

Financial report

Board Chair’s, Chief Executive Officer’s and Chief Financial Officer’s Declaration

The attached financial statements for Ambulance Victoria have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2025 and the financial position of Ambulance Victoria at 30 June 2025.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 6 October 2025.



Andrew Crisp
Board Chair
Melbourne
6 October 2025



Jordan Emery
Chief Executive Officer
Melbourne
6 October 2025



Jessica Lambous
Chief Financial Officer
Melbourne
6 October 2025


Independent Auditor’s Report

To the Board of Ambulance Victoria

Opinion	<p>I have audited the financial report of Ambulance Victoria which comprises the:</p> <ul style="list-style-type: none">balance sheet as at 30 June 2025comprehensive operating statement for the year then endedstatement of changes in equity for the year then endedcash flow statement for the year then endednotes to the financial statements, including material accounting policy informationboard chair's, chief executive officer's and chief financial officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of Ambulance Victoria as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor’s Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of Ambulance Victoria in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board’s responsibilities for the financial report	<p>The Board of Ambulance Victoria is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing Ambulance Victoria’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 the 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.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> 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 Ambulance Victoria's internal control evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board conclude on the appropriateness of the Board'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 Ambulance Victoria'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 my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Ambulance Victoria 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. <p>I communicate with the Board regarding, 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 my audit.</p>
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MELBOURNE
15 October 2025



Sanchu Chummar

as delegate for the Auditor-General of Victoria

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Comprehensive Operating Statement

For the Financial Year Ended 30 June 2025

	NOTE	2025 \$'000	2024 \$'000
Revenue and Income from Transactions			
Revenue from Contracts with Customers	2.1	368,531	316,168
Other Sources of Income	2.1	1,269,780	1,166,468
Total Revenue and Income from Transactions		1,638,311	1,482,636
Expenses from Transactions			
Employee Expenses	3.1	(1,155,077)	(1,101,096)
Other Operating Expenses	3.1	(302,958)	(277,400)
Depreciation and Amortisation	4.3	(113,607)	(105,667)
Finance Costs	6.2	(21,641)	(10,253)
Total Expenses from Transactions		(1,593,283)	(1,494,416)
NET RESULT FROM TRANSACTIONS - NET OPERATING BALANCE		45,028	(11,780)
Other Economic Flows Included in Net Result			
Net Gain/(Loss) on Financial Instruments		(26,732)	(19,061)
Net Gain/(Loss) on Sale of Non-Financial Assets		385	329
Other Gain/(Loss) from Other Economic Flows		8,781	3,792
Total Other Economic Flows Included in Net Result		(17,566)	(14,940)
NET RESULT		27,462	(26,720)
Other Economic Flows - Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes to Property, Plant and Equipment Revaluation Surplus		(18,764)	129,275
Total Other Comprehensive Income		(18,764)	129,275
COMPREHENSIVE RESULT		8,698	102,555

This Statement should be read in conjunction with the accompanying notes.

Balance Sheet

As at 30 June 2025

	NOTE	2025 \$'000	2024 \$'000
FINANCIAL ASSETS			
Cash and Cash Equivalents	6.1	29,612	50,820
Receivables	5.1	245,339	186,261
Contract Assets	5.2	547	5,243
TOTAL FINANCIAL ASSETS		275,497	242,324
NON-FINANCIAL ASSETS			
Prepayments		12,958	11,916
Inventories		6,075	6,570
Property, Plant and Equipment	4.1	1,090,099	1,132,292
Intangible Assets	4.2	1,978	6,886
TOTAL NON-FINANCIAL ASSETS		1,111,110	1,157,664
TOTAL ASSETS		1,386,607	1,399,988
LIABILITIES			
Payables	5.3	76,859	102,997
Contract Liabilities	5.4	60,780	63,153
Borrowings	6.2	420,511	446,634
Employee Related Provisions	3.1(b)	375,751	342,974
Other Provisions		4,675	4,896
TOTAL LIABILITIES		938,576	960,654
NET ASSETS		448,031	439,333
EQUITY			
Property, Plant and Equipment Revaluation Surplus		224,502	243,266
Contributed Capital		187,644	187,644
Accumulated Surplus		35,885	8,423
TOTAL EQUITY		448,031	439,333

This Statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
For the Financial Year Ended 30 June 2025

	Property, Plant and Equipment Revaluation Surplus	Contributed Capital	Accumulated Surplus	Total Equity
Note	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	113,991	187,644	35,143	336,778
Net result for the year	-	-	(26,720)	(26,720)
Other Comprehensive income for the year	4.1(a) 129,275	-	-	129,275
Balance at 30 June 2024	243,266	187,644	8,423	439,333
Net result for the year	-	-	27,462	27,462
Other Comprehensive income for the year	4.1(a) (18,764)	-	-	(18,764)
Balance at 30 June 2025	224,502	187,644	35,885	448,031

This Statement should be read in conjunction with the accompanying notes.

Cash Flow Statement
For the Financial Year Ended 30 June 2025

NOTE	2025 \$'000	2024 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Grants from Government	1,105,204	1,001,394
Capital Grants from Government	103,595	98,903
Transport Fees Received	204,984	188,271
Membership Fees Received	106,362	101,073
Interest Received	4,707	4,670
Donations and Bequests Received	887	720
GST Received from ATO	40,407	38,384
Other Receipts	8,551	7,337
Total Receipts	1,574,696	1,440,753
Payments to Employees	(1,084,576)	(1,027,388)
Payments for Supplies and Services	(399,099)	(385,917)
Finance Costs	(21,641)	(10,253)
Total Payments	(1,505,316)	(1,423,558)
Net Cash Flow From/(Used in) Operating Activities	8.1 69,380	17,195
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Non-Financial Assets	(38,764)	(39,531)
Proceeds from Sale of Non-Financial Assets	4,253	4,741
Net Cash Flow From/(Used in) Investing Activities	(34,511)	(34,790)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Borrowings	(56,077)	(62,437)
Net Cash Flow From/(Used in) Financing Activities	(56,077)	(62,437)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD	(21,208)	(80,031)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	50,820	130,851
CASH AND CASH EQUIVALENTS AT END OF YEAR	6.1 29,612	50,820

This Statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

NOTE 1: ABOUT THIS REPORT

- Structure
1.1 Basis of Preparation
1.2 Material Accounting Estimates and Judgements
1.3 Accounting Standards Issued But Not Yet Effective
1.4 Reporting Entity
1.5 Economic Dependency

These financial statements represent the audited financial statements for Ambulance Victoria (AV) for the year ended 30 June 2025.
This section explains the basis of preparing the financial statements.

NOTE 1.1: BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with the Financial Management Act 1994, and applicable Australian Accounting Standards (AASs), which include interpretations issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of AV.

The financial statements have been prepared on a going concern basis (refer to Note 1.5 Economic Dependency).

The financial statements are presented in Australian dollars.

The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

The annual financial statements were authorised for issue by the Board of AV on 6 October 2025.

NOTE 1.2 MATERIAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Management make estimates and judgements when preparing the financial statements.

These estimates and judgements are based on historical knowledge and best available current information and assume any reasonable expectation of future events. Actual results may differ.

Revisions to estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

The material accounting judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable relate to the following disclosures:

- . Note 2.1: Revenue and Income from Transactions
- . Note 3.1: Expenses Incurred in the Delivery of Services
- . Note 4.1: Property, Plant and Equipment
- . Note 4.2: Intangible assets
- . Note 4.3: Depreciation and Amortisation
- . Note 4.4: Impairment of Assets
- . Note 5.1: Receivables
- . Note 5.2: Contract Assets
- . Note 5.3: Payables
- . Note 5.4: Contract Liabilities
- . Note 6.2(a): Lease Liabilities
- . Note 7.4: Fair Value Determination

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

NOTE 1.3: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to AV and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	Impact
AASB 2022-10: Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
	In accordance with FRD 103, AV will apply Appendix F of AASB 13 prospectively, in the next formal asset revaluation or interim revaluation (whichever is earlier).	
AASB 2022-9: Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 18: Presentation and Disclosure in Financial Statements	Reporting periods beginning on or after 1 January 2028.	Adoption of this standard is not expected to have a material impact.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to AV in future periods.

NOTE 1.4: REPORTING ENTITY

The financial statements incorporate all controlled activities of AV, including AV auxiliaries.

AV's principal address is:
375 Manningham Road
Doncaster
Victoria 3108

A description of the nature of AV's operations and principal activities is included in the report of operations, which does not form part of these financial statements.

