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To the Board Chair Barossa Hills Fleurieu Local Health Network Incorporated

Opinion

I have audited the financial report of the Barossa Hills Fleurieu Local Health Network Incorporated and the consolidated entity comprising the Barossa Hills Fleurieu Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2026.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Barossa Hills Fleurieu Local Health Network Incorporated and its controlled entities as at 30 June 2026, 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 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Equity for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Board Chair, the Chief Executive Officer and the Chief Finance Officer.

Basis for opinion

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 36(2) of the *Health Care Act 2008*, I have audited the financial report of the Barossa Hills Fleurieu Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2026.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Barossa Hills Fleurieu Local Health Network Incorporated's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial report. I am responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. I remain solely responsible for my audit opinion.

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

I communicate with the Chief Executive Officer and the 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

09/21/2026

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2026

		Consolidated		Parent	
	Note	2026	2025	2026	2025
		\$'000	\$'000	\$'000	\$'000
Income					
Revenues from SA Government	2	519,073	403,953	519,073	403,953
Fees and charges	3	22,760	20,890	22,760	20,890
Grants and contributions	4	51,165	50,576	51,406	51,780
Interest		1,734	1,754	1,544	1,566
Resources received free of charge	5	3,940	3,579	3,940	3,579
Other revenues/income	7	35,054	33,101	34,347	33,436
Total income		633,726	513,853	633,070	515,204
Expenses					
Staff related expenses	8	319,411	283,035	319,411	283,035
Supplies and services	9	189,672	173,013	189,655	172,992
Depreciation and amortisation	17,18	10,074	10,216	5,576	5,712
Grants and subsidies	10	323	321	323	321
Borrowing costs	21	45	72	45	72
Net loss from disposal of non-current and other assets	6	198	3,822	94	179
Impairment loss on receivables	13.1	79	(130)	79	(130)
Other expenses	11	468	4,424	2,177	5,577
Total expenses		520,270	474,773	517,360	467,758
Net result		113,456	39,080	115,710	47,446
Other Comprehensive Income					
Items that will not be reclassified to net result					
Changes in property, plant and equipment asset revaluation surplus		55,078	(8,467)	28,213	(8,467)
Total other comprehensive income		55,078	(8,467)	28,213	(8,467)
Total comprehensive result		168,534	30,613	143,923	38,979

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

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
STATEMENT OF FINANCIAL POSITION
As at 30 June 2026

		Consolidated		Parent	
	Note	2026	2025	2026	2025
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	12	26,375	23,183	25,007	21,645
Receivables	13	6,763	6,298	6,737	6,568
Other financial assets	14	37,004	33,782	32,528	29,810
Inventories	15	1,849	1,804	1,849	1,804
Total current assets		71,991	65,067	66,121	59,827
Non-current assets					
Receivables	13	1,817	1,681	1,817	1,681
Property, plant and equipment	16,17	433,598	253,669	318,664	162,716
Intangible assets	16,18	455	516	455	516
Total non-current assets		435,870	255,866	320,936	164,913
Total assets		507,861	320,933	387,057	224,740
Current liabilities					
Payables	20	11,382	9,142	11,382	9,142
Financial liabilities	21	296	288	296	288
Staff related liabilities	22	54,692	46,229	54,692	46,229
Provisions	23	2,206	1,879	2,206	1,879
Contract liabilities and other liabilities	24	36,902	33,161	36,902	33,161
Total current liabilities		105,478	90,699	105,478	90,699
Non-current liabilities					
Financial liabilities	21	948	1,274	948	1,274
Staff related liabilities	22	42,478	38,928	42,478	38,928
Provisions	23	5,974	5,583	5,974	5,583
Total non-current liabilities		49,400	45,785	49,400	45,785
Total liabilities		154,878	136,484	154,878	136,484
Net assets		352,983	184,449	232,179	88,256
Equity					
Retained earnings		237,905	124,398	194,151	78,441
Asset revaluation surplus		115,078	60,051	38,028	9,815
Total equity		352,983	184,449	232,179	88,256

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

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2026

CONSOLIDATED

	Note	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2024		70,984	82,536	153,520
Net result for 2024-25		-	39,080	39,080
Gain/(loss) on revaluation of land and buildings	17	(8,467)	-	(8,467)
Total comprehensive result for 2024-25		(8,467)	39,080	30,613
Transfer between equity components		(2,466)	2,466	-
Transactions with SA Government as owner				
Net assets transferred out as a result of an administrative restructure	1.6	-	316	316
Balance at 30 June 2025		60,051	124,398	184,449
Net result for 2025-26		-	113,456	113,456
Gain/(loss) on revaluation of land and buildings	17	55,078	-	55,078
Total comprehensive result for 2025-26		55,078	113,456	168,534
Transfer between equity components		(51)	51	-
Balance at 30 June 2026		115,078	237,905	352,983

PARENT

	Note	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2024		18,282	30,679	48,961
Net result for 2024-25		-	47,446	47,446
Gain/(loss) on revaluation of land and buildings	17	(8,467)	-	(8,467)
Total comprehensive result for 2024-25		(8,467)	47,446	38,979
Transactions with SA Government as owner				
Net assets transferred out as a result of an administrative restructure	1.6	-	316	316
Balance at 30 June 2025		9,815	78,441	88,256
Net result for 2025-26		-	115,710	115,710
Gain/(loss) on revaluation of land and buildings	17	28,213	-	28,213
Total comprehensive result for 2025-26		28,213	115,710	143,923
Balance at 30 June 2026		38,028	194,151	232,179

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

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the period ended 30 June 2026

