensive result		39,450	(6,512)	7,442	635

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Note	Consolidated		Parent	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	12	16,684	18,101	14,893	16,589
Receivables	13	7,198	6,490	7,142	6,441
Other financial assets	14	31,983	23,533	29,721	21,280
Inventories	15	1,166	1,078	1,166	1,078
Total current assets		57,031	49,202	52,922	45,388
Non-current assets					
Receivables	13	1,326	2,279	1,326	2,279
Other financial assets	14	162	187	-	-
Property, plant and equipment	16,17	182,454	148,570	15,105	12,946
Total non-current assets		183,942	151,036	16,431	15,225
Total assets		240,973	200,238	69,353	60,613
Current liabilities					
Payables	19	7,425	6,223	7,427	6,212
Financial liabilities	20	429	485	429	485
Staff related liabilities	21	21,660	19,652	21,660	19,652
Provisions	22	1,594	2,020	1,594	2,020
Contract liabilities and other liabilities	23	36,235	32,665	36,235	32,665
Total current liabilities		67,343	61,045	67,345	61,034
Non-current liabilities					
Financial liabilities	20	973	1,029	973	1,029
Staff related liabilities	21	16,786	16,018	16,786	16,018
Provisions	22	5,113	10,838	5,113	10,838
Total non-current liabilities		22,872	27,885	22,872	27,885
Total liabilities		90,215	88,930	90,217	88,919
Net assets		150,758	111,308	(20,864)	(28,306)
Equity					
Retained earnings		68,958	67,900	(20,250)	(28,306)
Asset revaluation surplus		81,780	43,359	(614)	-
Other reserves		20	49	-	-
Total equity		150,758	111,308	(20,864)	(28,306)

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2024

CONSOLIDATED

	Asset revaluation surplus \$ '000	Other reserves \$'000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2022	43,359	37	74,424	117,820
Net result for 2022-23	-	-	(6,524)	(6,524)
Gain/(loss) on revaluation of other financial assets	-	12	-	12
Total comprehensive result for 2022-23	-	12	(6,524)	(6,512)
Balance at 30 June 2023	43,359	49	67,900	111,308
Net result for 2023-24	-	-	928	928
Gain/(loss) on revaluation of land and buildings	38,551	-	-	38,551
Gain/(loss) on revaluation of other financial assets	-	(29)	-	(29)
Total comprehensive result for 2023-24	38,551	(29)	928	39,450
Transfer between equity components	(130)	-	130	-
Balance at 30 June 2024	81,780	20	68,958	150,758

PARENT

	Asset revaluation surplus \$ '000	Other reserves \$'000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2022	-	-	(28,941)	(28,941)
Net result for 2022-23	-	-	635	635
Total comprehensive result for 2022-23	-	-	635	635
Balance at 30 June 2023	-	-	(28,306)	(28,306)
Net result for 2023-24	-	-	8,056	8,056
Gain/(loss) on revaluation of land and buildings	(614)	-	-	(614)
Total comprehensive result for 2023-24	(614)	-	8,056	7,442
Balance at 30 June 2024	(614)	-	(20,250)	(20,864)

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

RIVERLAND AND MALLEE COORONG LOCAL HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the period ended 30 June 2024

	Note	Consolidated		Parent	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Cash inflows					
Receipts from SA Government		132,656	121,282	132,656	121,282
Fees and charges		14,432	11,655	14,414	11,665
Grants and contributions		51,310	44,445	51,449	44,585
Interest received		1,365	446	1,280	409
Residential aged care bonds received		8,938	9,978	8,938	9,978
GST recovered from ATO		5,698	4,297	5,698	4,297
Other receipts		635	428	331	322
Cash generated from operations		215,034	192,531	214,766	192,538
Cash outflows					
Staff benefits payments		(128,653)	(123,579)	(128,653)	(123,579)
Payments for supplies and services		(72,218)	(55,727)	(72,202)	(55,734)
Interest paid		(41)	(32)	(41)	(32)
Residential aged care bonds refunded		(4,844)	(4,668)	(4,844)	(4,668)
Other payments		(704)	(701)	(704)	(701)
Cash used in operations		(206,460)	(184,707)	(206,444)	(184,714)
Net cash provided by operating activities		8,574	7,824	8,322	7,824
Cash flows from investing activities					
Cash inflows					
Proceeds from sale/maturities of investments		1,729	278	850	-
Cash generated from investing activities		1,729	278	850	-
Cash outflows					
Purchase of property, plant and equipment		(1,039)	(1,127)	(1,039)	(1,127)
Purchase of investments		(10,121)	(1,300)	(9,269)	(1,027)
Cash used in investing activities		(11,160)	(2,427)	(10,308)	(2,154)
Net cash provided by/(used in) investing activities		(9,431)	(2,149)	(9,458)	(2,154)
Cash outflows					
Repayment of borrowings		-	-	-	-
Repayment of lease liabilities		(560)	(579)	(560)	(579)
Cash used in financing activities		(560)	(579)	(560)	(579)
Net cash provided by/(used in) financing activities		(560)	(579)	(560)	(579)
Net increase/(decrease) in cash and cash equivalents		(1,417)	5,096	(1,696)	5,091
Cash and cash equivalents at the beginning of the period		18,101	13,005	16,589	11,498
Cash and cash equivalents at the end of the period	12	16,684	18,101	14,893	16,589

The accompanying notes form part of these financial statements.