NOTE 1.5: ECONOMIC DEPENDENCY

AV is a public entity governed and managed in accordance with the Ambulance Services Act 1986 and its results form part of the Victorian General Government consolidated financial position. AV provides essential services and is predominantly dependent on the continued financial support of the State Government, particularly the Department of Health. The State of Victoria plans to continue AV's operations and on that basis, the financial statements have been prepared on a going concern basis.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

NOTE 2: FUNDING DELIVERY OF OUR SERVICES

AV's overall objective is to improve the health of Victorians by delivering innovative, high-quality ambulance services. AV is predominantly funded by grant funding for the provision of services. AV also receives income from the supply of services.

Structure
2.1 Revenue and Income from Transactions

Material Judgements and Estimates
This section contains the following material judgements and estimates:

Material Judgements and Estimates	Description
Identifying performance obligations	AV applies material judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criterion is met, the contract/funding agreement is treated as a contract with a customer, requiring AV to recognise revenue as or when AV transfers promised goods or services to beneficiaries. If this criterion is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	AV applies material judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining time of capital grant income recognition	AV applies material judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure AV's progress as this is deemed to be the most accurate reflection of the stage of completion.

	NOTE	2025 \$'000	2024 \$'000
NOTE 2.1: REVENUE AND INCOME FROM TRANSACTIONS			
Revenue from Contracts with Customers	2.1(a)	368,531	316,168
Other Sources of Income	2.1(b)	1,269,780	1,166,468
TOTAL REVENUE AND INCOME FROM TRANSACTIONS		1,638,311	1,482,636

NOTE 2.1(a): Revenue from Contracts with Customers

Government Grants - Operating	4,278	3,101
Government Grants - Capital	3,444	1,631
Transport Fees ¹	247,140	202,458
Membership Scheme	106,232	103,425
Other Services	7,438	5,552
Total Revenue from Contracts with Customers	368,531	316,168

AV disaggregates revenue by the timing of revenue recognition.

Goods and Services Transferred to Customers:

At a Point in Time	261,090	211,554
Over Time	107,441	104,614
Total Revenue from Contracts with Customers	368,531	316,168

¹ Transport fees in 2024 were impacted by protected industrial work bans, which prevented eligible union members from collecting billing details from patients.

How We Recognise Revenue from Contracts with Customers

Government Operating Grants

Revenue from government operating grants that are enforceable and contain sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15.

The types of government grants recognised under AASB 15 Revenue from Contracts with Customers includes:

Government Grant	Performance Obligation
Rural Digital Upgrade	Transition AV's regional communications from StateNet Mobile Radio (SMR) analogue to the Regional Mobile Radio (RMR) digital network, replacing incompatible analogue terminals. Revenue is recognised over time, based on achievement of project milestones and specified deliverables.
Clinical Technology Refresh	Replace highest at-risk technology infrastructure, focusing on network devices. Revenue is recognised over time, based on achievement of project milestones and specific replacement deliverables.
Security Operations Centre (SOC)	Implement and support the Security Operations Centre managed service for Your Health service. Revenue is recognised over time, based on achievement of project milestones and specified deliverables.
TelePROMPT	Provide telehealth pre-hospital mental health services statewide to improve patient outcomes. Revenue is recognised over time, as and when services are delivered.
Energy Resilience and Solar Specifications - Audit Assessment	Improve energy efficiency and install solar panels in AV facilities. Revenue is recognised over time, as and when services are delivered.
Safe and Timely Ambulance and Emergency Care (Winter Surge)	Implement and support priority standards to reduce decline in ambulance transfer performance in early winter. Revenue is recognised over time, based on with achievement of project milestones and specified deliverables.

Performance obligations align with the terms and conditions of the funding agreements.

Transport fees

Transport fees are charges that can be levied on customers (usually the patients) for services they receive that aligns with the conditions of providing ambulance transport or attendance, and/or patient treatment, as set out in AV's Billing and Collections Policy. Transport Revenue is recognised at a point in time when the performance obligation, the provision of services i.e. the transport and/or treatment, is satisfied.

Membership Scheme

AV Membership provides ambulance service coverage to subscribers at no additional charge during the period of membership. Coverage is provided on a daily basis over the membership period. Membership revenue is recognised over time, as the performance obligation, the coverage, is provided to subscribers.

Other Services

Revenue from other services include items such as event attendance fees, training, secondments, non-property rental, clinical trials and research. Revenue is recognised at a point in time upon provision of the goods or service to the customer.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

	NOTE	2025 \$'000	2024 \$'000
NOTE 2: FUNDING DELIVERY OF OUR SERVICES (Continued)			
NOTE 2.1(b): Other Sources of Income			
Operating Activities			
Government Grants - Operating		1,139,945	1,029,200
Government Grants - Capital		122,088	129,801
Assets and Services Received Free of Charge	2.1(c)	1,408	1,441
Other Income from Operating Activities		1,587	1,300
Total Other Sources of Income from Operating Activities		1,265,028	1,161,741
Non-Operating Activities			
Interest		4,707	4,670
Other Revenue from Non-Operating Activities		45	57
Total Other Sources of Income from Non-Operating Activities		4,752	4,727
TOTAL OTHER SOURCES OF INCOME		1,269,780	1,166,468

How We Recognise Other Sources of Income

Government Operating Grants

AV recognises income of not-for-profit entities under AASB 1058 where it has been earned under arrangements that are either not enforceable or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations or that are not enforceable, is recognised when AV has an unconditional right to receive cash, which usually coincides with receipt of cash. On initial recognition or the asset, AV recognises any related contributions by owners, increases in liabilities, decreases in assets or revenue (related amounts) in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- . contributions by owners, in accordance with AASB 1004 Contributions
- . revenue or contract liability arising from a contract with a customer, in accordance with AASB 15
- . a lease liability in accordance with AASB 16 Leases
- . a financial instrument, in accordance with AASB 9 Financial Instruments
- . a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Capital Grants

Where AV receives a capital grant it recognises a liability, equal to the financial asset received less amounts recognised under other Australian Accounting Standards. Income is recognised in accordance with AASB 1058 progressively as the asset is constructed which aligns with AV's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

Interest Income

Interest income is recognised on a time proportionate basis that considers the effective yield of the financial asset, which allocates interest over the relevant period.

NOTE 2.1(c): FAIR VALUE OF ASSETS AND SERVICES RECEIVED FREE OF CHARGE

Donations and Bequests	1,056	1,032
Plant, Equipment & Vehicles	352	408
TOTAL FAIR VALUE OF ASSETS AND SERVICES RECEIVED FREE OF CHARGE	1,408	1,441

How We Recognise the Fair Value of Assets and Services Received Free of Charge or For Nominal Consideration

Donations and Bequests

Donations and bequests are generally recognised as income upon receipt (which is when AV obtains control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

Contributions of Resources

AV may receive resources for nil or nominal consideration to further its objectives. The resources are recognised at their fair value when AV obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

The exception to this policy is when an asset is received from another government agency or department as a consequence of a restructuring of administrative arrangements, in which case the asset will be recognised at its carrying value in the financial statements of AV as a capital contribution transfer.

Non-Cash Contributions from Department of Health (DH)

The DH makes some payments on behalf of AV as follows:

Supplier	Description
Victorian Managed Insurance Authority	DH purchases non-medical indemnity insurance for AV which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Victorian Health Building Authority (VHBA)	DH made payments to the Victorian Health Building Authority to fund capital works projects during the year ended 30 June 2025, on behalf of AV.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements with DH.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

NOTE 3: THE COST OF DELIVERING OUR SERVICES

This section provides an account of the expenses incurred by AV in delivering services. In Note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are disclosed.

Structure
3.1 Expenses Incurred in the Delivery of Services

Material Judgements and Estimates
This section contains the following material judgements and estimates:

Table with 2 columns: Material Judgements and Estimates, Description. Rows include Classifying employee benefit liabilities and Measuring employee benefit liabilities.

Table with 4 columns: NOTE, 2025 \$'000, 2024 \$'000. Rows include Employee Expenses, Other Operating Expenses, and TOTAL EXPENSES INCURRED IN THE DELIVERY OF SERVICES.

NOTE 3.1(a): Employee Expenses

Table with 4 columns: Salaries and Wages, On Costs, Agency Expenses, Workcover premium, Total Employee Expenses. Columns 2-4 show 2025 and 2024 values.