		Consolidated		Parent	
	Note	2026	2025	2026	2025
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Cash inflows					
Receipts from SA Government		379,653	344,665	379,653	344,665
Fees and charges		23,483	17,311	23,782	17,282
Grants and contributions		51,541	51,321	51,782	52,525
Interest received		1,239	2,019	1,226	1,949
Residential aged care bonds received		12,980	12,180	12,980	12,180
GST recovered from ATO		11,545	10,735	11,545	10,735
Other receipts		1,592	981	885	1,316
Cash outflows					
Staff benefits payments		(306,593)	(274,552)	(306,593)	(274,552)
Payments for supplies and services		(152,180)	(144,719)	(152,161)	(144,642)
Payments of grants and subsidies		(331)	(329)	(331)	(329)
Interest paid		(45)	(72)	(45)	(72)
Residential aged care bonds refunded		(12,155)	(9,297)	(12,155)	(9,297)
Other payments		(470)	(652)	(463)	(638)
Net cash provided by operating activities	25	10,259	9,591	10,105	11,122
Cash flows from investing activities					
Cash inflows					
Proceeds from sale/maturities of investments		3,224	914	2,884	550
Cash outflows					
Purchase of property, plant and equipment		(3,802)	(4,053)	(3,802)	(4,438)
Purchase of investments		(6,208)	(2,530)	(5,544)	(2,380)
Net cash provided by/(used in) investing activities		(6,786)	(5,669)	(6,462)	(6,268)
Cash flows from financing activities					
Cash outflows					
Repayment of lease liabilities		(281)	(669)	(281)	(669)
Net cash provided by/(used in) financing activities		(281)	(669)	(281)	(669)
Net increase/(decrease) in cash and cash equivalents		3,192	3,253	3,362	4,185
Cash and cash equivalents at the beginning of the period		23,183	19,930	21,645	17,460
Cash and cash equivalents at the end of the period	12	26,375	23,183	25,007	21,645

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2026

1. About Barossa Hills Fleurieu Local Health Network

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

The Parent Entity

The Parent Entity consists of the following:

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

Publicly funded health services in country South Australia are supported by the Rural Support Service (RSS), hosted within the Hospital. The RSS includes specialist clinical services, clinical advisory and support services, and corporate and business functions for the regional Local Health Networks (LHNs).

The Consolidated Entity

The Consolidated Entity includes the Parent Entity as well as the six Health Advisory Councils (HACs) and Gift Fund Trusts (GFTs) as listed in note 30.

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

Incorporated HACs and GFTs are separate reporting entities within our health service. Since 2008 the Hospital has hosted a number of unincorporated HACs and GFTs via the Country Health Gift Fund Health Advisory Council Inc and the Country Health Gift Fund Health Advisory Council Inc Gift Fund Trust. These HACs are now incorporated and the transfer of their net assets to the respective Local Health Networks is now complete. The Country Health Gift Fund Health Advisory Council Inc dissolved effective 30 May 2025. Refer to note 1.6 for details.

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.

Administered items

The Hospital has administered activities and resources. Transactions and balances relating to administered resources are presented separately and disclosed in note 32. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting principles as for the Hospital's transactions.

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2026

1.1 Objectives and activities

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

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

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

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

1.2 Basis of preparation

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

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

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

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

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

1.3 Taxation

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

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

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

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

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

1.4 Continuity of operations

As at 30 June 2026, the Hospital had working capital deficiency of \$33.487 million (\$25.632 million). The SA Government is committed to and has consistently demonstrated a commitment to ongoing funding of the Hospital to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annually produced and published State Budget Papers which presents the SA Government's current and estimated future economic performance, including forward estimates of revenue, expenses and performance by Agency.

1.5 Equity

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

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2026

1.6 Changes to reporting entity

Administrative Restructure - Transferred Out

2024-25

In response to the Commonwealth Government's introduction of a new single assessment aged care system across all State and Territory jurisdictions, the South Australian Health Chief Executives Council (HCEC), on 2 July 2024, approved the proposal to transition Local Health Network based assessment services into a statewide Aged Care Assessment Service (ACAS), to be implemented by the Central Adelaide Local Health Network (CALHN) by 1 July 2025. The Chief Executive Officer of the Hospital, on 6 May 2025, approved the transition of 11 staff to the statewide ACAS in CALHN, effective 22 March 2025. Staff related liabilities of \$0.316 million were transferred out of the Hospital.

The transfer of cash from the Country Health Gift Fund Health Advisory Council Inc GFT to Far North Health Advisory Council Inc GFT (\$0.019 million) and Hawker District Memorial Health Advisory Council Inc GFT (\$0.035 million) occurred in 2024-25. Dissolution of the Country Health Gift Fund Health Advisory Council Inc has been gazetted, effective 30 May 2025.

2. Revenues from SA Government

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Capital projects funding	136,265	54,995	136,265	54,995
Operational funding	382,808	348,958	382,808	348,958
Total revenues from SA Government	519,073	403,953	519,073	403,953

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

3. Fees and charges

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Commissions revenue	21	16	21	16
Patient and client fees	8,595	6,743	8,595	6,743
Private practice fees	375	717	375	717
Fees for health services	1,131	1,313	1,131	1,313
Residential and other aged care charges	7,990	7,500	7,990	7,500
Sale of goods - medical supplies	1,635	1,437	1,635	1,437
Training revenue	38	11	38	11
Other user charges and fees	2,975	3,153	2,975	3,153
Total fees and charges	22,760	20,890	22,760	20,890

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

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

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

Patient and Client Fees

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

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2026

Private practice fees

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

Residential and other aged care charges

Residential aged care fees include daily care fees, daily accommodation fees and contributions based on means assessment. Residents are invoiced fortnightly as services and accommodation are provided. Any amounts remaining unpaid or unbilled at the end of the reporting period are treated as an accounts receivable.