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

1. About Riverland Mallee Coorong Local Health Network

Riverland Mallee Coorong Local Health Network Incorporated (the Hospital) is a not-for-profit incorporated hospital established under the *Health Care (Local Health Networks) Proclamation 2019* which was an amendment to the *Health Care Act 2008* (the Act). The Hospital commenced service delivery on 1 July 2019 following the dissolution of Country Health SA Local Health Network (CHSALHN). Relevant assets, rights and liabilities were transferred from CHSALHN to the Hospital.

Parent Entity

The Parent entity consists of the following:

- Barmera Hospital
- Barmera Hawdon House Aged Care
- Barmera Bonney Lodge Aged Care
- Barmera Independent Living Units
- Karoonda and Districts Soldier's Memorial Hospital
- Lameroo District Health Service
- Lameroo Independent Living Units
- Loxton Hospital
- Loxton Nursing Home
- Loxton Hostel
- Mannum District Hospital
- Meningie and Districts Memorial Hospital and Health Services
- Murray Bridge Soldiers' Memorial Hospital
- Murray Mallee Community Health Service
 - Coonalpyn
 - Murray Bridge
 - Karoonda
 - Lameroo
 - Mannum
 - Meningie
 - Pinnaroo
 - Tailem Bend
 - Tintinara
- Pinnaroo Soldiers' Memorial Hospital
- Renmark Paringa District Hospital
- Renmark Paringa Nursing Home
- Renmark Paringa Hostel
- Riverland General Hospital located in Berri
- Riverland Community Health Service
 - Berri
 - Barmera
 - Loxton
 - Renmark
- Riverland Mallee Coorong Local Health Network Mental Health Service
- Tailem Bend District Hospital
- Waikerie Health Service

Consolidated Entity

The Consolidated entity includes the Parent entity, the Incorporated Health Advisory Councils (HACs) and the Incorporated HAC Gift Fund Trusts (GFTs) as listed in note 30.

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

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

The consolidated financial statements have been prepared in accordance with AASB 10 *Consolidated Financial Statements*. Consistent accounting policies have been applied and all inter-entity balances and transactions arising within the consolidated entity have been eliminated in full. Information on the consolidated entity's interests in other entities is at note 30.

1.1 Objectives and activities

The Hospital is committed to a health system that produces positive health outcomes by focusing on health promotion, illness prevention, early intervention and achieving equitable health outcomes for the Riverland Mallee Coorong Region.

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

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

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

1.2 Basis of preparation

These financial statements are general purpose financial statements prepared in compliance 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.

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.

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

1.4 Continuity of operations

As at 30 June 2024, the Hospital had working capital deficiency of \$10.312 million (\$11.843 million). The SA Government is committed and has consistently demonstrated a commitment to ongoing funding of the Hospital to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annually produced and published State Budget Papers which presents the SA Government's current and estimated future economic performance, including forward estimates of revenue, expenses and performance by agency.

1.5 Equity

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

2. Revenues from SA Government

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Capital projects funding	4,863	2,176	4,863	2,176
Operational funding	158,496	144,753	158,496	144,753
Total revenues from SA Government	163,359	146,929	163,359	146,929

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

3. Fees and charges

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Commissions revenue	3	4	3	4
Patient and client fees	3,851	3,307	3,851	3,307
Private practice fees	171	178	171	178
Fees for health services	1,257	1,370	1,257	1,370
Residential and other aged care charges	8,443	8,168	8,443	8,168
Sale of goods - medical supplies	74	30	74	30
Training revenue	17	45	17	45
Other user charges and fees	1,731	1,459	1,731	1,459
Total fees and charges	15,547	14,561	15,547	14,561

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

The Hospital recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities (refer to note 23).

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

Patient and Client Fees

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

Residential and other aged care charges

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

Fees for health services

Where the Hospital has incurred an expense on behalf of another entity, payment is recovered from the other entity by way of a recharge of the cost incurred. These fees can relate to the recharge of salaries and wages or various goods and services. Revenue is

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

recognised on a time-and-material basis as provided. Any amounts remaining unpaid at the end of the reporting period are treated as an accounts receivable.

