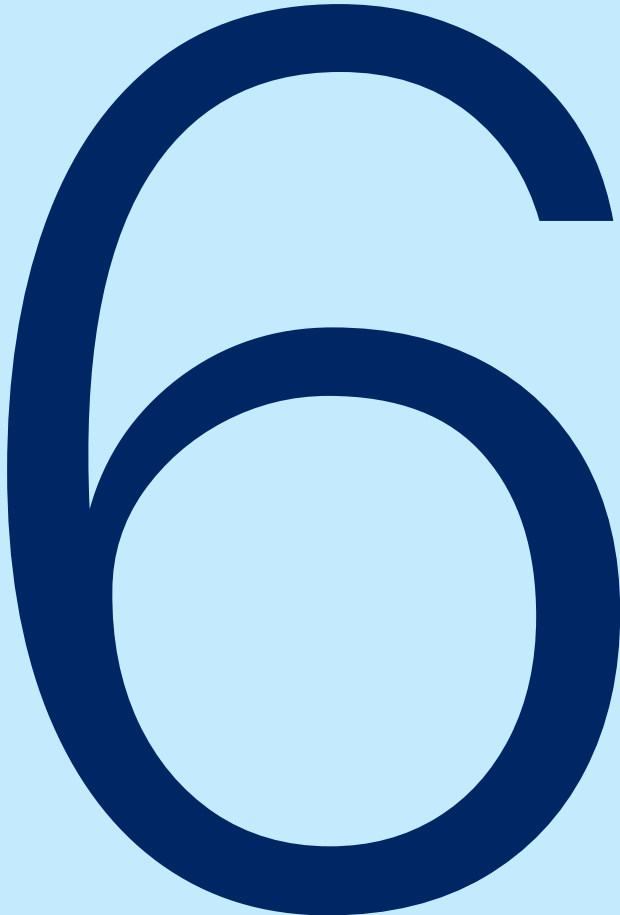

Financial Performance



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Deputy Secretary, Financial Services and Asset Management and Chief Financial Officer's report

Expenses

NSW Health is a provider of patient-centred health services. Approximately \$18.23 billion (61.72%) of costs incurred during 2022-23 were labour related, including the costs of employee salaries and contracted Visiting Medical Officers. Other operating costs include approximately \$2.3 billion in pharmaceutical, medical and surgical supplies and \$695.8 million in maintenance related expenses.

Grants and subsidies to third parties for the provision of public health-related services totalled approximately \$1.9 billion in 2022-23, including payments of \$817.1 million in operating grants being paid to affiliated health organisations.

Revenue

Key items include a range of fees for patient-related services such as payments from the Department of Veterans' Affairs, accommodation fees from health funds for privately insured patients, workers compensation and non-patient fees (\$1.1 billion), the sales and recoveries of pharmaceutical supplies, mainly the recoup of costs from the Commonwealth through Medicare for highly specialist drugs (\$512.1 million), and compensable payments received from statutory insurers for the costs of people hospitalised or receiving treatment as a result of motor vehicle accident (\$165.4 million).

Commonwealth Payments as part of the National Health Reform Agreement and National Partnership Agreement on COVID-19 are received under grants and contributions (\$8.2 billion).

NSW Health's full-year capital expenditure allocation for 2022-23 (excluding capital expensing) was \$2.2 billion for works in progress and completed works. The total capital allocation in 2022-23 represents 7.6% of the total Property, Plant, Equipment and Intangibles asset base.

Net assets

NSW Health's net assets at 30 June 2023 were \$26.8 billion. This is made up of total assets of \$34.2 billion, netted off by total liabilities of \$7.4 billion. The net assets are represented by accumulated funds of \$15.7 billion and an asset revaluation reserve of \$11.1 billion.

The audited financial statements for the NSW Ministry of Health are provided in the report. Audited financial statements have also been prepared in respect of each of the reporting entities controlled by the NSW Ministry of Health. These statements have been included in a separate volume of the 2022-23 Annual Report. The NSW Ministry of Health and all its controlled entities received an unqualified audit opinion.

Further information

Variation to the initial budget result is included in the 2022-23 audited financial statements (Note 43) included in this Annual Report.

Adjunct Professor Alfa D'Amato

Deputy Secretary, Financial Services and Asset Management and Chief Financial Officer
NSW Health

Financial management

Implementation of price determination

The NSW State Efficient Price per national weighted activity unit (NWAU22) for 2022-23 was \$5,095. NSW local health districts and specialty health networks were funded for their activity at this single price, with exception for some specific contractual funding arrangements. The NSW State Efficient Price is not directly comparable year on year due to changes in NWAU versions and local health district and specialty health network costing results.

Non-government funding

Each year, NSW Health allocates funding to non-government organisations (NGOs) to deliver community based services supporting health and wellbeing, particularly for vulnerable or hard-to-reach populations. Aboriginal health, aged care, children, youth and families, chronic care and disability, community transport, drug and alcohol, mental health, palliative care, population health and women's health are among the services for which NSW Health provides funding.

Partnerships for health funding allocated to non-government organisations by the NSW Ministry of Health in 2022-23

Centre for Aboriginal Health

Grant recipient	Amount \$	Description
Aboriginal Health & Medical Research Council NSW	2,695,600	Peak body to build capacity and capability of Aboriginal Community Controlled Health Services in priority areas such as governance, financial management and business, contribute to policy development processes aimed at improving the health outcomes of Aboriginal people across NSW and be a formal partner with NSW Health on Aboriginal health issues. Funding is provided for capacity and capability building, policy leadership and influence, chronic disease and health ethics.
Aboriginal Medical Service Co-Operative Ltd	728,200	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal people in Sydney.
Albury Wodonga Aboriginal Health Service	239,100	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of the Albury Wodonga Aboriginal community.
Armajun Health Service Aboriginal Corporation	317,600	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in Armidale, Glen Innes, Inverell, Tenterfield and Tingha regions.
Awabakal Ltd	820,400	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in Newcastle, Lake Macquarie, Port Stephens and Maitland.
Biripi Aboriginal Corp Medical Centre	464,800	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of the Aboriginal community in the Taree area.
Bourke Aboriginal Corporation Health Service	403,500	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in Bourke and surrounding areas.
Bulgarr Ngaru Medical Aboriginal Corporation	676,300	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in Grafton and Casino areas.
Bullinah Aboriginal Health Service Ltd	255,600	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in Ballina and surrounding areas.
CatholicCare Wilcannia-Forbes Ltd	211,800	Provision of family health services in Narromine and Bourke.
Condobolin Aboriginal Health Service Inc	412,400	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in the Condobolin area.
Coomealla Health Aboriginal Corporation	201,300	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in the Dareton area.
Coonamble Aboriginal Health Service	687,900	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in Coonamble Dubbo and Gilgandra.
Cummeragunja Aboriginal Corporation	203,800	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in Cummeragunja, Moama and surrounding areas.

Grant recipient	Amount \$	Description
Dubbo Neighbourhood Centre Inc	109,800	Provision of family health services for communities in the Dubbo area.
Durri Aboriginal Corp Medical Service	610,800	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in Kempsey and Nambucca Valley.
Galambila Aboriginal Health Service Inc	352,500	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in the Coffs Harbour area.
Griffith Aboriginal Medical Service Inc	255,600	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in Griffith, Hay and Murrin Bridge.
Illaroo Cooperative Aboriginal Corp	71,000	Personal care worker for the Rose Mumbler Retirement Village.
Illawarra Aboriginal Medical Service	387,200	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in the Illawarra area.
Intereach Ltd	128,800	Provision of family health services in the Deniliquin area.
Katungul Aboriginal Corporation Community & Medical Services	375,900	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities of the Far South Coast region and Bega.
Maari Ma Health Aboriginal Corporation	444,100	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in Broken Hill, Wilcannia, Menindee and other communities across Far West NSW.
Ngaimpe Aboriginal Corp	235,000	Aboriginal community controlled residential drug and alcohol treatment and referral program providing culturally safe statewide services, located on the Central Coast.
Orana Haven	195,100	Aboriginal community controlled residential drug and alcohol treatment and referral program providing culturally safe statewide services located near Brewarrina.
Orange Aboriginal Medical Service	317,600	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of the Aboriginal community in Orange.
Pius X Aboriginal Corp	203,300	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of the Moree Aboriginal community.
Riverina Medical & Dental Aboriginal Corporation	592,200	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of the Aboriginal community in the Riverina region.
South Coast Medical Service Aboriginal Corp	296,600	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of the Aboriginal community in the Nowra area.
South Coast Womens Health & Welfare Aboriginal Corporation (WAMINDA)	561,400	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal women and their families in the South Coast region.
Tamworth Aboriginal Medical Service Inc	289,700	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in the Tamworth area.
Tharawal Aboriginal Corporation	406,200	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of the Aboriginal community in the Campbelltown area.
The Oolong Aboriginal Corporation	262,700	Aboriginal community controlled residential drug and alcohol treatment and referral program providing culturally safe statewide services located in Nowra.
Tobwabba Aboriginal Medical Service	296,700	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of the Aboriginal community in Forster and surrounding areas.
Ungooroo Aboriginal Corporation	255,600	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in Singleton and Muswellbrook areas.
Walgett Aboriginal Medical Service	495,400	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in Walgett, Brewarrina and surrounding areas.
Weigelli Centre Aboriginal Corp	98,100	Aboriginal community controlled residential drug and alcohol treatment and referral program, providing culturally safe statewide services located in the Cowra area.
Wellington Aboriginal Corporation Health Service	1,366,200	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in Wellington and Western Sydney.
Werin Aboriginal Corporation	255,600	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of the Aboriginal community in Port Macquarie.
Yerin Aboriginal Health Services Inc	462,000	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of Aboriginal communities in the Central Coast area.
Yoorana Gunya Family Healing Centre Aboriginal Corp	474,700	Provision of Aboriginal community controlled, culturally safe health services to meet the holistic healthcare needs of the Aboriginal community in Forbes and surrounding areas.
Total	18,118,100	

Aboriginal maternal and infant health

Grant recipient	Amount \$	Description
Durri Aboriginal Corp Medical Service	244,600	Employment of a community midwife to provide antenatal care to improve the health outcomes of Aboriginal mothers and their babies.
Maari Ma Health Aboriginal Corporation	366,500	Employment of a community midwife to provide antenatal care to improve the health outcomes of Aboriginal mothers and their babies.
Walgett Aboriginal Medical Service	244,600	Employment of a community midwife to provide antenatal care to improve the health outcomes of Aboriginal mothers and their babies.
Total	855,700	

HIV, blood-borne viruses and STI

Grant recipient	Amount \$	Description
Aboriginal Health & Medical Research Council NSW	137,900	Delivery of education and training in Primary Health Care (Sexual Health) and specialised short courses and skill set training covering HIV, hepatitis C and B, and sexually transmissible infections (STI) to support Aboriginal health workers in Aboriginal Community Controlled Health Services and local health districts to implement the NSW HIV, STI, hepatitis C and hepatitis B strategies.
ACON Health Ltd	12,673,700	ACON is a statewide community-based organisation providing HIV prevention, education, and support services to gay and other homosexually active men at risk of and living with HIV. Services and programs include: HIV pre-vention, health promotion, education and community engagement programs for gay and homosexually active men to increase access to HIV testing, treatment and prevention.
Australasian Society For HIV, Viral Hepatitis & Sexual Health Medicine	714,600	ASHM provides: <ul style="list-style-type: none"> • general practitioner (GP) engagement and delivery of training for authorisation as required for prescribing of drugs used in the treatment of HIV and hepatitis B • training that supports GPs involved with patients who have HIV and STIs • sexual health and viral hepatitis training for nurses • HIV, STI and viral hepatitis training content and materials for GPs and other health care providers.
Bobby Goldsmith Foundation	2,013,900	Provision of client-centred services across NSW for HIV positive people with complex care needs to support client stability, and address barriers to retention in care and target service gaps in partnership with specialist HIV community services.
Diabetes NSW	2,679,675	Provision of syringes and pen needles at no cost to NSW registrants of the National Diabetic Services Scheme and the promotion and education for safe sharps disposal.
Hepatitis NSW Inc	2,183,400	A statewide community-based organisation that provides information, support, referral, education and advocacy services for people in NSW affected by hepatitis C and hepatitis B.
NSW Users & Aids Association Inc	1,693,600	Statewide community-based organisation that provides HIV and hepatitis C prevention education, harm reduction, access to testing and treatment, advocacy and resources, referral and support services for people who inject drugs.
Positive Life NSW Inc	1,089,000	Statewide community-based health promotion and education, advocacy, and implementation of policy and programs which affect people living with HIV.
Sex Workers Outreach Project Inc	1,501,600	Statewide peer-based health education and outreach services to sex industry workers to prevent the transmission of HIV, viral hepatitis and sexually transmissible infections.
Total	24,687,375	

Aged care, disability and community care

Grant recipient	Amount \$	Description
Cystic Fibrosis New South Wales	321,500	Cystic Fibrosis NSW provides counselling, support and assistance to people with Cystic Fibrosis and their families. It also delivers community outreach and works to improve equitable delivery of services and multidisciplinary engagement.
Palliative Care NSW Inc	106,600	Palliative Care NSW provides information and education to healthcare professionals and the general public to raise awareness and enable informed choices about quality palliative and end of life care. The organisation designs and delivers strategies and policies to support the growth and uptake of palliative care in NSW, and assists primary and specialist health professionals who provide palliative care in the community.
Parkinsons NSW Ltd	31,200	Parkinson's NSW supports people living with Parkinson's Disease, their families and carers. It provides essential services through the Parkinson's NSW Infoline, counselling services, network of Support groups, Parkinson's Nurse specialists in regional NSW, and education and information programs.
Total	459,300	

Community services – NSW children, youth and families

Grant recipient	Amount \$	Description
Albury Wodonga Aboriginal Health Service	277,300	This organisation provides child and family health services including the provision of child health and development checks.
Aust Assoc For The Wellbeing Of Children In Health Care	227,100	AWCH co-ordinates and supports the AWCH Ward Grandparent Program in NSW public hospitals and advocates for the needs of children and young people through, education, policy development, awareness raising and partnerships.
Centre For Disability Studies Ltd	241,300	Provide a Complex Care Service for adults with Intellectual Disability and complex health needs, working with the person's General Practitioner to ensure high quality health care. They provide multidisciplinary health assessments, health care plans advice and referrals.
Council Of Social Service Of NSW (NCOSS)	308,600	This organisation provides capacity building activities that increase sustainability in health-related activities that promote the development of health policies, strategies, service design and delivery to better address the health needs of disadvantaged people.
Health Consumers NSW Inc	454,700	HCNSW provides a voice for patients, their family members and carers, patient leaders and health consumer representatives in NSW, as well as health consumer organisations representing specific disease and population groups. Key activities include support for consumer representative networks, and training and education for consumers and NSW Health staff.
United Hospital Auxiliaries Of NSW Inc	233,600	Funding supports delivery of administrative and communications support to the affiliated hospital auxiliaries and UHA Volunteers located in public hospitals, multi-purpose services, community health centres, day care services and other public health facilities across NSW.
Womens Health NSW Inc	262,700	This organisation is the peak body for non-government, community-based, women's health centres in NSW. It is responsible for promoting a coordinated approach to policy and planning, service delivery, staff development, training, education and consultation between members, NSW Health and other government and non-government agencies.
Total	2,005,300	

Community services – NSW children, youth and families

Grant recipient	Amount \$	Description
Australian Breastfeeding Association (NSW Branch)	180,300	The Association promotes, protects and supports breastfeeding by advocating for and creating an awareness, in the community, of the importance of human milk. It provides peer support to women and families and supports health professionals with resources, workshops and seminars.
Australian Red Cross Society	391,000	Residential program that builds the capacity of young pregnant women over 20 weeks gestation with complex needs, and newly parenting young men and women aged 12 to 25 to live and parent independently and respond appropriately to the needs of their children.
CatholicCare Sydney Trust	100,100	This organisation recruits and trains personnel to deliver Natural Fertility Planning (NFP) and Family Life Education (FLE) services. The organisation also supports ongoing learning and professional development of NFP and FLE educators.
Red Nose Saving Little Lives (formerly SIDS and Kids NSW)	198,000	Red Nose provides bereavement support to NSW families who experience the death of their baby or child during pregnancy, birth and infancy, including miscarriage, ectopic pregnancy, termination of pregnancy, stillbirth, neonatal and infant death and sudden death of a child.
Royal Far West Children's Health Scheme	4,364,200	The Paediatric Developmental Program at Royal Far West provides specialist comprehensive multidisciplinary assessment, diagnosis, planning, review and treatment for rural and remote children up to age 12 with complex developmental and behavioural issues. The Program includes support for parents and carers. The service targets the needs of families residing north of Taree, west of Lithgow and south of Nowra, who cannot access the services they need locally.
Youthsafe	214,900	Youthsafe works with schools, workplaces and community organisations to provide information, build capacity and deliver programs to prevent unintentional injury of young people aged 12 to 26 years in different settings, including on the road, at work, while playing sport and when out socialising with friends.
Youth Action	144,000	Youth Action is the peak body for young people and youth services in NSW. Youth Action has received funding to develop and implement the NSW Youth Health Literacy Project. This aims to improve the health outcomes of young people aged 12 to 24 years old through promoting their health literacy and access to healthcare.
Total	5,592,500	

Drug and alcohol

Grant recipient	Amount \$	Description
Aboriginal Health & Medical Research Council of NSW	199,500	Develop capacity of NSW Aboriginal Community Controlled Health Organisations to identify and respond to alcohol and other drug related harm.
Aboriginal Medical Service Co-Operative Ltd	345,500	Delivery of alcohol and other drug treatment and support services for Aboriginal people in Redfern.
Odyssey House NSW	851,100	Works with people from a range of culturally and linguistically diverse (CALD) communities, primarily in Western and South Western Sydney. Delivery of alcohol and other drug (AOD) prevention, community development, treatment and research services for people and communities with cultural and linguistic diversity, primarily in Western and South Western Sydney.
Network of Alcohol & Other Drugs Agencies Inc	1,737,100	Represent and develop capacity of NSW non-government organisations delivering alcohol and other drug prevention, harm minimisation, and treatment services.
The Oolong Aboriginal Corporation	380,700	Alcohol and other drug residential rehabilitation in Nowra primarily for Aboriginal men, with priority access for Magistrates Early Referral Into Treatment program participants.
Uniting (NSW ACT)	4,423,198	Medically supervised injecting- centre.
Total	7,937,098	

Health promotion

Grant recipient	Amount \$	Description
Asthma Australia Ltd	575,800	Asthma Australia aims to build the capacity of the health workforce to provide evidence-based care to people with asthma, develop and implement programs and services that support people with asthma to proactively self-manage their disease and help develop policies and systems to create safer environments for people with asthma.
Family Drug Support	410,700	Provides a 24-hour 7 days telephone service, information, support and referral to families affected by alcohol and other drug issues.
Healthy Kids Association Inc	375,000	Delivery of key activities in relation to the NSW Healthy School Canteen Strategy, and activities associated with the Centre for Population Health - HEAL in schools portfolio.
Kidsafe NSW Inc	278,700	Kidsafe NSW undertakes public awareness campaigns and provides information, training and advice on child injury prevention to key stakeholders and the community.
Life Education NSW Limited	2,398,500	Delivers alcohol and other drugs and healthy lifestyle related education to primary school children in NSW.
Total	4,038,700	

Mental health

Grant recipient	Amount \$	Description
Aboriginal Health & Medical Research Council NSW	212,900	Mental Health statewide coordination to support and develop the capacity of Aboriginal health services across NSW to deliver mental health services and provide advice to NSW Health on Aboriginal mental health issues.
Aboriginal Medical Service Co-Operative Ltd	352,300	Mental Health project for the Aboriginal community to develop and deliver local solutions to address mental health and wellbeing needs of their communities. The funding supports Aboriginal workforce development, clinical service delivery and care coordination for community members experiencing psychological distress and improve social and emotional wellbeing.
Albury Wodonga Aboriginal Health Service	107,400	Mental Health project for the Aboriginal community to develop and deliver local solutions to address mental health and wellbeing needs of their communities. The funding supports Aboriginal workforce development, clinical service delivery and care coordination for community members experiencing psychological distress and improve social and emotional wellbeing.
Awabakal Ltd	120,700	Mental Health project for the Aboriginal community to develop and deliver local solutions to address mental health and wellbeing needs of their communities. The funding supports Aboriginal workforce development, clinical service delivery and care coordination for community members experiencing psychological distress and improve social and emotional wellbeing.

Grant recipient	Amount \$	Description
Black Dog Institute	1,728,300	Black Dog Institute uses the funding for: <ul style="list-style-type: none"> • Clinical services – Depression Clinic (a psychiatric assessment clinic that provide assessment, treatment plans and where required, ongoing management), Neurostimulation and ketamine treatments for people experiencing severe depression. • Education – develop and deliver mental health education programs to health care professionals and schools/school communities.
Bulgarr Ngaru Medical Aboriginal Corporation	123,400	Mental Health project for the Aboriginal community to develop and deliver local solutions to address mental health and wellbeing needs of their communities. The funding supports Aboriginal workforce development, clinical service delivery and care coordination for community members experiencing psychological distress and improve social and emotional wellbeing.
CatholicCare Wilcannia-Forbes Ltd	930,800	NSW Family and Carer Mental Health Program – supports families and carers of people with a mental illness through individual support, support groups, advocacy and training and education. Also includes One Door Mental Health Core Grant to support statewide services.
Coomealla Health Aboriginal Corporation	120,700	Mental Health project for the Aboriginal community to develop and deliver local solutions to address mental health and wellbeing needs of their communities. The funding supports Aboriginal workforce development, clinical service delivery and care coordination for community members experiencing psychological distress and improve social and emotional wellbeing.
Cummeragunja Aboriginal Corp	120,700	Mental Health project for the Aboriginal community to develop and deliver local solutions to address mental health and wellbeing needs of their communities. The funding supports Aboriginal workforce development, clinical service delivery and care coordination for community members experiencing psychological distress and improve social and emotional wellbeing.
Galambila Aboriginal Health Service Inc	107,400	Mental Health project for the Aboriginal community to develop and deliver local solutions to address mental health and wellbeing needs of their communities. The funding supports Aboriginal workforce development, clinical service delivery and care coordination for community members experiencing psychological distress and improve social and emotional wellbeing.
Katungul Aboriginal Corporation Community & Medical Services	113,700	Mental Health project for the Aboriginal community to develop and deliver local solutions to address mental health and wellbeing needs of their communities. The funding supports Aboriginal workforce development, clinical service delivery and care coordination for community members experiencing psychological distress and improve social and emotional wellbeing.
Lifeline Australia	3,648,800	Lifeline is Australia's largest crisis support line. Lifeline provides one-off crisis support to people who could benefit from immediate and short-term assistance to cope with crises or distress. Crisis support services are provided over the phone or via text or webchat services.
Mental Health Co-Ordinating Council Inc	679,900	NSW Mental Health peak organisation funded to support the non-government organisation sector efforts to provide efficient and effective delivery of mental health services.
Mission Australia	922,400	NSW Family and Carer Mental Health Program – supports families and carers of people with a mental illness through individual support, support groups, advocacy and training and education.
Peer Support Australia	314,500	Peer-led mentoring program supporting the mental, social and emotional wellbeing of children and young people in schools.
Riverina Medical & Dental Aboriginal Corporation	107,400	Mental Health project for the Aboriginal community to develop and deliver local solutions to address mental health and wellbeing needs of their communities. The funding supports Aboriginal workforce development, clinical service delivery and care coordination for community members experiencing psychological distress and improve social and emotional wellbeing.
One Door Mental Health NSW Ltd	3,416,300	NSW Family and Carer Mental Health Program supports families and carers of people with a mental illness through individual support, support groups, advocacy and training and education. Also includes One Door Mental Health Core Grant to support statewide services including: <ul style="list-style-type: none"> • Providing the Telephone Referral Support Service and other information services for people with severe and persistent mental illness • Peer support groups • Advocating and research services • Schizophrenia Awareness Week activities.
South Coast Medical Service Aboriginal Corp	231,500	Mental Health project for the Aboriginal community to develop and deliver local solutions to address mental health and wellbeing needs of their communities. The funding supports Aboriginal workforce development, clinical service delivery and care coordination for community members experiencing psychological distress and improve social and emotional wellbeing.
South Coast Womens Health & Welfare Aboriginal Corporation (WAMINDA)	116,800	Mental Health project for the Aboriginal community to develop and deliver local solutions to address mental health and wellbeing needs of their communities. The funding supports Aboriginal workforce development, clinical service delivery and care coordination for community members experiencing psychological distress and improve social and emotional wellbeing.
St Vincent De Paul Society	241,400	Frederic House is a residential aged care facility that targets older men with mental health and/or substance use issues. This top up funding supports the facility and services provided, particularly the provision of specialist staffing.
Stride Mental Health Ltd	911,000	NSW Family and Carer Mental Health Program – supports families and carers of people with a mental illness through individual support, support groups, advocacy and training and education.

Grant recipient	Amount \$	Description
Tharawal Aboriginal Corporation	107,400	Mental Health project for the Aboriginal community to develop and deliver local solutions to address mental health and wellbeing needs of their communities. The funding supports Aboriginal workforce development, clinical service delivery and care coordination for community members experiencing psychological distress and improve social and emotional wellbeing.
Uniting	1,848,900	NSW Family and Carer Mental Health Program – supports families and carers of people with a mental illness through individual support, support groups, advocacy and training and education.
Walgett Aboriginal Medical Service	214,500	Mental Health project for the Aboriginal community to develop and deliver local solutions to address mental health and wellbeing needs of their communities. The funding supports Aboriginal workforce development, clinical service delivery and care coordination for community members experiencing psychological distress and improve social and emotional wellbeing.
Weigelli Centre Aboriginal Corp	107,400	Mental Health project for the Aboriginal community to develop and deliver local solutions to address mental health and wellbeing needs of their communities. The funding supports Aboriginal workforce development, clinical service delivery and care coordination for community members experiencing psychological distress and improve social and emotional wellbeing.
Wellington Aboriginal Corporation Health Service	225,100	Mental Health project for the Aboriginal community to develop and deliver local solutions to address mental health and wellbeing needs of their communities. The funding supports Aboriginal workforce development, clinical service delivery and care coordination for community members experiencing psychological distress and improve social and emotional wellbeing.
Yerin Aboriginal Health Services Inc	107,400	Mental Health project for the Aboriginal community to develop and deliver local solutions to address mental health and wellbeing needs of their communities. The funding supports Aboriginal workforce development, clinical service delivery and care coordination for community members experiencing psychological distress and improve social and emotional wellbeing.
WayAhead – Mental Health Association NSW Ltd	112,100	WayAhead is the peak body for mental health promotion in NSW. WayAhead promotes mental health and wellbeing, supports the people of NSW to access mental health services and delivers mental health projects across NSW.
Being – Mental Health Consumers Incorporated	69,700	BEING – Mental Health Consumers Inc is the peak body for mental health consumers in NSW. BEING represent the interest of mental health consumers in NSW and advocate on behalf of consumers for changes in policy, legislation and service provision. BEING also deliver projects that support the expansion and growth of the lived experience workforce.
Mental Health Carers NSW	40,000	Mental Health Carers NSW (MHCN) is the peak body for mental health carers in NSW. MHCN represent the interest of mental health carers in NSW and information they gather from carers is used to advocate for changes in policy, legislation and service provision to better recognise and support carers.
Total	17,460,800	

Oral health

Grant recipient	Amount \$	Description
Aboriginal Medical Service Co-Operative Ltd	420,000	Aboriginal Oral Health Services.
Albury Wodonga Aboriginal Health Service	598,300	Aboriginal Oral Health Services.
Armajun Health Service Aboriginal Corporation	570,400	Aboriginal Oral Health Services.
Awabakal Ltd	377,700	Aboriginal Oral Health Services.
Biripi Aboriginal Corp Medical Centre	313,800	Aboriginal Oral Health Services.
Bourke Aboriginal Corporation Health Service	411,800	Aboriginal Oral Health Services.
Bulgarr Ngaru Medical Aboriginal Corporation	517,900	Aboriginal Oral Health Services.
Condobolin Aboriginal Health Service	156,800	Aboriginal Oral Health Services.
Coonamble Aboriginal Health Service	156,800	Aboriginal Oral Health Services.
Durri Aboriginal Corp Medical Service	517,900	Aboriginal Oral Health Services.
Griffith Aboriginal Medical Service Inc	156,800	Aboriginal Oral Health Services.
Illawarra Aboriginal Medical Service	482,800	Aboriginal Oral Health Services.
Katungul Aboriginal Corporation Community & Medical Services	389,400	Aboriginal Oral Health Services.
Maari Ma Health Aboriginal Corporation	234,700	Aboriginal Oral Health Services.
Orange Aboriginal Medical Service	618,600	Aboriginal Oral Health Services.
Pius X Aboriginal Corp	213,200	Aboriginal Oral Health Services.
Riverina Medical & Dental Aboriginal Corporation	563,800	Aboriginal Oral Health Services.