Fees for health services

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

4. Grants and contributions

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Commonwealth grants and contributions	21,106	21,885	21,106	21,885
Commonwealth aged care subsidies	27,120	25,384	27,120	25,384
SA Government capital contributions	-	-	42	1,052
Other SA Government grants and contributions	281	10	480	162
Private sector capital contributions	139	62	139	62
Private sector grants and contributions	2,519	3,235	2,519	3,235
Total grants and contributions	51,165	50,576	51,406	51,780

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

5. Resources received free of charge

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Plant and equipment	-	26	-	26
Services	3,940	3,553	3,940	3,553
Total resources received free of charge	3,940	3,579	3,940	3,579

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 services the Hospital receives includes Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$2.828 million (\$2.605 million), ICT services from the Office of the Chief Information Officer (OCIO) valued at \$0.840 million (\$0.819 million) and audit services from the Audit Office of South Australia valued at \$0.116 million (\$0.129 million).

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

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the period ended 30 June 2026

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

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Land and buildings	(104)	(3,782)	-	(139)
Plant and equipment	(94)	(40)	(94)	(40)
Total net gain/(loss) from disposal of non-current and other assets	(198)	(3,822)	(94)	(179)

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	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Donations	719	58	43	22
Health recoveries	33,289	32,018	33,289	32,018
Insurance recoveries	-	8	-	8
Other	1,046	1,017	1,015	1,388
Total other revenues/income	35,054	33,101	34,347	33,436

8. Staff related expenses

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	248,673	221,042	248,673	221,042
Long service leave	7,707	6,806	7,707	6,806
Annual leave	25,873	22,290	25,873	22,290
Skills and experience retention leave	1,197	1,099	1,197	1,099
Superannuation	32,968	28,683	32,968	28,683
Workers compensation	2,489	2,786	2,489	2,786
Board and committee fees	230	275	230	275
Other staff related expenses	274	54	274	54
Total staff related expenses	319,411	283,035	319,411	283,035

Superannuation expense represents the Hospital's contribution to superannuation plans in respect of current services of staff.

8.1 Key Management Personnel

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

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

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

Compensation

	2026	2025
	\$'000	\$'000
Salaries and other short term employee benefits	3,196	3,280
Post-employment benefits	383	392
Total	3,579	3,672

Apart from the remuneration for key management personnel, the Hospital did not have any material transactions with key management personnel, their close family members and/or their controlled or jointly controlled entities in 2024-25 and 2025-26.

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8.2 Remuneration of Boards and Committees

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

	2026	2025
	No. of	No. of
	Members	Members
\$0 - \$20,000	8	11
\$20,001 - \$40,000	5	6
\$40,001 - \$60,000	1	1
Total	14	18

The total remuneration received or receivable by members was \$0.245 million (\$0.281 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax. In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

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

Refer to note 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 Staff remuneration

	Consolidated		Parent	
	2026	2025	2026	2025
	Number	Number	Number	Number
The number of staff whose remuneration received or receivable falls within the following bands:				
\$171,001 - \$177,000*	n/a	12	n/a	12
\$177,001 - \$197,000	32	31	32	31
\$197,001 - \$217,000	14	3	14	3
\$217,001 - \$237,000	1	6	1	6
\$237,001 - \$257,000	5	7	5	7
\$257,001 - \$277,000	8	6	8	6
\$277,001 - \$297,000	8	3	8	3
\$297,001 - \$317,000	4	6	4	6
\$317,001 - \$337,000	4	5	4	5
\$337,001 - \$357,000	2	4	2	4
\$357,001 - \$377,000	6	7	6	7
\$377,001 - \$397,000	8	5	8	5
\$397,001 - \$417,000	7	3	7	3
\$417,001 - \$437,000	5	2	5	2
\$437,001 - \$457,000	2	3	2	3
\$457,001 - \$477,000	3	5	3	5
\$477,001 - \$497,000	1	3	1	3
\$497,001 - \$517,000	4	2	4	2
\$517,001 - \$537,000	2	1	2	1
\$537,001 - \$557,000	4	2	4	2
\$557,001 - \$577,000	1	4	1	4
\$577,001 - \$597,000	1	-	1	-
\$617,001 - \$637,000	2	2	2	2
\$637,001 - \$657,000	1	3	1	3
\$657,001 - \$677,000	1	1	1	1
\$677,001 - \$697,000	2	-	2	-
\$697,001 - \$717,000	1	1	1	1
\$717,001 - \$737,000	2	-	2	-
Total number of staff	131	127	131	127

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

*The \$171,001 to \$177,000 band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2024-25.

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8.4 Staff remuneration by classification

The total remuneration received by staff included above:

	Consolidated				Parent			
	2026		2025		2026		2025	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Executive	4	1,059	4	1,053	4	1,059	4	1,053
Medical (excluding Nursing)	94	36,211	87	32,420	94	36,211	87	32,420
Non-medical (i.e. administration)	3	569	2	375	3	569	2	375
Nursing	30	5,706	34	6,206	30	5,706	34	6,206
Total	131	43,545	127	40,054	131	43,545	127	40,054