4. Grants and contributions

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Commonwealth grants and donations	28,057	26,549	28,057	26,549
Commonwealth aged care subsidies	22,152	17,047	22,152	17,047
SA Government capital contributions	-	-	-	17
Other SA Government grants and contributions	-	348	140	471
Private sector grants and contributions	984	420	983	420
Total grants and contributions	51,193	44,364	51,332	44,504

Grants provided for are usually subject to terms and conditions set out in the contract, correspondence, or by legislation. All grants and contributions received were provided for specific purposes such as aged care, community health services and other related health services and are recognised in accordance with AASB 1058 *Income of Not-for-Profit Entities*.

5. Resources received free of charge

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Land and buildings	-	203	-	203
Plant and equipment	-	177	-	177
Services	2,080	1,852	2,080	1,852
Total resources received free of charge	2,080	2,232	2,080	2,232

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

Contribution of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated. The Hospital receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$1.580 million (\$1.507 million) and ICT services from the Department of the Premier and Cabinet (DPC) valued at \$0.500 million (\$0.345 million).

Although not recognised, the Hospital receives volunteer services from around 294 registered volunteers who provide patient and staff support services to individuals using the health facilities services. The services include but are not limited to: daily supper rounds, way finding services, stores replenishment, support in theatre/recovery/emergency departments, administration/medical records, on the wards, home delivered meals, transport and the Community Visitors Scheme (social support).

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

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Land and buildings:				
Proceeds from disposal	-	-	-	-
Less carrying amount of assets disposed	(98)	-	-	-
Net gain/(loss) from disposal of land and buildings	(98)	-	-	-
Plant and equipment				
Proceeds from disposal	-	-	-	-
Less carrying amount of assets disposed	(37)	(225)	(37)	(225)
Total net gain/(loss) from disposal of plant and equipment	(37)	(225)	(37)	(225)
Total assets:				
Total proceeds from disposal	-	-	-	-
Less total carrying amount of assets disposed	(135)	(225)	(37)	(225)
Total net gain/(loss) from disposal of assets	(135)	(225)	(37)	(225)

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

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

7. Other revenues/income

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Dividend revenue	5	5	-	-
Donations	498	256	205	155
Health recoveries	1,166	2,622	1,166	2,622
Insurance recoveries	106	7	106	7
Other	74	145	68	140
Total other revenues/income	1,849	3,035	1,545	2,924

8. Staff related expenses

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	102,951	100,446	102,951	100,446
Long service leave	3,365	2,663	3,365	2,663
Annual leave	9,278	9,515	9,278	9,515
Skills and experience retention leave	460	448	460	448
Staff on-costs - superannuation*	12,361	11,532	12,361	11,532
Workers compensation	(3,421)	5,069	(3,421)	5,069
Board and committee fees	247	197	247	197
Other staff related expenses	72	(17)	72	(17)
Total staff related expenses	125,313	129,853	125,313	129,853

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

8.1 Key Management Personnel

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

The compensation detailed below excludes salaries and other benefits 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

	2024	2023
	\$'000	\$'000
Salaries and other short term employee benefits	3,067	2,689
Post-employment benefits	367	373
Other long-term employment benefits	112	-
Total	3,546	3,062

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.

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

8.2 Remuneration of Boards and Committees

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

	2024	2023
	No. of	No. of
	Members	Members
\$1 - \$20,000	1	1
\$20,001 - \$40,000	6	4
\$40,001 - \$60,000	1	1
Total	8	6

The total remuneration received or receivable by members was \$0.262 million (\$0.204 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 paid. In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

Unless 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 31 for members of boards/committees that served for all or part of the financial year and were entitled to receive income from membership in accordance with APS 124.B.

8.3 Remuneration of staff

	Consolidated		Parent	
	2024	2023	2024	2023
The number of staff whose remuneration received or receivable falls within the following bands:	Number	Number	Number	Number
\$160,001 - \$166,000*	n/a	4	n/a	n/a
\$166,001 - \$186,000	17	15	17	17
\$186,001 - \$206,000	5	2	5	5
\$206,001 - \$226,000	3	2	3	3
\$226,001 - \$246,000	6	4	6	6
\$246,001 - \$266,000	2	1	2	2
\$266,001 - \$286,000	2	1	2	2
\$286,001 - \$306,000	-	2	-	-
\$306,001 - \$326,000	1	-	1	1
\$326,001 - \$346,000	-	4	-	-
\$386,001 - \$406,000	1	1	1	1
\$406,001 - \$426,000	1	-	1	1
\$426,001 - \$446,000	-	1	-	-
\$446,001 - \$466,000	1	-	1	1
\$506,001 - \$526,000	2	1	2	2
\$526,001 - \$546,000	-	1	-	-
\$546,001 - \$566,000	2	2	2	2
\$586,001 - \$606,000	-	1	-	-
\$606,001 - \$626,000	1	-	1	1
\$626,001 - \$646,000	-	1	-	-
\$706,001 - \$726,000	1	-	1	1
Total number of staff	45	43	45	45

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 paid.