How We Recognise Employee Expenses
Employee expenses include salaries and wages, fringe benefits tax, leave entitlements, termination payments, WorkCover payments and agency expenses.

NOTE 3.1(b): EMPLOYEE BENEFITS IN THE BALANCE SHEET

Table with 4 columns: Current Employee Benefits and Related On-costs, Accrued Days Off, Annual Leave, Long Service Leave, Other, Provisions Related to Employee Benefit On-Costs, Total Current Employee Benefits and Related On-costs, Non-Current Employee Benefits and Related On-costs, Conditional Long Service Leave, Provisions Related to Employee Benefit On-Costs, Total Non-Current Employee Benefits and Related On-costs, TOTAL EMPLOYEE BENEFITS AND RELATED ON-COSTS. Columns 2-4 show 2025 and 2024 values.

1 The amounts disclosed are nominal amounts.
8 The amounts disclosed are discounted to present values.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

Table with 3 columns: NOTE 3.1(b): EMPLOYEE BENEFITS IN THE BALANCE SHEET (Continued), 2025 \$'000, 2024 \$'000. Rows include Provision for Related On-Costs Movement Schedule, Carrying Amount at Start of Year, Additional provisions recognised, Amounts incurred during the year, Net gain/(loss) arising from Revaluation of LSL, Carrying Amount at End of Year.

How We Recognise Employee Benefits

Employee Benefit Recognition
Employee benefits are accrued for employees in respect of accrued days off, annual leave and long service leave for services rendered to the reporting date.
No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as sick leave is taken.

Annual Leave and Accrued Days Off
Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because AV does not have an unconditional right to defer settlements of these liabilities.
Depending on the expectation of the timing of settlement, liabilities for annual leave and accrued days off are measured at:
. Nominal value – if AV expects to wholly settle within 12 months or
. Present value – if AV does not expect to wholly settle within 12 months.

Long Service Leave
The liability for long service leave (LSL) is recognised in the provision for employee benefits.
Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where AV does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.
The components of this current LSL liability are measured at:
. Nominal value – if AV expects to wholly settle within 12 months or
. Present value – if AV does not expect to wholly settle within 12 months.

Conditional LSL is measured at present value and is disclosed as a non-current liability. Any gain or loss following the revaluation of the present value of the non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in estimations e.g. bond rate movements, inflation rate movements and changes in probability factors, which are then recognised as an other economic flow.

Termination Benefits
Termination benefits are payable when employment is terminated before the normal retirement date or when an employee accepts an offer of benefits in exchange for the termination of employment.
Provision for On-Costs related to Employee Benefits
Employment on-costs such as workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Table with 5 columns: NOTE 3.1(c) SUPERANNUATION, Contributions Paid for the Year 2025 \$'000, 2024 \$'000, Contributions Outstanding at Year End 2025 \$'000, 2024 \$'000. Rows include Defined Benefit Plans, Defined Contribution Plans, and Total.

How We Recognise Superannuation

Employees of AV are entitled to receive superannuation benefits and AV contributes to both defined benefit and defined contribution plans.

Defined Benefit Superannuation Plan
A defined benefit plan provides benefits based on years of service and final average salary, and is operated by the Emergency Services Superannuation Fund (ESSS Defined Benefit Fund). The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plan represents the contributions made by AV to the superannuation plan in respect of the services of current AV staff during the reporting period. Superannuation contributions are made to the plan based on the relevant rules of the plan and are based upon actuarial advice.

AV does not recognise any unfunded liability in respect of the defined benefit plans because AV has no legal or constructive obligation to pay future benefits relating to its employees, its only obligation is to pay superannuation contributions as they fall due.
The Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered items. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of AV.

Defined Contribution Superannuation Plans
Defined contribution (i.e., accumulation) superannuation plan expenditure is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred.

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by AV are disclosed above.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

Table with 3 columns: Expense Category, 2025 (\$'000), and 2024 (\$'000). Rows include Contract Services, Supplies and Consumables, Other Administrative Expenses, Repairs and Maintenance, Expenses Related to Short Term & Low Value Leases, Expenditure for Capital Purposes, Other Expenses, and Total Other Operating Expenses.

How We Recognise Expenses From Transactions
Expense Recognition
Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Supplies and Services
Supplies and service contract costs are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

The following lease payments are recognised on a straight-line basis:
. short term leases – leases with a term of twelve months or less, and
. low value leases – leases with the underlying asset’s fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments that are not included in the measurement of the lease liability, i.e. variable lease payments that do not depend on an index or a rate such as those based on performance or usage of the underlying asset, are recognised in the Comprehensive Operating Statement (except for payments which have been included in the carrying amount of another asset) in the period in which the event or condition that triggers those payments occurs. AV’s variable lease payments during the year ended 30 June 2025 was nil.

Other Operating Expenses
Other Operating expenses generally represent the day-to-day running costs incurred in normal operations.

The DH also makes certain payments on behalf of AV. These amounts have been brought to account in determining the operating result for the year, by recording them as revenue and recording a corresponding expense.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

Table containing Note 4: Key Assets to Support Service Delivery and Material Judgements and Estimates. Note 4 describes infrastructure and investments. Material Judgements and Estimates describes the process for estimating useful life, impairment, and indicators of impairment.

Table for Note 4.1: Property, Plant and Equipment. Columns include Gross carrying amount (2025, 2024), Accumulated depreciation (2025, 2024), and Net carrying amount (2025, 2024). Rows list various assets like Land at Fair Value, Buildings, Plant, Equipment and Vehicles, etc.

How We Recognise Property, Plant And Equipment
Items of property, plant and equipment are initially measured at cost and are subsequently measured at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, being far below the fair value of the asset, the deemed cost is its fair value at the date of acquisition. Assets transferred as part of an amalgamation/machinery of government change are transferred at their carrying amounts.
The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. Further information regarding fair value measurement is disclosed in Note 7.4.

Table for Note 4.1(a) Reconciliations of carrying amounts by class of asset. Columns include Land, Buildings, Plant, Equipment & Vehicles, Construction in Progress, Leasehold Improvements, and Total. Rows show Balance at 1 July 2023, Additions, Disposals, Revaluation Increments/(Decrements), Net transfers between classes, Depreciation and Amortisation, Balance at 30 June 2024, and Balance at 30 June 2025.

¹ In 2024–25, AV reversed \$18.8m revaluation of land held under peppercorn lease arrangement with DH and the associated revaluation reserve, as assets are required to be measured at cost under AASB 16.Aus25.1 and FRD 104 Leases .

Land and Buildings Carried at Valuation
Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that the movements were not material (less than or equal to 10%). As such, an independent revaluation was not required per FRD 103. In accordance with FRD 103, AV has elected to apply the practical expedient in FRD 103 Non-Financial Physical Assets and has therefore not applied the amendments to AASB 13 Fair Value Measurement . The amendments to AASB 13 will be applied at the next scheduled independent revaluation, which is planned to be undertaken in 2028-29, in accordance with AV’s revaluation cycle or interim revaluation (whichever is earlier).

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (Continued)

Note 4.1(b) Right of Use Assets included in Property, Plant and Equipment

The following tables are right of use assets included in the Property, Plant and Equipment balance, presented by subsets of Land, Buildings and Plant, Equipment & Vehicles.

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Land at Cost	28,799	28,799	(3,708)	(3,090)	25,091	25,709
Buildings at Fair Value	83,668	70,523	(49,311)	(41,019)	34,357	29,504
Plant, Equipment and Vehicles at Fair Value	630,315	616,991	(262,877)	(211,035)	367,438	405,956
TOTAL RIGHT OF USE ASSETS	742,782	716,313	(315,895)	(255,144)	426,886	461,169

	NOTE	Right of Use Land	Right of Use Buildings	Right of Use Plant, Equipment & Vehicles	Total
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023		26,327	29,155	113,045	168,526
Additions		-	10,231	342,055	352,285
Disposals		-	-	(696)	(696)
Depreciation and Amortisation		(618)	(9,881)	(48,447)	(58,945)
Balance at 30 June 2024		25,709	29,504	405,956	461,169
Additions		-	15,853	15,657	31,510
Disposals		-	-	(1,221)	(1,221)
Depreciation and Amortisation		(618)	(11,001)	(52,954)	(64,573)
Balance at 30 June 2025		25,091	34,357	367,438	426,886

How We Recognise Right of Use Assets

Initial Recognition

Where AV enters a contract, which provides AV with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.2 for further information) the contract gives rise to a right of use asset and corresponding lease liability, which is recognised at the lease commencement date.