9. Supplies and services

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Administration	1,873	3,050	1,870	3,049
Advertising	317	277	317	277
Communication	1,791	1,747	1,791	1,747
Computing	8,662	6,622	8,662	6,622
Consultants	700	1,110	700	1,110
Contract of services	5,163	4,110	5,163	4,110
Contractors	1,388	1,240	1,388	1,240
Contractors - agency staff	23,814	22,569	23,814	22,569
Drug supplies	5,256	4,583	5,256	4,583
Electricity, gas and fuel	2,520	2,284	2,520	2,284
Fee for service ⁽¹⁾	38,567	34,670	38,567	34,670
Food supplies	3,875	3,598	3,875	3,598
Housekeeping	2,653	2,534	2,653	2,534
Insurance	3,643	3,295	3,643	3,295
Internal SA Health SLA payments	1,952	1,864	1,952	1,864
Legal	168	169	168	168
Medical, surgical and laboratory supplies	32,690	29,232	32,690	29,232
Minor equipment	2,956	2,716	2,956	2,716
Motor vehicle expenses	1,454	1,034	1,454	1,034
Occupancy rent and rates ⁽²⁾	1,530	1,627	1,527	1,624
Patient transport ⁽³⁾	24,186	21,535	24,186	21,535
Postage	801	784	801	784
Printing and stationery	817	779	817	779
Repairs and maintenance	9,070	8,126	9,066	8,126
Security	1,781	1,099	1,781	1,099
Services from Shared Services SA	2,922	2,667	2,922	2,667
Short term lease expense ⁽⁴⁾	1,109	968	1,109	968
Training and development	3,793	3,958	3,787	3,943
Travel expenses	1,851	1,777	1,851	1,777
Other supplies and services	2,370	2,989	2,369	2,988
Total supplies and services	189,672	173,013	189,655	172,992

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

(2) Part of the Hospital's accommodation is provided by the Department for Infrastructure and Transport (DIT) under a Memorandum of Administrative Arrangement issued in accordance with Government wide accommodation policies, these arrangements do not meet the definition of a lease and accordingly are disclosed within Occupancy rent and rates.

(3) Patient transport includes costs incurred under the Patient Assisted Transport Scheme (PATs), a transport subsidy scheme established to assist rural and remote residents to access medical specialist care not available locally. This service is provided across all regional SA as part of RSS.

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

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10. Grants and subsidies

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Funding to non-government organisations	278	321	278	321
Other	45	-	45	-
Total grants and subsidies	323	321	323	321

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

11. Other expenses

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Debts written off	99	300	99	300
Bank fees and charges	11	12	11	12
Donated assets expense	-	3,773	1,716	4,940
Other	358	339	351	325
Total other expenses	468	4,424	2,177	5,577

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

Included in other expenses is Audit fees paid/payable to Galpins Accountants, Auditors and Business Consultants of \$0.050 million (\$0.043 million) for audits of the HACs and aged care.

12. Cash and cash equivalents

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand	3,702	4,642	2,334	3,104
Deposits with Treasurer: general operating	22,164	18,420	22,164	18,420
Deposits with Treasurer: special purpose funds	509	121	509	121
Total cash and cash equivalents in the Statement of Financial Position	26,375	23,183	25,007	21,645
Total cash and cash equivalents in the Statement of Cash Flows	26,375	23,183	25,007	21,645

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 \$26.375 million (\$23.183 million) held, nil (\$1.900 million) relates to aged care refundable deposits. For the current year all aged care refundable deposits are recognised as other financial assets. Refer to note 14.

13. Receivables

Current	Note	Consolidated		Parent	
		2026	2025	2026	2025
		\$'000	\$'000	\$'000	\$'000
Patient/client fees: compensable		147	160	147	160
Patient/client fees: aged care		1,186	1,340	1,186	1,340
Patient/client fees: other		657	750	657	750
Debtors		1,503	1,555	1,505	1,554
Less: allowance for impairment loss on receivables	13.1	(383)	(304)	(383)	(304)
Prepayments		767	539	767	539
Interest		425	168	397	137
Workers compensation provision recoverable		503	426	503	426
Sundry receivables and accrued revenue		1,744	1,574	1,744	1,876
GST input tax recoverable		214	90	214	90
Total current receivables		6,763	6,298	6,737	6,568

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Non-current

Debtors	139	135	139	135
Workers compensation provision recoverable	1,678	1,546	1,678	1,546
Total non-current receivables	1,817	1,681	1,817	1,681

Total receivables	8,580	7,979	8,554	8,249
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Receivables arise in the normal course of selling goods and services to other agencies and to the public. The Hospital's trading terms for receivables are generally 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

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

13.1 Impairment of receivables

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

Movement in the impairment loss on receivables:

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	304	434	304	434
Increase/(Decrease) in allowance recognised in profit or loss	79	(130)	79	(130)
Carrying amount at the end of the period	383	304	383	304

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

The consolidated and parent entity holds term deposits of \$37.004 million (\$33.782 million) and \$32.528 million (\$29.810 million) respectively. Of these deposits \$30.966 million (\$28.306 million) relates to aged care refundable deposits, with the remaining funds primarily relating to aged care. These deposits are measured at amortised cost. There is no impairment on term deposits.

15. Inventories

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Drug supplies	550	516	550	516
Medical, surgical and laboratory supplies	1,119	1,101	1,119	1,101
Food and hotel supplies	145	143	145	143
Other	35	44	35	44
Total current inventories - held for distribution	1,849	1,804	1,849	1,804

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

16. Property, plant and equipment and intangible assets

16.1 Acquisition and recognition

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

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

16.2 Depreciation and amortisation

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

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

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	7 - 60
Right-of-use buildings	1 - 11
Accommodation and leasehold improvements	Lease Term
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	1 - 15
• Computing equipment	1 - 3
• Other plant and equipment	1 - 20
Right-of-use plant and equipment	Lease Term
Intangibles	1 - 10

16.3 Revaluation

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

Revaluation of non-current assets or a group of assets is only performed when the owned asset's fair value at the time of acquisition is greater than \$1.500 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 \$1.500 million materially differs from its fair value, then the asset will be revalued regardless of when the last revaluation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

16.4 Impairment

The Hospital holds its property, plant and equipment and intangible assets for their service potential (value in use). Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be closer to or greater than fair value. Where there is an indication of impairment, the recoverable amount is estimated. Fair value is assessed each year. There were no indications of impairment for property, plant and equipment or intangibles as at 30 June 2026.