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

8.4 Remuneration of staff by classification

The total remuneration received by staff included above:

	Consolidated				Parent			
	2024		2023		2024		2023	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Executive	1	259	1	243	1	259	1	243
Medical (excluding Nursing)	23	7,978	23	8,159	23	7,978	23	8,159
Non-medical (i.e. administration)	3	602	1	164	3	602	1	164
Nursing	18	3,277	18	3,169	18	3,277	18	3,169
Total	45	12,116	43	11,735	45	12,116	43	11,735

9. Supplies and services

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Administration	1,546	159	1,543	157
Advertising	182	60	182	60
Communication	1,035	770	1,035	770
Computing	2,890	2,717	2,890	2,717
Consultants	115	132	115	132
Contract of services	576	772	576	772
Contractors	905	544	905	544
Contractors - agency staff	16,124	5,061	16,124	5,061
Drug supplies	1,614	1,518	1,614	1,518
Electricity, gas and fuel	2,262	2,251	2,262	2,251
Fee for service*	22,023	19,953	22,023	19,953
Food supplies	3,119	2,942	3,119	2,942
Housekeeping	1,659	1,554	1,659	1,554
Insurance	1,163	889	1,163	889
Internal SA Health SLA payments	6,612	7,078	6,612	7,078
Legal	39	14	39	14
Medical, surgical and laboratory supplies	14,530	14,101	14,530	14,101
Minor equipment	2,340	1,503	2,340	1,503
Motor vehicle expenses	608	628	608	628
Occupancy rent and rates	943	731	943	731
Patient transport	3,743	2,900	3,743	2,900
Postage	247	266	247	266
Printing and stationery	605	579	605	579
Repairs and maintenance	7,347	5,678	7,339	5,678
Security	1,219	279	1,219	279
Services from Shared Services SA	1,580	1,507	1,580	1,507
Short term lease expense	386	294	386	294
Training and development	1,067	782	1,067	782
Travel expenses	582	466	582	466
Other supplies and services	1,869	2,044	1,877	2,044
Total supplies and services	98,930	78,172	98,927	78,170

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

9.1 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:

	Consolidated		Parent	
	2024 \$'000	Proportion SA and non-SA businesses	2024 \$'000	Proportion SA and non-SA businesses
Total expenditure with South Australian businesses	44,484	64%	44,484	64%
Total expenditure with non-South Australian businesses	25,311	36%	25,311	36%
Total expenditure in relation to contracts above \$55,000	69,795	100%	69,795	100%

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

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

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

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

10. Borrowing costs

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Interest expense on lease liabilities	41	32	41	32
Total borrowing cost	41	32	41	32

The Hospital does not capitalise borrowing costs. The total borrowing costs from financial liabilities not at fair value through the profit and loss was \$0.041 million (\$0.032 million). Refer to note 20 for more information on financial liabilities.

11. Other expenses

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Debts written off	39	142	39	142
Bank fees and charges	5	5	5	5
Donated assets expense	-	-	902	830
Other*	631	498	631	498
Total other expenses	675	645	1,577	1,475

In 2023-24 donated assets expense relates to buildings and improvement and is recorded as expenditure at their fair value and have been donated by the HAC.

* Includes Audit fees paid/payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act* of \$0.106 million (\$0.106 million). No other services were provided by the Audit Office of South Australia. Payments to Galpins Accountants Auditors and Business Consultants were \$0.059 million (\$0.058 million) for HAC and aged care audits.

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

12. Cash and cash equivalents

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand	6,728	10,409	4,937	8,897
Deposits with Treasurer: general operating	8,932	7,215	8,932	7,215
Deposits with Treasurer: special purpose funds	1,024	477	1,024	477
Total cash and cash equivalents in the Statement of Financial Position	16,684	18,101	14,893	16,589
Total cash and cash equivalents in the Statement of Cash Flows	16,684	18,101	14,893	16,589

Cash is measured at nominal amounts. The Hospital operates through the Department's general operating account held with the Treasurer and does not earn interest on this account. Interest is earned on HAC and GFT bank accounts and accounts holding aged care funds, including refundable deposits. Of the \$16.684 million (\$18.101 million) held, \$4.085 million (\$7.476 million) relates to aged care refundable deposits.

13. Receivables

Current	Note	Consolidated		Parent	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Patient/client fees: compensable		247	178	247	178
Patient/client fees: aged care		1,314	1,402	1,314	1,402
Patient/client fees: other		566	521	566	521
Debtors		499	697	507	698
Less: allowance for impairment loss on receivables	13.1	(443)	(406)	(443)	(406)
Prepayments		351	190	351	190
Interest		873	545	798	495
Workers compensation provision recoverable		340	912	340	912
Sundry receivables and accrued revenue		3,235	2,326	3,246	2,326
GST input tax recoverable		216	125	216	125
Total current receivables		7,198	6,490	7,142	6,441
Non-current					
Debtors		99	285	99	285
Workers compensation provision recoverable		1,227	1,994	1,227	1,994
Total non-current receivables		1,326	2,279	1,326	2,279
Total receivables		8,524	8,769	8,468	8,720

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

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

13.1 Impairment of receivables

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

Movement in the impairment of receivables:

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	406	329	406	329
Increase/(Decrease) in allowance recognised in profit or loss	37	77	37	77
Carrying amount at the end of the period	443	406	443	406

Impairment losses relate to receivables arising from contracts with customers that are external to the SA Government. Refer to note 28 for details regarding credit risk and the methodology for determining impairment.