The right of use asset is initially measured at cost and comprises the initial measurement of the corresponding lease liability, adjusted for:

- . any lease payments made at or before the commencement date
- . any initial direct costs incurred and
- . an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Subsequent Measurement

Right of use assets are subsequently measured at fair value, with the exception of right of use asset arising from leases with significantly below-market terms and conditions, which are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses where applicable.

AV has applied the exemption permitted under FRD 104 Leases , consistent with the optional relief in AASB 16.Aus25.1. Under this exemption, AV is not required to apply fair value measurement requirements to right-of-use assets arising from leases with significantly below-market terms and conditions, where those leases are entered into principally to enable the entity to further its objectives.

Right of use assets are also adjusted for certain remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

Further information regarding fair value measurement is disclosed in Note 7.4.

NOTE 4.2: INTANGIBLE ASSETS

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Software	83,067	86,948	(81,089)	(80,062)	1,978	6,886
Total Intangible Assets	83,067	86,948	(81,089)	(80,062)	1,978	6,886

4.2(a) Reconciliation of the carrying amounts of intangible assets	NOTE	Software \$'000	Total \$'000
Balance at 1 July 2023		10,683	10,683
Additions		744	744
Amortisation	4.3	(4,541)	(4,541)
Balance at 30 June 2024		6,886	6,886
Additions		135	135
Disposals		(483)	(483)
Net Transfers between classes		(996)	(996)
Amortisation	4.3	(3,565)	(3,565)
Balance at 30 June 2025		1,978	1,978

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

NOTE 4.2: INTANGIBLE ASSETS (Continued)

How We Recognise Intangible Assets

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software, licences and development costs.

Initial Recognition

Purchased intangible assets are initially recognised at cost.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- . the technical feasibility of completing the intangible asset so that it will be available for use or sale
- . an intention to complete the intangible asset and use or sell it
- . the ability to use or sell the intangible asset
- . the intangible asset will generate probable future economic benefits
- . the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and
- . the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Subsequent Measurement

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

	2025 \$'000	2024 \$'000
NOTE 4.3 DEPRECIATION AND AMORTISATION		
Depreciation		
Land at Fair Value	618	618
Buildings at Fair Value	23,573	17,787
Plant, Equipment & Vehicles at Fair Value	84,556	81,224
Leasehold Improvements at Fair Value	1,296	1,497
Total Depreciation	110,042	101,126
Amortisation		
Software	3,565	4,541
Total Amortisation	3,565	4,541
TOTAL DEPRECIATION AND AMORTISATION	113,607	105,667

How We Recognise Depreciation

All buildings, plant and equipment and other non-financial physical assets (excluding land) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life.

Right of use assets are depreciated over the lease term or useful life of the underlying asset, whichever is shortest. Where a lease transfers ownership of the underlying asset or the cost of the right of use asset reflects that AV will exercise a purchase option, the specific right of use asset is depreciated over its useful life.

How We Recognise Amortisation

Amortisation is the systematic (typically straight-line) allocation of the depreciable amount of an intangible asset over its useful life.

Useful Lives of Non-Current Assets

The following table indicates the expected useful lives of non-current assets on which the depreciation and amortisation charges are based:

	2025	2024
Buildings	10 to 50 years	10 to 68 years
Leasehold Improvements	1 to 50 years	1 to 50 years
Plant, Equipment & Vehicles	1 to 15 years	1 to 15 years
Intangibles	2 to 5 years	2 to 5 years
Right of Use Assets	1 to 50 years	1 to 50 years

NOTE 4.4: IMPAIRMENT OF ASSETS

How We Recognise Impairment

At the end of each reporting period, AV reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired. The assessment will include consideration of external sources of information and internal sources of information.

If such an indication exists, an impairment test is carried out. Assets with indefinite useful lives (and assets not yet available for use) are tested annually for impairment, in addition to where there is an indication that the asset may be impaired.

When performing an impairment test, AV compares the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in net result, unless the asset is carried at a revalued amount.

Where an impairment loss on a revalued asset is identified, this is recognised against the asset revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the cumulative balance recorded in the asset revaluation surplus for that class of asset.

Where it is not possible to estimate the recoverable amount of an individual asset, AV estimates the recoverable amount of the cash-generating unit to which the asset belongs.

AV did not record any impairment losses for the year ended 30 June 2025 (2024: Nil).

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

NOTE 5: OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from AV's operations.

- Structure
- 5.1 Receivables
- 5.2 Contract Assets
- 5.3 Payables
- 5.4 Contract Liabilities

Material Judgements and Estimates

This section contains the following material judgements and estimates:

Material Judgements and Estimates	Description
Estimating the provision for expected credit losses	AV uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring contract liabilities	AV applies material judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, AV assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

NOTE 5.1: RECEIVABLES	NOTE	2025 \$'000	2024 \$'000
Current Receivables			
Contractual			
Transport Receivables		64,242	36,044
Allowance for Impairment Losses	5.1(a)	(31,160)	(24,188)
Other Receivables		8,401	6,234
		41,483	18,090
Statutory			
GST Receivable		2,301	2,661
Total Current Receivables		43,784	20,751
Non-Current Receivables			
Contractual			
Long Service Leave - Department of Health		201,555	165,510
Total Non Current Receivables		201,555	165,510
TOTAL RECEIVABLES		245,339	186,261

(i) Financial Assets Classified as Receivables (Note 7.1)

Total Receivables		245,339	186,261
Provision for Impairment		31,160	24,188
GST Receivable		(2,301)	(2,661)
Total Financial Assets	7.1(a)	274,198	207,787

How We Recognise Receivables

Receivables consist of:

- Contractual receivables include debtors that relate to the provision of services. These receivables are classified as financial instruments and are categorised as financial assets at amortised costs. They are initially recognised at fair value plus any directly attributable transaction costs. AV holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.
- Statutory receivables include Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. AV applies AASB 9 for initial measurement of the statutory receivables and as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Trade Receivables are carried at nominal amounts due for settlement within 30 days from the date of recognition.

Note 5.1(a) Movement in the Allowance for Impairment Losses of Contractual Receivables

Balance at Beginning of Year		24,188	26,393
Increase in Allowance		26,734	19,061
Amounts written off during the year		(19,943)	(21,580)
Reversal of allowance written off during the year as uncollectable		182	314
Balance at End of Year		31,160	24,188

Impairment Losses of Contractual Receivables

Refer to Note 7.2(a) for AV's contractual impairment losses.

NOTE 5.2: CONTRACT ASSETS

Current			
Contract Assets		547	5,243
Total Current Contract Assets		547	5,243
TOTAL CONTRACT ASSETS	5.2(a)	547	5,243

Note 5.2(a) Movement in Contract Assets

Balance at Beginning of Year		5,243	2,515
Add: Additional Costs Incurred Recoverable from Customer		547	5,243
Less: Transfer to Trade Debtors or Cash at Bank		(5,243)	(2,515)
Total Contract Assets		547	5,243

How We Recognise Contract Assets

Contract assets relate to the AV's right to consideration in exchange for services completed for customers, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, at this time an invoice is issued. Contract assets are expected to be recovered during the next financial year.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

NOTE 5.3: PAYABLES

NOTE	2025 \$'000	2024 \$'000
Current		
Contractual		
Payables	34,721	15,222
Accrued Salaries and Wages	10,004	40,090
Accrued Expenses	32,034	39,177
Other	100	-
Total Contractual Payables	76,859	94,489
Statutory		
PAYG Withholding	-	8,508
Total Statutory Payables	-	8,508
Total Current Payables	76,859	102,997
TOTAL PAYABLES	76,859	102,997
(i) Financial Liabilities Classified as Payables (Note 7.1)		
Total Payables	76,859	102,997
Deferred Capital Grant	-	-
Total Financial Liabilities Classified as Payables	7.1(a) 76,859	102,997

How We Recognise Payables

Payables consist of:

- Contractual Payables include payables that relate to the purchase of goods and services. These payables are classified as financial instruments and measured at amortised costs. Accounts payable and accrued salaries and wages represent liabilities for goods and services provided to AV prior to the end of the financial year that are unpaid.
- Statutory Payables includes Goods and Services Tax (GST) payable, fringe benefits tax and PAYG, are recognised and measured similarly to contractual payables, but are not classified as financial instruments and are not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The normal credit terms for payables are usually Net 30 days.

Maturity Analysis of Payables

Please refer to Note 7.2(b) for the maturity analysis of Payables.