16.5 Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The amortisation period and the amortisation method for intangible assets with finite useful lives is reviewed on an annual basis.

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

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16.6 Land and buildings

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

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

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

To ensure compliance with AASB 116 *Property, Plant and Equipment*, an annual review of land and buildings fair values was undertaken effective 1 May 2026, including assessment using indices supplied by the Office of the Valuer-General for estimated cost and market values based on location. It was determined that carrying amounts of land and buildings should be increased to better reflect fair value based on changes in replacement cost and market conditions. The Office of the Valuer-General indices were considered appropriate for this purpose.

16.7 Plant and equipment

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

16.8 Leased property, plant and equipment

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

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

- Properties – are health clinics generally leased from the private sector. Generally property leases are non-cancellable with many having the right of renewal. Rent is payable in arrears, with increases generally linked to CPI increases. Prior to renewal, most lease arrangements undergo a formal rent review linked to market appraisals or independent valuers.

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

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

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17. Reconciliation of property, plant and equipment

The following table shows the movement:

Consolidated

2025-26	Land and buildings:				Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommod- ation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of-use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	19,085	172,191	1,472	55,384	-	3,041	1,268	-	1,228	253,669
Additions	-	-	-	133,774	-	573	-	-	748	135,095
Disposals	-	(102)	-	-	-	(59)	(20)	-	(14)	(195)
Transfers between asset classes	-	13,850	-	(15,115)	1,265	395	-	-	(395)	-
Remeasurement	-	-	(36)	-	-	-	-	-	-	(36)
Subtotal:	19,085	185,939	1,436	174,043	1,265	3,950	1,248	-	1,567	388,533
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(8,246)	(297)	-	(30)	(1,181)	(259)	-	-	(10,013)
Subtotal:	-	(8,246)	(297)	-	(30)	(1,181)	(259)	-	-	(10,013)
Gains/(losses) for the period recognised in other comprehensive income:										
Revaluation increment / (decrement)	6,086	48,992	-	-	-	-	-	-	-	55,078
Subtotal:	6,086	48,992	-	-	-	-	-	-	-	55,078
Carrying amount at the end of the period*	25,171	226,685	1,139	174,043	1,235	2,769	989	-	1,567	433,598
Gross carrying amount										
Gross carrying amount	25,171	243,445	4,663	174,043	1,654	9,498	2,942	-	1,567	462,983
Accumulated depreciation / amortisation	-	(16,760)	(3,524)	-	(419)	(6,729)	(1,953)	-	-	(29,385)
Carrying amount at the end of the period	25,171	226,685	1,139	174,043	1,235	2,769	989	-	1,567	433,598

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

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Consolidated

2024-25

	Land and buildings:				Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommod- ation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of-use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at the beginning of the period	19,085	182,522	586	16,103	4	2,857	1,535	921	1,091	224,704
Additions	-	-	1,131	53,504	-	703	-	408	834	56,580
Assets received free of charge	-	-	-	-	-	26	-	-	-	26
Disposals	-	(3,643)	-	(139)	-	-	(15)	(872)	(25)	(4,694)
Donated assets disposal	-	-	-	(3,773)	-	-	-	-	-	(3,773)
Transfers between asset classes	-	9,734	-	(10,311)	-	662	25	-	(672)	(562)
Subtotal:	19,085	188,613	1,717	55,384	4	4,248	1,545	457	1,228	272,281
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(7,955)	(245)	-	(4)	(1,207)	(277)	(457)	-	(10,145)
Subtotal:	-	(7,955)	(245)	-	(4)	(1,207)	(277)	(457)	-	(10,145)
Gains/(losses) for the period recognised in other comprehensive income:										
Revaluation increment / (decrement)	-	(8,467)	-	-	-	-	-	-	-	(8,467)
Subtotal:	-	(8,467)	-	-	-	-	-	-	-	(8,467)
Carrying amount at the end of the period*	19,085	172,191	1,472	55,384	-	3,041	1,268	-	1,228	253,669
Gross carrying amount										
Gross carrying amount	19,085	180,716	4,699	55,384	389	9,019	3,013	-	1,228	273,533
Accumulated depreciation / amortisation	-	(8,525)	(3,227)	-	(389)	(5,978)	(1,745)	-	-	(19,864)
Carrying amount at the end of the period	19,085	172,191	1,472	55,384	-	3,041	1,268	-	1,228	253,669

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

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Parent

2025-26

	Land and buildings:				Plant and equipment:					
	Land	Buildings	Right-of-use	Capital	Accommod-	Medical/	Other plant	Right-of-use	Capital	
	\$'000	\$'000	buildings	works in	ation and	surgical/	and	plant and	works in	Total
			\$'000	progress	Leasehold	dental/	equipment	equipment	progress	\$'000
				land and	improve-	biomedical			plant and	\$'000
				buildings	ments	\$'000	\$'000	\$'000	equipment	\$'000
				\$'000	\$'000				\$'000	
Carrying amount at the beginning of the period	3,550	96,388	1,472	55,769	-	3,041	1,268	-	1,228	162,716
Additions	-	-	-	133,774	-	573	-	-	748	135,095
Disposals	-	-	-	-	-	(59)	(20)	-	(14)	(93)
Donated assets disposal	-	-	-	(1,716)	-	-	-	-	-	(1,716)
Transfers between asset classes	-	12,133	-	(13,398)	1,265	395	-	-	(395)	-
Remeasurement	-	-	(36)	-	-	-	-	-	-	(36)
Subtotal:	3,550	108,521	1,436	174,429	1,265	3,950	1,248	-	1,567	295,966
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(3,748)	(297)	-	(30)	(1,181)	(259)	-	-	(5,515)
Subtotal:	-	(3,748)	(297)	-	(30)	(1,181)	(259)	-	-	(5,515)
Gains/(losses) for the period recognised in other comprehensive income:										
Revaluation increment / (decrement)	1,384	26,829	-	-	-	-	-	-	-	28,213
Subtotal:	1,384	26,829	-	-	-	-	-	-	-	28,213
Carrying amount at the end of the period*	4,934	131,602	1,139	174,429	1,235	2,769	989	-	1,567	318,664
Gross carrying amount										
Gross carrying amount	4,934	139,349	4,663	174,429	1,654	9,498	2,942	-	1,567	339,036
Accumulated depreciation / amortisation	-	(7,747)	(3,524)	-	(419)	(6,729)	(1,953)	-	-	(20,372)
Carrying amount at the end of the period	4,934	131,602	1,139	174,429	1,235	2,769	989	-	1,567	318,664