14. Other financial assets

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current				
Term deposits	31,983	23,533	29,721	21,280
Total current investments	31,983	23,533	29,721	21,280
Non-current				
Other investments FVOCI	162	187	-	-
Total non-current investments	162	187	-	-
Total investments	32,145	23,720	29,721	21,280

The consolidated and parent entities hold term deposits of \$31.983 million (\$23.533 million) and \$29.721 million (\$21.280 million) respectively. Of these deposits \$22.550 million (\$15.331 million) relates to aged care refundable deposits, with the remaining funds primarily relating to aged care. These deposits are measured at amortised cost. Listed equities and other investments are measured at fair value represented by market value.

There is no impairment on other financial assets. Refer to note 28 for further information on risk management.

15. Inventories

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Drug supplies	295	300	295	300
Medical, surgical and laboratory supplies	602	536	602	536
Food and hotel supplies	201	176	201	176
Engineering supplies	10	12	10	12
Other	58	54	58	54
Total current inventories - held for distribution	1,166	1,078	1,166	1,078

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

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

16.1 Acquisition and recognition

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

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

16.2 Depreciation and amortization

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/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	20 - 60
Right-of-use buildings	2 - 14
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	2 - 25
• Computing equipment	3 - 5
• Vehicles	2 - 25
• Other plant and equipment	3 - 50
Right-of-use plant and equipment	2 - 3

16.3 Revaluation

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

The scope of the valuation of PPE included all: land, buildings, site improvements, site infrastructure and Plant and Equipment with an acquisition greater than \$1.5 million and useful life greater than three (3) years. Revaluations are undertaken on a regular cycle. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value. If at any time management considers that the carrying amount of an asset greater than \$1.5 million materially differs from its fair value, then the asset will be revalued regardless of when the last revaluation took place.

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

16.4 Impairment

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

16.5 Land and buildings

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

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

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

16.6 Plant and equipment

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

16.7 Leased property, plant and equipment

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

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

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

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

The lease liabilities related to the right-of-use assets (and the maturity analysis) are disclosed at note 20. Expenses related to leases including depreciation and interest expense are disclosed at note 17 and 10. Cash outflows related to leases are disclosed at note 24.

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

17. Reconciliation of property, plant and equipment

The following table shows the movement:

Consolidated

2023-24

	Land and buildings:			Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	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	8,015	132,401	768	4,641	987	581	703	474	148,570
Additions	-	-	-	3,564	1,090	17	448	73	5,192
Disposals	-	(98)	-	-	(30)	(7)	-	-	(135)
Donated assets disposal	-	-	-	-	-	-	-	-	-
Transfers between asset classes	-	3,824	-	(3,824)	188	102	-	(290)	-
Subtotal:	8,015	136,127	768	4,381	2,235	693	1,151	257	153,627
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(8,488)	(68)	-	(541)	(130)	(497)	-	(9,724)
Subtotal:	-	(8,488)	(68)	-	(541)	(130)	(497)	-	(9,724)
Gains/(losses) for the period recognised in other comprehensive income:									
Revaluation increment / (decrement)	5,320	33,231	-	-	-	-	-	-	38,551
Subtotal:	5,320	33,231	-	-	-	-	-	-	38,551
Carrying amount at the end of the period*	13,335	160,870	700	4,381	1,694	563	654	257	182,454
Gross carrying amount									
Gross carrying amount	13,335	161,709	1,040	4,381	4,643	1,253	1,512	257	188,130
Accumulated depreciation / amortisation	-	(839)	(340)	-	(2,949)	(690)	(858)	-	(5,676)
Carrying amount at the end of the period	13,335	160,870	700	4,381	1,694	563	654	257	182,454

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

Consolidated

2022-23

	Land and buildings:			Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	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	8,015	139,850	838	3,545	1,265	748	838	354	155,453
Additions	-	-	-	1,546	156	-	386	475	2,563
Assets received free of charge	-	-	-	203	-	-	-	177	380
Disposals	-	-	-	-	(68)	(157)	(1)	-	(226)
Transfers between asset classes	-	830	-	(653)	169	186	-	(532)	-
Subtotal:	8,015	140,680	838	4,641	1,522	777	1,223	474	158,170
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(8,279)	(70)	-	(535)	(196)	(520)	-	(9,600)
Subtotal:	-	(8,279)	(70)	-	(535)	(196)	(520)	-	(9,600)
Carrying amount at the end of the period*	8,015	132,401	768	4,641	987	581	703	474	148,570
Gross carrying amount									
Gross carrying amount	8,015	169,640	1,040	4,641	3,437	1,161	1,651	474	190,059
Accumulated depreciation / amortisation	-	(37,239)	(272)	-	(2,450)	(580)	(948)	-	(41,489)
Carrying amount at the end of the period	8,015	132,401	768	4,641	987	581	703	474	148,570