NOTE 5.3(a) MOVEMENT IN DEFERRED CAPITAL GRANT INCOME

Opening Balance of Deferred Capital Grant Income

Grant consideration for capital works received during the year	125,532	131,432
Deferred capital grant income recognised as income due to completion of capital works	(125,532)	(131,432)
Closing Balance of Deferred Capital Grant Income	-	-

How We Recognise Deferred Capital Grant Income

Grant consideration was received from the State Government to support the build of ambulance vehicles and purchase of equipment.

Capital grant income is recognised progressively as the asset is constructed, since this is the time when AV satisfies its obligations. The progressive percentage of costs is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, AV has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

AV expects to recognise all of the remaining deferred capital grant income for capital works by 30 June 2026.

NOTE 5.4: CONTRACT LIABILITIES

Current			
Contract Liabilities		59,341	60,940
Total Current Contract Liabilities		59,341	60,940
Non-Current			
Contract Liabilities		1,439	2,213
Total Non-Current Contract Liabilities		1,439	2,213
TOTAL CONTRACT LIABILITIES	5.4(a)	60,780	63,153

Note 5.4(a) Movement in Contract Liabilities

Opening Balance of Contract Liabilities

Payments received for performance obligations yet to be completed during the year	63,153	60,921
Grant consideration for sufficiently specific performance obligations received during the year	106,362	101,073
Revenue recognised in the reporting period for the completion of a performance obligation	5,219	9,316
Grant revenue for sufficiently specific performance obligations works recognised consistent with the performance obligations met during the year	(106,232)	(103,425)
	(7,722)	(4,732)
Total Contract Liabilities	60,780	63,153

How We Recognise Contract Liabilities

Contract liabilities include consideration received in advance from customers in respect of AV membership subscription, clinical trials, research and government initiatives. The balance of contract liabilities was lower than the previous reporting period due to higher grant income recognised for sufficiently specific performance obligations. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 2.1.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

NOTE 6: HOW WE FINANCE OUR OPERATIONS

This section provides information on the sources of finance utilised by AV during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of AV. This section also includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note: 7.1 provides additional, specific financial instrument disclosures.

- Structure
6.1 Cash and Cash Equivalents
6.2 Borrowings
6.3 Commitments for Expenditure
6.4 Non-Cash Financing and Investing Activities

Material Judgements and Estimates
This section contains the following material judgements and estimates:

Material Judgements and Estimates	Description
Determining if a contract is or contains a lease	AV applies material judgement to determine if a contract is or contains a lease by considering if AV: . has the right to use an identified asset . has the right to obtain substantially all economic benefits from the use of the leased asset and . can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	AV applies material judgement when determining if a lease meets the short-term or low value lease exemption criteria. AV estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, AV applies the low-value lease exemption. AV also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months AV applies the short-term lease exemption.
Discount rate applied to future lease payments	AV discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for AV’s lease arrangements, AV uses its incremental borrowing rate, which is the amount AV would have to pay to borrow funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions. For leased land and buildings, AV estimates the incremental borrowing rate to be between 0.93% and 5.8% (2024: 0.87% and 5.94%) For leased plant, equipment, furniture, fittings, vehicles and aircraft, the implicit interest rate is between 2.9% and 5.94% (2024: 1.10% and 5.94%)
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if AV is reasonably certain to exercise such options. AV determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: . If there are significant penalties to terminate (or not extend), AV is typically reasonably certain to extend (or not terminate) the lease. . If any leasehold improvements are expected to have a significant remaining value, AV is typically reasonably certain to extend (or not terminate) the lease. . AV considers historical lease durations and the costs and business disruption to replace such leased assets.

NOTE 6.1: CASH AND CASH EQUIVALENTS	NOTE	2025 \$'000	2024 \$'000
Cash at Bank - CBS		27,238	48,168
Cash at Bank		2,291	2,568
Cash on Hand		83	85
TOTAL CASH AND CASH EQUIVALENTS		29,612	50,820

NOTE 6.2: BORROWINGS

Current			
Lease Liability ¹		63,553	56,520
Total Current		63,553	56,520
Non Current			
Lease Liability ¹		356,958	390,114
Total Non Current		356,958	390,114
TOTAL BORROWINGS	7.1(a)	420,511	446,634

¹ Secured by the assets leased.

How We Recognise Borrowings

Borrowings refer to interest bearing liabilities raised through lease liabilities. Borrowings are classified as financial instruments. Interest bearing liabilities are classified at amortised cost and recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Maturity Analysis of Borrowings

Please refer to Note 7.2(b) for the maturity analysis of borrowings.

Interest Expense			
Interest on Lease Liabilities		21,641	10,253
Total Interest Expense		21,641	10,253

Interest expense includes costs incurred in connection with the borrowing of funds and includes interest component of lease repayments and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time. Interest expense is recognised in the period in which it is incurred. AV recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.

Defaults and breaches

During the current and prior year, there were no defaults and breaches of any of the lease liabilities.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

NOTE 6.2: BORROWINGS (Continued)	2025 \$'000	2024 \$'000
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NOTE 6.2(a) LEASE LIABILITIES

The following table sets out maturity analysis of lease liabilities, showing the undiscounted lease payments to be made after the reporting date.

Not Later than One Year	83,321	77,342
Later than One Year and Not Later than 5 Years	290,982	278,434
Later than 5 Years	130,214	191,335
Minimum Future Lease Liability	504,517	547,112
Less Unexpired Future Finance Expenses	(84,006)	(100,478)
Present Value of Lease Liability	420,511	446,634

How We Recognise Lease Liabilities

A lease is defined as a contract, or part of a contract, that conveys the right for AV to use an asset for a period of time in exchange for payment.

- To apply this definition, AV ensures the contract meets the following criteria:
- . the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to AV and for which the supplier does not have substantive substitution rights
 - . AV has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and AV has the right to direct the use of the identified asset throughout the period of use and
 - . AV has the right to take decisions in respect of ‘how and for what purpose’ the asset is used throughout the period of use.

AV’s lease arrangements consist of the following:	
Type of Asset Leased	Lease Term
Leased Land	1 to 50 years
Leased Buildings	1 to 50 years
Leased Plant, Equipment and Vehicles	1 to 12 years

All leases are recognised on the balance sheet, with the exception of low value leases (less than \$10,000 AUD) and short term leases of less than 12 months. AV has elected to apply the practical expedients for short-term leases and leases of low-value assets. As a result, no right-of-use asset or lease liability is recognised for these leases; rather, lease payments are recognised as an expense on a straight-line basis over the lease term, within Other Operating Expenses (refer to Note 3.1).

The following low value, short term and variable lease payments are recognised in profit or loss:

Type of Payment	Description of Payment	Type of Leases Captured
Low Value Lease Payments	Leases where the underlying asset’s fair value, when new, is no more than \$10,000	Car parking, ensuite units at hospitals and office equipment
Short-term Lease Payments	Leases with a term less than 12 months	Temporary accommodation, marquee hire, portables including mobile bathroom facilities and temporary fencing

Initial Measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or AV’s incremental borrowing rate. Our lease liability has been discounted by rates of between 0.93 to 5.94%.

- Lease payments included in the measurement of the lease liability comprise the following:
- . fixed payments (including in-substance fixed payments) less any lease incentive receivable;
 - . variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
 - . amounts expected to be payable under a residual value guarantee; and
 - . payments arising from purchase and termination options reasonably certain to be exercised.

- The following types of lease arrangements, contain extension and termination options:
- . Various property leases contain lease extension options of between 1 to 7 years

These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by AV and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term and lease liability if the lease is reasonably certain to be extended (or not terminated).

Potential future cash outflows of \$23.7m (2024: \$22.7m) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension options was an increase in recognised lease liabilities and right of use assets of \$19.4m (2024: \$184.0m).

Subsequent Measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in the substance of fixed payments

When the lease liability is remeasured, the corresponding adjustment is reflected in the right of use asset, or Statement of Comprehensive Income if the right of use asset is already reduced to zero.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025

NOTE 6.2: BORROWINGS (Continued)

NOTE 6.2(a) LEASE LIABILITIES (Continued)

Leases With Significantly Below Market Terms and Conditions

AV holds lease arrangements which contain significantly below-market terms and conditions, which are principally to enable AV to further its objectives. These are commonly referred to as a peppercorn or concessionary lease arrangement.