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

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Parent

2024-25

	Land and buildings:				Plant and equipment:					
	Land	Buildings	Right-of-use	Capital	Accommod-	Medical/	Other plant	Right-of-use	Capital	Total
	\$'000	\$'000	buildings	works in	ation and	surgical/	and	plant and	works in	\$'000
			\$'000	progress	Leasehold	dental/	equipment	equipment	progress	
				land and	improve-	biomedical			plant and	
				buildings	ments	\$'000	\$'000	\$'000	equipment	\$'000
				\$'000	\$'000				\$'000	
Carrying amount at the beginning of the period	3,550	99,739	586	16,103	4	2,857	1,535	921	1,091	126,386
Additions	-	-	1,131	53,889	-	703	-	408	834	56,965
Assets received free of charge	-	-	-	-	-	26	-	-	-	26
Disposals	-	-	-	(139)	-	-	(15)	(872)	(25)	(1,051)
Donated assets disposal	-	-	-	(4,940)	-	-	-	-	-	(4,940)
Transfers between asset classes	-	8,567	-	(9,144)	-	662	25	-	(672)	(562)
Subtotal:	3,550	108,306	1,717	55,769	4	4,248	1,545	457	1,228	176,824
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(3,451)	(245)	-	(4)	(1,207)	(277)	(457)	-	(5,641)
Subtotal:	-	(3,451)	(245)	-	(4)	(1,207)	(277)	(457)	-	(5,641)
Gains/(losses) for the period recognised in other comprehensive income:										
Revaluation increment / (decrement)	-	(8,467)	-	-	-	-	-	-	-	(8,467)
Subtotal:	-	(8,467)	-	-	-	-	-	-	-	(8,467)
Carrying amount at the end of the period*	3,550	96,388	1,472	55,769	-	3,041	1,268	-	1,228	162,716
Gross carrying amount										
Gross carrying amount	3,550	100,387	4,699	55,769	389	9,019	3,013	-	1,228	178,054
Accumulated depreciation / amortisation	-	(3,999)	(3,227)	-	(389)	(5,978)	(1,745)	-	-	(15,338)
Carrying amount at the end of the period	3,550	96,388	1,472	55,769	-	3,041	1,268	-	1,228	162,716

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

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18. Reconciliation of intangible assets

The following table shows the movement:

	2025-26			2024-25		
	Computer software \$'000	Capital works in progress intangibles \$'000	Total \$'000	Computer software \$'000	Capital works in progress intangibles \$'000	Total \$'000
Consolidated						
Carrying amount at the beginning of the period	516	-	516	-	25	25
Amortisation	(61)	-	(61)	(71)	-	(71)
Transfers between asset classes	-	-	-	587	(25)	562
Carrying amount at the end of the period	455	-	455	516	-	516
Gross carrying amount						
Gross carrying amount	603	-	603	602	-	602
Accumulated amortisation	(148)	-	(148)	(86)	-	(86)
Carrying amount at the end of the period	455	-	455	516	-	516
Parent						
Carrying amount at the beginning of the period	516	-	516	-	25	25
Amortisation	(61)	-	(61)	(71)	-	(71)
Transfers between asset classes	-	-	-	587	(25)	562
Carrying amount at the end of the period	455	-	455	516	-	516
Gross carrying amount						
Gross carrying amount	603	-	603	602	-	602
Accumulated amortisation	(148)	-	(148)	(86)	-	(86)
Carrying amount at the end of the period	455	-	455	516	-	516

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19. Fair value measurement

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

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

The Hospital's current use is the highest and best use of the asset unless other factors suggest an alternative use. As the Hospital did not identify any factors to suggest an alternative use, fair value measurement was based on current use. The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1.500 million or an estimated useful life that was less than three years are deemed to approximate fair value.

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

19.1 Fair value hierarchy

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

Fair value measurements at 30 June 2026

	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	25,171	-	25,171	4,934	-	4,934
Buildings and improvements	4,473	222,212	226,685	2,820	128,782	131,602
Total recurring fair value measurements	29,644	222,212	251,856	7,754	128,782	136,536

Fair value measurements at 30 June 2025

	Consolidated			Parent		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements (Note 17)						
Land	19,085	-	19,085	3,550	-	3,550
Buildings and improvements	3,607	168,584	172,191	2,262	94,126	96,388
Total recurring fair value measurements	22,692	168,584	191,276	5,812	94,126	99,938

There are no non-recurring fair value measurements.