Grant recipient	Amount \$	Description
South Coast Medical Service Aboriginal Corp	324,100	Aboriginal Oral Health Services.
Tamworth Aboriginal Medical Service Inc	150,600	Aboriginal Oral Health Services.
Tharawal Aboriginal Corporation	488,200	Aboriginal Oral Health Services.
Tobwabba Aboriginal Medical Service	411,800	Aboriginal Oral Health Services.
University of Sydney	287,100	Aboriginal Oral Health Scholarships.
Walgett Aboriginal Medical Service	211,500	Aboriginal Oral Health Services.
Yerin Aboriginal Health Services Inc	429,400	Aboriginal Oral Health Services.
Total	9,003,400	

Rural doctors services

Grant recipient	Amount \$	Description
NSW Rural Doctors Network	1,816,600	The Rural Doctors Network core funding supports a range of programs aimed at ensuring sufficient numbers of suitably trained and experienced general practitioners are available to meet the healthcare needs of rural NSW communities. Funding is also provided for the NSW Rural Medical Undergraduates Initiatives Program, which provides financial assistance to medical students undertaking rural NSW placements; and the NSW Rural Resident Medical Officer Cadetship Program, which supports selected medical students in their final two years of study who commit to completing two of their first three postgraduate years in a NSW regional hospital.
Total	1,816,600	

External health services

Grant recipient	Amount \$	Description
Royal Flying Doctor Service of Australia (South Eastern Section)	1,835,900	Provision of the Rural Aerial Health Service.
Total	1,835,900	

Community services – transport

Grant recipient	Amount \$	Description
Access Sydney Community Transport Inc	48,300	Community transport services.
Active Care Network	164,500	Community transport services.
Holdsworth Community Ltd	31,800	Community transport services.
Hornsby Kuring-Gai Community Aged/Disabled Transport Inc	22,500	Community transport services.
Inverell HACC Services Inc	20,500	Community transport services.
Lake Cargelligo Community Transport	10,200	Community transport services.
Care 'N' Go	31,600	Community transport services.
Mid-Western Regional Council	30,300	Community transport services.
Home Assistance & Regional Transport Services Inc	48,700	Community transport services.
Ourcare Services Ltd	24,100	Community transport services.
Transcare Hunter Limited	10,200	Community transport services.
The Community Transport Company Ltd	10,100	Community transport services.
Warrumbungle Shire Council	44,300	Community transport services.
Wee Waa Community Care Services	35,900	Community transport services.
Activus Transport Inc	26,300	Community transport services.
Live better Community Services	50,400	Community transport services.
Bankstown Canterbury Community Transport Inc	24,900	Community transport services.
Cabonne Shire Council	19,900	Community transport services.

Grant recipient	Amount \$	Description
Connect You Too Ltd	80,900	Community transport services.
Community Transport Central Coast Ltd	52,100	Community transport services.
Linked Community Services	31,700	Community transport services.
Neighbourhood Centre	34,300	Community transport services.
Peppercorn Services Inc	30,700	Community transport services.
Stryder	44,900	Community transport services.
Total	929,100	

Other funding grants in 2022–23

Trading partner	Amount \$	Description
2Connect Youth & Community Inc	135,773	Alcohol and Other Drugs Youth Treatment Services.
Aboriginal Corporation for Drug and Alcohol Network NSW	70,000	Aboriginal Drug and Alcohol Workforce 2022 Symposium.
Aboriginal Corporation for Drug and Alcohol Network NSW	150,000	To support Aboriginal engagement in the ICE response.
Aboriginal Drug and Alcohol Residential Rehabilitation Network Ltd	99,500	Aboriginal Drug and Alcohol Residential Rehabilitation Organisation and Service Development.
Aboriginal Health & Medical Research Council NSW	331,977	Aboriginal Alcohol and Other Drugs Workforce Training grant.
Aboriginal Health & Medical Research Council NSW	160,000	Suicide Prevention Project Officer.
Aboriginal Medical Service Co-Operative Ltd	100,000	Dental wait list recovery.
Aboriginal Medical Service Co-Operative Ltd	100,000	Awarding of Aboriginal Model of Care Program Grants.
Aboriginal Medical Service Co-Operative Ltd	249,060	Aboriginal Health Minor Works Program.
Acon Health Ltd	4,205,275	Establish a LGBTQ health centre.
Acon Health Ltd	92,845	State-wide Community Response Packages for People of diverse sexualities and genders.
Acon Health Ltd	1,311,000	Trans and Gender Diverse Youth Mental Health Support.
Acon Health Ltd	96,898	Sydney World Pride and Mardi Gras.
Acon Health Ltd	541,528	Community-based Suicide Prevention Services: Aftercare – LGBTI community.
Active Farmers Ltd	70,000	Contribution to Active Farmers.
Albury Wodonga Aboriginal Health Service	194,000	Aboriginal MHWB Flood Recovery Program.
Albury Wodonga Health	260,000	Wellbeing Nurse Partnership.
Albury Wodonga Health	250,000	Albury Wodonga Hospital Freezer Upgrades.
Anglican Community Services	1,103,604	Mental Health Community Living Supports for refugees.
Anglican Community Services	92,845	Community Response Package for older people.
Armajun Health Service Aboriginal Corporation	257,697	Building on Aboriginal Communities' Resilience initiative.
Armajun Health Service Aboriginal Corporation	100,000	Dental wait list recovery.
Armidale Centacare New England North West Ltd	302,342	Alcohol and Other Drugs Youth Treatment Services.
Arthritis Foundation Of NSW	135,000	Contribution to Arthritis Foundation of NSW.
Association of Drug Referral Centres Ltd	102,173	Alcohol and Other Drugs Youth Treatment Services.
Ausbiotech Ltd	42,000	State Sponsorship of Australian Pavilion at BIO.

Trading partner	Amount \$	Description
Aust Huntingtons Disease Assoc (NSW) Inc	90,909	Contribution towards organisation's Youth Connection Program.
Australian Commission On Safety And Quality In Health Care	2,699,496	Contribution for the Australian Commission on Safety and Quality in Health Care.
Australian Digital Health Agency	10,326,450	NSW contribution to Australian Digital Health Agency.
Australian Gynaecological Cancer Foundation	150,000	Contribution towards the foundations' objective.
Australian Red Cross Society	613,113	Mental Health Community Living Supports for refugees.
Australis Scientific Pty Ltd	750,000	Medical Devices Fund.
Awabakal Ltd	100,000	Dental wait list recovery.
Awabakal Ltd	244,875	Aboriginal Minor Capital Works Program.
Awards Australia Pty Ltd	15,000	Contribution towards 7NEWS Young Achiever Health Award.
Being – Mental Health Consumers Inc	125,000	BEING Connected forum.
Being – Mental Health Consumers Inc	800,439	BEING Core funding Grant.
Being – Mental Health Consumers Inc	18,118	Consumer Workers Forum.
Beyond Blue Ltd	1,321,425	Beyond Blue Core Funding.
Billabong Clubhouse Inc	100,000	Support for mental health consumers.
Biripi Aboriginal Corp Medical Centre	120,000	Aboriginal Family Wellbeing and Violence Prevention Program.
Biripi Aboriginal Corp Medical Centre	194,000	Aboriginal Mental Health and Wellbeing Disaster Recovery Program.
Birth Beat Pty Ltd	60,000	Contribution to Birth Beat Pilot.
Black Dog Institute	1,050,000	Workforce Capacity and Recovery.
Bourke Aboriginal Corporation Health Service	100,000	Awarding of Aboriginal Model of Care Program Grants.
Broadlands Residents Men's Shed	1,877	Contribution toward Broadlands Residents Men's Shed.
Bulgarr Ngaru Medical Aboriginal Corporation	120,000	Aboriginal Family Wellbeing and Violence Prevention Program.
Bulgarr Ngaru Medical Aboriginal Corporation	194,000	Aboriginal Mental Health and Wellbeing Disaster Recovery.
Bulgarr Ngaru Medical Aboriginal Corporation	126,383	Building on Aboriginal Communities' Resilience initiative.
Bullinah Aboriginal Health Service Ltd	257,697	Building on Aboriginal Communities' Resilience.
Bullinah Aboriginal Health Service Ltd	100,000	Support for flood affected communities.
Bundi Girri Consulting Pty Ltd	66,405	ngunbawurdah yawarra – wrapped up in care – dhudhu screening (breast screening).
Burn Bright Ltd	3,170	North Shore Youth Health Forum.
Calvary Health Care Sydney Ltd	125,296	Contribution towards facility maintenance.
Cancer Council NSW	16,171	Maintenance and updates for the Tobacco in Australia website.
Cancer Council NSW	100,000	Grant for expansion of GenerationVape Research Project.
Careflight Pty Ltd	3,600,000	To operate CareFlight Rapid Response Helicopter.
Catholic Healthcare Ltd	42,440	Contribution to Lourdes hospital and community service.
CatholicCare Wilcannia-Forbes Ltd	120,000	Aboriginal Family Wellbeing and Violence Prevention Program.
Charles Sturt University	10,000	Equally Well Conference Sponsorship.
Children of the Bomaderry Aboriginal Childrens Home Inc	70,000	Grant for Stolen Generations.
Childrens Medical Research Institute	200,000	Contribution to Children's Medical Research Institute.
Childrens Tumour Foundation of Australia	200,000	Contribution towards Children's Tumour Foundation.
Community Mental Health Australia Incorporated	40,000	Fourth National NDIS and Mental Health Conference Sponsorship.

Trading partner	Amount \$	Description
Community Northern Beaches Inc	50,000	Contribution to Homeless Outreach Program.
Community Restorative Centre	136,168	Drug and Alcohol Treatment Services Grant.
Condobolin Aboriginal Health Service Inc	225,000	Mental Health and Wellbeing project.
Condobolin Aboriginal Health Service Inc	126,383	Building on Aboriginal Communities' Resilience initiative.
Coomealla Health Aboriginal Corporation	257,697	Building on Aboriginal Communities' Resilience initiative.
Coomealla Health Aboriginal Corporation	100,000	Awarding of Aboriginal Model of Care Program Grants.
Coonamble Aboriginal Health Service	384,080	Building on Aboriginal Communities' Resilience initiative.
Coonamble Aboriginal Health Service	120,000	Aboriginal Family Wellbeing and Violence Prevention Program.
Coonamble Aboriginal Health Service	6,800	Purchase of a dental X-ray.
Coonamble Aboriginal Health Service	125,209	Aboriginal Minor Capital Works Program.
Coordinare Limited	1,472,000	Enhance access to psychological therapies in response to COVID-19 Pandemic.
Coota Girls Aboriginal Corporation	100,000	NSW Health Support for Stolen Generations Survivors.
Cox Inall Ridgeway Pty Ltd	92,845	NSW Suicide Prevention Fund.
Cummeragunja Aboriginal Corporation	100,000	Awarding of Aboriginal Model of Care Program Grants.
Cure Blindness Australia Inc	5,000	Contribution to Cure Blindness Australia.
Currawarna Assisted Living Ltd	350,000	Contribution to support the reopening of Currawarna aged care facility.
Damec	317,425	Alcohol and other Drugs Services Transition Grant.
Department For Health and Ageing	1,131,279	NSW contribution to The Australian Health Ministers' Advisory Council (AHMAC).
Department Of Health	64,486	Mental Health Professional Online Development.
Department Of Health & Aged Care	2,500,000	Bilateral Lismore Health Repair Program.
Department Of Health & Aged Care	2,670,114	Annual contribution to the Australian Immunisation Register.
Department Of Health & Aged Care	1,554,540	NSW contribution to Haemopoietic Progenitor Cell sector.
Department Of Health & Aged Care	140,722	NSW contribution to the Health Star Rating Scheme.
Department Of Health & Aged Care	1,239,341	Bilateral Schedule for Postvention services and the Perinatal Mental Health Initiative.
Directions Health Services	757,702	Counselling for people using methamphetamines.
Doctors Health Advisory Service NSW Incorporated	115,000	Contribution to development of Postvention Toolkit.
Dubbo Neighbourhood Centre Inc	127,807	Local Support Coordinator Grant.
Dubbo Neighbourhood Centre Inc	120,000	Aboriginal Family Wellbeing and Violence Prevention Program.
Durri Aboriginal Corp Medical Service	257,697	Building on Aboriginal Communities' Resilience initiative.
DV West Ltd	154,186	Grant to implement a Specialist Children and Young People's Domestic Violence Program.
Eastern Dorrigo Showground & Halls Management Committee	10,000	Specialist recovery service to people struggling with mental illness.
EIS Health Ltd	3,016,000	NSW Pandemic Recovery Access Initiative.
EIS Health Ltd	8,482	Aftercare – Central Eastern Sydney Primary Health Network.
EIS Health Ltd	6,786	Aftercare Grant – Way Back Support Service.
EMVision Medical Devices Ltd	2,500,000	Medical Devices Fund.
Endeavour Mental Health Recovery Clubhouse	100,000	Specialist recovery service to people struggling with mental illness.
Equality Australia Ltd	150,000	Capacity Building Program for Trans and Gender Diverse Communities.
Erina Community Baptist Church	5,519	Contribution to Coast to Country bike ride to support fundraising for Dementia.
Eudaemon Technologies Pty Ltd	4,035,000	Medical Devices Fund.

Trading partner	Amount \$	Description
Event Studio Group Unit Trust	15,455	Support for the 12th Health Services Research Conference being delivered by the Health Services Research Association of Australia and New Zealand (HSRAANZ).
Family Drug Support	10,000	Contribution to support Family Drug Support.
Family Planning NSW	159,282	NSW Pregnancy Choices Helpdesk.
Family Planning NSW	400,000	Regional NSW Pilot Service.
Filling The Gap Ltd	140,000	Funding for National Dental Foundation Program.
Forensic and Medical Sexual Assault Clinicians Australia Incorporated	531,000	Post COVID-19 Recovery and Expansion and Improving Medical Forensic Care for Victim-Survivors of Domestic and Sexual Violence.
Full Stop Australia	200,000	Sex & Ethics for Young People: Training the Trainer.
Galambila Aboriginal Health Service Inc	194,000	Aboriginal Mental Health and Wellbeing Disaster Recovery Program.
Galambila Aboriginal Health Service Inc	126,383	Building on Aboriginal Communities' Resilience initiative.
Galambila Aboriginal Health Service Inc	249,681	Aboriginal Minor Capital Works Program.
Gandangara Local Aboriginal Land Council	70,000	Support for Stolen Generations.
Garvan Institute of Medical Research	100,000	Contribution to Garvan Institute of Medical Research.
Gidget Foundation Australia	2,325,938	Mental Health Recovery Funding.
Gotcha 4 Life Foundation Ltd	350,000	Disaster impacted community intervention and the Intervention research project.
Grand Pacific Health Ltd	1,149,500	Rural Adversity Mental Health Program Coordination and Management.
Grand Pacific Health Ltd	1,845,371	Housing and Accommodation Support Initiative.
Grand Pacific Health Ltd	705,080	Mental Health Community Living Supports for refugees.
Grand Pacific Health Ltd	538,053	Community-based Suicide Prevention Services: Aftercare – Illawarra Shoalhaven.
Grand Pacific Health Ltd	283,053	Community-based Suicide Prevention Services: Aftercare – Southern NSW.
Great Lakes Palliative Care Support Inc	5,000	Contribution towards palliative care support to the local community.
Great Lakes Pharmacy	5,000	Opioid Treatment Program transitional support.
Griefline Community and Family Services Inc	261,364	Griefline funding.
Griffith Aboriginal Medical Service Inc	126,383	Building on Aboriginal Communities' Resilience initiative.
Griffith Aboriginal Medical Service Inc	100,000	Awarding of Aboriginal Model of Care Program Grants.
Hammondcare	950,000	Mental Health Aged Care Partnership Initiative transition unit.
Hastings Auto Restorers Society Inc	2,295	Contribution towards the purchase of a defibrillator.
Headspace National Youth Mental Health Foundation Ltd	10,000,000	Headspace COVID-19 Recovery Package.
Headspace National Youth Mental Health Foundation Ltd	1,800,000	Headspace National Floods Support.
Headspace National Youth Mental Health Foundation Ltd	2,000,000	Headspace National Community Collaboratives.
Health Consulting Connections Pty Ltd	184,000	Support to plan for end-of-life care budget commitment.
Health Professional Councils Authority	131,292	Treasury Managed Fund (TMF) contribution for workers compensation, motor vehicles and property.
Healthdirect Australia	779,932	Healthdirect National Health Service Directory (NHSD) Funding.
Healthdirect Australia	243,200	Healthdirect Governance Funding.
Healthdirect Australia	12,235,587	Health Information and Advisory Service.
Healthdirect Australia	1,002,500	NSW Virtual GP Urgent Care Services.
Healthdirect Australia	341,179	NSW Palliative Care After Hours Helpline.
Healthdirect Australia	282,045	Orange Hospital Enquiry helpline.
Healthdirect Australia	1,770,692	GP Helpline services.

Trading partner	Amount \$	Description
Healthwise New England North West	538,053	Mental Health Suicide Prevention Fund.
Healthy North Coast Ltd	1,312,000	North Coast Primary Health Network Recovery Access Program.
Healthy North Coast Ltd	6,760,000	Mental Wellbeing Flood Recovery.
Healthy North Coast Ltd	347,764	Mental Health and Suicide Prevention.
Healthy North Coast Ltd	6,786	Aftercare grant: Way Back Support Service.
HNECC Ltd	3,496,000	Hunter New England and Central Coast Primary Health Network Recovery Access Program.
HNECC Ltd	667,000	Mental Wellbeing Flood Recovery HNECC.
HNECC Ltd	695,438	Bilateral Schedule aftercare.
HNECC Ltd	13,572	The Way Back Support Service – Aftercare Grant.
Humpty Dumpty Foundation Ltd	210,000	Contribution towards medical equipment.
Hunter Primary Care Ltd	178,566	Alcohol and Other Drugs Youth Treatment Services.
Hunter Valley Amateur Beekeepers Association	1,000	Contribution to support wellbeing initiative given biosecurity emergence.
Illawarra Womens Health Centre	200,000	Contribution to support the centres activities.
Independent Community Living Australia Ltd	399,500	Project Embark 2.
Karitane	1,156,000	Virtual Residential Parenting Service.
Karralika Programs Inc	547,830	Alcohol and Other Drugs Youth Treatment Services.
Katungul Aboriginal Corporation Community & Medical Services	194,000	Aboriginal Mental Health and Wellbeing Disaster Recovery Program.
Katungul Aboriginal Corporation Community & Medical Services	126,383	Building on Aboriginal Communities' Resilience initiative.
Kedesh Rehabilitation Services Ltd	285,222	Drug and Alcohol Treatment Services.
Kids of Macarthur Health Foundation Trust	30,000	Contribution towards Foundation's objectives.
Kids of Macarthur Health Foundation Trust	20,000	Contribution towards Kids of Macarthur 2023 Annual Fundraising.
Kinchela Boys Home Aboriginal Corporation	100,000	Grant to support survivors of Stolen Generations.
Koori Kids Pty Ltd	6,500	NAIDOC Week School Initiative Competitions.
Lifeline Australia Trust	90,909	Accommodation needs for rural and regional families – You Can Centre.
Lifeline Australia	7,567,500	Lifeline Text crisis support service.
Lifeline Central West Inc	500,000	Rapid Community Support Program.
Lithgow Community Private Hospital Ltd	59,323	Contribution towards purchase Lung Function Machine.
Live Life Get Active Pty Ltd	40,000	Contribution to support the program of work.
Lives Lived Well Ltd	1,933,400	Drug and Alcohol Package Women and Children Residential Rehabilitation.
Lives Lived Well Ltd	576,599	Counselling for people using methamphetamines.
Lupus Association Of NSW Inc	68,000	Contribution towards Lupus Association of NSW.
Maari Ma Health Aboriginal Corporation	332,606	Drug and Alcohol Treatment Services.
Maari Ma Health Aboriginal Corporation	257,697	Building on Aboriginal Communities' Resilience initiative.
Macarthur D & A (Youth Solutions)	100,000	Contribution to Youth Solutions.
Macksville Hospital	10,365	Contribution to purchase equipment.
Macquarie Home Stay Ltd	2,500,000	Construction of a specialised medical accommodation facility.
Maranguka Ltd	200,000	Contribution to the Maranguka Community Hub.

Trading partner	Amount \$	Description
McGrath Foundation Ltd	925,000	Funding to support McGrath Breast Care Nurses.
Medibank Health Solutions Telehealth Pty Ltd	6,290,717	Mental Health Line service.
Mental Health Assoc NSW Inc	1,595,521	WayAhead Core Funding.
Mental Health Australia Ltd	46,413	National Mental Health Consumer and Carer Forum.
Mental Health Carers ARAFMI NSW Inc	524,116	Mental Health Carers NSW Core Funding.
Mental Health Co-Ordinating Council Inc	250,275	Learning and Development Unit.
Mental Health Co-Ordinating Council Inc	59,250	Community Housing Provider training.
Mindgardens Neuroscience Network Ltd	29,684	Mapping of NSW Youth Mental Health Services integration.
Miracle Babies Foundation	3,455	Contribution to Miracle Babies Foundation for equipment.
Mission Australia	799,420	Alcohol and Other Drugs Youth Treatment Services.
Mission Australia	783,417	Alcohol and Other Drugs Continuing Care Sector Development.
Mission Australia	5,681,500	Housing and Accommodation Support Initiative.
Mission Australia	2,253,772	Community Living Support.
Mission Australia	241,045	Benjamin Short Grove Specialist Residential Aged Care Facility.
Mission Australia	229,431	Annie Green Court Specialist Residential Aged Care Facility.
Mrcf Pty Ltd	450,000	Medical Research Commercialisation Fund.
Murrumbidgee Primary Health Network	508,000	Murrumbidgee Primary Health Network Recovery Access Program.
Murrumbidgee Primary Health Network	508,000	Murrumbidgee Primary Health Network Recovery Access Program.
Murrumbidgee Primary Health Network	297,741	Bilateral Mental Health and Suicide Prevention.
Murrumbidgee Primary Health Network	5,810	The Way Back Support Service – Aftercare Grant.
National Assoc For Loss & Grief NSW Inc	599,726	Loss and Grief Support.
National Assoc For Loss & Grief NSW Inc	8,328	Loss and Grief Support.
National Association for Prevention of Child Abuse and Neglect Inc	994,166	National Association for Prevention of Child Abuse and Neglect (NAPCAN).
National Blood Authority	3,467,295	Operational costs.
National Stroke Foundation	250,000	National Stroke Foundation F.A.S.T Community Education Program.
Neami Ltd	11,339,108	Housing and Accommodation Support Initiative.
Neami Ltd	2,027,606	Community Living Support.
Nelune Foundation	90,000	Contribution towards equipment for the new Oncology Ward at Prince of Wales Public Hospital Randwick.
Network of Alcohol & Other Drugs Agencies Inc	1,150,150	Alcohol and Other Drugs Continuing Care Sector Development.
Network of Alcohol & Other Drugs Agencies Inc	4,500,000	Alcohol and Other Drugs Service Development Grant Program.
Network of Alcohol & Other Drugs Agencies Inc	485,000	Capacity building grant program in research, evaluation and monitoring.
Network of Alcohol & Other Drugs Agencies Inc	206,789	Sector Leaders and Managers Project.
Neuroscience Research Australia	175,000	Refugee Physical Health Research Project.
Neuroscience Research Australia	1,375,021	Tertiary Referral Service for Psychosis (TRSP)
New Horizons Enterprises Ltd	8,456,794	Housing and Accommodation Support Initiative.

Trading partner	Amount \$	Description
New Horizons Enterprises Ltd	2,942,942	Mental Health Community Living Supports for refugees.
New Horizons Enterprises Ltd	2,769,722	Housing and Accommodation Support Initiative Plus.
New Horizons Enterprises Ltd	7,122,001	Community Living Support.
NSW Federation of Housing Associations Inc	155,250	Program Grant to extend Mental Health Training for Community Housing.
NSW Nurses & Midwives Association	93,824	Bob Fenwick Mentoring Grants Program.
NSW Rural Doctors Network	396,000	National Rural Generalist Pathway Grant.
NSW Rural Doctors Network	272,727	Contribution towards NSW Regional Community Health System and Workforce Engagement Project.
NSW Rural Doctors Network	785,000	Rural Healthcare Workforce wellbeing Initiative.
NSW Users & Aids Association Inc	350,000	Alcohol and Other Drugs funding.
NSW Users & Aids Association Inc	5,000	Peer Bus Project grant first.
NSW Users & Aids Association Inc	374,891	DanceWize Program in NSW.
NSW Users & Aids Association Inc	249,976	Peer workforce development and support grant.
NSW Users & Aids Association Inc	175,208	Hepatitis C Activities.
Nutrition Australia	10,000	Contribution to the National Nutrition Week Event.
Obesity Australia Pty Ltd	195,000	Obesity Collective Grant.
Ochre Health Pty Ltd	104,495	Contribution to Ochre Health Rural menopause support program.
Odyssey House NSW	388,258	Drug and Alcohol Treatment Services.
Odyssey House NSW	1,855,146	Community Drug Action Program in NSW.
Odyssey House NSW	125,370	NSW Drug Court Residential Rehabilitation Services.
Open Minds Australia Ltd	1,879,748	Community Living Support.
Open Minds Australia Ltd	1,350,139	Housing and Accommodation Support Initiative.
Orana Haven	194,000	Aboriginal Mental Health and Wellbeing Disaster Recovery Program.
Orana Haven	252,766	Building on Aboriginal Communities' Resilience initiative.
Orange Aboriginal Medical Service	225,000	Mental Health and Wellbeing Project.
Orange Aboriginal Medical Service	100,000	Dental wait list recovery.
Orange Aboriginal Medical Service	100,000	Awarding of Aboriginal Model of Care Program Grants.
Orygen Research Centre	350,000	Pilot of Moderated Online Social Therapy.
Ovarian Cancer Australia Ltd	245,000	Contribution towards project access to Optimal Care – Clinical Trials.
Palliative Care NSW Inc	777,173	Palliative Care Support Program.
Parkinsons NSW Ltd	50,000	Contribution to support the delivery of services.
Peak Hill Aboriginal Medical Incorporated	250,000	Aboriginal Minor Capital Works Program.
Pharmacy Guild Of Australia NSW Branch	1,353,130	Pharmacy Incentive Scheme.
Pharmacy Guild Of Australia NSW Branch	1,852,719	Pharmacy Needle and Syringe Program Fitpack Scheme.
Pharmonline Pty Ltd	15,000	Contribution to Kindy program to support women with gestational diabetes.
Phunktional Ltd	692,000	Prevention project initiatives for children and young people.
Pius X Aboriginal Corp	126,383	Building on Aboriginal Communities' Resilience initiative.
Port Macquarie Hospital Lodge Association Inc	509,302	Contribution to Rotary Lodge Port Macquarie.
Ramsay Clinic Thirroul	356,000	Contribution to Ramsay Mental Health Australia.
Red Frogs Australia	49,890	Peer Based Harm Reduction Services at Music Festivals.
Respite Care for QBN Inc	300,000	Support people suffering from chronic illness.
Resolve SBB Trust	2,815,674	Social Benefit Bond.