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

Parent

2023-24

	Land and buildings:			Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	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	714	4,078	768	4,641	987	581	703	474	12,946
Additions	-	-	-	3,564	1,090	17	448	73	5,192
Disposals	-	-	-	-	(30)	(7)	-	-	(37)
Donated assets disposal	-	-	-	(902)	-	-	-	-	(902)
Transfers between asset classes	-	2,922	-	(2,922)	188	102	-	(290)	-
Subtotal:	714	7,000	768	4,381	2,235	693	1,151	257	17,199
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(244)	(68)	-	(541)	(130)	(497)	-	(1,480)
Subtotal:	-	(244)	(68)	-	(541)	(130)	(497)	-	(1,480)
Gains/(losses) for the period recognised in other comprehensive income:									
Revaluation increment / (decrement)	451	(1,065)	-	-	-	-	-	-	(614)
Subtotal:	451	(1,065)	-	-	-	-	-	-	(614)
Carrying amount at the end of the period*	1,165	5,691	700	4,381	1,694	563	654	257	15,105
Gross carrying amount									
Gross carrying amount	1,165	5,718	1,040	4,381	4,643	1,253	1,512	257	19,969
Accumulated depreciation / amortisation	-	(27)	(340)	-	(2,949)	(690)	(858)	-	(4,864)
Carrying amount at the end of the period	1,165	5,691	700	4,381	1,694	563	654	257	15,105

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

Parent
2022-23

	Land and buildings:			Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	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	714	4,307	838	3,545	1,265	748	838	354	12,609
Additions	-	-	-	1,546	156	-	386	475	2,563
Assets received free of charge	-	-	-	203	-	-	-	177	380
Disposals	-	-	-	-	(68)	(157)	(1)	-	(226)
Donated assets disposal	-	-	-	(830)	-	-	-	-	(830)
Transfers between asset classes	-	-	-	177	169	186	-	(532)	-
Subtotal:	714	4,307	838	4,641	1,522	777	1,223	474	14,496
Gains/(losses) for the period recognised in net result:									
Depreciation and amortisation	-	(229)	(70)	-	(535)	(196)	(520)	-	(1,550)
Subtotal:	-	(229)	(70)	-	(535)	(196)	(520)	-	(1,550)
Carrying amount at the end of the period*	714	4,078	768	4,641	987	581	703	474	12,946
Gross carrying amount									
Gross carrying amount	714	4,995	1,040	4,641	3,437	1,161	1,651	474	18,113
Accumulated depreciation / amortisation	-	(917)	(272)	-	(2,450)	(580)	(948)	-	(5,167)
Carrying amount at the end of the period	714	4,078	768	4,641	987	581	703	474	12,946

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

18. Fair value measurement

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

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

The Hospital's current use is the highest and best use of the asset unless other factors suggest an alternative use. As the Hospital did not identify any factors to suggest an alternative use, fair value measurement was based on current use. The scope of the valuation of PPE included all: land, buildings, site improvements, site infrastructure and Plant and Equipment with an acquisition greater than \$1.5 million and useful life greater than three (3) years.

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

18.1 Fair value hierarchy

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

Fair value measurements at 30 June 2024

	Consolidated			Parent		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements						
(Note 17)						
Land	13,335	-	13,335	1,165	-	1,165
Buildings and improvements	72,187	88,683	160,870	1,914	3,777	5,691
Total recurring fair value measurements	85,522	88,683	174,205	3,079	3,777	6,856

Fair value measurements at 30 June 2023

	Consolidated			Parent		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements						
(Note 17)						
Land	-	8,015	8,015	-	714	714
Buildings and improvements	-	132,401	132,401	-	4,078	4,078
Total recurring fair value measurements	-	140,416	140,416	-	4,792	4,792

There are no non-recurring fair value measurements.

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

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

18.2 Valuation techniques and inputs

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

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

Unobservable inputs used to arrive at final valuation figures included:

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

19. Payables

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current				
Creditors and accrued expenses	7,297	6,080	7,299	6,069
Paid Parental Leave Scheme	22	30	22	30
Other payables	106	113	106	113
Total current payables	7,425	6,223	7,427	6,212

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 28 for information on risk management.