The nature and terms of such lease arrangements, including AV’s dependency on such lease arrangements is described below:

Description of Leased Asset	Our Dependence on Lease	Nature and Terms of Lease
Land – AV leases land for the operation of ambulance branches	AV’s dependence on these land leases is high, as they are integral to service delivery. The land is specialised in nature (Crown or Freehold) and, due to location requirements, there are limited readily available substitutes.	Lease terms are typically up to 50 years. Where lease payments are required, they range from \$1 - \$100 per annum. The use of the land is restricted to the provision of ambulance services.

NOTE 6.3: COMMITMENTS FOR EXPENDITURE

	Less than 1 Year \$'000	1-5 Years \$'000	Over 5 years \$'000	Total \$'000
30 June 2025				
Capital Expenditure Commitments	9,456	-	-	9,456
Operating Expenditure Commitments	45,280	19,744	-	65,024
Non-cancellable Short Term and Low Value Lease Commitments	81	184	247	512
Total Commitments (inclusive of GST)	54,817	19,928	247	74,992
Less GST Recoverable				(6,817)
Total Commitments (exclusive of GST)				68,175
30 June 2024				
Capital Expenditure Commitments	8,240	-	-	8,240
Operating Expenditure Commitments	36,714	13,920	-	50,634
Non-cancellable Short Term and Low Value Lease Commitments	675	310	60	1,045
Total Commitments (inclusive of GST)	45,629	14,230	60	59,919
Less GST Recoverable				(5,447)
Total Commitments (exclusive of GST)				54,472

How We Disclose Our Commitments

Our commitments relate to expenditure, and short term and low value leases.

Expenditure Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and are inclusive of GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the Balance Sheet.

Short Term and Low Value Leases

AV discloses short term and low value lease commitments which are excluded from the measurement of right of use assets and lease liabilities. Refer to Note 6.2 for further information.

NOTE 6.4: NON-CASH FINANCING AND INVESTING ACTIVITIES	2025 \$'000	2024 \$'000
Acquisition of Property, Plant and Equipment by means of leases	31,510	352,285
Capital Works paid by DH	20,417	32,647
Total Non-Cash Financing and Investing Activities	51,927	384,932

Notes to the Financial Statements

For the Financial Year Ended 30 June 2025

NOTE 7: RISKS, CONTINGENCIES AND VALUATION UNCERTAINTIES

AV is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for AV is related mainly to fair value determination.

Structure

- 7.1 Financial Instruments
- 7.2 Financial Risk Management Objectives and Policies
- 7.3 Contingent Assets and Contingent Liabilities
- 7.4 Fair Value Determination

Material Judgements and Estimates

This section contains the following material judgements and estimates:

Material Judgements and Estimates	Description
Measuring Fair Value of Non Financial Assets	<p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, AV has assumed the current use is its highest and best use. Accordingly, characteristics of AV’s assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p> <p>AV uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none">. Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of AV’s specialised land, non-specialised land and non-specialised buildings are measured using this approach. Where assets are held to meet Community Service Obligations (CSOs), such as the delivery of public health services, adjustments may be made to reflect the reduced marketability or alternative use of these assets, in recognition of the operational restrictions and obligations attached to them.. Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of AV’s specialised buildings, furniture, fittings, plant, equipment and vehicles are measured using this approach.. Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. AV does not this use approach to measure fair value. <p>AV selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>Subsequently, AV applies material judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none">. Level 1, using quoted prices (unadjusted) in active markets for identical assets that AV can access at measurement date. AV does not categorise any fair values within this level.. Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. AV categorises non-specialised land and right of use concessionary land in this level.. Level 3, where inputs are unobservable. AV categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.

NOTE 7.1: FINANCIAL INSTRUMENTS

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of AV's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

NOTE 7.1(a) Categorisation of Financial Instruments

	NOTE	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
2025				
Contractual Financial Assets				
Cash and Cash Equivalents	6.1	29,612	-	29,612
Receivables	5.1	274,198	-	274,198
Total Financial Assets ⁽ⁱ⁾		303,810	-	303,810
Financial Liabilities				
Payables	5.3	-	76,859	76,859
Lease Liabilities	6.2	-	420,511	420,511
Total Financial Liabilities⁽ⁱ⁾		-	497,370	497,370
2024				
Contractual Financial Assets				
Cash and Cash Equivalents	6.1	50,820	-	50,820
Receivables	5.1	207,787	-	207,787
Total Financial Assets ⁽ⁱ⁾		258,607	-	258,607
Financial Liabilities				
Payables	5.3	-	102,997	102,997
Lease Liabilities	6.2	-	446,634	446,634
Total Financial Liabilities⁽ⁱ⁾		-	549,631	549,631

(i) The carrying amount excludes statutory receivables (i.e.. GST Receivable) and statutory payables (i.e. Revenue in advance).

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

NOTE 7.1: FINANCIAL INSTRUMENTS (Continued)

Note 7.1(a) Categorisation of Financial Instruments (Continued)

How We Categorise Financial Instruments

Categories of Financial Assets

Financial assets are recognised when AV becomes party to the contractual provisions to the instrument. For financial assets, this is at the date AV commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through net result, in which case transaction costs are expensed to profit or loss immediately.

Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15 para 63.

Financial Assets at Amortised Cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- . the assets are held by AV to collect the contractual cash flows, and
 - . the assets contractual terms give rise to cash flows that are solely payments of principal and interests on the principal amount outstanding on specific dates.
- These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.
- AV recognises the following assets in this category:
- . cash and deposits
 - . receivables (excluding statutory receivables)

Categories of Financial Liabilities

Financial liabilities are recognised when AV becomes a party to the contractual provisions to the instrument. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

Financial Liabilities at Amortised Cost

Financial Liabilities are measured at amortised cost are initially measured at fair value using the effective interest method, where they are not held at fair value through net result. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

AV recognises the following liabilities in this category:

- . Payables (excluding statutory payables and contract liabilities) and
- . Borrowings

Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, AV has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- . the rights to receive cash flows from the asset have expired, or
- . AV retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement, or
- . AV has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where AV has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of AV's continuing involvement in the asset.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Reclassification of Financial Instruments

A financial asset is required to be reclassified between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, AV's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

NOTE 7.2: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

As a whole, AV's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, included the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability above are disclosed throughout the financial statements.

AV's main financial risks include credit risk, liquidity risk and interest rate risk. AV manages these financial risks in accordance with its Enterprise Risk Management Framework.

Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

NOTE 7.2: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Note 7.2(a) Credit Risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. AV's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to AV. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with AV's contractual financial assets largely relates to individuals who have received ambulance transport, which is dispersed across a large number of debtors. AV's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to AV. Credit risk is managed through ongoing debt recovery action, regular assessment of collectability, and the use of debtor recovery measures and/or payment by instalment arrangements.

In addition, AV does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. AV's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that AV will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, length of time overdue and changes in debtor credit ratings.

Contractual financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents AV's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to AV's credit risk profile in 2024-25.

Impairment of Financial Assets under AASB 9

AV records the allowance for expected credit loss for the relevant financial instruments by applying AASB 9 Expected Credit Loss approach. Subject to AASB 9, the impairment assessment includes AV's contractual receivables.

The credit loss allowance is classified as other economic flows in the net result.

Contractual Receivables at Amortised Cost

AV applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. AV has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, AV determines the closing loss allowance at the end of the financial year as follows:

	NOTE	Current	Less than 1 month	1-3 months	3 months to 1 year	1 to 5 Years	Total
30 June 2025							
Expected Loss Rate		0%	38%	26%	54%	69%	
Gross Carrying Amount of Contractual Receivables	5.1	3,040	28,393	9,752	24,827	6,630	72,643
Loss Allowance		-	10,676	2,498	13,391	4,594	31,160
30 June 2024							
Expected Loss Rate		0%	51%	23%	74%	64%	
Gross Carrying Amount of Contractual Receivables	5.1	2,276	11,313	4,340	18,280	6,070	42,278
Loss Allowance		-	5,787	987	13,510	3,904	24,188

Statutory Receivables at Amortised Cost

AV's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near future. As the result, the no loss allowance has been recognised.

Note 7.2(b) Liquidity Risk

Liquidity risk arises from being unable to meet financial obligations as they fall due.

AV is exposed to liquidity risk mainly through the financial liabilities as disclosed in the balance sheet. AV manages its liquidity risk by:

- . close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements
- . maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- . careful maturity planning of its financial obligations based on forecasts of future cash flows.