Trading partner	Amount \$	Description
RichmondPRA Limited	11,324,348	Housing and Accommodation Support Initiative.
RichmondPRA Limited	4,423,170	Housing and Accommodation Support Initiative Plus.
RichmondPRA Limited	2,690,184	Community Living Support.
Riverina Medical & Dental Aboriginal Corporation	120,000	Aboriginal Family Wellbeing and Violence Prevention Program.
Riverina Medical & Dental Aboriginal Corporation	100,000	Awarding of Aboriginal Model of Care Program Grants.
Rosies Place INC	591,207	Supporting children and young people focused on the prevention of problematic and harmful sexual behaviours.
Rotary Club Of Warners Bay Inc	150,000	Contribution to support men's health education.
Royal Flying Doctor Service Of Australia (South Eastern Section)	359,091	The Rural Medical Educator Project.
Royal Society for the Welfare of Mothers and Babies	600,000	Tresillian – Funding for Family Care Centre – Moruya Family Care Centre.
Royal Society for the Welfare of Mothers and Babies	2,600,000	Tresillian Family Care Centre Funding.
Royal Society for the Welfare of Mothers and Babies	5,500,000	Tresillian – Funding for six Family Care Centres, Macksville and five T2U vans.
Royal Society for the Welfare of Mothers and Babies	1,063,257	Tresillian Virtual Residential Parenting Service.
RSL Lifecare Ltd	376,493	Funds for Mental Health Aged Care Partnership Initiative.
Rural Aid Ltd	310,000	Community Wellbeing and Resilience Flood Recovery Program.
Samaritans Foundation Diocese Of Newcastle	316,702	Drug and Alcohol Treatment Services.
Schizophrenia Fellowship Of NSW Ltd	92,083	Forensic Reintegration Program.
Settlement Services International Inc	70,000	Contribution to development of Parenting Programs.
Shoalhaven Heads Berry Football Club	2,500	Contribution towards the purchase of a defibrillator.
SNPHN Ltd	874,000	NSW Pandemic Recovery Access Initiative.
SNPHN Ltd	667,000	Mental Wellbeing Flood recovery Sydney North Primary Health Network.
SNPHN Ltd	354,550	The Way Back Support Service – Aftercare Grant.
SNPHN Ltd	1,351,787	Northern Sydney Collaborative Commissioning.
SNPHN Ltd	874,000	NSW Pandemic Recovery Access initiative.
Sonder Australia Pty Ltd	1,500,000	Sonder App for people in isolation.
South Coast Medical Service Aboriginal Corp	257,697	Building on Aboriginal Communities' Resilience initiative.
South Coast Womens Health & Welfare Aboriginal Corporation	257,697	Building on Aboriginal Communities' Resilience initiative.
South Coast Womens Health & Welfare Aboriginal Corporation	120,000	Aboriginal Family Wellbeing and Violence Prevention Program.
South Coast Womens Health & Welfare Aboriginal Corporation	100,000	Aboriginal Mental Health and Wellbeing Model of Care Program.
South Coast Womens Health & Welfare Aboriginal Corporation	74,607	Aboriginal Minor Capital Works Program.
South Western Sydney Primary Health Network Ltd	2,620,000	South Western Sydney Primary Health Network Recovery Access Program.
South Western Sydney Primary Health Network Ltd	8,482	Mental Health and Suicide Prevention.
South Western Sydney Primary Health Network Ltd	6,785	The Way Back Support Service – Aftercare Grant.
Southern Cross Care NSW & ACT	636,135	Specialist Residential Aged Care Facility.

Trading partner	Amount \$	Description
St Peters Lutheran Church Port Macquarie	2,029	Contribution towards the purchase of a defibrillator.
St Vincent De Paul Society NSW	85,001	Drug and Alcohol Treatment Services Grant.
St Vincent De Paul Society NSW	3,716,995	Alcohol and Other Drugs Continuing Care Sector Development.
St Vincents Hospital Sydney Ltd	22,000	To improve oral health for the disadvantaged community.
St Vincents Hospital Sydney Ltd	250,000	Pilot of This Way Up online program in NSW headspace services.
Stand Tall Australia Ltd	20,000	Stand Tall regional tours in Dubbo, Tamworth and Pambula.
State Library Of New South Wales	178,302	Drug Info Service.
Stolen Generations Council (NSW & ACT) Inc	100,000	Support for Stolen Generations Survivors in accessing health services and undertaking healing activities.
Street Side Medics Limited	200,000	Contribution to Street Side Medics.
Stride Mental Health Ltd	1,881,000	LikeMind funding to provide integrated care and support in community.
Suicide Prevention Australia	92,845	Suicide Prevention Fund.
Sunflower House Inc	100,000	To deliver and improve current services for home visits for their clients.
Survivors & Mates Support Network Limited	620,000	To deliver the Healing and Recovery for Survivors and Supporters project.
Survivors & Mates Support Network Limited	750,000	Adult male survivors of child sexual abuse.
Sussex Inlet Foundation For Community Development Inc	10,000	Contribution to support the objective of the Sussex Inlet Neighbour Centre.
Sydney Catholic Schools Trust	3,970	Redefining Normal: Mental Health and Addictive Behaviour.
Tamworth Aboriginal Medical Service Inc	126,383	Building on Aboriginal Communities' Resilience initiative.
Tamworth Community College	25,000	Mental Health First AID courses.
Tharawal Aboriginal Corporation	100,000	Dental wait list recovery.
Tharawal Aboriginal Corporation	257,697	Building on Aboriginal Communities' Resilience initiative.
Tharawal Aboriginal Corporation	214,650	Aboriginal Minor Capital Works Program.
The Association of Independent Schools of NSW Ltd	57,900	NSW Healthy School Canteen strategy.
The Brain Cancer Group	110,000	Contribution to The Brain Cancer Group.
The Buttery Ltd	371,080	Drug and Alcohol Treatment Services.
The Buttery Ltd	543,012	Alcohol and Other Drugs Youth Treatment Services.
The Buttery Ltd	1,370,686	Housing and Accommodation Support Initiative Plus – Mid North Coast Local Health District.
The Gender Centre Inc	139,677	Support the Gender Centre's Children and Families Program.
The Gender Centre Inc	12,698	Support the Gender Centre's Children and Families Program.
The Gender Centre Inc	223,000	Contribution to Rural Regional Outreach and Parent online Peer support positions.
The Gender Centre Inc	250,000	Support the Gender Centre's Children and Families Program.
The Groundswell Project Inc	25,000	Groundswell aged care initiative.
The Haymarket Foundation Ltd	133,000	Contribution to Haymarket Foundation's Bourke Street Program.
The Peregrine Centre Pty Ltd	20,000	Rural Mental Health Research Partnership grant.
The Rotary Club of Gerringong Sunrise Inc	2,500	Contribution towards the purchase of a defibrillator.
The Salvation Army (NSW) Property Trust	227,435	Drug and Alcohol Treatment Services.
The Salvation Army (NSW) Property Trust	6,000,000	Redevelopment of William Booth House.
The Ted Noffs Foundation	175,504	Alcohol and Other Drugs Youth Treatment Services.
The Twenty Ten Association Inc	725,403	Transgender and Gender Diverse Youth Mental Health Support.

Trading partner	Amount \$	Description
The United Hospital Auxiliaries Of NSW Inc	14,820	Contribution to Wauchope Hospital Auxiliary.
The Way Back Support Service – Western NSW PHN	290,479	Zero Suicides Aftercare services.
Tobwabba Aboriginal Medical Service	120,000	Aboriginal Family Wellbeing and Violence Prevention Program.
Tobwabba Aboriginal Medical Service	194,000	Aboriginal Mental Health and Wellbeing Disaster Recovery Program.
Too Deadly for Diabetes	40,000	Contribution to Too Deadly for Diabetes Program.
Ungooroo Aboriginal Corporation	257,697	Building on Aboriginal Communities' Resilience initiative.
Ungooroo Aboriginal Corporation	194,000	Aboriginal Mental Health and Wellbeing Disaster grant.
Uniting (NSW ACT)	181,926	Residue and post overdose substance Testing (Repost) study.
Uniting (NSW ACT)	1,881,000	LikeMind funding to provide integrated care and support in community.
Uniting (NSW ACT)	3,580,141	Housing and Accommodation Support Initiative.
Uniting (NSW ACT)	2,697,506	Community Living Support.
Uniting (NSW ACT)	3,678,526	Housing and Accommodation Support Initiative Plus.
University Of NSW	86,064	BEING – Mental Health Consumers 30th Anniversary Event
University Of NSW	300,000	IDMH Training Framework for CAMHS Services.
University Of NSW	49,920	Implementation research to guide elimination of HIV transmission in NSW.
University Of NSW	149,760	NSW HIV Prevention Partnership project.
University Of NSW	30,000	Hepatitis B social media messages – Research Project.
University Of NSW	82,277	Enhancing Behavioural Surveillance to Address Gap and Disparities in Australia's HIV Response.
University Of NSW	512,500	Intellectual Disability Mental Health Chair.
University Of NSW	263,522	Evaluation of Collaborative Commissioning.
University Of NSW	80,682	Tracking the community response to Monkeypox.
University of Sydney	30,000	Midwives and Obstetricians Helping Mothers to Quit.
University of Sydney	30,000	National Health and Medical Research Council Partnership Project – MODUS.
University of Sydney	53,902	Educational resources on smoking and vaping for Aboriginal young people.
University of Sydney	286,500	Brain and Mind Centre – Rural Psychiatry Project.
University of Sydney	352,649	NSW Health Chair of Population Oral Health.
University of Sydney	37,500	Biostatistics Collaboration of Australia funding.
University of Sydney	196,160	Dentistry Student Placements.
University of Sydney	112,000	Chair Medical Physics variation.
University of Technology Sydney	499,800	Palliative Care Clinical Studies Collaborative research.
University of Wollongong	1,505,545	Funding for Project Air.
University of Wollongong	249,381	Project Air for Child and Youth Mental Health Services
Victor Chang Cardiac Research Institute Ltd	5,000	Organoids for Disease Modelling and Drug Discovery.
Walgett Aboriginal Medical Service	20,000	Contribution towards services.
Walgett Aboriginal Medical Service	126,383	Building on Aboriginal Communities' Resilience initiative.
Walgett Aboriginal Medical Service	160,000	Aboriginal Minor Capital Works Program.
We Help Ourselves	761,560	Drug and Alcohol Treatment Services.
Weave Youth & Community Services Inc	100,000	Contribution to Weave Youth & Community Services.
Weigelli Centre Aboriginal Corp	225,000	Mental Health and Wellbeing Project.
Weigelli Centre Aboriginal Corp	174,650	Aboriginal Minor Capital Works Program
Wellington Aboriginal Corporation Health Service	84,057	Local Support Coordinator Grant.

Trading partner	Amount \$	Description
Wellington Aboriginal Corporation Health Service	17,505	NSW Health and Local Support Coordinator providers.
Wellington Aboriginal Corporation Health Service	252,766	Building on Aboriginal Communities' Resilience initiative.
Wellways Australia Ltd	5,276,735	Community Living Support.
Wellways Australia Ltd	10,225,128	Housing and Accommodation Support Initiative.
Wellways Australia Ltd	92,845	Statewide Community Response Packages for Priority Groups - Young People.
Wellways Australia Ltd	2,379,677	Youth Community Living Support Services.
Wentwest Ltd	2,420,000	Western Sydney Primary Health Network Recovery Access Program.
Wentwest Ltd	15,268	The Way Back Support Service - Aftercare Grant.
Wentwest Ltd	1,950,000	Western Sydney Neighbourhood Health Hub Initiative.
Wentwest Ltd	3,868,922	Collaborative Commissioning Implementation Funding.
Wentworth Healthcare Limited	843,000	Nepean Blue Mountains Primary Health Network Recovery Access Program.
Wentworth Healthcare Limited	667,000	Mental Wellbeing Flood Recovery.
Werin Aboriginal Corporation	194,000	Aboriginal Mental Health and Wellbeing Disaster grant.
Wesley Community Services Ltd	250,000	Mums and Kids Matter Program.
Western Health Alliance Ltd	1,444,000	Western NSW Primary Health Network.
Western Health Alliance Ltd	1,959,702	Implementation phase of commissioning Partnership.
Western Health Alliance Ltd	7,262	Mental Health and Suicide Prevention.
Western Health Alliance Ltd	5,810	The Way Back Support Service - Aftercare Grant.
Western Health Alliance Ltd	5,000,000	Western NSW Flood Recovery.
Wine Grapes Marketing Board	2,000	Wellbeing event for women working in Horticulture.
Womens Alcohol & Drug Advisory Centre Inc	209,502	Drug and Alcohol Treatment Services.
Yellow Diamond Brain Cancer Foundation	40,000	Contribution to Yellow Diamond Brain Cancer Foundation.
Yerin Aboriginal Health Services Inc	257,697	Building on Aboriginal Communities' Resilience initiative.
Yerin Aboriginal Health Services Inc	100,000	Dental wait list recovery.
Yerin Aboriginal Health Services Inc	314,000	Aboriginal Family Wellbeing and Violence Prevention Program.
Yerin Aboriginal Health Services Inc	100,000	Yadhaba transition of care - Darkinjung Country.
Yerin Aboriginal Health Services Inc	212,268	Aboriginal Minor Capital Works Program.
Yfoundations Incorporated	232,588	Youth Sexual Health Program.
Yoorana Gunya Family Healing Centre Aboriginal Corp	100,000	Central West Mental Health and Wellbeing Program.
Yoorana Gunya Family Healing Centre Aboriginal Corp	125,000	Mental Health and Wellbeing project.
Yoorana Gunya Family Healing Centre Aboriginal Corp	497,697	Building on Aboriginal Communities' Resilience initiative.
Yourtown	1,436,875	Kids Helpline Service.
Total	341,149,301	

Research grants in 2022–23

Trading partner	Amount \$	Description
Anzics	\$392,285	Bi-national Intensive Care Databases.
Arcs Australia	\$20,000	NSW Health and Medical Research Sponsorship Program.
Ausbiotech Ltd	\$8,182	Ausbiotech partnership sponsorship.
Australian Cardiovascular Alliance Ltd	\$165,000	Cardiovascular and stroke research investments on health outcomes.
Australian Genomic Cancer Medicine Centre Ltd	\$18,000,000	NSW 'Omics Collaborative Program funding.
Biotalk Pty Ltd	\$43,750	Sustainable operating model for the special enterprise Franklin Women.
Black Dog Institute	\$591,979	Medical Research Support Program.
Canberra Health Services	\$383,538	Rural, Regional and Remote Clinical trial support units.
Cancer Council NSW	\$5,000	Aboriginal Young People and Vaping Research.
Centenary Institute of Cancer Medicine and Cell Biology	\$1,880,506	Medical Research Support Program.
Childrens Cancer Institute Australia	\$942,726	Medical Research Support Program.
Childrens Medical Research Institute	\$1,928,971	Medical Research Support Program.
Foley and Associates Pty Ltd	\$8,800	BIO 2022 Breakfast Event.
Garvan Institute of Medical Research	\$5,983,412	Medical Research Support Program.
Garvan Institute of Medical Research	\$50,000	NSW Early Phase Clinical Trials Alliance (NECTA).
Ingham Institute for Applied Medical Research	\$2,815,554	Medical Research Support Program.
National Heart Foundation of Australia	\$250,000	NSW Cardiovascular Research Network.
Paediatrio Ltd	\$20,000,000	Paediatric Precision Medicine Enabling Platforms
Safe & Together Institute	\$131,250	Aboriginal Perspectives and Explorations of the cultural capability of the Safe & Together Model.
Scientia Clinical Research Ltd	\$5,000	Bio Convention in San Diego.
St Vincents Hospital Sydney Ltd	\$499,900	Early Mid-Career Research funding.
The Council of The Queensland Institute of Medical Research	\$250,000	Japanese Encephalitis vaccine clinical trial – serology testing
The Heart Research Institute Ltd	\$80,000	PhD Scholarships Grant.
The Heart Research Institute Ltd	\$999,998	Cardiovascular Collaborative Research funding.
The Peregrine Centre Pty Ltd	\$775,000	Rural Mental Health Research Partnership funding for The Peregrine Centre.
The Sax Institute	\$50,000	Biospecimen Collection Grant.
The Sax Institute	\$5,000	NSW Health and Medical Research Sponsorship Program.
The Sax Institute	\$262,500	The Australian Prevention Partnership Centre funding.
The Sax Institute	\$1,000,000	Sax Institute Core Funding.
The Westmead Institute for Medical Research	\$371,183	COVID-19 bivalent vaccine study.
University of Melbourne	\$166,877	Funding for Safe & Together™ Model to provide culturally safe response, addressing family violence in Aboriginal communities.
University of Newcastle	\$249,464	Schizophrenia Research Grant funding.
University of Newcastle	\$494,725	Translational Research Grant Scheme.
University of Newcastle	\$999,987	Early Mid-Career Grant Funding.
University of Newcastle	\$160,000	PhD Scholarships Grant funding.
University of Newcastle	\$425,000	NSW Prevention Research Support Program – Priority Research Centre for Health Behaviour.

Trading partner	Amount \$	Description
University of Newcastle	\$986,000	Clinical trial – pharmacist management of urinary tract infections.
University of Newcastle	\$433,600	Clinical trial – pharmacist management of OCP.
University of NSW	\$24,868	Biospecimen Collection Grant.
University of NSW	\$1,000,000	COVID-19 Vaccine Acceleration Research Grants.
University of NSW	\$746,872	Schizophrenia Research Grant funding.
University of NSW	\$998,346	Early Mid-Career Grant Funding.
University of NSW	\$999,705	Cardiovascular Elite Postdoctoral Researcher Grants.
University of NSW	\$2,927,112	Cardiovascular Collaborative Research funding.
University of NSW	\$1,285,787	Spinal Cord Injury Research Grants.
University of NSW	\$34,196	Funding to Access Indicators for NSW HIV Data Report.
University of NSW	\$10,000	NSW point of care HCV RNA Testing Pilot Program.
University of NSW	\$160,817	BUBs Quit Study.
University of NSW	\$425,000	NSW Prevention Research Support Program – National Drug and Alcohol Research Centre.
University of NSW	\$480,000	NSW Prevention Research Support Program – Kirby Institute.
University of NSW	\$300,000	NSW Prevention Research Support Program – Centre for Primary Health Care and Equity.
University of Sydney	\$236,294	Biospecimen Collection Grant.
University of Sydney	\$995,867	COVID-19 Vaccine Acceleration Research Grants.
University of Sydney	\$403,504	NSW Translational Research Grants Scheme.
University of Sydney	\$498,664	NSW Translational Research Grants Scheme.
University of Sydney	\$498,865	PhD Scholarships Grant.
University of Sydney	\$8,549,330	Cardiovascular Research Capacity Program.
University of Sydney	\$1,287,207	Spinal Cord Injury Research Grants.
University of Sydney	\$49,499	Research on creation of sustainable rural and remote oral health workforce.
University of Sydney	\$135,000	NSW Prevention Research Support Program – Women and Babies Research.
University of Sydney	\$425,000	NSW Prevention Research Support Program – Prevention Research Collaboration.
University of Sydney	\$125,000	NSW Prevention Research Support Program – Edith Collins Centre.
University of Sydney	\$466,025	NSW Hyperemesis Gravidarum Initiative Research Grants Program.
University of Technology Sydney	\$390,690	Spinal Cord Injury Research Grants.
University of Wollongong	\$4,686	NSW E-Cigarette Analysis.
University of Wollongong	\$315,000	NSW Prevention Research Support Program – Early Start.
Victor Chang Cardiac Research Institute Ltd	\$1,361,439	Medical Research Support Program.
Western Sydney University	\$60,000	PhD Partnership Program.
Woolcock Institute of Medical Research Ltd	\$3,434,807	Medical Research Support Program.
Total	\$90,444,767	

Promotion of research in 2022–23

Trading partner	Cost \$	Description
University of Sydney	\$48,123	Oral health promotion in community pharmacies.

NSW Ministry of Health operating consultants in 2022-23

Consultant	Amount \$	Description
Consultancies more than \$50,000		
Management services		
33 Creative Pty Ltd	107,720	Design and facilitate consultation to inform the refresh of the NSW Aboriginal Health Plan (AHP).
Health Policy Analysis	72,727	Mid-Term Evaluation for older People's Mental Health Service Plan.
Ingham Institute For Applied Medical Research	144,982	Appraisal of the new parent-child relationship program.
Nous Group Pty Ltd	80,000	Facilitate co-design of a cross agency Out of Home Care (OOHC) mental health framework and implementation plan.
Objective Digital Holdings Pty Ltd	50,000	Facilitate define and discovery stage of a new NSW Health policy for visitors.
Policy by Proxy	79,375	Undertake a review of two NSW Health public oral health policy directives.
Publicis Sapient Australia Pty Ltd	140,000	Assessment of Food Services in Mental Health units provided by HealthShare NSW.
Publicis Sapient Australia Pty Ltd	52,500	Review of the governance structure of eHealth.
The Sax Institute	60,940	Undertake Strategic Projections Scoping and Feasibility project for dynamic simulation modelling for service planning.
The Sax Institute	75,000	Review to support implementation of the Ice Inquiry response.
University Of NSW	50,000	Independent evaluation of Statewide Intellectual Disability Mental Health (IDMH) Hubs.
University Of NSW	50,000	Appraisal of MyCheck in NSW publicly funded sexual health services.
University Of NSW	74,393	Engagement to develop a whole of community prevention framework.
University of Sydney	62,325	Engagement for Preventure Program for youth in regional and rural NSW.
University Of Wollongong	119,967	Assessment of NSW Family and Carer Mental Health Program.
University Of Wollongong	147,693	Assessment of services of National Association for Loss and Grief (NALAG).
University Of Wollongong	149,456	Assessment of LikeMind service updates.
Yulang Indigenous Evaluation Pty Ltd	200,000	Appraisal of the NSW Aboriginal Mental Health and Wellbeing Strategy.
Subtotal	1,717,078	
Organisational Review		
Pricewaterhousecoopers Consulting (Australia) Pty Ltd	795,278	Delivery of "Design the Future Possible" for People and Culture for Future Health Project.
Subtotal	795,278	
Training		
Callaghan Cultural Consultancy Trust	80,800	Review of the Aboriginal Mental Health Workforce Training Program.
Subtotal	80,800	
Consultancies equal to or more than \$50,000	2,593,156	

Consultant	Amount \$
Consultancies less than \$50,000	
During the year, 68 other consultancies were engaged in the following areas:	
Management Services	1,358,007
Organisational Review	72,698
Legal Services	125,857
IT	42,871
Capital Works	56,669
Consultancies less than \$50,000	1,656,102
Total	4,249,258*

* Amount does not reconcile to the financial statements as the financial statements include some non consultant expenses.

Payment of accounts

The following tables provide payment performance information for the NSW Ministry of Health for 2022-23.

2022-23 Aged analysis at the end of each quarter

Quarter	Current Not yet due \$'000	Overdue 1-30 Days \$'000	Overdue 31-60 Days \$'000	Overdue 61 And over \$'000
All suppliers¹				
September	77	22,769	117	2,639
December	-	5,494	685	47
March	-	2,690	277	154
June	-	4,605	329	983
Small business suppliers¹				
September	-	671	0	24
December	-	800	351	0
March	-	488	22	36
June	-	53	0	42

Quarter	Current Not yet due \$'000	Overdue 1-30 Days \$'000	Overdue 31-60 Days \$'000	Overdue 61 And over \$'000
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Accounts due or paid within each quarter

	September	December	March	June
All suppliers¹				
Number of accounts due for payment	3,030	3,299	3,125	3,716
Number of accounts paid on time	3,004	3,271	3,094	3,673
Actual percentage of accounts paid on time (based on number of accounts)	99.1%	99.2%	99.0%	98.8%
Dollar amount of accounts due for payment	484,491	505,669	467,749	478,059
Dollar amount of accounts paid on time	483,935	501,296	467,467	471,731
Actual percentage of accounts paid on time (based on \$)	100%	99.1%	99.9%	98.7%
Number of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts (\$)	0	0	0	0
Small business suppliers²				
Number of accounts due for payment to small business	945	1,150	1,113	1,067
Number of accounts due to small businesses paid on time	938	1,141	1,106	1,059
Actual percentage of small business accounts paid on time (based on number of accounts)	99%	99.2%	99.4%	99.3%
Dollar amount of accounts due for payment to small businesses	22591	18,908	16,404	16,454
Dollar amount of accounts due to small businesses paid on time	22522	18,684	16,352	16,436
Actual percentage of small business accounts paid on time (based on \$)	100%	98.8%	99.7%	99.9%
Number of payments to small business for interest on overdue accounts	0	0	0	0
Interest paid to small businesses on overdue accounts	0	0	0	0

Notes: **1.** The reporting of all suppliers excludes payments between NSW Health entities. **2.** The reporting of small business suppliers is in accordance with the definitions and requirements for small business as prescribed in the NSW Treasury Circular 11/21 Payment of Accounts.

Commentary

Time for payment of accounts for the NSW Ministry of Health showed a consistent performance over the year. During the year, measures have been taken to ensure Ministry staff are aware of NSW Treasury Circular 11/21 including conducting training sessions to educate relevant personnel about invoice approval processes. Actions are taken to monitor and promptly follow up invoice payments. The NSW Ministry of Health was not required to make any payment of interest on overdue accounts related to small business suppliers in the 2022-23 financial year.

NSW Treasury Managed Fund

Insurable risks are covered by the NSW Treasury Managed Fund (TMF), of which the NSW Ministry of Health (and its controlled organisations) is a member agency. The Health portfolio is a significant proportion of the TMF Fund and is identified as an independent pool within the TMF Scheme.