20. Financial liabilities

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current				
Lease liabilities	429	485	429	485
Total current financial liabilities	429	485	429	485
Non-current	\$'000	\$'000	\$'000	\$'000
Lease liabilities	973	1,029	973	1,029
Total non-current financial liabilities	973	1,029	973	1,029
Total financial liabilities	1,402	1,514	1,402	1,514

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

Refer to note 28 for information on risk management.

Refer note 16 for details about the right-of-use assets (including depreciation) and note 10 for financing costs associated with these leasing activities.

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

20.1 Concessional lease arrangements for right-of-use assets

The Hospital has no concessional arrangements for right-of-use assets as lessee.

20.2 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
Lease Liabilities				
Within one year	464	513	464	513
Later than one year but not longer than five years	582	578	582	578
Later than five years	488	559	488	559
Total lease liabilities (undiscounted)	1,534	1,650	1,534	1,650

21. Staff related liabilities

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current				
Accrued salaries and wages	4,611	3,894	4,611	3,894
Annual leave	12,567	11,779	12,567	11,779
Long service leave	1,477	1,388	1,477	1,388
Skills and experience retention leave	752	695	752	695
Staff on-costs	2,253	1,896	2,253	1,896
Total current staff related liabilities	21,660	19,652	21,660	19,652
Non-current				
Long service leave	16,066	15,352	16,066	15,352
Staff on-costs	720	666	720	666
Total non-current staff related liabilities	16,786	16,018	16,786	16,018
Total staff related liabilities	38,446	35,670	38,446	35,670

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.

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

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

The annual leave liability and the skills and experience retention leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. 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 and experience retention leave liability. As a result, there is an increase in the employee staff benefits liability and staff benefits expenses of \$0.052 million.

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

21.2 Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by staff 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, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

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

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$0.822 million, payables (staff on-costs) of \$0.036 million and staff related expense of \$0.858 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.

21.3 Staff on-costs

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

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 staff 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 employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the staff on-cost liability and staff benefits expenses of \$0.074 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

22. Provisions

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	12,858	9,632	12,858	9,632
Payments	(2,033)	(1,623)	(2,033)	(1,623)
Remeasurement	(5,781)	2,906	(5,781)	2,906
Additions	1,663	1,943	1,663	1,943
Carrying amount at the end of the period	6,707	12,858	6,707	12,858

Workers compensation provision (statutory and additional compensation schemes)

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

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2024 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

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

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

23. Contract liabilities and other liabilities

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current				
Unclaimed monies	-	5	-	5
Contract liabilities	1,573	2,068	1,573	2,068
Residential aged care bonds	34,628	30,579	34,628	30,579
Other	34	13	34	13
Total contract liabilities and other liabilities	36,235	32,665	36,235	32,665

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

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

24. Cash flow reconciliation

Reconciliation of net cash provided by operating activities to net cost of providing services:	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Net cash provided by (used in) operating activities	8,574	7,824	8,322	7,824
Add/less non-cash items				
Asset donated free of charge	-	-	(902)	(830)
Capital revenues	3,373	1,050	3,373	1,050
Depreciation and amortisation expense of non-current assets	(9,724)	(9,600)	(1,480)	(1,550)
Gain/(loss) on sale or disposal of non-current assets	(135)	(225)	(37)	(225)
Interest credited directly to investments	62	12	22	2
Resources received free of charge	-	380	-	380
Revaluation of investments	-	5	-	-
Movement in assets/liabilities				
Increase/(decrease) in inventories	88	69	88	69
Increase/(decrease) in receivables	(245)	3,648	(252)	3,593
(Increase)/decrease in other liabilities	(3,570)	(4,506)	(3,570)	(4,506)
(Increase)/decrease in payables and provisions	5,281	(2,533)	5,268	(2,524)
(Increase)/decrease in staff benefits	(2,776)	(2,648)	(2,776)	(2,648)
Net result	928	(6,524)	8,056	635

Total cash outflows for leases is \$0.550 million (\$0.611 million).

25. Unrecognised contractual commitments

Expenditure commitments	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Within one year	819	1,697	819	1,697
Later than one year but not longer than five years	114	113	114	113
Total expenditure commitments	933	1,810	933	1,810

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

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

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

26. Trust funds

The Hospital holds money in trust on behalf of consumers that reside in its facilities whilst the consumer is receiving residential aged care services. As the Hospital only performs 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	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Carry amount at the beginning of period	64	59	64	59
Client trust receipts	46	29	46	29
Client trust payments	(61)	(24)	(61)	(24)
Carrying amount at the end of the period	49	64	49	64

27. Impact of Standards not yet implemented

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

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

No Australian Accounting Standards have been early adopted by the Hospital for the reporting period ended 30 June 2024. The Hospital does not expect any other standards issued but not yet effective to have a material impact on the financial statements.

28. Financial instruments/financial risk management

28.1 Financial risk management

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

Liquidity Risk

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

Refer to notes 1.5, 19 and 20 for further information.