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

19.2 Valuation techniques and inputs

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

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

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Unobservable inputs used to arrive at final valuation figures included:

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

20. Payables

	Consolidated		Parent	
	2026	2025	2026	2025
Current	\$'000	\$'000	\$'000	\$'000
Creditors and accrued expenses	10,572	8,415	10,572	8,415
Paid Parental Leave Scheme	65	63	65	63
Other payables	745	664	745	664
Total current payables	11,382	9,142	11,382	9,142

Payables are measured at nominal amounts. Creditors and accruals are recognised for all amounts owed and unpaid. Contractual payables are normally settled within 15 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to their short term nature.

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.

21. Financial liabilities

	Consolidated		Parent	
	2026	2025	2026	2025
Current	\$'000	\$'000	\$'000	\$'000
Lease liabilities	296	288	296	288
Total current financial liabilities	296	288	296	288
Non-current				
Lease liabilities	948	1,274	948	1,274
Total non-current financial liabilities	948	1,274	948	1,274
Total financial liabilities	1,244	1,562	1,244	1,562

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. Borrowing costs of \$0.045 million (\$0.072 million) relate to interest on lease liabilities. There were no defaults or breaches on any of the above liabilities throughout the year.

Refer to note 28 for information on risk management.

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

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21.1 Maturity analysis

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

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Lease Liabilities				
Within one year	334	335	334	335
Later than one year but not longer than five years	905	1,143	905	1,143
Later than five years	107	231	107	231
Total lease liabilities (undiscounted)	1,346	1,709	1,346	1,709

22. Staff related liabilities

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Current				
Accrued salaries and wages	12,794	10,492	12,794	10,492
Annual leave	30,594	25,865	30,594	25,865
Long service leave	3,698	3,389	3,698	3,389
Skills and experience retention leave	1,903	1,711	1,903	1,711
Staff on-costs	5,703	4,772	5,703	4,772
Total current staff related liabilities	54,692	46,229	54,692	46,229
Non-current				
Long service leave	40,166	36,809	40,166	36,809
Staff on-costs	2,312	2,119	2,312	2,119
Total non-current staff related liabilities	42,478	38,928	42,478	38,928
Total staff related liabilities	97,170	85,157	97,170	85,157

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

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

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

The annual leave liability and the skills and experience retention leave liability are expected to be payable within 12 months and are measured at the undiscounted amounts expected to be paid.

As a result of the actuarial assessment performed by the Department of Treasury and Finance (DTF), the salary inflation rate has increased from the 2025 rate (3.2%) to 3.5% for annual leave and skills and experience retention leave liability. As a result, there is an increase in the staff related liabilities and staff related expenses of \$0.094 million. The impact on future periods is impractical to estimate.

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

22.2 Long service leave

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

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from the 2025 rate (4.25%) to 4.75%. This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability. The actuarial assessment performed by DTF leaves the salary inflation rate unchanged from 2025 at 3.5% for long service leave liability.

The net financial effect of the changes to actuarial assumptions in a decrease in the long service leave liability of \$1.392 million, payables (staff on-costs) of \$0.079 million and staff related expenses of \$1.471 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

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

22.3 Staff on-costs

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

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

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has remained unchanged from 2025 at 47% to and the average factor for the calculation of employer superannuation on-costs has remained unchanged from the 2025 rate of 12%. These rates are used in the staff on-cost calculation.

23. Provisions

Provisions represent workers compensation.

Reconciliation of workers compensation (statutory and non-statutory)

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	7,462	7,530	7,462	7,530
Payments	(1,481)	(2,547)	(1,481)	(2,547)
Remeasurement	(210)	298	(210)	298
Additions	2,409	2,181	2,409	2,181
Carrying amount at the end of the period	8,180	7,462	8,180	7,462

Workers compensation

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 2026 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

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

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

24. Contract liabilities and other liabilities

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Current				
Contract liabilities	5,273	2,121	5,273	2,121
Residential aged care bonds	31,578	30,987	31,578	30,987
Other	51	53	51	53
Total contract liabilities and other liabilities	36,902	33,161	36,902	33,161

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

Residential aged care bonds are accommodation bonds, refundable accommodation contributions and refundable accommodation deposits. These are non-interest bearing deposits made by aged care facility residents to the Hospital upon their admission to residential accommodation. The liability for accommodation is carried at the amount that would be payable on exit of the resident. This is the amount received on entry of the resident less applicable deductions for fees and retentions pursuant to the *Aged Care Act 2024*. Residential aged care bonds are classified as current liabilities as the Hospital does not have an unconditional right to defer settlement of the liability. The obligation to settle could occur at any time. Once a refunding event occurs the liability becomes interest bearing. The interest rate applied is the prevailing interest rate at the time as prescribed by the Commonwealth Department of Health and Aged Care. The majority of residential aged care bonds are held in term deposits with the remainder primarily held as cash. Refer to note 12.

25. Cash flow reconciliation

Reconciliation of net cash provided by operating activities in the net result:	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Net cash provided by (used in) operating activities	10,259	9,591	10,105	11,122
Add/less non-cash items				
Asset donated free of charge	-	(3,773)	(1,716)	(4,940)
Capital revenues	130,110	50,874	130,110	50,874
Depreciation and amortisation expense of non-current assets	(10,074)	(10,216)	(5,576)	(5,712)
Gain/(loss) on sale or disposal of non-current assets	(198)	(3,822)	(94)	(179)
Interest credited directly to investments	238	188	58	63
Resources received free of charge	-	26	-	26
Movement in assets/liabilities				
Increase/(decrease) in inventories	45	255	45	255
Increase/(decrease) in receivables	601	(647)	305	(611)
(Increase)/decrease in other liabilities	(3,741)	(1,252)	(3,741)	(1,252)
(Increase)/decrease in payables and provisions	(1,771)	6,313	(1,773)	6,257
(Increase)/decrease in staff benefits	(12,013)	(8,457)	(12,013)	(8,457)
Net result	113,456	39,080	115,710	47,446

Total cash outflows for leases is \$0.326 million (\$0.741) million.