NSW Treasury provides funding to NSW Health via a benchmark process. NSW Health pays deposit contributions to icare for workers compensation, motor vehicle, liability, property, and miscellaneous lines of business.

Workers' compensation and motor vehicle contributions are actuarially determined and include an experience factor. The aim of the deposit contribution funding is to allocate deposit contributions across the TMF with reference to benchmark expectations of relative claims costs for the agencies in the TMF, and to provide a financial incentive to improve injury and claims management outcomes.

icare NSW, in administering the Treasury Managed Fund, implemented the Agency Performance Adjustment (APA), replacing the workers compensation hindsight adjustments. The APA is an opportunity for Health entities to influence impacts by proactively managing workers compensation performance. An unfavourable result \$33.6 million was declared in 2022-23.

NSW Treasury Managed Fund

2022-23	Contributions paid to iCare (\$000)	Funding from NSW Treasury (\$000)	Variance (\$000)
Workers Compensation	311,758	301,029	(10,729)
Motor Vehicle	10,446	10,138	(308)
Property	24,592	24,266	(326)
Liability	337,030	328,397	(8,633)
Miscellaneous	513	513	0
Total TMF	684,339	664,343	(19,996)
VMO	60,046	58,635	(1,411)
Total	744,385	722,978	(21,407)

Asset Management overview

NSW Health is focused on supporting local and statewide optimisation, sustainability, and maturity of assets to improve patient care outcomes. This includes shifting the focus to a whole of lifecycle approach for healthcare assets to improve performance and support the Future Health strategy, aligned with NSW Health's Asset Management Policy Directive (PD2022_044) and other policies and standards. Strategic asset management capability has been enhanced to support continuous improvement in asset data, system monitoring, performance and reporting.

NSW Health continues to consider return on investment for asset management strategies through alignment with patient and clinical services and risk minimisation. Six key focus areas set the strategic direction and drive policy development and assurance across its asset management portfolio. This includes reducing the risk of asset failures; key asset strategies programmed to align asset services and patient care outcomes; improving workforce capability; evidence-based reporting to enable informed and data driven decisions; balancing cost, risk and performance to identify opportunities for enhanced outcomes; and embedding lifecycle management and whole-of-life approach.

Land disposals

The properties sold in 2022-23 incurred gross proceeds of approximately \$13.1 million. This represents a 13.2 per cent increase in proceeds from sales compared to 2021-22 (\$11.5 million) (Refer to table below).

Proceeds in 2022-23 were impacted by a NSW Government directive to pause all government disposal of property, with limited exceptions such as transfer of real property between NSW Government agencies or transactions where contracts were exchanged, and final completion was pending.

All sales were undertaken in accordance with government policy. Documents relating to these sales can be obtained under the *Government Information (Public Access) Act 2009*.

Property	Status as at 30 June 2023	Revenue (\$'000's)
Cessnock, 19 Wine Country Drive	Contract Settled	\$236,000
Freshwater, 10 Kooloora Avenue	Contract Settled	\$6,000,000
Killarney Vale, 8 Hume Boulevard	Contract Settled	\$585,000
Marrickville, 158 Edinburgh Road	Contract Settled	\$3,000,000
Randwick, 10 St Pauls Street	Contract Settled	\$2,220,000
Wagga Wagga, 69 Brookong Street	Contract Settled	\$578,000
Walgett, 56 Fox Street	Contract Settled	\$20,000
Yass, 88 Meehan Street	Contract Settled	\$428,000
Total Gross		\$13,067,000

Capital works

NSW Health's full year capital expenditure for 2022-23 (excluding capital expensing) was \$2.3 billion for works in progress and completed works. The total spent on capital in 2022-23 represents 8 per cent of the total Property, Plant and Equipment, Intangibles and Leased asset base.

The Capital Works Program total expenditure for NSW Health in 2022-23 was \$2.5 billion, inclusive of capital expensing. The program is jointly delivered by local health districts and other NSW Health organisations for projects valued at less than \$10 million, and by Health Infrastructure for projects valued at \$10 million or more.

Capital projects completed in 2022-23

Project	Total cost
NSW Ambulance	
Energy Efficient Grants Program – Solar systems at various sites	1,085,924
St Ives Ambulance Station	20,537,356
Central Coast Local Health District	
Headspace Lake Haven Enhancement	950,000
Long Jetty Healthcare Centre	1,285,000
Gosford Hospital Mammography Tomosynthesis for Breast Imaging	326,922
Far West Local Health District	
Broken Hill Community Specialist Palliative Care Service	800,000
Hunter New England Local Health District	
Palliative Care Refurbishment	704,538
Tamworth Hospital – Linear Accelerator and Simulator CT Replacement	4,947,641
Belmont Hospital ENT Microscope	297,537
Solar Panel System – various sites	314,624
Illawarra Shoalhaven Local Health District	
Remodelling and Refurbishment Paediatric Ward	968,070
Murrumbidgee Local Health District	
Staff Accommodation – Tumut Hospital	1,800,000
Deniliquin and Leeton Replacement of ageing infrastructure	5,700,000
Mid North Coast Local Health District	
Mid North Coast Imaging Service Upgrade	1,678,847
Mid North Coast Medical Equipment Upgrade	4,198,890
Mental Health accommodation leasehold fitout Coffs Harbour	450,000
Oral Health equipment	344,619
Solar Panel System – Coff Harbour Hospital	1,582,644
Nepean Blue Mountains Local Health District	
Medical Accommodation Refurbishment	524,174
Central Sterilisation Service Departments	1,605,086

Project	Total cost
Northern NSW Local Health District	
Palliative Care Refurbishment	680,667
Planning Grafton Base Hospital	300,000
Solar Panel System – Byron Central Hospital	873,191
Oral Health equipment	398,639
Flood Disaster Equipment Replacement	1,400,000
Northern Sydney Local Health District	
Palliative Care Refurbishment	342,950
ICE Inquiry Implementation Support	384,758
Royal North Shore Hospital – Drug and Alcohol Unit – Herbert Street Clinic	300,467
Royal North Shore Hospital – Cardiac Cath Lab Replacement	932,925
Royal North Shore Hospital – Kolling Audio-Visual Upgrades	1,914,597
Royal North Shore Hospital – Linear Accelerator Equipment	2,895,988
Sydney Children's Hospitals Network	
Ambulance Replacement – NETS	481,679
Randwick Stealth Station Navigation System Procurement	500,184
Westmead Stealth Station Navigation System Replacement	682,645
Westmead 1.5T MRI Software Upgrade	267,391
South Eastern Sydney Local Health District	
Statewide Telestroke Service	573,308
Palliative Care Refurbishment	680,586
Adult Survivors of Child Sexual Abuse Pilot Project	882,000
Nelune Comprehensive Cancer Care Centre – Linear Accelerator Replacement	2,595,078
Trans and Gender Diverse Health Service Sydney Hub	481,954
Mental Health Virtual Care Centre	550,000
St George Hospital ECG Device Compatibility	462,278

Project	Total cost
Southern NSW Local Health District	
Palliative Care Refurbishment	502,570
Crookwell Hospital Redevelopment	2,926,444
SERH-ANU Simulation Training Centre	712,066
Queanbeyan Renal Unit Reverse Osmosis	274,545
Cooma Hospital Replacement of CT Scanner	742,498
Surgery and Endoscopy Equipment	767,877
ICE Inquiry Implementation Support	251,396
Goulburn Theatre Equipment	818,741
Virtual Rural Generalist Service	500,408
South Western Sydney Local Health District	
Bankstown Hospital MRI	1,970,090
Campbelltown Hospital CT	1,438,077
Liverpool Carpark Infrastructure upgrade	633,380
Karitane Residential Parenting Unit – Birunji Unit	3,100,826
Bankstown Lidcombe Hospital Neuro & Plastic Surgery Microscope	336,349
Liverpool Hospital Corindus Robot	750,000
Dental Chairs at Yagoona, Ingleburn and Tahmoor	334,012
Liverpool Hospital Mental Health COVID Pod Ventilation System	286,200
Sydney Local Health District	
Canterbury Hospital Education Centre	1,500,000
Concord Hospital – 5 East Short Stay Unit	1,100,000
Concord Hospital – Mass Spectrometer Replacement	284,481
Concord Hospital – PET-CT Service	3,400,001
Concord Hospital – Central Sterilising & Supply Department	1,350,000
ICE Inquiry Implementation Support	450,000
Mask Fit Testing and Education Mobile Bus	310,966
Palliative Care Refurbishment	698,232
RPA Hospital – Carpark Boom Gate	453,991
RPA Hospital – Gloucester House Level 7 Refurbishment	1,799,975
RPA Hospital – Infusion Centre – Stage 2	4,499,990
RPA Hospital – Ophthalmology Operating Theatre Equipment	761,232
RPA Hospital – Strategic Relations & Communications Relocation	1,500,001
RPA Hospital – iCT Replacement – Radiology	1,128,688
Sydney Dental Hospital – Level 6 Staff Hub	376,610

Project	Total cost
Western NSW Local Health District	
Remote Mobile Computed Tomography (CT) Service for Cobar, Bourke, Walgett	2,102,558
Palliative Care Refurbishment	1,152,260
Bathurst MRI	4,920,000
Bathurst MRI Anaesthetic Machine	272,724
Orange Health Service – Linear Accelerator Replacement	4,216,968
Regional NSW Health Worker Housing Measure	7,900,000
Biomedical Equipment Upgrade	6,000,000
Bathurst X-ray Room Replacements	663,534
Dubbo and Parkes Hospital Stryker Theatre Integration	1,700,000
Orange Hospital Philips Patient Monitoring Upgrade	250,000
Nitrous Oxide – Oxygen Mixer	300,000
Incubators	495,506
ICE Inquiry Implementation Support	871,000
Key Health Worker Accommodation (North and South Sector)	6,000,000
Education Support Simulation Centre	1,008,471
Orange Health Service ENT Outpatient Clinic	346,338
Western Sydney Local Health District	
Palliative Care Refurbishment	2,119,666
Westmead Radiation Oncology-Replace CT and Install MRI	5,650,623
Westmead Radiology 1.5T MRI Upgrade	1,100,000

Major problems and issues which arose from major capital works in progress

There were no major capital program problems or issues evident in the reporting period.

Major works in progress, cost to date, dates of completion, significant cost overruns or delays/amendments

There were no significant cost overruns, delays or amendments evident in the reporting period.



INDEPENDENT AUDITOR'S REPORT

Ministry of Health (the Ministry) and the Consolidated Entity

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Ministry of Health (the Ministry) and the Consolidated Entity, which comprises the Statement by the Accountable Authority, the Statements of Comprehensive Income for the year ended 30 June 2023, the Statements of Financial Position as at 30 June 2023, the Statements of Changes in Equity and the Statements of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information of the Ministry and the Consolidated Entity. The Consolidated Entity comprises the Ministry and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the financial position, financial performance and cash flows of the Ministry and the Consolidated Entity.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Ministry and the Consolidated Entity in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements for the year ended 30 June 2023. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

Key Audit Matter	How my audit addressed the matter
Valuation of property, plant and equipment	
<p><i>Refer to Note 25 Property, plant and equipment</i></p> <p>At 30 June 2023, the Consolidated Entity reported \$28.4 billion in infrastructure, property, plant and equipment measured at fair value comprised of:</p> <ul style="list-style-type: none"> \$26.0 billion - land and buildings \$1.5 billion - plant and equipment \$0.9 billion - infrastructure. <p>I considered this area a key audit matter due to the:</p> <ul style="list-style-type: none"> financial significance, geographical distribution and specialised or unique nature of health and health infrastructure assets; high degree of management judgement required in respect of classifying project costs as capital or expense; and complexities associated with the application of AASB 13 Fair Value Measurement being dependent on assumptions that require significant judgement in areas such as: <ul style="list-style-type: none"> identifying components of buildings and determining their current replacement cost forecasting remaining useful lives application of discount rates assessment of the conditions of the assets assessment of the financial impact of indicators of impairment. 	<p>To address the key audit matter, I:</p> <ul style="list-style-type: none"> assessed the adequacy of management's review of the valuation process; assessed the competence, capabilities and objectivity of management's valuers; reviewed the scope and instructions provided to the valuers and obtained an understanding of the methodology used and its appropriateness with reference to relevant Australian Accounting Standards and Treasurer's Directions; assessed the appropriateness of the components of buildings used for measuring gross replacement cost with reference to common industry practice; tested a sample of costs allocated to work in progress to assess the appropriateness of capitalisation; evaluated whether the useful lives applied to the various asset classes were consistent with management's planned usage of those assets; assessed the reasonableness and appropriateness of judgement used by management to assess non-financial assets for impairment. This included the process employed to monitor impairment indicators; and assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards and Treasurer's Directions.
Existence and valuation of COVID-19 related inventories (including Rapid Antigen Tests {RATs})	
<p><i>Refer to Note 22 Inventories</i></p> <p>At 30 June 2023, the Consolidated Entity reported a total net inventory balance of \$451.6 million (COVID-19 related inventories balance was \$412.7 million; of which, \$68.78 million related to RATs). This was comprised of a total gross inventory balance of \$737.4 million, offset by a total impairment provision of \$285.8 million (RATs: \$251.2 million; General: \$34.6 million)</p> <p>I considered this area a key audit matter due to the complexities associated with:</p> <ul style="list-style-type: none"> procurement and distribution processes with the Commonwealth; obtaining a reliable measurement base for vaccines received free of charge; and 	<p>To address the key audit matter, I:</p> <ul style="list-style-type: none"> reviewed and verified the key components of management's approach to valuing COVID-19 inventory lines relevant for the 2022-23 financial reporting period; obtained an understanding of the systems and processes relied upon to manage inventory holdings; assessed the inputs and logic applied in arriving at the 2023 inventory impairment assessment; and tested a sample of transactions verifying price and quantity movements back to supporting documentation.

Key Audit Matter**How my audit addressed the matter**

- an evolving environment where responses to the COVID-19 pandemic during 2023 were different to previous years.

Recognition and measurement of grants and contributions revenue*Refer to Note 11 Grants and Other Contributions*

Of the \$9.1 billion recognised as grants and other contributions revenue during the year, over \$8 billion related to the funding arrangements through the National Health Reform Agreement (NHRA) and the National Partnership Agreement (NPA) in 2022-23.

I considered this area a key audit matter due to the:

- significance of the balance relative to the Consolidated Entity's Statement of Comprehensive Income;
- different types of performance obligations attached to each revenue stream;
- continuous funding received over more than one financial reporting period; and
- evolving environment where certain funding streams and agreements were wound up in 2023.

To address the key audit matter, I:

- documented and understood the nature of the key revenue streams relating to the NHRA and NPA;
- reviewed the terms and conditions contained within the key funding agreements entered with the Commonwealth;
- assessed the key accounting treatments applied to each type of grant funding stream;
- understood and assessed the implications resulting from expiration of any agreement; and
- reviewed a sample of transactions to ensure the appropriate accounting treatment had been applied.

Provision for Parental Leave*Refer to Note 34 Provisions*

At 30 June 2023, the Consolidated Entity reported a \$117.5 million provision in relation to enhanced paid parental leave entitlements.

Before 1 October 2022, the parent with primary responsibility for the care of their child at the time of birth, adoption or surrogacy could take up to 14 weeks of paid parental leave.

The other parent could take 2 weeks paid parental leave at the time of birth, adoption or surrogacy plus up to 12 weeks paid parental leave if they assumed primary responsibility for the care of their child during that period (and their partner has returned to work or study).

Under the new entitlements, that came into effect for eligible NSW Government sector employees who have babies born on or after 1 October 2022 (regardless of the expected date of birth) and have at least 40 weeks of continuous service, both parents can take up to 14 weeks paid parental leave (and a further 2 weeks bonus leave if certain conditions are met). This is also now available to employees who become parents or guardians to a child under a permanent out of home care order.

I considered this area a key audit matter due to the:

- significance of the balance; and
- complexities regarding inputs used in calculating the balance.

To address the key audit matter, I:

- obtained and understood management's process supporting the calculation of the balance;
- tested the reasonableness of assumptions underlying the provision balance; and
- performed detailed testing on a sample of employees included in the provision balance to ensure these employees met the eligibility criteria.

Secretary's Responsibilities for the Financial Statements

The Secretary is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the GSF Act, GSF Regulation and Treasurer's Directions. The Secretary's responsibility also includes such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the ability of the Ministry and the Consolidated Entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar5.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Ministry and the Consolidated Entity carried out their activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Lisa Berwick
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

3 November 2023
SYDNEY

Ministry of Health

Statement by the Accountable Authority



for the year ended 30 June 2023

We state, pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('GSF Act'):

1. The financial statements of the Ministry of Health for the year ended 30 June 2023 have been prepared in accordance with:
 - a. Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
 - b. applicable requirements of the GSF Act, the *Government Sector Finance Regulation 2018*; and
 - c. Treasurer's Directions issued under the GSF Act.
2. The financial statements present fairly the Ministry of Health's financial position as at 30 June 2023 and the financial performance and cash flows for the year then ended.
3. We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

A handwritten signature in black ink that reads 'Susan Pearce'.

Susan Pearce AM
Secretary, NSW Health

27 October 2023

A handwritten signature in black ink that reads 'Steve Carr'.

Steve Carr
**Acting Deputy Secretary, Financial Services and Asset
Management and Chief Financial Officer, NSW Health**

27 October 2023

Ministry of Health

Statement of Comprehensive Income for the year ended 30 June 2023

		Consolidated Actual 2023 \$000	Consolidated Budget 2023 \$000	Consolidated Actual Restated 2022 \$000	Parent Actual 2023 \$000	Parent Actual 2022 \$000
	Notes					
Continuing operations						
Expenses excluding losses						
Employee related expenses	2	17,192,005	18,224,727	16,165,945	262,087	237,324
Operating expenses	3	8,969,218	9,117,307	9,678,753	1,232,023	1,425,977
Depreciation and amortisation	4	1,377,606	1,384,749	1,215,765	10,903	38,067
Grants and subsidies	5	1,872,061	1,833,475	2,004,750	25,541,940	24,805,558
Finance costs	6	118,624	124,267	126,386	13	13,007
Total expenses excluding losses		29,529,514	30,684,525	29,191,599	27,046,966	26,519,933
Revenue						
Appropriations	8	17,588,577	18,729,865	17,135,207	17,588,577	17,135,207
Acceptance by the Crown ¹ of employee benefits and other liabilities	12	420,395	501,250	(98,059)	8,033	660
Sale of goods and services from contracts with customers	9	2,911,285	2,784,707	2,517,515	238,788	187,150
Investment revenue	10	73,239	33,185	5,894	3,875	857
Grants and other contributions	11	9,112,271	9,153,087	10,498,607	8,526,537	9,660,037
Other income	13	75,631	109,610	76,376	18,837	18,054
Total revenue		30,181,398	31,311,704	30,135,540	26,384,647	27,001,965
Operating result		651,884	627,179	943,941	(662,319)	482,032
Gains / (losses) on disposal	14	(27,429)	-	127,658	(189)	113,000
Impairment losses on financial assets	20	(57,087)	-	(63,439)	(595)	-
Other gains / (losses)	15	(164,036)	(10,283)	(65,755)	(41)	-
Net result from continuing operations		403,332	616,896	942,405	(663,144)	595,032
Net result from discontinued operations		-	-	-	-	-
Net result		403,332	616,896	942,405	(663,144)	595,032

Ministry of Health

Statement of Comprehensive Income for the year ended 30 June 2023 (continued)

		Consolidated Actual	Consolidated Budget	Consolidated Actual Restated	Parent Actual	Parent Actual
	Notes	2023 \$000	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Other comprehensive income						
<i>Items that will not be reclassified to net result in subsequent periods</i>						
Changes in revaluation surplus of property, plant and equipment	25	1,391,934	-	2,169,321	4,586	23,648
Total other comprehensive income		1,391,934	-	2,169,321	4,586	23,648
TOTAL COMPREHENSIVE INCOME		1,795,266	616,896	3,111,726	(658,558)	618,680

¹Crown represents 'The Crown in right of the State of New South Wales'.

See Note 17 for details regarding restated prior year balances for the consolidated entity.

The accompanying notes form part of these financial statements.

Ministry of Health

Statement of Financial Position as at 30 June 2023

		Consolidated	Consolidated	Consolidated	Consolidated	Parent	Parent
		Actual	Budget	Actual	Actual	Actual	Actual
		2023	2023	Restated	Restated	2023	2022
	Notes	\$000	\$000	2022	1 July 2021	\$000	\$000
				\$000	\$000		
ASSETS							
Current assets							
Cash and cash equivalents	19	2,475,288	1,594,185	2,887,006	2,031,071	426,486	614,647
Receivables	20	1,152,214	1,103,413	1,462,370	1,249,015	217,780	648,384
Contract assets	21	2,260	1,794	1,307	1,794	460	363
Inventories	22	451,621	141,544	845,077	635,787	33,589	39,898
Financial assets at fair value	23	97,322	155,992	98,475	161,750	-	-
Other financial assets	24	46	73	77	3,073	206,553	500,800
		4,178,751	2,997,001	5,294,312	4,082,490	884,868	1,804,092
Non-current assets held for sale	28	304	294	3,304	2,835	-	-
Total current assets		4,179,055	2,997,295	5,297,616	4,085,325	884,868	1,804,092
Non-current assets							
Receivables	20	150,259	12,288	22,696	35,441	-	-
Financial assets at fair value	23	9,148	26,264	9,911	32,122	-	-
Other financial assets	24	88,541	-	86,413	84,369	-	3,028
Property, plant and equipment							
- Land and buildings	25	26,039,753	24,234,843	24,152,287	21,521,208	169,391	172,288
- Plant and equipment	25	1,521,397	1,769,553	1,484,798	1,377,023	18,141	26,222
- Infrastructure systems	25	881,665	576,093	711,766	617,435	941	988
Total property, plant and equipment		28,442,815	26,580,489	26,348,851	23,515,666	188,473	199,498
Right-of-use assets	26	626,715	520,991	612,731	1,114,697	776	17,671
Intangible assets	27	732,046	888,346	697,217	689,554	7,072	3,208
Other non-current assets		-	88,361	-	-	-	-
Total non-current assets		30,049,524	28,116,739	27,777,819	25,471,849	196,321	223,405
Total assets		34,228,579	31,114,034	33,075,435	29,557,174	1,081,189	2,027,497

Ministry of Health

Statement of Financial Position as at 30 June 2023 (continued)

		Consolidated	Consolidated	Consolidated	Consolidated	Parent	Parent
		Actual	Budget	Actual	Actual	Actual	Actual
		2023	2023	Restated	Restated	2023	2022
Notes		\$000	\$000	\$000	1 July 2021	\$000	\$000
LIABILITIES							
Current liabilities							
Payables	31	1,941,442	2,063,077	2,376,208	1,881,948	560,116	874,999
Contract liabilities	32	57,031	69,271	56,030	70,587	545	1,670
Borrowings	33	180,621	169,872	168,040	185,131	156	11,007
Provisions	34	3,287,690	2,995,452	3,481,653	2,869,052	81,191	42,718
Other current liabilities	35	120,194	105,580	91,209	136,045	3,000	3,000
Total current liabilities		5,586,978	5,403,252	6,173,140	5,142,763	645,008	933,394
Non-current liabilities							
Contract liabilities	32	556	31,682	1,081	-	-	-
Borrowings	33	1,479,710	1,381,985	1,503,033	2,124,812	629	6,482
Provisions	34	54,321	63,443	61,230	64,231	720	659
Other non-current liabilities	35	318,605	312,443	334,404	334,547	-	-
Total non-current liabilities		1,853,192	1,789,553	1,899,748	2,523,590	1,349	7,141
Total liabilities		7,440,170	7,192,805	8,072,888	7,666,353	646,357	940,535
Net assets		26,788,409	23,921,229	25,002,547	21,890,821	434,832	1,086,962
EQUITY							
Reserves		11,083,538	8,549,530	9,701,661	7,544,820	155,796	151,210
Accumulated funds		15,704,871	15,371,699	15,300,886	14,346,001	279,036	935,752
Total equity		26,788,409	23,921,229	25,002,547	21,890,821	434,832	1,086,962

See Note 17 for details regarding restated prior year balances for the consolidated entity.

The accompanying notes form part of these financial statements.

Ministry of Health

Statement of Changes in Equity for the year ended 30 June 2023

CONSOLIDATED	Notes	Accumulated Funds \$000	Asset Revaluation Surplus \$000	Total \$000
Balance at 1 July 2022		15,317,397	9,701,661	25,019,058
Correction of error - long service leave calculations	17	(16,511)	-	(16,511)
Restated balance at 1 July 2022		15,300,886	9,701,661	25,002,547
Net result for the year		403,332	-	403,332
Other comprehensive income:				
Net changes in revaluation surplus of property, plant and equipment	25	-	1,391,934	1,391,934
Total other comprehensive income		-	1,391,934	1,391,934
Total comprehensive income for the year		403,332	1,391,934	1,795,266
Transfer of asset revaluation surplus to accumulated funds on disposal of assets		10,057	(10,057)	-
Transactions with owners in their capacity as owners				
Increase / (decrease) in net assets from equity transfers	36	(9,404)	-	(9,404)
Balance at 30 June 2023		15,704,871	11,083,538	26,788,409
Balance at 1 July 2021				
		14,364,873	7,544,820	21,909,693
Correction of error - long service leave calculations	17	(18,872)	-	(18,872)
Restated balance at 1 July 2021		14,346,001	7,544,820	21,890,821
Restated net result for the year		942,405	-	942,405
Other comprehensive income:				
Net changes in revaluation surplus of property, plant and equipment	25	-	2,169,321	2,169,321
Total other comprehensive income		-	2,169,321	2,169,321
Restated total comprehensive income for the year		942,405	2,169,321	3,111,726
Transfer of asset revaluation surplus to accumulated funds on disposal of assets		12,480	(12,480)	-
Restated balance at 30 June 2022		15,300,886	9,701,661	25,002,547

See Note 17 for details regarding restated prior year balances for the consolidated entity.

The accompanying notes form part of these financial statements.

Ministry of Health

Statement of Changes in Equity for the year ended 30 June 2023 (continued)

PARENT	Notes	Accumulated Funds \$000	Asset Revaluation Surplus \$000	Total \$000
Balance at 1 July 2022		935,752	151,210	1,086,962
Net result for the year		(663,144)	-	(663,144)
Other Comprehensive Income				
Net changes in revaluation surplus of property, plant and equipment	25	-	4,586	4,586
Total other comprehensive income		-	4,586	4,586
Total comprehensive income for the year		(663,144)	4,586	(658,558)
Transactions with owners in their capacity as owners				
Increase / (decrease) in net assets from equity transfers	36	6,428	-	6,428
Balance at 30 June 2023		279,036	155,796	434,832
Balance at 1 July 2021		325,622	132,542	458,164
Net result for the year		595,032	-	595,032
Other comprehensive income				
Net changes in revaluation surplus of property, plant and equipment	25	-	23,648	23,648
Total other comprehensive income		-	23,648	23,648
Total comprehensive income for the year		595,032	23,648	618,680
Transfer of asset revaluation surplus to accumulated funds on disposal of assets		4,980	(4,980)	-
Transactions with owners in their capacity as owners				
Increase / (decrease) in net assets from equity transfers	36	10,118	-	10,118
Balance at 30 June 2022		935,752	151,210	1,086,962

The accompanying notes form part of these financial statements.