Credit risk

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

Refer to notes 13 and 14 for further information.

Market risk

The Hospital does not engage in high risk hedging for its financial assets. Exposure to interest rate risk may arise through interest bearing liabilities, including borrowings. Residential Aged Care bonds become interest bearing when a refunding event occurs as per note 23. There is no exposure to foreign currency or other price risks.

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

28.2 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, maturity analysis and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 1 or the respective financial asset / financial liability note.

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

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
Financial assets					
Cash and equivalent					
Cash and cash equivalents	12,24	16,684	18,101	14,893	16,589
Amortised Cost					
Receivables	13	6,271	5,235	6,215	5,186
Other financial assets*	14	32,145	23,533	29,721	21,280
Fair value through other comprehensive income					
Other financial assets	14	162	187	-	-
Total financial assets		55,262	47,056	50,829	43,055
Financial liabilities					
Financial liabilities at amortised cost					
Payables	19	7,238	6,025	7,240	6,014
Lease liabilities	20	1,402	1,514	1,402	1,514
Other financial liabilities	23	34	13	34	13
Total financial liabilities		8,674	7,552	8,676	7,541

*Statutory receivables and payables are excluded from these tables because they are not financial assets and financial liabilities. In government, certain rights to receive or obligations to pay cash may not be contractual but have their source in legislation. The disclosure requirements of AASB 7 Financial Instruments do not apply to statutory receivables and payables.

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

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

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

CONSOLIDATED AND PARENT	30 June 2024			30 June 2023		
	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000
Days past due						
Current	0.1 – 6.5 %	571	13	0.1 - 10.2 %	583	18
<30 days	0.7 – 9.2 %	326	16	0.4 - 13.9 %	271	11
31-60 days	1.5 – 14.2 %	113	8	0.8 - 20.9 %	81	6
61-90 days	1.9 – 20.8 %	70	6	1.1 - 31.6 %	241	33
91-120 days	2.3 – 24.5 %	66	8	1.3 - 35.4 %	100	16
121-180 days	3.2 – 34.4 %	93	13	1.9 - 48.4 %	86	20
181-360 days	6.1 – 72.7 %	268	112	3.6 - 76.1 %	199	80
361-540 days	7.9 – 93.1 %	122	58	4.7 – 92.2 %	194	111
>540 days	9.1 – 100.0 %	480	209	5.5 - 100.0 %	297	111
Total		2109	443		2052	406

29. Significant transactions with government related entities

The Hospital is controlled by the SA Government.

Related parties of the Hospital include all key management personnel, and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Significant transactions with the SA Government are identifiable throughout this financial report.

The Hospital received funding from the SA Government via the Department (note 2), and incurred significant expenditure via the Department for medical, surgical and laboratory supplies, computing and insurance (note 9). The Department transferred capital works in progress of \$2.299 million (\$1.030 million) to the Hospital.

30. Interests in other entities

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

Controlled Entities

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

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

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

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

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

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

Health Advisory Council		
Incorporated HACs		
Berri Barmera District Health Advisory Council Inc	Coorong Health Service Health Advisory Council Inc	Loxton and Districts Health Advisory Council Inc
Mallee Health Service Health Advisory Council Inc	Mannum District Hospital Health Advisory Council Inc	Renmark Paringa District Health Advisory Council Inc
The Murray Bridge Soldiers' Memorial Hospital Health Advisory Council Inc	Waikerie and Districts Health Advisory Council Inc	Berri Barmera District Health Advisory Council Inc Gift Fund Trust
Coorong Health Service Health Advisory Council Inc Gift Fund Trust	Loxton and Districts Health Advisory Council Inc Gift Fund Trust	Mallee Health Service Health Advisory Council Inc Gift Fund Trust
Mannum District Hospital Health Advisory Council Inc Gift Fund Trust	Renmark Paringa District Health Advisory Council Inc Gift Fund Trust	The Murray Bridge Soldiers' Memorial Hospital Health Advisory Council Inc Gift Fund Trust
Waikerie and Districts Health Advisory Council Inc Gift Fund Trust		

RIVERLAND MALLEE COORONG LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2024

31. Board and committee members

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

Board/Committee name:	Government employee members	Other members
Riverland Mallee Coorong Local Health Network Governing Board	-	Joyner P (Chair) resigned 30/06/24, Ashworth E (new Chair from 01/07/24), Goldsmith C, Ottaway M, Toogood F, Waters S, Hearn R.
Riverland Mallee Coorong Local Health Network Risk and Audit Committee	-	Brass P (Chair)*, Goldsmith C, Joyner P, Ottaway M

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

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

**Certification of the financial statements
Riverland Mallee Coorong Local Health Network**

We certify that the:

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



.....
Elaine Ashworth
Board Chair



.....
Wayne Champion
Chief Executive Officer



.....
Troy Peters
Acting - Chief Finance Officer

Date ...11/09/2024.....