26. Unrecognised contractual commitments

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

Expenditure commitments	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Within one year	12,448	9,977	12,448	9,977
Later than one year but not longer than five years	6,988	3,150	6,988	3,150
Later than five years	68	600	68	600
Total expenditure commitments	19,504	13,727	19,504	13,727

The Hospital expenditure commitments are for agreements for goods and services ordered but not received and memorandum of administrative arrangements with DIT for accommodation and are disclosed at nominal amounts. Contractual commitments to acquire property, plant and equipment for major infrastructure works are recognised in the DIT financial statements.

27. Trust funds

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

	Consolidated		Parent	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Carry amount at the beginning of period	19	14	19	14
Client trust receipts	41	32	41	32
Client trust payments	(38)	(27)	(38)	(27)
Carrying amount at the end of the period	22	19	22	19

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 note 1.4, 20 and 21 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 hedging for its financial assets. Exposure to interest rate risk may arise through interest bearing liabilities, including borrowings. There is no exposure to foreign currency or other price risks.

28.2 Categorisation of financial instruments

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

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

Financial assets and financial liabilities are measured at amortised cost. Amounts relating to statutory receivables and payables (e.g. Commonwealth taxes; audit fees etc.) and prepayments are excluded as they are not financial assets or liabilities. Receivables and Payables at amortised cost are \$5.245 million (\$5.214 million) and \$11.270 million (\$9.040 million) respectively.

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 *Financial Instruments*.

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.

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

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

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

CONSOLIDATED AND PARENT

	30 June 2026			30 June 2025		
	Expected credit loss rate(s)	Gross carrying amount	Expected credit losses	Expected credit loss rate(s)	Gross carrying amount	Expected credit losses
	%	\$'000	\$'000	%	\$'000	\$'000
Days past due						
Current	0.1 - 4.4%	1,314	24	0.1 - 4.8%	1,025	23
<30 days	0.7 - 5.7%	323	11	0.8 - 6.0%	411	15
31-60 days	2.0 - 8.9%	93	7	2.1 - 8.6%	248	9
61-90 days	3.6 - 15.8%	52	4	3.6 - 15.0%	106	12
91-120 days	4.2 - 20.8%	46	7	4.2 - 19.4%	110	12
121-180 days	5.5 - 27.9%	71	13	5.5 - 25.8%	64	10
181-360 days	10.1 - 68.6%	165	60	10.1 - 67.0%	295	71
361-540 days	13.5 - 100.0%	158	68	13.5 - 99.2%	190	58
>540 days	15.7 - 100.0%	574	189	15.7 - 100.0%	259	94
Total		2,796	383		2,708	304

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 \$106.509 million (\$35.614 million) to the Hospital. The Hospital incurred significant expenditure with the Department for Infrastructure and Transport (DIT) for occupancy rent and rates \$0.783 million (\$0.868 million) (note 9). The value of unrecognised contractual expenditure commitments for accommodation with DIT is \$2.567 million (\$3.001 million) (note 26).

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.

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

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

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

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

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

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

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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
Barossa Hills Fleurieu Local Health Network Governing Board	1	Hazel J (Chair), Batt R (term ended 30/06/2026), Blackwell P (term ended 30/06/2026), Russell G, Williams H, Zimmermann A, Sumner S (appointed 12/01/2026), Tedesco H
Barossa Hills Fleurieu Risk, Audit and Finance Committee*	-	Russell G (Chair), Batt R (term ended 30/06/2026), Zimmermann A
Barossa Hills Fleurieu Clinical Governance Committee*	1	Williams H (Chair), Tedesco H
Barossa Hills Fleurieu Consumer and Community Engagement Committee*	-	Blackwell P (Chair – term ended 30/06/2026), Zimmermann A, Brook J, Hourigan K, Richardson H
Barossa Hills Fleurieu Aged Care Committee*	-	Hazel J (Chair), Zimmermann A, Blackwell P (term ended 30/06/2026)
Rural Support Service Governance Committee**	-	Batt R (Chair), Blackwell P, Cook L, Ottaway M, Dunchue L, Badenoch J

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

** On 31 July 2025, the Governing Board approved the dissolution of the Rural Support Service Governance Committee. From 1 August 2025, governance for the Rural Support Service is now integrated within the existing structure of the Hospital.

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

BAROSSA HILLS FLEURIEU LOCAL HEALTH NETWORK
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For the period ended 30 June 2026

32. Administered items

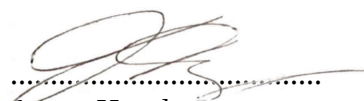
The Hospital administers Private Practice arrangements. This represents funds billed on behalf of salaried medical officers. The Net assets will be subsequently distributed to the Hospital and salaried medical officers according to individual Rights of Private Practice Deeds of Agreement.

	2026	2025
	\$'000	\$'000
Revenue from fees and charges	5,202	4,744
Other expenses	(5,071)	(4,644)
Net result	131	100
Cash and cash equivalents	560	427
Receivables	-	2
Net assets	560	429
Cash at 1 July	427	328
Cash inflows	5,204	4,743
Cash outflows	(5,071)	(4,644)
Cash at 30 June	560	427

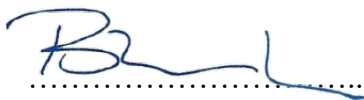
**Certification of the financial statements
Barossa Hills Fleurieu Local Health Network**

We certify that the:

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



James Hazel
Board Chair



Bronwyn Masters
Chief Executive Officer



Rose Dickinson
Chief Finance Officer

Date 08/09/2026