Ministry of Health

Statement of Cash Flows for the year ended 30 June 2023

	Notes	Consolidated Actual 2023 \$000	Consolidated Budget 2023 \$000	Consolidated Actual 2022 \$000	Parent Actual 2023 \$000	Parent Actual 2022 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee related		(17,180,143)	(17,881,087)	(16,017,031)	(263,417)	(240,411)
Suppliers for goods and services		(10,286,776)	(9,863,695)	(10,416,343)	(1,678,736)	(1,132,254)
Grants and subsidies		(1,846,428)	(1,775,966)	(1,921,670)	(25,525,039)	(24,911,141)
Finance costs		(118,624)	(124,267)	(126,386)	(13)	(13,008)
Total payments		(29,431,971)	(29,645,015)	(28,481,430)	(27,467,205)	(26,296,814)
Receipts						
Appropriations		17,588,577	18,729,865	17,135,207	17,588,577	17,135,207
Reimbursements from the Crown ¹		285,694	-	266,380	3,593	5,076
Sale of goods and services		2,780,170	2,765,322	2,536,109	152,620	176,921
Interest received		63,750	31,325	14,088	3,875	857
Grants and other contributions		9,498,243	9,145,130	10,100,072	8,970,484	9,417,131
Other		1,163,163	1,609,413	1,129,002	263,136	220,440
Total receipts		31,379,597	32,281,055	31,180,858	26,982,285	26,955,632
NET CASH FLOWS FROM OPERATING ACTIVITIES	41	1,947,626	2,636,040	2,699,428	(484,920)	658,818
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of property, plant and equipment and intangibles						
Proceeds from sale of property, plant and equipment and intangibles		25,289	15,000	16,284	6,428	10,133
Proceeds from sale of financial assets		9,334	2,923	132,365	-	-
Purchases of property, plant and equipment and intangibles						
Purchases of property, plant and equipment and intangibles		(2,208,865)	(2,448,017)	(1,751,079)	(6,775)	(6,511)
Purchases of financial assets						
Purchases of financial assets		-	-	(42,949)	-	-
Other						
Other		78	(305,733)	75	297,274	(188,391)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(2,174,164)	(2,735,827)	(1,645,304)	296,927	(184,769)

Ministry of Health

Statement of Cash Flows for the year ended 30 June 2023 (continued)

	Notes	Consolidated Actual 2023 \$000	Consolidated Budget 2023 \$000	Consolidated Actual 2022 \$000	Parent Actual 2023 \$000	Parent Actual 2022 \$000
CASH FLOWS FROM FINANCING						
ACTIVITIES						
Proceeds from borrowings and advances		-	(600)	-	-	-
Repayment of borrowings and advances		(25,811)	(170,216)	(23,200)	-	-
Payment of principal portion of service concession financial liability		(1,464)	-	(1,359)	-	-
Payment of principal portion of lease liabilities		(160,109)	-	(173,761)	(168)	(19,470)
Proceeds / (payment) of derivatives		2,250	-	-	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		(185,134)	(170,816)	(198,320)	(168)	(19,470)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS						
Opening cash and cash equivalents		2,887,006	1,864,788	2,031,071	614,647	160,068
Effects of exchange rate changes on cash and cash equivalents		(46)	-	131	-	-
CLOSING CASH AND CASH EQUIVALENTS	19	2,475,288	1,594,185	2,887,006	426,486	614,647

¹Crown represents 'The Crown in right of the State of New South Wales'.

The accompanying notes form part of these financial statements.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

1. Statement of Significant Accounting Policies

(a) Reporting entity

The Ministry of Health (the Ministry or Parent) is a NSW government entity and is controlled by the State of New South Wales, which is the immediate and ultimate parent. The Ministry is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The Ministry and its controlled entities are consolidated as part of the NSW Total State Sector Accounts.

The Ministry and its controlled entities are collectively referred to as the consolidated entity.

The Ministry controls the Local Health Districts established from 1 January 2011, as well as other controlled entities constituted under the *Health Services Act 1997* which include:

- Agency for Clinical Innovation
- Albury Base Hospital
- Albury Wodonga Health Employment Division
- Bureau of Health Information
- Cancer Institute NSW
- Central Coast Local Health District
- Clinical Excellence Commission
- Far West Local Health District
- Graythwaite Charitable Trust (per Supreme Court order)
- Health Administration Corporation
- Health Education and Training Institute
- Hunter New England Local Health District
- Illawarra Shoalhaven Local Health District
- Justice Health and Forensic Mental Health Network
- Mid North Coast Local Health District
- Murrumbidgee Local Health District
- Nepean Blue Mountains Local Health District
- Northern NSW Local Health District
- Northern Sydney Local Health District
- South Eastern Sydney Local Health District
- South Western Sydney Local Health District
- Southern NSW Local Health District
- Sydney Local Health District
- The Sydney Children's Hospitals Network
- Western NSW Local Health District
- Western Sydney Local Health District

The Health Administration Corporation includes the operations of:

- Ambulance Service of NSW
- eHealth NSW
- Health Infrastructure
- Health System Support Group
- HealthShare NSW
- NSW Health Pathology

The consolidated financial statements also include results for the parent entity thereby capturing the central administrative function of the Ministry.

These consolidated financial statements for the year ended 30 June 2023 have been authorised for issue by the Secretary, NSW Health on the date the accompanying statement was signed.

(b) Principles of consolidation

The consolidated financial statements comprise the financial statements of the parent entity and its controlled entities, after elimination of all inter-entity transactions and balances. The controlled entities are consolidated from the date the parent entity obtained control and until such time as control passes.

The financial statements of the controlled entities are prepared for the same reporting period as the parent entity using uniform accounting policies for like transactions and other events in similar circumstances. As a result, no adjustments were required for any dissimilar accounting policies.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

1. Statement of Significant Accounting Policies (continued)

(c) Basis of preparation

The consolidated financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of the *Government Sector Finance Act 2018* ('GSF Act'); and
- Treasurer's Directions issued under the GSF Act.

Property, plant and equipment, assets held for sale and certain financial assets and liabilities are measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

The consolidated entity has determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current inquiries, other information currently available to management, and after considering the facts from a decision in the Federal Court of Australia: *Finance Sector Union of Australia v Commonwealth Bank of Australia [2022] FedCFamC2G 409*. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period.

This position will be re-assessed in future reporting periods as new information comes to light on this matter.

Judgements, key assumptions, and estimations management has made are disclosed in the relevant notes to the consolidated financial statements.

The consolidated financial statements have been prepared on a going concern basis, which assumes it will be able to meet its obligations as and when they fall due.

All amounts are rounded to the nearest one thousand dollars (unless otherwise stated) and are expressed in Australian currency, which is the consolidated and the parent entity's presentation and functional currency.

(d) Statement of Compliance

The consolidated financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.

(e) Accounting for the Goods & Services tax (GST)

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

- amount of GST incurred by the consolidated and parent entity as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

1. Statement of Significant Accounting Policies (continued)

(f) Foreign currency translation

Transactions in foreign currencies are recorded using the spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the end of the reporting date.

Differences arising on settlement or translation of monetary items are recognised in net result.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or net results are also recognised in other comprehensive income or net results, respectively).

(g) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

Certain comparative information has been restated as a result of a prior period error (refer to Note 17) or reclassified to ensure consistency with current year presentation.

(h) Changes in estimates

(i) Asset componentisation

During 2023, the consolidated entity conducted a review of the useful lives of its specialised buildings. As part of the review, new depreciation useful lives were determined for each of the four major specialised building components, which previously were all depreciated over 40 years. As a result, the consolidated entity has revised the accounting policy for the useful lives for specialised buildings, effective from 1 July 2022. The new useful lives were determined as follows:

	Useful lives	Useful lives
	2023	2022
Structure / shell / building fabric	70 years	40 years
Fit out	30 years	40 years
Combined fit out and trunk reticulated building systems	30 years	40 years
Site engineering services / central plant	55 years	40 years

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

1. Statement of Significant Accounting Policies

(h) Changes in estimates (continued)

(i) Asset componentisation (continued)

The net effect of the change in useful lives on actual and expected depreciation expense (increase / (decrease)), included in the Statement of Comprehensive Income is as follows:

CONSOLIDATED

	30 June 2023 Actual \$'000	Future years Expected \$'000
Expenses		
Depreciation and amortisation	27,136	28,594

PARENT

The change in useful lives had no impact on the depreciation and amortisation expense of the parent entity as it has no specialised buildings.

(i) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in FY2022-23

Several amendments and interpretations apply for the first time in 2022-23. The consolidated entity has assessed the new and amended standards and interpretations that are effective for the first time and have determined they are unlikely to have a material impact on the financial statements of the consolidated entity.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise.

(j) Impact of COVID-19 on financial reporting for 2022-23

The COVID-19 pandemic continues to have some impact on the activities and services being delivered by the consolidated and parent entity. Additional disclosures on COVID-19 impacts on the financial reporting have been made in the following notes:

- Note 3 Operating expenses
- Note 5 Grants and subsidies
- Note 9 Sale of goods and services from contracts with customers
- Note 11 Grants and other contributions
- Note 15 Other gains / (losses)
- Note 22 Inventories

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

2. Employee related expenses

	Consolidated 2023 \$000	Consolidated ¹ 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Salaries and wages*	14,938,694	14,679,244	190,517	178,563
Superannuation - defined benefit plan	55,731	63,602	697	802
Superannuation - defined contribution plan	1,459,171	1,354,373	16,384	14,784
Long service leave	374,891	(223,113)	7,976	(777)
Redundancies	11,409	9,781	170	-
Workers' compensation insurance	336,991	270,337	31,950	33,111
Payroll tax and fringe benefits tax	15,118	11,721	14,393	10,841
	17,192,005	16,165,945	262,087	237,324

¹ 'Long service leave' has been restated to be lower by \$19.17 million in the prior year for the consolidated entity. Refer to Note 17 for further details regarding restatement as a result of an error.

* Salaries and wages includes annual leave, accrued days off (ADOs) and parental leave.

Refer to Note 34 for further details on recognition and measurement of employee related expenses.

Employee related costs of \$40.21 million (2022: \$37.17 million) (parent entity: \$Nil (2022: \$Nil)) have been capitalised in property, plant and equipment and intangible assets and are excluded from the above.

The long service leave in 2022 was impacted by significant changes in actuarial factors decreasing the employee benefit liabilities assumed by the Crown for the consolidated and parent entity.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

3. Operating expenses

	Consolidated 2023 \$000	Consolidated ^{1,2} 2022 \$000	Parent 2023 \$000	Parent ² 2022 \$000
Ambulance transportation costs	146,797	126,209	59	87
Auditor's remuneration	5,301	5,298	1,006	984
Blood and blood products	185,818	182,809	41,924	42,598
Capital project expense	45,131	70,690	-	4,610
Works performed for entities controlled by the ultimate parent	5,333	-	-	-
Consultants	23,357	22,264	4,636	3,705
Contractors	238,471	295,481	11,777	21,618
Disability equipment support services ¹	8,776	10,944	-	-
Domestic supplies and services	205,818	242,651	1,100	1,245
Electricity, gas and water	212,071	171,580	766	669
Food Supplies	137,341	130,005	-	-
Information management expenses	436,320	366,519	39,463	26,700
Insurance	438,039	349,890	395,133	311,074
Interstate patient outflows	340,888	325,430	340,888	325,430
Legal services	17,441	15,808	4,402	4,435
Maintenance (see (a) below)	695,823	711,807	5,623	2,631
Medical and surgical supplies	1,186,281	1,361,142	97,196	190,388
Motor vehicle expenses	59,071	45,193	126	65
Occupancy agreement expenses - Property NSW	47,409	-	21,184	-
Office expenses	100,446	109,005	2,600	5,046
Expenses relating to short-term leases	41,361	54,270	15	68
Expenses relating to leases of low-value assets	20,325	36,215	293	810
Variable lease payments, not included in lease liabilities	-	13	-	-
Other management services	160,580	313,578	56,579	76,749
Outsourced patient care	665,265	787,444	14,022	60,605
Pharmaceutical supplies	1,127,510	1,083,289	138,392	148,517
Specialised health services	703,068	1,139,237	16,518	2,863
Staff related costs	282,942	212,482	7,619	7,826
Travel expenses	138,997	65,420	1,989	1,043
Viability payments to private hospitals	8,977	150,122	8,977	150,122
Visiting medical officers	1,034,722	1,005,718	-	-
Warehousing expenses	26,302	31,115	-	17,476
General expenses ²	223,237	257,125	19,736	18,613
	8,969,218	9,678,753	1,232,023	1,425,977

¹ Cost incurred under the Enable NSW program for disability equipment support services has been reclassified from 'maintenance' to 'disability equipment support services' in the current year. The prior period comparatives have been restated with an increase in 'disability equipment support services' of \$10.94 million and decrease in 'maintenance' of \$10.94 million in the consolidated entity.

² Cost for all bank fees, commercial card charges and debt collection fees were previously classified under finance costs (refer to Note 6) and has now been reclassified to 'general expenses'. The prior period comparatives have been restated in the consolidated and parent entity with a decrease in 'finance costs' by \$3.24 million (parent entity: \$0.01 million) and an increase in 'general expenses' by \$3.24 million (parent entity: \$0.01 million).

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

3. Operating expenses (continued)

During the current year, the consolidated and parent entity made a 50 per cent contribution of \$19.04 million (2022: \$103.58 million) towards providing rapid antigen tests to concession card holders. The contribution was made in agreement with National Cabinet to support the concession card holders to obtain access to subsidised rapid antigen tests through pharmacies. The amounts are disclosed under medical and surgical supplies.

Medical and surgical supplies also includes \$73.37 million (2022: \$76.97 million) of the cost of personal protective equipment sold to the Commonwealth government for inclusion in the national medical stockpile.

Pharmaceutical supplies includes \$2.54 million (2022: \$116.83 million) of COVID-19 vaccinations administered by vaccination clinics within the consolidated entity. Refer to Note 22 for further details on COVID-19 vaccines.

Specialised health services includes \$149.75 million (2022: \$489.49 million) of COVID-19 polymerase chain reaction (PCR) tests and rapid antigen tests provided by private pathology clinics, saliva testing costs and sewerage surveillance monitoring within the consolidated entity.

Apart from the above-mentioned items, the majority of the costs in relation to food supplies, medical and surgical supplies and pharmaceutical supplies relate to the consumption of inventory held by the consolidated entity.

General expenses of \$223.24 million (2022: \$257.13 million) includes advertising and marketing, courier and freight, taxes, rates and related charges, hosted services purchased from local health districts (for parent entity), isolated patient travel and accommodation assistance and security services.

(a) Reconciliation of total maintenance expense

	Consolidated 2023 \$000	Consolidated ¹ 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Maintenance contracts	258,027	241,051	589	442
New/replacement equipment under \$10,000 ¹	252,577	283,528	1,361	864
Repairs maintenance/non contract	184,830	186,657	3,673	1,323
Other	389	571	-	2
Maintenance expense - contracted labour and other (non-employee related), as above	695,823	711,807	5,623	2,631
Employee related maintenance expense (Note 2)*	63,728	66,313	-	-
Total maintenance expenses	759,551	778,120	5,623	2,631

¹ 'New/replacement equipment under \$10,000' has been restated lower by \$10.94 million in the prior period in the consolidated entity as a result of certain expenses reclassified to 'disability equipment support services' in Note 3.

* This balance consists of employees who have been classified as providing maintenance services for the consolidated entity and the expense is included in employee related expenses in Note 2.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

3. Operating expenses (continued)

Recognition and Measurement

Operating expenses includes non-employee costs incurred in delivering the services provided by the consolidated entity. These expenses are recognised in the reporting period in which they are incurred.

Maintenance expense

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

Insurance

The consolidated entity's insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self insurance for Government entities. The expense (premium) is determined by Insurance and Care NSW (icare), an entity controlled by the ultimate parent, based on past claims experience. The TMF is operated by NSW Self Insurance Corporation (SiCorp), an entity controlled by the ultimate parent.

Lease expenses

The consolidated entity recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term. i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments 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, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

4. Depreciation and amortisation

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Depreciation - buildings	812,353	660,710	9,012	7,217
Depreciation - plant and equipment	260,267	243,810	1,149	774
Depreciation - infrastructure systems	37,407	31,862	114	104
Depreciation - right-of-use land and buildings	71,974	99,513	130	29,190
Depreciation - right-of-use plant and equipment	89,255	87,620	45	37
Amortisation - intangible assets	106,350	92,250	453	745
	1,377,606	1,215,765	10,903	38,067

Depreciation - buildings for the consolidated entity is higher by \$27.14 million in 2023 due to a change in the useful lives of specialised buildings. The parent entity does not hold any specialised buildings. Refer to Note 1(h) for further details.

Refer to Note 25 Property, plant and equipment, Note 26 Leases and Note 27 Intangible assets for recognition and measurement policies on depreciation and amortisation.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

5. Grants and subsidies

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Payments to entities controlled by the Ministry	-	-	24,188,995	23,327,142
Payments to Affiliated Health Organisations ^{1,2}	817,091	880,196	475,687	529,304
Payments to other public health services not controlled by the Ministry ¹	167,901	143,750	167,901	143,750
Grants provided to support:				
- Community packages	25,234	22,639	-	-
- Grants to research organisations	118,296	121,436	89,023	90,641
- Non-Government organisations	186,906	177,977	94,740	90,549
Grants to entities controlled by the ultimate parent ³	172,475	312,939	170,244	310,713
Other grants ^{2,3}	384,158	345,813	355,350	313,459
	1,872,061	2,004,750	25,541,940	24,805,558

¹ Grants paid to public health services that are not controlled by the consolidated entity has been reclassified from 'payments to Affiliated Health Organisations' to 'payments to other public health services not controlled by the Ministry'. The prior period comparatives have been restated with an increase in 'payments to other public health services not controlled by the Ministry' of \$143.75 million and a decrease in 'payments to Affiliated Health Organisations' of \$143.75 million in the consolidated and parent entity.

² Grants paid under the Housing and Accommodation Support Initiative (HASI) and Community Living Supports (CLS) program has been reclassified from 'payments to Affiliated Health Organisations' to 'other grants'. The prior period comparatives have been restated with an increase in 'other grants' of \$92.31 million and a decrease in 'payments to Affiliated Health Organisations' of \$92.31 million in the consolidated and parent entity.

³ Grants paid to Health cluster entities that are not part of the consolidated entity has been reclassified from 'other grants' to 'grants to entities controlled by the ultimate parent'. The prior period comparatives have been restated with an increases in 'grants to entities controlled by the ultimate parent' of \$31.52 million and decrease in 'other grants' of \$31.52 million in the consolidated and parent entity.

Grants to entities controlled by the ultimate parent includes \$7.77 million (2022: \$101.80 million) of personal protective equipment and \$131.45 million (2022: \$162.02 million) of rapid antigen testing kits provided to entities controlled by ultimate parent by the consolidated and parent entity for nil consideration.

Other grants includes \$14.08 million (2022: \$2.30 million) of personal protective equipment and rapid antigen testing kits the consolidated and parent entity granted to external third parties for nil consideration. Also included within the consolidated entity balance is \$0.13 million (2022: \$0.39 million) of COVID-19 vaccines granted to external third parties for nil consideration. Refer to Note 22 for further details on COVID-19 vaccines.

Other grants also includes \$198.52 million (2022: \$204.34 million) towards various mental health programs and \$88.22 million (2022: \$92.31 million) towards the Housing and Accommodation Support Initiative (HASI) and Community Living Supports (CLS) program in the consolidated and parent entity.

Recognition and Measurement

Grants and subsidies generally comprise contributions in cash or in kind to controlled entities of the Ministry (from the parent entity), affiliated health organisations, various local government authorities and not-for-profit community organisations to support their health-related objectives and activities. Expenses are recognised on an accruals basis when the reporting entity has a present obligation under a contract to make the payment or upon the transfer of the cash or assets. The transferred assets are measured at their fair value.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

6. Finance costs

	Consolidated 2023 \$000	Consolidated ¹ 2022 \$000	Parent 2023 \$000	Parent ¹ 2022 \$000
Interest expense from lease liabilities	16,893	29,741	13	13,007
Interest expense from financial liabilities at amortised cost*	101,685	96,604	-	-
Other interest and charges	46	41	-	-
	118,624	126,386	13	13,007

¹ Cost for all bank fees, commercial card charges and debt collection fees were previously classified under 'other interest and charges' and has now been reclassified to 'operating expenses' (refer to Note 3). The prior period comparatives have been restated in the consolidated and parent entity with a decrease in 'other interest and charges' by \$3.24 million (parent entity: \$0.01 million) and an increase in 'operating expenses' by \$3.24 million (parent entity: \$0.01 million).

* Of the interest expense from financial liabilities at amortised cost, \$0.74 million (2022: \$0.78 million) related to financial liabilities relating to service concession arrangements. Refer to Note 25 for further details on service concession arrangements.

Recognition and Measurement

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Finance costs are recognised as expenses in the period in which they are incurred, in accordance with NSW Treasury's mandate to not-for-profit NSW General Government Sector entities.

7. Revenue

Recognition and Measurement

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* (AASB 15) or AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058), dependent on whether there is a contract with a customer defined by AASB 15.

Comments regarding the accounting policies for the recognition of income are discussed in Notes 8 to 13.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

8. Appropriations and transfers to The Crown in right of the State of New South Wales (Crown)

Summary of compliance at a lead minister level

	2023 \$000	2022 ¹ \$000
Original budget per <i>Appropriation Act</i>	18,729,865	15,786,794
Other appropriations / expenditure:		
Variations made to appropriations during the financial year		
- Section 4.9 GSF Act (transfer of functions between GSF agencies)	8,300	-
- Section 4.11 GSF Act (variations of annual appropriations for Commonwealth grants)	8,506	9,167
- Section 4.13 GSF Act Exigency of Government	-	1,247,904
- COVID-19 pandemic and inflation (per section 34 of the Appropriations Act)	-	162,313
Total spending authority from parliamentary appropriations, other than deemed appropriations	18,746,671	17,206,178
Add:		
The spending authority from deemed appropriations during the year	13,827,842	14,195,737
The unutilised spending authority from deemed appropriations in prior years	2,880,038	2,018,835
Total	35,454,551	33,420,750
Less: total expenditure out of the Consolidated Fund	(31,826,332)	(30,469,741)
Variance	3,628,219	2,951,009
Less:		
The spending authority from appropriations lapsed at 30 June	(1,158,094)	(70,971)
Deemed appropriations balance carried forward to following years	2,470,125	2,880,038
	2023	2022
	\$000	\$000
Appropriations (per Statement of Comprehensive Income)	17,588,577	17,135,207
Total amount drawn down against Annual Appropriations:	17,588,577	17,135,207

¹ Prior period amounts have been restated to align with amendments to sections 4.7 and 4.9 of the Government Sector Finance Act 2018.

The *Appropriation Act 2022* (Appropriations Act) appropriates the sum of \$18,729.86 million to the Minister for Health out of the Consolidated Fund for the services of the Ministry of Health for the year 2023. The spending authority of the Minister from the *Appropriations Act* has been delegated or subdelegated to officers of the Ministry of Health and entities that it is administratively responsible for, listed in Note 1 to the financial statements, with separate instruments of delegation issued to cluster agencies Mental Health Commission of New South Wales and Health Care Complaints Commission.

The *Treasury and Energy Legislation Amendment Act 2022* made some amendments to sections 4.7 and 4.9 of the *Government Sector Finance Act 2018* (the GSF Act). These amendments commenced on 14 November 2022 and are applied retrospectively. As a result, the lead Minister for each entity above, being the Minister for Health, is taken to have been given an appropriation out of the Consolidated Fund under the authority of section 4.7 of the GSF Act, at the time the entity receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the entity. These deemed appropriations are taken to have been given for the services of the Ministry of Health.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

8. Appropriations and transfers to The Crown in right of the State of New South Wales (Crown) (continued)

Summary of compliance at a lead minister level (continued)

In addition, government money that a GSF agency receives or recovers, from another GSF agency, of a kind prescribed by the GSF regulations that forms part of the Consolidated Fund, is now capable of giving rise to deemed appropriations where the receiving agency has a different lead Minister to the agency making the payment, or one or both of the agencies is a special office (as defined in section 4.7(8)).

On 16 June 2023, the *GSF Amendment (Deemed Appropriations) Regulation 2023* was approved to bring the GSF regulations in line with the above deemed appropriation amendments to the GSF Act.

The delegation / sub-delegations for 2023 and 2022, authorising officers to spend Consolidated Fund money, impose limits to the amounts of individual transactions, but do not specify an aggregate expenditure limit for the respective entities. However, as it relates to expenditure in reliance on a sum appropriated through an annual *Appropriations Act*, the delegation / sub-delegations are referable to the overall authority to spend set out in the relevant *Appropriations Act*. The individual transaction limits have been properly observed. The information in relation to the limit from the *Appropriations Act* is disclosed in the summary of compliance table above.

The summary of compliance has been prepared on the basis of aggregating the spending authorities of both the Minister for Health for the services of the Ministry of Health and the lead Ministers for the services of the entities listed above that receives or recovers deemed appropriation money. It reflects the status at the point in time this disclosure statement is being made.

The State Budget and related Appropriation Bill for year commencing 1 July 2023 was delayed and only tabled in September 2023. Pursuant to section 4.10 of the GSF Act, the Treasurer authorised the payment of specified sums out of the Consolidated Fund to meet the requirements of this period.

Recognition and Measurement

Parliamentary appropriations other than deemed appropriations

Income from appropriations, other than deemed appropriations (of which the accounting treatment is based on the underlying transaction), does not contain enforceable and sufficiently specific performance obligations as defined by AASB 15. Therefore, except as specified below, appropriations (other than deemed appropriations) are recognised as income when the entity obtains control over the asset comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

Appropriations are not recognised as income in the following circumstances:

- Equity appropriations to fund payments to adjust a for-profit entity's capital structure are recognised as equity injections (i.e. contribution by owners) on receipt and equity withdrawals on payment to a for-profit entity.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

9. Sale of goods and services from contracts with customers

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Sale of goods				
Sales and recoveries of pharmaceutical supplies	512,050	401,375	-	-
Sales of prostheses	62,288	55,989	-	-
Other ¹	105,988	69,885	73,370	38,483
	680,326	527,249	73,370	38,483
Rendering of services				
Patients				
Ambulance transportation fees	72,595	67,325	-	-
Fees for clinical services	57,089	52,236	-	-
Fees for medical services rendered	1,070,410	880,287	10,755	3,350
Interstate patient inflows	124,910	113,976	124,910	113,976
Motor accident third party insurance covered	165,379	134,825	-	-
Other patient fees	83,835	77,073	-	-
General Community				
Car parking fees	30,218	23,699	-	-
Commercial activities	50,240	50,652	-	-
Fees for non-medical services	3,860	3,507	-	-
Non-NSW Health entities				
Services provided to non NSW Health organisations	29,296	17,437	-	-
Entities controlled by the ultimate parent				
Fees for capital works performed	5,333	-	-	-
Other				
Fees for private usage of hospital's facilities	424,971	383,323	-	-
General user charges fees	52,663	57,327	2,782	4,589
Personnel service fees recharged	26,893	26,622	26,893	26,622
Hotel quarantine fees	(537)	68,424	-	-
Other services ¹	33,804	33,553	78	130
	2,230,959	1,990,266	165,418	148,667
	2,911,285	2,517,515	238,788	187,150

¹ Enteral nutrition income under 'Other - other services' has been reclassified to 'Sale of goods other' in the current year in the consolidated entity. The prior period 'Sale of goods other' has been restated higher by \$0.02 million and 'Other - other services' has been restated lower by \$0.02 million to reflect this change.