AV's exposed to significant liquidity risk based on projected revenue and expenditure for 2025-26. As at 30 June 2025, total cash of \$29.6m (2024: \$50.8m) is the equivalent of 7 days cash availability (2024: 12 days), which is calculated at Total Cash ÷ (Total Expenses from Transactions ÷ 365 Days). Refer to Note 1.5 Economic Dependency.

The following table discloses the contractual maturity analysis for AV's financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

	NOTE	Carrying Amount \$'000	Nominal Amount \$'000	Maturity Dates			
				Less than 1 month \$'000	1 to 3 months \$'000	3 months to 1 year \$'000	Greater than 1 year \$'000
2025							
Financial Liabilities							
Payables	5.3	76,859	76,859	76,859	-	-	-
Borrowings	6.2	420,511	504,517	2,072	554	4,926	412,959
Total Financial Liabilities		497,370	581,376	78,931	554	4,926	412,959
2024							
Financial Liabilities							
Payables	5.3	94,489	94,489	94,489	-	-	-
Borrowings	6.2	446,634	547,112	985	699	3,085	441,866
Total Financial Liabilities		541,123	641,601	95,474	699	3,085	441,866

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

NOTE 7.2: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Note 7.2(c) Market Risk

AV’s exposures to market risk are primarily through interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions

AV’s sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. The following movements are ‘reasonably possible’ over the next 12 months:
. a change in interest rates of 1% up or down

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. AV does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. AV has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

NOTE 7.3: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2025 (2024: Nil).

There were no contingent assets as at 30 June 2025 (2024: Nil).

How We Measure and Disclose Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

Contingent Assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of AV.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent Liabilities

Contingent liabilities are:

- . possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of AV or
- . present obligations that arise from past events but are not recognised because:
- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations or
- the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

NOTE 7.4: FAIR VALUE DETERMINATION

How We Measure Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- . Property, plant and equipment
- . Right of use assets

In addition, the fair value of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure.

Valuation Hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- . Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
- . Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, and
- . Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

AV determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been no transfers between levels during the period.

AV monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required. The Valuer-General Victoria (VGV) is AV’s independent valuation agency for property, plant and equipment.

Identifying Unobservable Inputs (Level 3) Fair Value Measurements

Level 3 fair value inputs are unobservable valuation inputs for an asset or liability. These inputs require significant judgement and assumptions in deriving fair value for both financial and non-financial assets.

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

NOTE 7.4: FAIR VALUE DETERMINATION (Continued)

Note 7.4(a) Fair Value Determination of Non-Financial Physical Assets		Carrying Amount \$'000	Fair Value Measurement at end of Reporting Period Using:		
	NOTE		Level 1	Level 2	Level 3
2025					
Non-Specialised Land		50,924	-	50,924	-
Specialised Land		85,217	-	-	85,217
Total Land at Fair Value	4.1(a)	136,141	-	50,924	85,217
Non-Specialised Buildings		5,849	-	5,849	-
Specialised Buildings		410,477	-	-	410,477
Total Buildings at Fair Value	4.1(a)	416,326	-	5,849	410,477
Plant, Equipment & Vehicles		480,918	-	-	480,918
Total Plant, Equip & Vehicles at Fair Value	4.1(a)	480,918	-	-	480,918
Leasehold Improvements		4,896	-	-	4,896
Total Leasehold Improvements at Fair Value	4.1(a)	4,896	-	-	4,896
Total Non-Financial Physical Assets at Fair Value		1,038,281	-	56,773	981,508
2024					
Non-Specialised Land		70,337	-	70,337	-
Specialised Land		84,562	-	-	84,562
Total Land at Fair Value	4.1(a)	154,899	-	70,337	84,562
Non-Specialised Buildings		35,786	-	6,282	29,504
Specialised Buildings		353,741	-	-	353,741
Total Buildings at Fair Value	4.1(a)	389,527	-	6,282	383,245
Plant, Equipment & Vehicles		511,998	-	-	511,998
Total Plant, Equip & Vehicles at Fair Value	4.1(a)	511,998	-	-	511,998
Leasehold Improvements		4,831	-	-	4,831
Total Leasehold Improvements at Fair Value	4.1(a)	4,831	-	-	4,831
Total Non-Financial Physical Assets at Fair Value		1,061,256	-	76,619	984,637

How We Measure Fair Value of Non-Financial Physical Assets

The fair value of non-financial physical assets reflects their highest and best use, considering whether market participants would use the asset similarly or sell it for that purpose. This assessment takes into account the asset’s characteristics and any physical, legal, or contractual restrictions.

AV assumes the current use of a non-financial physical is its highest and best use unless market or other factors indicates otherwise. Potential alternative uses are only considered when it is virtually certain that restrictions will no longer apply.

Fair value is based on periodic valuations by independent valuers, which normally occur once every five years, based upon the asset’s Government Purpose Classification, but may occur more frequently if fair value assessments indicate a material change in fair value has occurred.

Where an independent valuation has not been undertaken at balance date, AV performs a fair value assessment to estimate possible changes in value since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

An adjustment is recognised if the assessment concludes that the fair value of non-financial physical assets has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or fair value assessment). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value since the last independent valuation, being equal to or in excess of 40%, AV would obtain an interim independent valuation prior to the next scheduled independent valuation.

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities amended AASB 13 by adding Appendix F Australian implementation guidance for not-for-profit public sector entities . Appendix F explains and illustrates the application of the principles in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable annual reporting periods beginning on or after 1 January 2024. FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation (whichever is earlier).

An independent valuation of AV’s non-financial physical assets was performed by the VGV on 30 June 2024. Fair value assessments have therefore been performed for all classes of assets in this purpose group at 30 June 2025 and the decision was made that the movements were not material (less than or equal to 10%). As such, an independent revaluation was not required per FRD 103. In accordance with FRD 103, AV will apply Appendix F of AASB 13 prospectively in its next scheduled formal revaluation in 2029 or interim revaluation process (whichever is earlier). AV does not expect the impact to be material to the financial statements.

During the year, AV reversed \$18.8m revaluation of land under DH peppercorn lease and the associated revaluation reserve, as the assets are required to be measured at cost under AASB 16.Aus25.1 and FRD 104.

There were no other changes in valuation techniques throughout the period to 30 June 2025.

Non-Specialised Land and Non-Specialised Buildings

Non-specialised land and non-specialised buildings are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2024.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

NOTE 7.4: FAIR VALUE DETERMINATION (Continued)

Note 7.4(a) Fair Value Determination of Non-Financial Physical Assets (Continued)

Specialised Land and Specialised Buildings
Specialised land includes Crown Land which is measured at fair value with regard to the property’s highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the assets are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best use.

During the reporting period, AV held Crown Land. The nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.

The market approach is also used for specialised land although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued where relevant. Specialised assets contain significant, unobservable adjustments, therefore these assets are classified as Level 3 under the market based direct comparison approach.

The CSO adjustment reflects the valuer’s assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and considers the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land is classified as Level 3 assets.

For AV, the current replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of AV's specialised land was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2024.

Vehicles
AV acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by AV who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

Plant and Equipment
Plant and Equipment (including medical equipment, computers, communication equipment) are held at fair value. When these assets are specialised in use, such that it is rarely sold other than as part of a going concern, the current replacement cost is used to estimate the fair value.

Table with 6 columns: Reconciliation of Level 3 Fair Value, NOTE, Land, Buildings, Plant, Equip & Vehicles, Leasehold Improvements. Rows include Balance at 1 July 2023, Additions/(Disposals), Reclassification, Gains or Losses Recognised in Net Result, and Balance at 30 June 2024.

Table with 3 columns: Asset Class, Likely Valuation Approach, Significant Inputs (Level 3 only). Rows include Non Specialised Land, Specialised Land (Crown/Freehold), Non Specialised Buildings, Specialised Buildings, Vehicles, and Plant and Equipment.