Sale of goods other in the consolidated and parent entity includes the sale of personal protective equipment of \$73.37 million (2022: \$38.48 million) sold to the Commonwealth for inclusion in the national medical stockpile.

The negative revenue for hotel quarantine fees is due to \$2.20 million of hotel quarantine fees being reversed due to approved exemptions and waivers. The hotel quarantine requirement in NSW ended on the 1 November 2021 for fully vaccinated arrivals and 30 April 2022 for unvaccinated arrivals.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

9. Sale of goods and services from contracts with customers (continued)

Recognition and Measurement

Sales of goods

Revenue from sale of goods is recognised when the consolidated entity satisfies the performance obligation by transferring the promised goods.

Type of good	Nature of timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Sales and recoveries of pharmaceutical supplies	The performance obligation of transferring pharmaceutical products is typically satisfied at the point in time when the products are dispensed to customers, which denotes acceptance by the customer, and therefore deemed as the point in time when the control is transferred to the customer. The payments are typically due within 30 days after the invoice date.	Revenue from these sales is recognised based on the price specified on the invoice, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a short credit term. No volume discount or warranty is provided on the sale.
Sales of prostheses	Relates to revenue generated for surgically implanted prostheses and medical devices. The performance obligation of transferring these products is typically satisfied at the point in time when the products are implanted in the body of the patient, which denotes acceptance by the customer, and therefore deemed as the point in time when the control is transferred to the customer. The payments are typically due within 30 days after the invoice date.	Revenue from these sales is recognised based on the price specified on the invoice, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a short credit term. No volume discount or warranty is provided on the sale.
Other	Relates to sale of various products including the sale of low value medical equipment, schedule 3 medical equipment, sale of publications, old wares and refuse and other general goods. The performance obligation of transferring these products is typically satisfied at the point in time when the products are purchased by the customer and takes delivery, which denotes acceptance by the customer, and therefore deemed as the point in time when the control is transferred to the customer. The payments are typically due within 30 days after the invoice date.	Revenue from these sales is recognised based on the price specified on the invoice, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a short credit term. No volume discount or warranty is provided on the sale.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

9. Sale of goods and services from contracts with customers (continued)

Recognition and Measurement (continued)

Rendering of services

Revenue from rendering of services is recognised when the consolidated entity satisfies the performance obligation by transferring the promised services.

Type of service	Nature of timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Patient services - Ambulance transportation, clinical and medical services, interstate patient flows and motor accident third party insurance	The performance obligations in relation to patient services are typically satisfied as the health services are delivered to the chargeable inpatients and non-inpatients. Public patients are not charged for health services provided at public hospitals. Chargeable patients, including Medicare ineligible patients, privately insured patients, eligible veterans and compensable patients are billed for health services provided under various contractual arrangements. Billings are typically performed upon patient discharge and are based on the rates specified by the Ministry of Health. The payments are typically due within 30 days after the invoice date.	Revenue is recognised on an accrual basis when the service has been provided to the patient. In limited circumstances the price is not fully recovered, e.g. due to inadequate insurance policies, overseas patients returning to their home country before paying, etc. The likelihood of occurrences is considered on a case by case basis. In most instances revenue is initially recognised at full amounts and subsequently adjusted when more information is provided. No element of financing is deemed present as majority of the services are made with a short credit term.
Non-patient services provided to the General community, non-NSW Health entities and entities controlled by the ultimate parent	Various non-patient related services are provided to the general community, non-NSW health entities and entities controlled by the ultimate parent. The performance obligations for these services are typically satisfied by transferring the promised services to its respective customers. The payments are typically due within 30 days after the invoice date.	Revenue is recognised when promised services are delivered. No element of financing is deemed present as the services are made with a short credit term.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

9. Sale of goods and services from contracts with customers (continued)

Recognition and Measurement (continued)

Rendering of services (continued)

Type of service	Nature of timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Fees for private usage of hospital's facilities	Specialist doctors with rights of private practice are subject to an infrastructure charge, including service charges where applicable for the use of hospital facilities at rates determined by the Ministry of Health. The performance obligations for these services are typically satisfied when the hospital facilities are made available and used by the doctors and staff specialists. The payments are typically due when monies are collected from patient billings for services provided under the arrangement.	Revenue is recognised when promised services are delivered. No element of financing is deemed present as the services are made with a short credit term.
Other	Various other services are provided for general user charges, hotel quarantine fees (revenue recognised for compulsory quarantine of all overseas travellers while overseas borders are closed to restrict transmission of COVID-19), personnel services recharged and other small services. The performance obligations for these services are satisfied by transferring the promised services to its respective customers. Prices are determined by the Ministry of Health and billed once services have been provided. The payments are typically due within 30 days after the invoice date.	Revenue is recognised when promised services are delivered. No element of financing is deemed present as the services are made with a short credit term.

Refer to Note 32 for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and when the consolidated entity expects to recognise the unsatisfied portion as revenue.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

10. Investment revenue

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Interest income from financial assets at amortised cost	63,750	11,863	3,875	857
Finance income on the net investment in the lease	2,176	2,123	-	-
Net gain / (loss) from TCorpIM Funds measured at fair value through profit or loss	7,249	(8,347)	-	-
Royalties	42	231	-	-
Dividends	22	24	-	-
	73,239	5,894	3,875	857

Recognition and Measurement

Interest income from financial assets at amortised cost

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

Finance income on the net investment in the lease

Finance income on the net investment in the lease relates to finance income recognised from the accounting of finance leases as a lessor. Finance income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Net gain / (loss) from TCorpIM Funds measured at fair value through profit or loss

Net gain / (loss) from TCorpIM Funds measured at fair value through profit or loss includes distributions received as well as movements in the fair value.

Royalties

Royalties are usually recognised when the underlying performance obligation is satisfied. It is recognised at the estimated amount if the consideration is variable.

Dividends

Dividend income is recognised when the consolidated entity's right to receive the payment has been established.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

11. Grants and other contributions

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Grants to acquire / construct a recognisable non-financial asset to be controlled by the entity				
Grants to acquire / construct non-financial asset	64,438	29,597	-	-
Other grants with sufficiently specific performance				
Commonwealth National Health Reform Funding	6,325,492	5,976,535	6,325,492	5,976,535
Commonwealth National Partnership Agreement on COVID-19 Response / Priority Groups COVID-19 Testing and Vaccination				
- Hospital services payment	418,294	625,460	418,294	625,460
- State public health / PCR testing payment	245,993	1,514,279	245,993	1,514,279
- Vaccination dose delivery payment	2,404	37,829	2,404	37,829
Commonwealth Government grants for community based services	83,897	85,193	-	-
Commonwealth Government grants - other	35,680	28,467	6,179	2,160
Clinical drug trials and research grants	85,832	73,731	-	-
Grants from entities controlled by the ultimate parent	7,270	5,457	1,950	-
Other grants	84,611	75,169	1,899	1,500
Grants without specific performance obligations				
Commonwealth National Health Reform Funding	1,199,831	1,167,225	1,199,831	1,167,225
Commonwealth National Partnership Agreement on COVID-19				
- Fixed upfront vaccination payment	-	32,000	-	32,000
Commonwealth Government COVID-19 vaccines	2,011	129,706	-	-
Commonwealth Government grants - other	259,544	319,746	177,795	217,410
Clinical drug trials and research grants	14,616	12,572	-	-
Grants from entities controlled by the ultimate parent	145,542	287,324	105,378	85,639
Other grants	71,711	46,704	41,322	-
Donations				
Donations	65,105	51,613	-	-
	9,112,271	10,498,607	8,526,537	9,660,037

Commonwealth National Health Reform Funding and Commonwealth National Partnership Agreement on COVID-19 Response revenue includes adjustments from the reconciliation of the prior year activity performed by the National Health Funding Pool Administrator as required under Section 238(1)(a) of the *National Health Reform Act 2011*. The adjustments included additional revenue of \$317.8 million (2022: reduction of \$22.6 million) recognised under 'Hospital services payment' under the 'National Partnership Agreement on COVID-19 Response' and a reduction of \$317.8 million (2022: increase of \$22.6 million) under the 'Commonwealth National Health Funding Reform Funding'.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

11. Grants and other contributions (continued)

The consolidated entity received the majority of COVID-19 vaccines directly from the Commonwealth government and the remainder were received from external third parties. The total value of COVID-19 vaccines recognised was \$2.01 million (2022: \$129.71 million) under Commonwealth Government COVID-19 vaccines and \$0.13 million (2022: \$0.32 million) from external third parties under other grants. All COVID-19 vaccines were received for nil consideration and recorded at current replacement cost at the time of receipt. Refer to Note 22 for further details on COVID-19 vaccines.

Commonwealth government grants - other in the consolidated entity includes \$73.12 million of COVID-19 and Japanese encephalitis pharmaceutical supplies received from the Commonwealth (2022: \$93.98 million of personal protective equipment, rapid antigen testing kits and COVID-19 pharmaceutical supplies received from the Commonwealth) for nil consideration and recorded at current replacement cost at the time of receipt.

Recognition and Measurement

Grants and other contributions

Income from grants to acquire / construct a recognisable non-financial asset to be controlled by the consolidated entity is recognised when the consolidated entity satisfies its obligations under the transfer. The consolidated entity satisfies the performance obligation under the transfer over time as the non-financial assets are being constructed. The percentage of cost incurred is used to recognise income, because this most closely reflects the progress to completion.

Revenue from grants with sufficiently specific performance obligations are recognised when the consolidated entity satisfies a performance obligation by transferring the promised goods or services.

The consolidated entity typically receives grants in respect of:

- Commonwealth government funded grant under the National Health Reform Agreement to improve the state's health outcomes and ensure sustainability of the health system;
- Commonwealth government funded grant under the National Partnership Agreement on COVID-19 Response which provides stability and certainty of funding while responding to the COVID-19 pandemic;
- Commonwealth government funded grant under the National Partnership Agreement for Priority Groups COVID-19 Testing and Vaccination to deliver testing and vaccination programs to protect priority populations groups from COVID-19;
- Commonwealth government funded vaccinations, including COVID-19 vaccinations which are provided free of charge to the community. Refer to Note 22 for further details; and
- Other various grants in respect of research, clinical drug trials and other community, health and wellbeing related projects.

The consolidated entity uses various methods to recognise revenue over time, depending on the nature and terms and conditions of the grant contract. The payments are typically based on an agreed timetable or on achievement of different milestones set up in the contract. Revenue is recognised as follows:

- Commonwealth National Health Reform - consists of Activity Based Funding, Public Health Funding and Block Funding. Activity Based Funding is recognised under AASB 15 *Revenue from Contracts with Customers* (AASB 15), while Public Health and Block Funding is recognised under AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) due to lack of specific performance obligations. Revenue for Activity Based Funding is recognised when the hospital activities are performed. The revenue is calculated by the activity multiplied by the agreed National Weighted Activity Unit price. The Commonwealth undertakes an annual reconciliation of reported activity (revenue) against funding payments made for that year. Any differences arising from the reported activity (revenue) in previous years, is adjusted in the current year annual reconciliation.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

11. Grants and other contributions (continued)

Recognition and Measurement (continued)

Grants and other contributions (continued)

- Commonwealth National Partnership Agreement on COVID-19 Response (ended 31 December 2022) - consisted of four financial arrangements:

Schedule A - The Commonwealth shared the funding equally (paid for 50 per cent of costs) with the state government for hospitals and state public health authorities to assess, diagnose, treat and contain COVID-19. Revenue was recognised when the actual costs were incurred as either a hospital services payment or a state public health payment depending on the related activities.

Schedule B - The Commonwealth shared the funding equally (paid for 50 per cent of costs) with the state government to purchase private hospital service activities as needed and the Commonwealth provided 100 per cent of the funding for viability payments to identified private hospitals to ensure the state had access to private hospital beds, staffing and resources to support their ongoing response to the pandemic. Revenue was recognised when the actual costs were incurred for services purchased from private hospitals as a hospital service payment and viability payments as a state public health payment.

Schedule C - The Commonwealth government provided states and territories two payments for COVID-19 vaccinations, a fixed upfront payment to ensure funds were available to setup up state-run vaccination clinics regardless of the amount of vaccination activity delivered and a vaccination dose delivery payment of a 50 per cent contribution to the agreed price per vaccination dose delivered. Revenue was recognised when actual vaccines are delivered except for the fixed upfront vaccination payment which was recognised under AASB 1058 due to lack of specific performance obligations.

Schedule D - The Commonwealth provided 100 per cent of the funding to support aged care preparedness and response during COVID-19. This funding was targeted to ensure prevention, preparedness and response activities were in place to address outbreaks of COVID-19 in residential aged care facilities and to provide additional targeted training. Revenue was recognised when the actual costs were incurred as a state public health payment.

- Commonwealth National Partnership Agreement for Priority Groups COVID-19 Testing and Vaccination (commenced on 1 January 2023) - consists of two financial arrangements:

PCR Testing Payment - The Commonwealth shares the funding equally (pays for 50 per cent of costs) with the state government for costs incurred by states and territories for PCR testing for COVID-19. Revenue is recognised when the actual testing cost is incurred as a PCR testing payment.

Vaccination Dose Delivery Payment - The Commonwealth government provides states and territories a 50 per cent contribution to the agreed price per COVID-19 vaccine dose delivered. Revenue is recognised when the vaccine doses are delivered as a vaccination dose delivery payment.

- Other grants and contributions - consist of various types of grants and contributions received. The performance obligations are typically satisfied when the specified activities / milestones agreed in the grant contract are completed/met. Where there are no specific performance obligations, revenue is recognised on receipt of funding under AASB 1058. The payments are typically made in advance or based on an agreed timetable.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

11. Grants and other contributions (continued)

Recognition and Measurement (continued)

Grants and other contributions (continued)

Revenue from these grants is recognised based on the grant amount specified in the funding agreement / funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

Refer to Note 32 for the transaction price allocated to the performance obligations that have not been satisfied at the end of the year and when it is expected to be recognised as revenue.

Income from grants without sufficiently specific performance obligations is recognised when the consolidated entity obtains control over the granted assets (e.g. cash).

Volunteer services

Receipt of volunteer services is recognised when and only when the fair value of those services can be reliably determined and the services would have been purchased if not donated. The consolidated entity receives volunteer services for the below activities:

- Chaplaincies and Pastoral Care
- Pink Ladies / Hospital Auxiliaries
- Patient Support Groups
- Community Organisations
- Health Education
- Patient and Family Support
- Patient Services, Fund Raising
- Practical Support to Patients and Relatives
- Counselling, Transport, Home Help and Patient Activities

Receipt of these services, while important, is not recognised because typically such services would not have been purchased if not donated.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

12. Acceptance by The Crown in right of the State of New South Wales (Crown) of employee benefits

The following liabilities and / or expenses have been assumed by the Crown or other government entities:

	Consolidated	Consolidated ¹	Parent	Parent
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Superannuation - defined benefit plan	55,731	63,602	697	802
Long service leave provision	364,626	(161,698)	7,298	(179)
Payroll tax	38	37	38	37
	420,395	(98,059)	8,033	660

¹ 'Long service leave provision' has been restated to be lower by \$16.81 million in the prior year for the consolidated entity. Refer to Note 17 for further details regarding restatement as a result of an error.

Significant fluctuations in the actuarial factors for the long service leave provision in 2022 resulted in negative movements in the consolidated and parent entity for the year ended 30 June 2022.

13. Other income

	Consolidated	Consolidated	Parent	Parent
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Commissions	2,209	2,113	-	-
Discounts	3,198	1,591	-	-
Insurance refunds	9,424	10,697	922	1,863
Rental income				
- rental income from subleasing right-of-use assets	17	13	-	-
- other rental income	37,856	33,673	12,197	11,417
Revenue related to service concession arrangements	9,903	13,358	-	-
Other	13,024	14,931	5,718	4,774
	75,631	76,376	18,837	18,054

Recognition and Measurement

Insurance refunds

Insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self insurance for Government entities. Insurance refunds are recognised when TMF accepts the insurance claim.

Rental income

Rental income is accounted for on a straight-line basis over the lease term. The rental income is incidental to the purpose for holding the property.

Revenue related to service concession arrangements

Revenue reflects the progressive unwinding of the 'grant of right to operate liability' (Note 35) over the remaining period of the arrangement. Refer to Note 25 for further details on service concession arrangements.

Other income

Other income arises from varying arrangements. Income is generally recognised on an accrual basis and / or when the right to receive the income has been established in accordance with the substance of the relevant agreement.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

14. Gains / (losses) on disposal

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Gains / (losses) on disposal of:				
Property, plant and equipment				
Written down value of assets disposed	45,625	68,478	6,433	11,226
Less: Proceeds from disposal	20,378	15,849	6,428	10,133
Less: Non-cash consideration for disposal	-	39,415	-	-
Less: Proceeds received in advance for disposal	-	15,546	-	-
Net gains / (losses) on disposal	(25,247)	2,332	(5)	(1,093)
Right-of-use assets				
Written down value of assets disposed	19,537	646,231	16,766	441,970
Less: lease liabilities extinguished	19,409	771,746	16,582	556,110
Net gains / (losses) on disposal*	(128)	125,515	(184)	114,140
Intangible assets				
Written down value of assets disposed	1,993	313	-	47
Net gains / (losses) on disposal	(1,993)	(313)	-	(47)
Assets held for sale				
Written down value of assets disposed	4,972	311	-	-
Less: Proceeds from disposal	4,911	435	-	-
Net gains / (losses) on disposal	(61)	124	-	-
Financial assets				
Written down value of financial assets	9,334	132,365	-	-
Less: Proceeds from sale of financial assets	9,334	132,365	-	-
Net gains / (losses) on disposal	-	-	-	-
Total gains / (losses) on disposal	(27,429)	127,658	(189)	113,000

* In 2022, \$125.30 million (parent entity: \$114.14 million) of the net gains / (losses) on disposal is a result of the derecognition of the right-of-use asset of \$640.39 million (parent entity: \$441.95 million) and lease liability of \$765.69 million (parent entity: \$556.09 million) with Property NSW, an entity of the ultimate parent. Please refer to Note 26 for further details on the derecognition.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

15. Other gains / (losses)

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Inventory write down				
- Medical and surgical supplies	(164,955)	(55,370)	-	-
- Drug supplies	(520)	(16,671)	-	-
Gains / (losses) on derivative financial instruments at fair value through profit or loss	1,795	11,501	-	-
Foreign exchange gains / (losses)	(356)	350	(41)	-
Other	-	(5,565)	-	-
	(164,036)	(65,755)	(41)	-

Inventory write down loss consists of \$137.69 million (2022: \$372.76 million) of various items written-off and an increase in the allowance for impairment of \$27.79 million (2022: decrease in the allowance for impairment of \$300.72 million) in respect of the inventory balance held at reporting date.

Recognition and Measurement

Impairment losses on non-financial assets

Impairment losses may arise on non-financial assets held by the entity from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in the following notes:

- Note 20 Receivables
- Note 21 Contract assets
- Note 22 Inventories
- Note 25 Property, plant and equipment
- Note 26 Leases
- Note 27 Intangible assets

16. Conditions on restrictions on income of not-for-profit entities

The consolidated entity receives various types of grants and donations from different grantors / donors, some of which may not have enforceable performance obligations. The consolidated entity determines the grantor / donor expectations in determining the externally imposed restrictions and discloses them in accordance with different types of restrictions. The types of restrictions and income earned with restrictions are detailed in Note 30 Restricted assets.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

17. Prior period error

Correction of permanent part time long service leave

During the year it was identified that the long service leave entitlement for certain employees has not been correctly calculated and recognised. The issue only impacted employees who have had a period of part time service under the Health Employees' Conditions of Employment Award during their employment duration. It was identified that the accrual for enhanced entitlement did not start on the completion of first 10 years of service by the employee, rather it was delayed in some instances and only started upon the completion of full-time equivalency of 10 years of service. This has resulted in an under accrual and / or underpayment of long service leave entitlements for such employees in the current and prior years. The error has been corrected during the year, with retrospective adjustments made in the prior periods.

The consolidated entity's liability for long service leave are assumed by The Crown in right of the State of New South Wales. The consolidated entity accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown of employee benefits'. Specific on-costs relating to long service leave assumed by The Crown in right of the State of New South Wales are borne by the consolidated entity.

The impact to the consolidated entity's Statement of Comprehensive Income and Statement of Financial Position from restating the balances in the prior year due to above matter are shown below. There was no impact on the parent entity as all employees of the parent entity are on a separate award to the impacted employees.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

17. Prior period error (continued)

Correction of permanent part time long service leave (continued)

Statement of Comprehensive Income for the year ended 30 June 2022 (extract)

CONSOLIDATED

		Original	Adjustment	Restated
		Actual	Actual	Actual
		2022	2022	2022
	Notes	\$'000	\$'000	\$'000
Continuing operations				
Expenses excluding losses				
Employee related expenses	2	16,185,112	(19,167)	16,165,945
Total expenses excluding losses		29,210,766	(19,167)	29,191,599
Revenue				
Acceptance by the Crown Entity of employee benefits and other liabilities	12	(81,253)	(16,806)	(98,059)
Total revenue		30,152,346	(16,806)	30,135,540
Operating result		941,580	2,361	943,941
Net result from continuing operations		940,044	2,361	942,405
Net result		940,044	2,361	942,405
Other comprehensive income				
Total other comprehensive income		2,169,321	-	2,169,321
TOTAL COMPREHENSIVE INCOME		3,109,365	2,361	3,111,726

Note: The above table is an extract only, showing only those financial statement line items affected by the correction of an error.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

17. Prior period error (continued)

Correction of permanent part time long service leave (continued)

Statement of Financial Position as at 1 July 2021 (extract)

CONSOLIDATED

	Notes	Original Actual 1 July 2021 \$'000	Adjustment Actual 1 July 2021 \$'000	Restated Actual 1 July 2021 \$'000
LIABILITIES				
Current liabilities				
Provisions	34	2,851,737	17,315	2,869,052
Total current liabilities		5,125,448	17,315	5,142,763
Non-current liabilities				
Provisions	34	62,674	1,557	64,231
Total non-current liabilities		2,522,033	1,557	2,523,590
Total liabilities		7,647,481	18,872	7,666,353
Net assets		21,909,693	(18,872)	21,890,821
EQUITY				
Accumulated funds		14,364,873	(18,872)	14,346,001
Total equity		21,909,693	(18,872)	21,890,821

Note: The above table is an extract only, showing only those financial statement line items affected by the correction of an error.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

17. Prior period error (continued)

Correction of permanent part time long service leave (continued)

Statement of Financial Position as at 30 June 2022 (extract)

CONSOLIDATED

		Original Actual 2022 \$'000	Adjustment Actual 2022 \$'000	Restated Actual 2022 \$'000
	Notes			
LIABILITIES				
Current liabilities				
Provisions	34	3,466,486	15,167	3,481,653
Total current liabilities		6,157,973	15,167	6,173,140
Non-current liabilities				
Provisions	34	59,886	1,344	61,230
Total non-current liabilities		1,898,404	1,344	1,899,748
Total liabilities		8,056,377	16,511	8,072,888
Net assets		25,019,058	(16,511)	25,002,547
EQUITY				
Accumulated funds		15,317,397	(16,511)	15,300,886
Total equity		25,019,058	(16,511)	25,002,547

Note: The above table is an extract only, showing only those financial statement line items affected by the correction of an error.

The correction of the prior year error did not have an impact on the Statement of Cash Flows for the consolidated entity.

Ministry of Health

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

18. Outcomes of the consolidated entity

(a) Outcome statements of the consolidated entity (from 1 July 2022)

CONSOLIDATED

	Outcome 1 *		Outcome 2 *		Outcome 3 *		Outcome 4 *		Outcome 5 *		Outcome 6 *		Not Attributable ***		Total	
	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000
CONSOLIDATED ENTITY EXPENSES AND INCOME																
Continuing operations																
Expenses excluding losses	575,294	-	4,172,811	-	2,596,191	-	9,197,198	-	402,123	-	248,388	-	17,192,005	-	8,969,218	-
Employee related expenses	561,391	-	2,077,919	-	1,184,700	-	4,896,012	-	159,484	-	89,712	-	8,969,218	-	1,377,606	-
Operating expenses	39,370	-	360,231	-	226,781	-	717,222	-	20,838	-	13,164	-	1,872,061	-	118,624	-
Depreciation and amortisation	177,902	-	694,597	-	94,302	-	749,746	-	40,661	-	114,853	-	1,872,061	-	118,624	-
Grants and subsidies	2,559	-	33,784	-	16,764	-	60,319	-	3,268	-	1,930	-	29,529,514	-	17,588,577	-
Finance costs	1,356,516	-	7,339,342	-	4,118,738	-	15,620,497	-	626,374	-	468,047	-	17,588,577	-	420,395	-
Total expenses excluding losses																
Revenue																
Appropriations ***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acceptance by the Crown of employee benefits and other liabilities	17,092	-	114,174	-	56,193	-	216,842	-	9,259	-	6,835	-	2,911,285	-	73,239	-
Sale of goods and services from contracts with customers	11,569	-	862,196	-	165,214	-	1,863,319	-	8,987	-	-	-	9,112,271	-	75,631	-
Investment revenue	2,066	-	17,425	-	6,523	-	44,744	-	2,481	-	-	-	30,181,398	-	(27,429)	-
Grants and other contributions	482,401	-	1,728,029	-	965,459	-	5,574,644	-	266,266	-	95,472	-	(57,087)	-	(164,036)	-
Other income	2,131	-	17,964	-	6,722	-	46,254	-	2,559	-	1	-	17,340,025	-	403,332	-
Total revenue	515,259	-	2,739,788	-	1,200,111	-	7,745,803	-	289,552	-	102,308	-	17,588,577	-	30,181,398	-
Gains / (losses) on disposal	-	-	-	-	-	-	-	-	-	-	-	-	(27,429)	-	(27,429)	-
Impairment losses on financial assets	-	-	-	-	-	-	-	-	-	-	-	-	(57,087)	-	(57,087)	-
Other gains / (losses)	(841,257)	-	(4,599,554)	-	(2,918,627)	-	(7,874,694)	-	(336,822)	-	(365,739)	-	(164,036)	-	(403,332)	-
Net result from continuing operations	(841,257)	-	(4,599,554)	-	(2,918,627)	-	(7,874,694)	-	(336,822)	-	(365,739)	-	17,340,025	-	403,332	-
Net result from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net result	(841,257)	-	(4,599,554)	-	(2,918,627)	-	(7,874,694)	-	(336,822)	-	(365,739)	-	17,340,025	-	403,332	-
Other comprehensive income																
Items that will not be reclassified to net result in subsequent periods	39,780	-	363,978	-	229,140	-	724,682	-	21,054	-	13,300	-	1,391,934	-	1,391,934	-
Changes in revaluation surplus of property, plant and equipment	39,780	-	363,978	-	229,140	-	724,682	-	21,054	-	13,300	-	1,391,934	-	1,391,934	-
Total other comprehensive income	(801,477)	-	(4,235,576)	-	(2,689,487)	-	(7,150,012)	-	(315,768)	-	(352,439)	-	17,340,025	-	1,795,266	-
Total comprehensive income																

* The name and purpose of each outcome is summarised in Note 18 (b).

** Outcome groups have been redefined in 2023 and as a result it is impracticable to adjust comparatives into the new outcome groups.

*** Appropriations are made on an entity basis and not to individual outcomes. Consequently, appropriations are included in the 'Not Attributable' column.

Ministry of Health

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

18. Outcomes of the consolidated entity (continued) (a) Outcome statements of the consolidated entity (from 1 July 2022) (continued) CONSOLIDATED

	Outcome 1 *		Outcome 2 *		Outcome 3 *		Outcome 4 *		Outcome 5 *		Outcome 6 *		Not Attributable		Total	
	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000
ASSETS																
Current assets																
Cash and cash equivalents	113,709	-	615,214	-	345,250	-	1,309,376	-	52,505	-	39,234	-	2,475,288	-	1,152,214	-
Receivables	4,578	-	341,236	-	65,388	-	737,455	-	3,557	-	-	-	1,152,214	-	2,260	-
Contract assets	10	-	669	-	128	-	1,446	-	7	-	-	-	451,621	-	451,621	-
Inventories	28,268	-	104,628	-	59,652	-	246,526	-	8,030	-	4,517	-	97,322	-	97,322	-
Financial assets at fair value	4,471	-	24,189	-	13,574	-	51,481	-	2,064	-	1,543	-	46	-	46	-
Other financial assets	3	-	11	-	6	-	24	-	1	-	1	-	304	-	304	-
Non-current assets held for sale	9	-	79	-	50	-	158	-	5	-	3	-	-	-	-	-
Total current assets	151,048	-	1,086,026	-	484,048	-	2,346,466	-	66,169	-	45,298	-	4,179,055	-	4,179,055	-
Non-current assets																
Receivables	597	-	44,500	-	8,527	-	96,171	-	464	-	-	-	150,259	-	150,259	-
Financial assets at fair value	420	-	2,274	-	1,276	-	4,839	-	194	-	145	-	9,148	-	9,148	-
Other financial assets	4,068	-	22,006	-	12,350	-	46,836	-	1,878	-	1,403	-	88,541	-	88,541	-
Property, plant and equipment																
- Land and buildings	744,183	-	6,809,151	-	4,286,664	-	13,557,058	-	393,878	-	248,819	-	26,039,753	-	26,039,753	-
- Plant and equipment	43,480	-	397,831	-	250,452	-	792,084	-	23,013	-	14,537	-	1,521,397	-	1,521,397	-
- Infrastructure systems	25,196	-	230,547	-	145,140	-	459,021	-	13,336	-	8,425	-	881,665	-	881,665	-
Right-of-use assets	17,911	-	163,880	-	103,170	-	326,286	-	9,480	-	5,988	-	626,715	-	626,715	-
Intangible assets	20,921	-	191,423	-	120,509	-	381,125	-	11,073	-	6,995	-	732,046	-	732,046	-
Total non-current assets	856,776	-	7,861,612	-	4,928,088	-	15,663,420	-	453,316	-	286,312	-	30,049,524	-	30,049,524	-
TOTAL ASSETS	1,007,824	-	8,947,638	-	5,412,136	-	18,009,886	-	519,485	-	331,610	-	34,228,579	-	34,228,579	-
LIABILITIES																
Current liabilities																
Payables	121,516	-	449,778	-	256,436	-	1,059,772	-	34,521	-	19,419	-	1,941,442	-	1,941,442	-
Contract liabilities	3,019	-	10,815	-	6,043	-	34,890	-	1,666	-	598	-	57,031	-	57,031	-
Borrowings	8,297	-	44,892	-	25,193	-	95,545	-	3,831	-	2,863	-	180,621	-	180,621	-
Provisions	110,016	-	797,982	-	496,479	-	1,758,814	-	76,899	-	47,500	-	3,287,690	-	3,287,690	-
Other current liabilities	5,521	-	29,873	-	16,765	-	63,580	-	2,550	-	1,905	-	120,194	-	120,194	-
Total current liabilities	248,369	-	1,333,340	-	800,916	-	3,012,601	-	119,467	-	72,285	-	5,586,978	-	5,586,978	-
Non-current liabilities																
Contract liabilities	30	-	105	-	59	-	340	-	16	-	6	-	556	-	556	-
Borrowings	67,974	-	367,771	-	206,388	-	782,736	-	31,387	-	23,454	-	1,479,710	-	1,479,710	-
Provisions	1,817	-	13,185	-	8,203	-	29,060	-	1,271	-	785	-	54,321	-	54,321	-
Other non-current liabilities	14,636	-	79,187	-	44,439	-	168,535	-	6,758	-	5,050	-	318,605	-	318,605	-
Total non-current liabilities	84,457	-	480,248	-	259,089	-	980,671	-	39,432	-	29,295	-	1,853,192	-	1,853,192	-
TOTAL LIABILITIES	332,826	-	1,793,588	-	1,060,005	-	3,993,272	-	158,899	-	101,580	-	7,440,170	-	7,440,170	-
NET ASSETS	674,998	-	7,154,050	-	4,352,131	-	14,016,614	-	360,586	-	230,030	-	26,788,409	-	26,788,409	-

* The name and purpose of each outcome is summarised in Note 18. (b).

** Outcome groups have been redefined in 2023 and as a result it is impracticable to adjust comparatives into the new outcome groups.

Ministry of Health

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

18. Outcomes of the consolidated entity

(a) Outcome statements of the consolidated entity (until 30 June 2022)

CONSOLIDATED

	Outcome 1 *		Outcome 2 *		Outcome 3 *		Outcome 4 *		Outcome 5 *		Not Attributable ***		Total	
	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000	2023 \$000	2022 ** \$000
CONSOLIDATED ENTITY EXPENSES AND INCOME														
Continuing operations														
Expenses excluding losses														
Employee related expenses	-	8,648,294	-	3,981,205	-	2,375,049	-	555,479	-	605,918	-	-	-	16,165,945
Operating expenses	-	5,197,218	-	2,353,765	-	1,134,232	-	732,356	-	261,182	-	-	-	9,678,753
Depreciation and amortisation	-	622,021	-	316,943	-	211,845	-	34,157	-	30,799	-	-	-	1,215,765
Grants and subsidies	-	819,568	-	705,655	-	93,956	-	194,702	-	190,869	-	-	-	2,004,750
Finance costs	-	65,203	-	34,360	-	18,728	-	2,698	-	5,397	-	-	-	126,386
Total expenses excluding losses	-	15,352,304	-	7,391,928	-	3,833,810	-	1,519,392	-	1,094,165	-	-	-	29,191,599
Revenue														
Appropriations ***	-	-	-	-	-	-	-	-	-	-	-	17,135,207	-	17,135,207
Acceptance by the Crown of employee benefits and other liabilities	-	(63,739)	-	(16,855)	-	(12,972)	-	(1,499)	-	(2,994)	-	-	-	(98,059)
Sale of goods and services from contracts with customers	-	1,584,519	-	771,715	-	145,159	-	7,115	-	9,007	-	-	-	2,517,515
Investment revenue	-	3,601	-	1,402	-	525	-	166	-	200	-	-	-	5,894
Grants and other contributions	-	6,326,528	-	2,365,002	-	972,744	-	496,351	-	337,962	-	-	-	10,498,607
Other income	-	46,718	-	18,136	-	6,789	-	2,151	-	2,582	-	-	-	76,376
Total revenue	-	7,897,627	-	3,199,400	-	1,112,245	-	504,284	-	346,777	-	17,135,207	-	30,135,540
Gains / (losses) on disposal	-	-	-	-	-	-	-	-	-	-	-	127,658	-	127,658
Impairment losses on financial assets	-	-	-	-	-	-	-	-	-	-	-	(63,439)	-	(63,439)
Other gains / (losses)	-	-	-	-	-	-	-	-	-	-	-	(65,755)	-	(65,755)
Net result from continuing operations	-	(7,454,677)	-	(4,252,528)	-	(2,721,565)	-	(1,015,108)	-	(747,388)	-	17,133,671	-	942,405
Net result from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net result	-	(7,454,677)	-	(4,252,528)	-	(2,721,565)	-	(1,015,108)	-	(747,388)	-	17,133,671	-	942,405
Other comprehensive income														
Items that will not be reclassified to net result in subsequent periods	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in revaluation surplus of property, plant and equipment	-	1,109,890	-	565,529	-	377,999	-	60,947	-	54,956	-	-	-	2,169,321
Total other comprehensive income	-	1,109,890	-	565,529	-	377,999	-	60,947	-	54,956	-	-	-	2,169,321
Total comprehensive income	-	(6,344,787)	-	(3,686,999)	-	(2,343,566)	-	(954,161)	-	(692,432)	-	17,133,671	-	3,111,726

* The name and purpose of each outcome is summarised in Note 18 (b).

** Outcome groups have been redefined in 2023 and as a result it is impracticable to adjust comparatives into the new outcome groups.

*** Outcome balances have been restated in 2022. See Note 17 for details regarding restated prior year balances as the result of an error in the consolidated entity.

*** Appropriations are made on an entity basis and not to individual outcomes. Consequently, appropriations are included in the 'Not Attributable' column.

Ministry of Health

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

18. Outcomes of the consolidated entity (continued)

(a) Outcome statements of the consolidated entity (until 30 June 2022) (continued)

CONSOLIDATED

	Outcome 1*		Outcome 2*		Outcome 3*		Outcome 4*		Outcome 5*		Not Attributable		Total	
	2023 \$000	2022** \$000	2023 \$000	2022** \$000	2023 \$000	2022** \$000	2023 \$000	2022** \$000	2023 \$000	2022** \$000	2023 \$000	2022** \$000	2023 \$000	2022** \$000
CONSOLIDATED ENTITY ASSETS AND LIABILITIES														
ASSETS														
Current assets														
Cash and cash equivalents	-	1,518,352	-	731,048	-	379,164	-	150,232	-	108,210	-	-	-	2,887,006
Receivables	-	920,413	-	448,272	-	84,320	-	4,133	-	5,232	-	-	-	1,462,370
Contract assets	-	822	-	401	-	75	-	4	-	5	-	-	-	1,307
Inventories	-	453,783	-	205,513	-	99,033	-	63,944	-	22,804	-	-	-	845,077
Financial assets at fair value	-	51,791	-	24,936	-	12,933	-	5,124	-	3,691	-	-	-	98,475
Other financial assets	-	41	-	19	-	10	-	4	-	3	-	-	-	77
Non-current assets held for sale	-	1,690	-	861	-	576	-	93	-	84	-	-	-	3,304
Total current assets	-	2,946,892	-	1,411,050	-	576,111	-	223,534	-	140,029	-	-	-	5,297,616
Non-current assets														
Receivables	-	14,285	-	6,957	-	1,309	-	64	-	81	-	-	-	22,696
Financial assets at fair value	-	5,212	-	2,510	-	1,302	-	516	-	371	-	-	-	9,911
Other financial assets	-	45,446	-	21,882	-	11,349	-	4,497	-	3,239	-	-	-	86,413
Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Land and buildings	-	12,357,036	-	6,296,355	-	4,208,482	-	678,559	-	611,855	-	-	-	24,152,287
- Plant and equipment	-	759,667	-	387,078	-	258,723	-	41,715	-	37,615	-	-	-	1,484,798
- Infrastructure systems	-	364,161	-	185,553	-	124,024	-	19,997	-	18,031	-	-	-	711,766
Right-of-use assets	-	313,492	-	159,735	-	106,767	-	17,215	-	15,522	-	-	-	612,731
Intangible assets	-	356,718	-	181,760	-	121,488	-	19,588	-	17,663	-	-	-	697,217
Total non-current assets	-	14,216,017	-	7,241,830	-	4,833,444	-	782,151	-	704,377	-	-	-	27,777,819
TOTAL ASSETS	-	17,162,909	-	8,652,880	-	5,409,555	-	1,005,685	-	844,406	-	-	-	33,075,435
LIABILITIES														
Current liabilities														
Payables	-	1,275,957	-	577,867	-	278,463	-	179,799	-	64,122	-	-	-	2,376,208
Contract liabilities	-	33,764	-	12,622	-	5,191	-	2,649	-	1,804	-	-	-	56,030
Borrowings	-	88,378	-	42,551	-	22,069	-	8,744	-	6,298	-	-	-	168,040
Provisions	-	1,962,581	-	857,430	-	511,513	-	119,633	-	130,496	-	-	-	3,481,653
Other current liabilities	-	47,968	-	23,096	-	11,979	-	4,747	-	3,419	-	-	-	91,209
Total current liabilities	-	3,308,648	-	1,513,566	-	829,215	-	315,572	-	206,139	-	-	-	6,173,140
Non-current liabilities														
Contract liabilities	-	651	-	244	-	100	-	51	-	35	-	-	-	1,081
Borrowings	-	790,485	-	380,598	-	197,400	-	78,214	-	56,336	-	-	-	1,503,033
Provisions	-	32,756	-	15,079	-	8,996	-	2,104	-	2,295	-	-	-	61,230
Other non-current liabilities	-	175,869	-	84,678	-	43,918	-	17,405	-	12,534	-	-	-	334,404
Total non-current liabilities	-	999,761	-	480,599	-	250,414	-	97,774	-	71,200	-	-	-	1,899,748
TOTAL LIABILITIES	-	4,308,409	-	1,994,165	-	1,079,629	-	413,346	-	277,339	-	-	-	8,072,888
NET ASSETS	-	12,854,500	-	6,658,715	-	4,329,926	-	592,339	-	567,067	-	-	-	25,002,547

* The name and purpose of each outcome is summarised in Note 18 (b).

** Outcome groups have been redefined in 2023 and as a result it is impracticable to adjust comparatives into the new outcome groups.

** Outcome balances have been restated in 2022. See Note 17 for details regarding restated prior year balances as the result of an error in the consolidated entity.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

18. Outcomes of the consolidated entity (continued)

(b) Outcome name and purpose of the consolidated entity (from 1 July 2022)

Outcome name	Outcome purpose
<p>Outcome 1 - People are healthy and well</p>	<p>This outcome reflects that preventive and population health is critical to keeping people healthier. It covers a range of functions NSW Health is responsible for including to protect and promote public health, control infectious diseases, reduce preventable diseases and death, help people manage their own health, and promote equitable health outcomes in the community.</p>
<p>Outcome 2 - Safe care is delivered within our community</p>	<p>This outcome reflects that healthcare extends beyond the hospital and needs to connect across settings to reduce the burden of chronic disease, assist people with conditions to live well and avoid complications, support people to recover from illness and injury, and prevent avoidable hospitalisations. NSW Health services funded to achieve this outcome include non-admitted and community-based services, sub-acute services, hospital in the home, and dental services.</p>
<p>Outcome 3 - Safe emergency care is delivered</p>	<p>NSW Health often provides the first point of contact for those needing access to emergency healthcare and is responsible for managing and administering ambulance and emergency services.</p>
<p>Outcome 4 - Safe care is delivered within our hospitals</p>	<p>This outcome reflects the state's responsibility to manage and administer public hospitals. When people are admitted to a hospital in NSW, they can expect world-class medical and surgical care within clinically recommended timeframes.</p>
<p>Outcome 5 - Our staff are engaged and well supported</p>	<p>This outcome reflects the requirement that a skilled workforce with access to world leading education and training is essential to deliver safe, reliable person-centred care driving the best outcomes and experiences.</p>
<p>Outcome 6 - Research and innovation and digital advances inform service delivery</p>	<p>This outcome reflects the requirement that clinical service delivery continues to transform through health and medical research, digital technologies, and data analytics.</p>

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

18. Outcomes of the consolidated entity (continued)

(b) Outcome name and purpose of the consolidated entity (until 30 June 2022)

Outcome name	Outcome purpose
<p>Outcome 1 - People receive high-quality, safe care in our hospitals</p>	<p>This outcome reflects the state's responsibility to manage and administer public hospitals. When people are admitted to a hospital in NSW, they can expect world-class medical and surgical care within clinically recommended timeframes.</p>
<p>Outcome 2 - People can access care in out of hospital settings to manage their health and wellbeing</p>	<p>This outcome reflects that healthcare extends beyond the hospital and needs to connect across settings to reduce the burden of chronic disease, assist people with conditions to live well and avoid complications, support people to recover from illness and injury, and prevent avoidable hospitalisations. NSW Health services funded to achieve this outcome include non-admitted and community based services, sub-acute services, hospital in the home, and dental services.</p>
<p>Outcome 3 - People receive timely emergency care</p>	<p>NSW Health often provides the first point of contact for those needing access to emergency healthcare and is responsible for managing and administering ambulance and emergency services.</p>
<p>Outcome 4 - Keeping people healthy through prevention and health promotion</p>	<p>This outcome reflects that preventive and population health is critical to keeping people healthier. It covers a range of functions NSW Health is responsible for including to protect and promote public health, control infectious diseases, reduce preventive diseases and death, help people manage their own health, and promote equitable health outcomes in the community.</p>
<p>Outcome 5 - Our people and systems are continuously improving to deliver the best health outcomes and experiences</p>	<p>A skilled workforce with access to world leading education and training, and a system that harnesses research and digital innovation essential to continuously improving outcomes and experiences of care across the system. These enablers are delivered by a range of statutory bodies and system managers.</p>

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

19. Cash and cash equivalents

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Cash at bank and on hand	2,475,288	2,887,006	426,486	614,647
	2,475,288	2,887,006	426,486	614,647

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank, cash on hand, short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, and net outstanding bank overdraft.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Cash and cash equivalents (per Statement of Financial Position)	2,475,288	2,887,006	426,486	614,647
	2,475,288	2,887,006	426,486	614,647

Refer to Note 44 for details regarding credit risk and market risk arising from financial instruments.

HealthShare NSW, a controlled entity of the parent entity manages accounts payable and employee related payments on behalf of the parent entity for payments to suppliers and employees. HealthShare NSW makes payments after the parent has submitted correctly rendered invoices and exception based approved payroll reports are received. These payments are reported as expenditures and cash outflows in the financial statements of the parent.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

20. Receivables

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent ¹ 2022 \$000
Current				
Trade receivables from contracts with customers	768,201	1,070,767	156,351	571,648
Receivables from controlled health entities	-	-	15,539	10,451
Goods and Services Tax	169,314	178,108	18,050	21,490
Other receivables	136,199	149,286	24,714	33,309
	1,073,714	1,398,161	214,654	636,898
Less: allowance for expected credit losses*				
- Trade receivables from contracts with customers	(147,761)	(131,560)	(127)	-
- Other receivables	(4,640)	(3,899)	(468)	-
	921,313	1,262,702	214,059	636,898
Prepayments	230,901	199,668	3,721	11,486
Total current receivables	1,152,214	1,462,370	217,780	648,384

¹ Prior year receivables from controlled health entities has been restated higher by \$0.12 million and other receivables has been restated lower by \$0.12 million in the parent entity as a result of a reclassification of a receivables balance.

Non-current				
Trade receivables from contracts with customers	112	102	-	-
Other receivables	258	24	-	-
	370	126	-	-
Less: allowance for expected credit losses*				
- Trade receivables from contracts with customers	(112)	(100)	-	-
- Other receivables	(23)	(2)	-	-
	235	24	-	-
Prepayments	150,024	22,672	-	-
Total non-current receivables	150,259	22,696	-	-

* Movement in the allowance for expected credit losses

Trade receivables from contracts with customers and other receivables

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Balance at the beginning of the year	(135,561)	(106,092)	-	-
Amounts written off during the year	40,112	33,970	-	-
(Increase) / decrease in allowance recognised in net result ¹	(57,087)	(63,439)	(595)	-
Balance at the end of the year	(152,536)	(135,561)	(595)	-

¹ Includes impairment loss recognised of \$54.56 million (2022: \$62.02 million) in the consolidated entity and \$0.13 million (2022: \$Nil) in the parent entity on trade receivables from contracts with customers.

Details regarding credit risk of receivables that are neither past due nor impaired, are disclosed in Note 44.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

20. Receivables (continued)

Recognition and Measurement

The consolidated entity recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. To determine when the agency becomes a party to the contractual provisions of the instrument, the consolidated entity considers:

- Whether the consolidated entity has a legal right to receive cash (financial asset) or a legal obligation to pay cash (financial liability); or
- Whether at least one of the parties has performed under the agreement.

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

The consolidated entity holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

The consolidated entity recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the consolidated entity expects to receive, discounted at the original effective interest rate.

For trade receivables, the consolidated entity applies a simplified approach in calculating ECLs. The consolidated entity recognises a loss allowance based on lifetime ECLs at each reporting date. The consolidated entity has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward looking factors specific to the receivable.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

21. Contract assets

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Current				
Contract assets	2,260	1,307	460	363
	2,260	1,307	460	363

Recognition and Measurement

Contract assets relate to the consolidated entity's right to consideration in exchange for goods and services transferred to customers / works completed, but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the consolidated entity issues an invoice to the customer. The balance of the contract assets relates to grants and other contributions for work completed but not yet invoiced as future work is required to be completed before the consolidated entity has the rights to invoice. Once all performance obligations are met and the consolidated entity has rights to invoice for the payment to be made, the contract asset is transferred to receivables.

The contract asset balance has increased in the consolidated and parent entity during the year due to the varying billing arrangements from contracts existing at different reporting dates.

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent ¹ 2022 \$000
Contract receivables (included in Note 20)	768,313	1,070,868	171,890	582,099
	768,313	1,070,868	171,890	582,099

¹ Prior year figures in the parent entity have been restated higher by \$0.12 million as a result of items previously excluded under contract receivables.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

22. Inventories

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Current				
Held-for-distribution				
Drug supplies	152,754	127,684	31,749	38,009
Medical and surgical supplies	575,720	866,030	1,840	1,889
Food and hotel supplies	2,950	2,762	-	-
Other	5,995	4,071	-	-
	737,419	1,000,547	33,589	39,898
Current				
Held-for-resale				
Medical and surgical supplies	-	102,540	-	-
	-	102,540	-	-
Less: Allowance for impairment				
- Drug supplies	-	(11,306)	-	-
- Medical and surgical supplies	(285,798)	(246,704)	-	-
	451,621	845,077	33,589	39,898

The majority of the inventory held-for-distribution is held for consumption in the ordinary activities of the consolidated entity and upon consumption, are expensed in food supplies, medical and surgical supplies and pharmaceutical supplies (Note 3).

In 2022, medical and surgical supplies inventory held-for-resale consisted of items the consolidated entity had agreed to resell to the Commonwealth for inclusion in the national medical stockpile.

Recognition and Measurement

Material inventories are held for distribution (consumed in the ordinary activities of the consolidated entity). Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount or any loss of operating capacity due to obsolescence. Costs are assigned to individual items of stock mainly on the basis of weighted average costs.

Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method.

In 2022, the consolidated entity held an allowance for impairment of medical and surgical supplies of \$246.70 million. The allowance for impairment was based on a consumption forecast model, on medical and surgical supply categories that are likely to expire before they are consumed or are in an unserviceable condition (does not meet the clinical requirements) and have no alternative use before they expire.

In 2023, the consolidated entity wrote off \$125.86 million of medical and surgical supplies. Following the write-off, the allowance for impairment of medical and surgical supplies was reassessed and an additional impairment of \$39.09 million was recognised due to the changes in the current consumption forecast model of medical and surgical supplies. The write-off and additional allowance for impairment expensed under other gains / (losses) (Note 15) is \$164.96 million.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

22. Inventories (continued)

Recognition and Measurement (continued)

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the consolidated entity would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete items are disposed of in accordance with instructions issued by the Ministry.

At the beginning of 2021, the rollout of the Commonwealth's COVID-19 vaccine program commenced, with the aim of providing free vaccines to all Australians. The consolidated entity played a key role in the rollout within NSW, including in relation to logistics, vaccination delivery, safety and reporting. The Commonwealth assumed the responsibility for procuring and distributing vaccines to all states and territories. The consolidated entity received COVID-19 vaccines for nil consideration and provided to the public free of charge. On the basis that the consolidated entity controls the inventory once it is received from the Commonwealth, the value of the inventory received, distributed and wasted were recognised by the consolidated entity.

The value attributable to each COVID-19 vaccine received was its fair value based on replacement cost. The consolidated entity was unsuccessful in obtaining cost information from the Commonwealth because of non-disclosure agreements signed by the Commonwealth and the pharmaceutical companies supplying the COVID-19 vaccines. An internal valuation was undertaken based on publicly available information to estimate the replacement cost of the COVID-19 vaccines received by the consolidated entity.

The value of the COVID-19 vaccines received, administered and granted during the financial year ended 30 June 2023 was \$2.14 million (2022: \$130.02 million), \$2.54 million (2022: \$116.83 million) and \$0.13 million (2022: \$0.39 million), respectively. \$11.74 million (2022: \$5.36 million) of COVID-19 vaccines were written-off and \$11.31 million decrease in the allowance for impairment (2022: increase in the allowance for impairment of \$11.31 million). COVID-19 vaccine closing inventory balance as at 30 June 2023 was \$0.15 million (2022: \$12.42 million) which is included as part of drug supplies.

In addition, the consolidated entity wrote-off \$0.09 million (2022: \$Nil) of monkeypox vaccinations as a result of vaccinations being damaged or expired.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

23. Financial assets at fair value

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Current				
Derivatives	2,522	1,590	-	-
TCorpIM Funds Investment facilities	94,800	96,885	-	-
	97,322	98,475	-	-
Non-current				
Derivatives	9,148	9,911	-	-
	9,148	9,911	-	-

Refer to Note 44 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

Recognition and Measurement

The consolidated entity recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. To determine when the agency becomes a party to the contractual provisions of the instrument, the consolidated entity considers:

- Whether the consolidated entity has a legal right to receive cash (financial asset) or a legal obligation to pay cash (financial liability); or
- Whether at least one of the parties has performed under the agreement.

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification and measurement

The consolidated entity's financial assets at fair value are classified, at initial recognition, at fair value through profit or loss.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in net results.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value under AASB 9 *Financial Instruments* (AASB 9).

Financial assets are held for trading if acquired for the purpose of selling or repurchasing in the near term. Derivatives are economic hedges classified as fair value through profit or loss unless they are designated as effective hedging instruments.

Derivative contracts are carried as financial assets when their fair value at the reporting date is positive. Derivative contracts maturing less than 12 months are classified as current and all other contracts as non-current.

The consolidated entity has elected not to apply hedge accounting to the economic hedges.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

23. Financial assets at fair value (continued)

Recognition and Measurement (continued)

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. TCorpIM Funds are managed and their performance is evaluated on a fair value basis and therefore the business model is neither to hold to collect contractual cash flows or sell the financial asset. Hence these investments are mandatorily required to be measured at fair value through profit or loss.