1 A community service obligation (CSO) adjustment of 20% was applied to AV's specialised land.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

NOTE 8: OTHER DISCLOSURES

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

- Structure
8.1 Reconciliation of Net Result to Net Cash Flow from Operating Activities
8.2 Responsible Persons Disclosures
8.3 Remuneration of Executives
8.4 Related Parties
8.5 Remuneration of Auditors
8.6 Ex-Gratia Payments
8.7 Events Occurring After Balance Sheet Date
8.8 Equity

NOTE 8.1: RECONCILIATION OF NET RESULT TO NET CASH FLOWS FROM OPERATING ACTIVITIES

Table with 4 columns: NOTE, 2025 \$'000, 2024 \$'000. Rows include Net Result, Non-cash Movements (Gain)/Loss from Sale of Non-Financial Assets, Depreciation of Non-Current Asset, Amortisation of Non-Current Asset, Indirect Capital Contributions, (Gain)/Loss Allowance for Receivables, Assets Received Free of Charge Expended off in Operating Statement, Assets Received Free of Charge, Movements in Assets and Liabilities, (Increase)/Decrease in Receivables, (Increase)/Decrease in Contract Assets, (Increase)/Decrease in Inventories, (Increase)/Decrease in Prepayments, (Decrease)/Increase in Payables, (Decrease)/Increase in Employee Benefits, (Decrease)/Increase in Contract Liabilities, (Decrease)/Increase in Deferred Grant, (Decrease)/Increase in Other Provisions, and NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES.

NOTE 8.2: RESPONSIBLE PERSONS DISCLOSURES

In accordance with the Ministerial Directions issued by the Minister for Finance under the Financial Management Act 1994, the following disclosures are made regarding responsible persons for the reporting period.

Table with 2 columns: Responsible Minister, Period. Rows include Responsible Minister (The Honourable Mary-Anne Thomas MP, Minister for Ambulance Services, Minister for Health) and Governing Board (Shelly Park (Chair), Allison Smith, Amanda Watt, Andrew Crisp, Denise Heinjus, Dipak Sanghvi, Dr Fergus Kerr, Vijaya Vaidyanath, Wenda Donaldson).

Table with 3 columns: Remuneration of Responsible Persons, 2025, 2024. Rows include The number of Responsible Persons is shown below in their relevant income bands, \$0 - \$9,999, \$40,000 - \$49,999, \$50,000 - \$59,999, \$100,000 - \$109,999, \$380,000 - \$389,999, \$460,000 - \$469,999, \$610,000 - \$619,999, Total Number, and Total Remuneration (\$'000).

Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

NOTE 8.3: REMUNERATION OF EXECUTIVES

The number of Executive Officers, other than Ministers, Governing Board and Accountable Officer, and their total remuneration during the reporting period is shown in the table below. Total annualised equivalents provides a measure of full time equivalent executive officers over the reporting period.

	2025	2024
	\$'000	\$'000
Remuneration of Executive Officers (including Key Management Personnel disclosed in Note 8.4)		
Short Term Employee Benefits	3,277	4,283
Post-Employment Benefits	356	393
Other Long-Term Benefits	211	214
Termination Benefits	223	136
Total Remuneration	4,066	5,026
Total Number of Executives ¹	15	18
Total Annualised Employee Equivalent ²	10.6	12.5

¹ A number of executive officers who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosure are also reported within the related parties note disclosure (Note 8.4).
² Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by AV, or on behalf of AV, in exchange for services rendered, and is disclosed in the following categories.

- Short-Term Employee Benefits
Salaries and wages, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.
- Post-Employment Benefits
Pensions and other retirement benefits (such as superannuation guarantee contributions) paid or payable on a discrete basis when employment has ceased.
- Other Long-Term Benefits
Long service leave, other long service benefits or deferred compensation.
- Termination Benefits
Termination of employment payments, such as severance packages.

NOTE 8.4: RELATED PARTIES

AV is a wholly owned and controlled entity of the State of Victoria. Related parties of AV include:
· all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over)
· cabinet ministers (where applicable) and their close family members and
· all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of the AV, directly or indirectly.

Key Management Personnel (KMP)

The Board, the CEO and members of the AV Executive Committee are deemed to be KMPs. This includes the following:

KMPs	Position
Danielle North	Executive Director Regional Operations
Andrew Keenan	Executive Director Specialist Operations and Coordination (Acting)
Jesse Maddison	Executive Director Enterprise Services (Acting)
Heather Miller	Executive Director People and Culture (Acting)
Gavin Gusling	Executive Director Business Technology and Programs
Tegwyn McManamny	Executive Director Quality and Clinical Innovation
Alison Errey	Executive Director Strategy and Engagement
Dr David Anderson	Medical Director
Anthony Carlyon	Executive Director Specialist Operations and Coordination (Former)
Travis Heeney	Executive Director Enterprise Services (Former)
Garry Button	Executive Director Enterprise Services (Former)
Samira Richards	Executive Director People and Culture (Former)
Dr Francesca Tullio	Medical Director (Former Acting)
Michael Georgiou	Executive Director Specialist Operations and Coordination (Former Acting)
Katherine Peck	Executive Director Quality and Clinical Innovation (Former Acting)

The compensation detailed below excludes the salaries and benefits the Portfolio Ministers receive. The Minister’s remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968, and is reported within the State's Annual Financial Report.

	2025	2024
	\$'000	\$'000
Compensation of KMPs		
Short Term Employee Benefits ³	3,948	4,410
Post-Employment Benefits	396	380
Other Long-Term Benefits	187	208
Termination Benefits	368	136
Total ⁴	4,899	5,135

³ Total remuneration paid to KMPs employed as a contractor during the reporting period has been reported under Short Term employee benefits
⁴ The compensation of certain KMPs are also reported in the disclosure of responsible persons (Note 8.2) and executive officers (Note 8.3)

Notes to the Financial Statements
For the Financial Year Ended 30 June 2025

NOTE 8.4: RELATED PARTIES (Continued)

Significant Transactions with Government-Related Entities

During the year, AV had the following government-related entity transactions:	2025	2024
	\$'000	\$'000
Government Grants from DH	1,252,593	1,148,856
Government Grants from DJCS	3,638	1,529
Government Grants from TAC	11,146	12,070
CBS Interest Income from DTF ¹	4,707	4,670
Transport Revenue from Victorian public hospitals	63,126	53,145
Transport Revenue from TAC	31,918	26,485
Transport Revenue from WorkSafe	6,648	6,204
Insurance Premium paid to VMIA	4,954	3,299

¹ The Standing Directions of the Minister for Finance require AV to hold cash (in excess of working capital) in accordance with the State of Victoria’s centralised banking arrangements.

Transactions with Key Management Personnel and Other Related Parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the Public Administration Act 2004 and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with HealthShare Victoria and the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions, the related party transactions that involved key management personnel and their close family members are as follows:

During the year, AV paid \$160,267 (2024: \$180,000) to the Council of Ambulance Authorities, an organisation of which Mr Jordan Emery, Chief Executive Officer and Ms Jane Miller, former Chief Executive, is a Board member. The annual membership levy and event tickets were paid under standard terms and conditions.

During the year, AV incurred \$669,873 (2024: \$1.668 m) to Minter Ellison, a law firm of which Ms Amanda Watt, Director, is a partner. The legal fees were payable under standard terms and conditions.

During the year, AV paid \$1,511 (2024: \$2,524) to Member Benefits Australia Pty Ltd, a company of which Mr Dipak Sanghvi, Director, is Board Chair. The Emergency Memberlink program fee was paid under standard terms and conditions.

In 2023-24, AV paid \$206 to St John of God Health Care, an organisation of which Ms Shelly Park, Board Chair, is a Board member. The hospital attendance fee was paid under standard terms and conditions. AV has no transactions with St John of God Health Care in 2024-25.

All related party transactions have been entered into on an arm’s length basis.

	2025	2024
	\$'000	\$'000

NOTE 8.5: REMUNERATION OF AUDITORS

Victorian Auditor-General's Office

Audit of financial statements	227	269
	227	269

NOTE 8.6: EX-GRATIA EXPENSES

AV has made the following ex-gratia payments:

Forgiveness or waiver of debt ²	1,103	384
TOTAL EX-GRATIA EXPENSES	1,103	384

Includes ex gratia expenses greater than or equal to \$5,000 or those considered material in nature. Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that are not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity.

² Forgiveness of transport fees debt to individuals due to financial hardship and on compassionate grounds and have been recognised in the Comprehensive Operating Statement under 'Net Gain/(Loss) on Financial Instruments'.

NOTE 8.7: EVENTS AFTER BALANCE SHEET DATE

There are no events occurring after the balance sheet date.

NOTE 8.8: EQUITY

Contributed Capital

Contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of AV.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Other transfers that are in the nature of contributions or distributions or that have been designated as contributed capital are also treated as contributed capital.

Property, Plant and Equipment Revaluation Surplus

The property, plant and equipment revaluation surplus arises on the revaluation of land and buildings. The revaluation surplus is not normally transferred to the accumulated surpluses/(deficits) on derecognise of the relevant asset.