Notwithstanding the criteria to be classified at amortised cost or at fair value through other comprehensive income, financial assets may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in net results and presented net within other gains / (losses), except for TCorpIM Funds that are presented in 'investment revenue' in the period in which it arises.

24. Other financial assets

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Current				
Receivables on finance leases as lessor (Note 26)	46	77	-	-
Intra health loans receivable	-	-	206,553	500,800
	46	77	206,553	500,800
Non-current				
Receivables on finance leases as lessor (Note 26)	88,541	86,413	-	-
Intra health loans receivable	-	-	-	3,028
	88,541	86,413	-	3,028

The current intra health loans receivable balance within the parent entity includes \$203.04 million (2022: \$495.80 million) of cash advances provided to HealthShare NSW to make all payments to employees and most payments to suppliers of goods and services and grants and subsidies on behalf of the controlled entities.

Refer to Note 44 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

Recognition and Measurement

All 'regular way' purchases or sales of other financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of other financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Other financial assets are initially measured at fair value plus any transaction costs.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

24. Other financial assets (continued)

Recognition and Measurement (continued)

Subsequent measurement

Financial assets at amortised cost

Other financial assets are classified and subsequently measured at amortised cost as they are held for collection of contractual cash flows solely representing payments of principal and interest. Impairment losses are presented as a separate line item in the Statement of Comprehensive Income. Any gain or loss arising on derecognition is recognised directly in net results and presented in other gains / (losses) together with foreign exchange gains and losses.

Impairment

The consolidated entity recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the consolidated entity expects to receive, discounted at the original effective interest rate.

ECLs are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECLs are based on default events possible within the next 12-months (i.e. a 12-month ECL). If there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (i.e. a lifetime ECL). In addition, the consolidated entity considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The consolidated entity's term deposits are issued by financial institutions that have strong credit ratings and are therefore considered to be low credit risk investments. Hence the consolidated entity measures the loss allowance for term deposits at an amount equal to a 12-month ECL. However, when there is a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The consolidated entity uses the ratings from external credit rating agencies both to determine whether there has been a significant increase in credit risk on the deposits and to estimate ECLs. These estimates are performed at every reporting date.

For lease receivables, the entity applies the simplified approach permitted by AASB 9 *Financial Instruments*, where the loss allowance is based on lifetime ECLs.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment

(a) Total property, plant and equipment

CONSOLIDATED

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
At 1 July 2021 - fair value				
Gross carrying amount	31,219,657	3,041,014	1,146,858	35,407,529
Less: accumulated depreciation and impairment	(9,698,449)	(1,663,991)	(529,423)	(11,891,863)
Net carrying amount	21,521,208	1,377,023	617,435	23,515,666
Year ended 30 June 2022				
Net carrying amount at beginning of year	21,521,208	1,377,023	617,435	23,515,666
Additions	1,361,314	302,751	2,120	1,666,185
Reclassifications to intangibles	-	(1,375)	-	(1,375)
Reclassification from inventory	-	4,694	-	4,694
Reclassification from / (to) assets held for sale	(1,263)	-	483	(780)
Disposals	(57,430)	(10,469)	(579)	(68,478)
Net revaluation increment less revaluation decrements ⁽ⁱ⁾	2,092,913	-	76,408	2,169,321
Depreciation expense	(660,710)	(243,810)	(31,862)	(936,382)
Other reclassifications within property, plant and equipment	(103,745)	55,984	47,761	-
Net carrying amount at end of year	24,152,287	1,484,798	711,766	26,348,851

(i) Further details regarding fair value measurement of property, plant and equipment are disclosed in Note 29(b).

Ministry of Health

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

25. Property, plant and equipment (continued)

(a) Total property, plant and equipment (continued)

CONSOLIDATED

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
At 1 July 2022 - fair value				
Gross carrying amount	35,667,258	3,241,263	1,331,840	40,240,361
Less: accumulated depreciation and impairment	(11,514,971)	(1,756,465)	(620,074)	(13,891,510)
Net carrying amount	24,152,287	1,484,798	711,766	26,348,851

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
Year ended 30 June 2023				
Net carrying amount at beginning of year	24,152,287	1,484,798	711,766	26,348,851
Additions	1,518,412	345,291	1,430	1,865,133
Reclassifications to intangibles	-	(3,360)	-	(3,360)
Reclassification from inventory	-	6,394	-	6,394
Reclassification from right-of-use assets	891	-	-	891
Reclassification to assets held for sale	(1,972)	-	-	(1,972)
Disposals	(27,733)	(17,869)	(23)	(45,625)
Equity transfers out ⁽ⁱⁱ⁾	(9,404)	-	-	(9,404)
Net revaluation increment less revaluation decrements ⁽ⁱ⁾	1,351,128	-	40,806	1,391,934
Depreciation expense	(812,353)	(260,267)	(37,407)	(1,110,027)
Other reclassifications within property, plant and equipment	(131,503)	(33,590)	165,093	-
Net carrying amount at end of year	26,039,753	1,521,397	881,665	28,442,815

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
At 30 June 2023 - fair value				
Gross carrying amount	38,802,773	3,369,330	1,539,535	43,711,638
Less: accumulated depreciation and impairment	(12,763,020)	(1,847,933)	(657,870)	(15,268,823)
Net carrying amount	26,039,753	1,521,397	881,665	28,442,815

(i) Further details regarding fair value measurement of property, plant and equipment are disclosed in Note 29(b).

(ii) Further details regarding equity transfers are disclosed in Note 36(a).

The net carrying amount of service concession assets included in each class of property, plant and equipment as at 30 June 2023:

- land and buildings \$831.6 million (2022: \$829.65 million)
- plant and equipment \$20.8 million (2022: \$25.77 million)
- infrastructure systems \$25.67 million (2022: \$24.82 million)

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

(a) Total property, plant and equipment (continued)

CONSOLIDATED

During the current period, the net carrying amount of \$0.08 million (2022: \$Nil) for existing assets of the consolidated entity has been reclassified as service concession assets.

(b) Property, plant and equipment held and used by the consolidated entity

CONSOLIDATED

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
At 1 July 2021 - fair value				
Gross carrying amount	30,895,464	3,041,014	1,146,387	35,082,865
Less: accumulated depreciation and impairment	(9,559,352)	(1,663,991)	(529,170)	(11,752,513)
Net carrying amount	21,336,112	1,377,023	617,217	23,330,352
	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
Year ended 30 June 2022				
Net carrying amount at beginning of year	21,336,112	1,377,023	617,217	23,330,352
Additions	1,360,034	302,751	2,120	1,664,905
Reclassifications to intangibles	-	(1,375)	-	(1,375)
Reclassification from inventory	-	4,694	-	4,694
Reclassification from / (to) assets held for sale	(1,263)	-	483	(780)
Disposals	(57,430)	(10,469)	(579)	(68,478)
Net revaluation increment less revaluation decrements ⁽ⁱ⁾	2,083,728	-	76,383	2,160,111
Depreciation expense	(651,817)	(243,810)	(31,850)	(927,477)
Other reclassifications within property, plant and equipment	(126,281)	55,984	47,761	(22,536)
Net carrying amount at end of year	23,943,083	1,484,798	711,535	26,139,416

(i) Further details regarding fair value measurement of property, plant and equipment are disclosed in Note 29(b).

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

(b) Property, plant and equipment held and used by the consolidated entity (continued)

CONSOLIDATED

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
At 1 July 2022 - fair value				
Gross carrying amount	35,279,171	3,241,263	1,331,310	39,851,744
Less: accumulated depreciation and impairment	(11,336,088)	(1,756,465)	(619,775)	(13,712,328)
Net carrying amount	23,943,083	1,484,798	711,535	26,139,416

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
Year ended 30 June 2023				
Net carrying amount at beginning of year	23,943,083	1,484,798	711,535	26,139,416
Additions	1,518,390	345,291	1,430	1,865,111
Reclassifications to intangibles	-	(3,360)	-	(3,360)
Reclassification from inventory	-	6,394	-	6,394
Reclassification from right-of-use assets	891	-	-	891
Reclassification to assets held for sale	(1,972)	-	-	(1,972)
Disposals	(25,040)	(17,869)	(23)	(42,932)
Equity transfers out ⁽ⁱⁱ⁾	(9,404)	-	-	(9,404)
Net revaluation increment less revaluation decrements ⁽ⁱ⁾	1,345,033	-	40,793	1,385,826
Depreciation expense	(802,256)	(260,267)	(37,395)	(1,099,918)
Other reclassifications within property, plant and equipment	(134,172)	(33,590)	165,093	(2,669)
Net carrying amount at end of year	25,834,553	1,521,397	881,433	28,237,383

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
At 30 June 2023 - fair value				
Gross carrying amount	38,413,521	3,369,330	1,538,973	43,321,824
Less: accumulated depreciation and impairment	(12,578,968)	(1,847,933)	(657,540)	(15,084,441)
Net carrying amount	25,834,553	1,521,397	881,433	28,237,383

(i) Further details regarding fair value measurement of property, plant and equipment are disclosed in Note 29(b).

(ii) Further details regarding equity transfers are disclosed in Note 36(a).

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

(c) Property, plant and equipment where the consolidated entity is the lessor under operating leases

CONSOLIDATED

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
At 1 July 2021 - fair value				
Gross carrying amount	324,193	-	471	324,664
Less: accumulated depreciation and impairment	(139,097)	-	(253)	(139,350)
Net carrying amount	185,096	-	218	185,314
	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
Year ended 30 June 2022				
Net carrying amount at beginning of year	185,096	-	218	185,314
Additions	1,280	-	-	1,280
Net revaluation increment less revaluation decrements ⁽ⁱ⁾	9,185	-	25	9,210
Depreciation expense	(8,893)	-	(12)	(8,905)
Other reclassifications within property, plant and equipment	22,536	-	-	22,536
Net carrying amount at end of year	209,204	-	231	209,435

(i) Further details regarding fair value measurement of property, plant and equipment are disclosed in Note 29(b).

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

(c) Property, plant and equipment where the consolidated entity is the lessor under operating leases (continued)

CONSOLIDATED

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
At 1 July 2022 - fair value				
Gross carrying amount	388,087	-	530	388,617
Less: accumulated depreciation and impairment	(178,883)	-	(299)	(179,182)
Net carrying amount	209,204	-	231	209,435

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
Year ended 30 June 2023				
Net carrying amount at beginning of year	209,204	-	231	209,435
Additions	22	-	-	22
Disposals	(2,693)	-	-	(2,693)
Net revaluation increment less revaluation decrements ⁽ⁱ⁾	6,095	-	13	6,108
Depreciation expense	(10,097)	-	(12)	(10,109)
Other reclassifications within property, plant and equipment	2,669	-	-	2,669
Net carrying amount at end of year	205,200	-	232	205,432

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
At 30 June 2023 - fair value				
Gross carrying amount	389,252	-	562	389,814
Less: accumulated depreciation and impairment	(184,052)	-	(330)	(184,382)
Net carrying amount	205,200	-	232	205,432

(i) Further details regarding fair value measurement of property, plant and equipment are disclosed in Note 29(b).

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

(a) Total property, plant and equipment

PARENT

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
At 1 July 2021 - fair value				
Gross carrying amount	312,927	6,579	3,879	323,385
Less: accumulated depreciation and impairment	(133,269)	(2,657)	(3,015)	(138,941)
Net carrying amount	179,658	3,922	864	184,444
	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
Year ended 30 June 2022				
Net carrying amount at beginning of year	179,658	3,922	864	184,444
Additions	-	5,640	-	5,640
Disposals	(10,655)	(13)	(558)	(11,226)
Transfers to NSW Health entities	(5,030)	-	-	(5,030)
Equity transfers in ⁽ⁱⁱ⁾	9,559	-	558	10,117
Net revaluation increment less revaluation decrements ⁽ⁱ⁾	23,420	-	228	23,648
Depreciation expense	(7,217)	(774)	(104)	(8,095)
Other reclassifications within property, plant and equipment	(17,447)	17,447	-	-
Net carrying amount at end of year	172,288	26,222	988	199,498

(i) Further details regarding fair value measurement of property, plant and equipment are disclosed in Note 29(b).

(ii) Further details regarding equity transfers are disclosed in Note 36(a).

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

(a) Total property, plant and equipment (continued)

PARENT

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
At 1 July 2022 - fair value				
Gross carrying amount	328,942	30,136	4,554	363,632
Less: accumulated depreciation and impairment	(156,654)	(3,914)	(3,566)	(164,134)
Net carrying amount	172,288	26,222	988	199,498

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
Year ended 30 June 2023				
Net carrying amount at beginning of year	172,288	26,222	988	199,498
Additions	-	2,458	-	2,458
Disposals	(6,428)	(5)	-	(6,433)
Transfers to NSW Health entities	-	(7,789)	-	(7,789)
Equity transfers in ⁽ⁱⁱⁱ⁾	6,428	-	-	6,428
Net revaluation increment less revaluation decrements ⁽ⁱ⁾	4,519	-	67	4,586
Depreciation expense	(9,012)	(1,149)	(114)	(10,275)
Other reclassifications within property, plant and equipment	1,596	(1,596)	-	-
Net carrying amount at end of year	169,391	18,141	941	188,473

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
As at 30 June 2023				
Gross carrying amount	347,575	23,184	4,901	375,660
Less: accumulated depreciation and impairment	(178,184)	(5,043)	(3,960)	(187,187)
Net carrying amount	169,391	18,141	941	188,473

(i) Further details regarding fair value measurement of property, plant and equipment are disclosed in Note 29(b).

(ii) Further details regarding equity transfers are disclosed in Note 36(a).

The parent entity does not have any service concession assets for the periods ended 30 June 2023 and 30 June 2022. During the current period, no existing assets of the parent entity have been reclassified as service concession assets.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

(b) Property, plant and equipment held and used by the parent entity

PARENT

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
At 1 July 2021 - fair value				
Gross carrying amount	207,018	6,579	3,879	217,476
Less: accumulated depreciation and impairment	(59,865)	(2,657)	(3,015)	(65,537)
Net carrying amount	147,153	3,922	864	151,939
	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
Year ended 30 June 2022				
Net carrying amount at beginning of year	147,153	3,922	864	151,939
Additions	-	5,640	-	5,640
Disposals	(10,655)	(13)	(558)	(11,226)
Transfers to NSW Health entities	(5,030)	-	-	(5,030)
Equity transfers in ⁽ⁱⁱ⁾	9,559	-	558	10,117
Net revaluation increment less revaluation decrements ⁽ⁱ⁾	15,403	-	228	15,631
Depreciation expense	(4,712)	(774)	(104)	(5,590)
Other reclassifications within property, plant and equipment	(17,447)	17,447	-	-
Net carrying amount at end of year	134,271	26,222	988	161,481

(i) Further details regarding fair value measurement of property, plant and equipment are disclosed in Note 29(b).

(ii) Further details regarding equity transfers are disclosed in Note 36(a).

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

(b) Property, plant and equipment held and used by the parent entity (continued)

PARENT

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
At 1 July 2022 - fair value				
Gross carrying amount	207,095	30,136	4,554	241,785
Less: accumulated depreciation and impairment	(72,824)	(3,914)	(3,566)	(80,304)
Net carrying amount	134,271	26,222	988	161,481

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
Year ended 30 June 2023				
Net carrying amount at beginning of year	134,271	26,222	988	161,481
Additions	-	2,458	-	2,458
Disposals	(6,428)	(5)	-	(6,433)
Transfers to NSW Health entities	-	(7,789)	-	(7,789)
Equity transfers in ⁽ⁱⁱⁱ⁾	6,428	-	-	6,428
Net revaluation increment less revaluation decrements ⁽ⁱ⁾	3,351	-	67	3,418
Depreciation expense	(6,387)	(1,149)	(114)	(7,650)
Other reclassifications within property, plant and equipment	4,284	(1,596)	-	2,688
Net carrying amount at end of year	135,519	18,141	941	154,601

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
At 30 June 2023 - fair value				
Gross carrying amount	223,048	23,184	4,901	251,133
Less: accumulated depreciation and impairment	(87,529)	(5,043)	(3,960)	(96,532)
Net carrying amount	135,519	18,141	941	154,601

(i) Further details regarding fair value measurement of property, plant and equipment are disclosed in Note 29(b).

(ii) Further details regarding equity transfers are disclosed in Note 36(a).

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

(c) Property, plant and equipment where the parent entity is the lessor under operating leases

PARENT

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
At 1 July 2021 - fair value				
Gross carrying amount	105,909	-	-	105,909
Less: accumulated depreciation and impairment	(73,404)	-	-	(73,404)
Net carrying amount	32,505	-	-	32,505
	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
Year ended 30 June 2022				
Net carrying amount at beginning of year	32,505	-	-	32,505
Net revaluation increment less revaluation decrements ⁽ⁱ⁾	8,017	-	-	8,017
Depreciation expense	(2,505)	-	-	(2,505)
Net carrying amount at end of year	38,017	-	-	38,017

(i) Further details regarding fair value measurement of property, plant and equipment are disclosed in Note 29(b).

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

(c) Property, plant and equipment where the parent entity is the lessor under operating leases (continued)

PARENT

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
At 1 July 2022 - fair value				
Gross carrying amount	121,847	-	-	121,847
Less: accumulated depreciation and impairment	(83,830)	-	-	(83,830)
Net carrying amount	38,017	-	-	38,017

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
Year ended 30 June 2023				
Net carrying amount at beginning of year	38,017	-	-	38,017
Net revaluation increment less revaluation decrements ⁽ⁱ⁾	1,168	-	-	1,168
Depreciation expense	(2,625)	-	-	(2,625)
Other reclassifications within property, plant and equipment	(2,688)	-	-	(2,688)
Net carrying amount at end of year	33,872	-	-	33,872

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure systems \$000	Total \$000
At 30 June 2023 - fair value				
Gross carrying amount	124,527	-	-	124,527
Less: accumulated depreciation and impairment	(90,655)	-	-	(90,655)
Net carrying amount	33,872	-	-	33,872

(i) Further details regarding fair value measurement of property, plant and equipment are disclosed in Note 29(b).

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

Recognition and Measurement

Acquisition of property, plant and equipment

Property, plant and equipment acquired are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

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

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer in Note 36).

Land and buildings which are owned by the Health Administration Corporation or the State and operated by the parent or its controlled entities are deemed to be controlled by the parent and its controlled entities and are recognised as such in the financial statements.

Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$10,000 and above individually (or forming part of a network costing more than \$10,000) are capitalised.

Major inspection costs

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation of property, plant and equipment

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the consolidated entity.

All material identifiable components of assets are depreciated separately over their useful lives.

Land is not a depreciable asset. Certain heritage assets including original artworks and collections and heritage buildings may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognise depreciation for these assets is reviewed annually.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

Recognition and Measurement (continued)

Depreciation of property, plant and equipment (continued)

Details of depreciation rates initially applied for major asset categories are as follows:

	Useful lives 2023	Useful lives 2022
Buildings	30-70 years	40 years
Buildings - leasehold improvements	3-10 years	3-10 years
Plant and equipment	4-20 years	4-20 years
Infrastructure systems	40 years	40 years

Plant and equipment comprises, among others, medical, computer and office equipment, motor vehicles, furniture and fittings and PODS (a detachable or self - contained unit on ambulances used for patient treatment).

Infrastructure systems comprises public facilities which provide essential services and enhance the productive capacity of the economy including roads, bridges, water infrastructure and distribution works, sewerage treatment plants, seawalls and water reticulation systems.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period and adjusted if appropriate.

In 2023, the estimated useful lives for buildings were revised. Refer Note 1 (h) for further details regarding the change and the impacts.

Right-of-Use Assets acquired by lessees

From 1 July 2019, AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. The consolidated entity has elected to present right-of-use assets separately in the Statement of Financial Position.

Further information on leases is contained at Note 26.

Service concession assets

Service concession arrangements (SCAs) are contracts between a grantor and an operator where an operator provides public services related to a service concession asset on behalf of a public sector grantor for a specified period of time and manages at least some of those services.

AASB 1059 *Service Concession Arrangements* (AASB 1059) requires the grantor to recognise the service concession asset when the grantor obtains control of the asset and measures the service concession asset at current replacement cost. At the same time the grantor recognises a corresponding financial liability or unearned revenue liability or a combination of both.

This note provides disclosures required under AASB 1059 and relates to the consolidated entity's service concession arrangements in place.

Based on the consolidated entity's assessment, the following arrangements fall in scope of AASB 1059:

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

Recognition and Measurement (continued)

Service concession assets (continued)

Description	Public Hospitals						
Name and description of the SCA	Northern Beaches Hospital and Hawkesbury Hospital are two public hospitals built under two separate Public Private Partnership (PPP) arrangements that are now treated as part of service concession arrangements.						
Period of arrangement	<table border="0"> <tr> <td>Northern Beaches Public Hospital</td> <td>20 years (2018 - 2038)</td> </tr> <tr> <td>Northern Beaches Car Park</td> <td>40 years (2018 - 2058)</td> </tr> <tr> <td>Hawkesbury Hospital</td> <td>29 years (1994 - 2023)</td> </tr> </table>	Northern Beaches Public Hospital	20 years (2018 - 2038)	Northern Beaches Car Park	40 years (2018 - 2058)	Hawkesbury Hospital	29 years (1994 - 2023)
Northern Beaches Public Hospital	20 years (2018 - 2038)						
Northern Beaches Car Park	40 years (2018 - 2058)						
Hawkesbury Hospital	29 years (1994 - 2023)						
Terms of the arrangement	The consolidated entity has contracted HealthScope (Operator for Northern Beaches Hospital) and St John of God Health Care (Operator for Hawkesbury Hospital) to build, operate and manage the hospitals and the car park for the duration of the arrangement. The construction of both hospitals was funded by the consolidated entity. Northern Beaches Hospital was paid upfront on completion of the construction works, while Hawkesbury Hospital was paid over time under a financing arrangement with the Operator. There are no remaining future construction payments. The Operator has fully funded the Northern Beaches car park, and the consolidated entity has granted rights to the Operator to operate and generate revenue from that car park. Annual service level agreements are entered into for the delivery of public health services at both hospitals with the Operator, which is funded by the consolidated entity, paid on a monthly basis.						
Rights and obligations	The consolidated entity is obligated to provide both operators access to the hospital and the carpark. The operators are responsible for the delivery of health services to public patients at the hospital which the consolidated entity is obligated to pay for under the annual service agreements. At the end of the arrangement, the operators are obligated to return all assets back to the consolidated entity. For Northern Beaches Hospital, the consolidated entity will be sharing a portion of the hospital facilities with the private operator for an additional term of 20 years after the expiry of the concession period. The consolidated entity is required to issue a notice outlining what shared services will be provided by different parties. The consolidated entity has the right to extend the Northern Beaches Hospital arrangement for up to five years, by way of giving three years notice to the operator. For Hawkesbury Hospital, an extension of 18 months was negotiated with the Operator in 2022. The extension allows both parties to define and agree on the principles of a new service agreement, which will replace the existing service agreement.						
Changes in arrangement occurring during 2022	An extension of 18 months was agreed for the Hawkesbury Hospital arrangement with the Operator. The change has no impact on the current accounting of this arrangement.						
Changes in arrangement occurring during 2023	Nil						

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

Recognition and Measurement (continued)

Service concession assets (continued)

Carrying amounts of public hospital service concession assets

	Land and buildings	Plant and equipment	Infrastructure Systems	Total
	2022	2022	2022	2022
	\$000	\$000	\$000	\$000
Year ended 30 June 2022				
Northern Beaches Public Hospital	590,482	22,978	24,115	637,575
Northern Beaches Car Park	54,005	-	-	54,005
Hawkesbury Hospital	60,993	2,790	656	64,439
Net carrying amount	705,480	25,768	24,771	756,019

	Land and buildings	Plant and equipment	Infrastructure Systems	Total
	2023	2023	2023	2023
	\$000	\$000	\$000	\$000
Year ended 30 June 2023				
Northern Beaches Public Hospital	588,878	18,433	24,866	632,177
Northern Beaches Car Park	55,902	-	-	55,902
Hawkesbury Hospital	60,139	2,371	755	63,265
Net carrying amount	704,919	20,804	25,621	751,344

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

Recognition and Measurement (continued)

Service concession assets (continued)

Description	Hospital car parks								
Name and description of the SCA	<p>Consist of three arrangements:</p> <ul style="list-style-type: none"> - Multi-storey carparks at Royal North Shore Hospital, RNSH P1 and RNSH P2 - Prince of Wales Hospital car parks - St George Hospital car parks 								
Period of arrangement	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">RNSH P1 car park</td> <td style="text-align: right;">26.5 years (2010 - 2036)</td> </tr> <tr> <td>RNSH P2 car park</td> <td style="text-align: right;">22 years (2014 - 2036)</td> </tr> <tr> <td>Prince of Wales hospital car park</td> <td style="text-align: right;">26 years (1997 - 2023)</td> </tr> <tr> <td>St George hospital car park</td> <td style="text-align: right;">25 years (1999 - 2024)</td> </tr> </table>	RNSH P1 car park	26.5 years (2010 - 2036)	RNSH P2 car park	22 years (2014 - 2036)	Prince of Wales hospital car park	26 years (1997 - 2023)	St George hospital car park	25 years (1999 - 2024)
RNSH P1 car park	26.5 years (2010 - 2036)								
RNSH P2 car park	22 years (2014 - 2036)								
Prince of Wales hospital car park	26 years (1997 - 2023)								
St George hospital car park	25 years (1999 - 2024)								
Terms of the arrangement	<p>The consolidated entity has contracted Infrashore (Operator) to build RNSH P2 car park and manage both RNSH P1 and P2 car parks for the duration of the arrangement. The construction of the RNSH P2 car park is funded by the consolidated entity, paid in instalments under a financing arrangement for the duration of the term. RNSH P1 car park was an existing carpark of the consolidated entity. The other two car parks (Prince of Wales hospital car park and St George hospital car park) were funded by the International Parking Group (Operator) which was contracted by the consolidated entity to build, manage and operate both car parks for the duration of the arrangement. For all these car parks, the consolidated entity has granted rights to the Operator to operate and generate revenue from the car parks. Upon grant of this right, the Operator has paid an upfront license fee to the consolidated entity.</p>								
Rights and obligations	<p>The consolidated entity is obliged to provide the operators with access to the carparks and obligated to pay for the construction of the RNSH P2 car park under the financing arrangement with the Operator. The operators are responsible for operating the car parks and at the end of the arrangement, return all assets back to the consolidated entity. There are currently no provisions for extension of the term in the existing contract.</p>								
Changes in arrangement occurring during 2022	Nil								
Changes in arrangement occurring during 2023	Nil								

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

Recognition and Measurement (continued)

Service concession assets (continued)

Carrying amounts of hospital car park service concession assets

	Land and buildings	Plant and equipment	Infrastructure Systems	Total
	2022	2022	2022	2022
	\$000	\$000	\$000	\$000
Year ended 30 June 2022				
RNSH P1 Car Park	24,485	-	-	24,485
RNSH P2 Car Park	23,614	-	-	23,614
St George Hospital Car Park	10,032	-	-	10,032
Prince of Wales Hospital Car Park	51,618	-	-	51,618
Net carrying amount	109,749	-	-	109,749

	Land and buildings	Plant and equipment	Infrastructure Systems	Total
	2023	2023	2023	2023
	\$000	\$000	\$000	\$000
Year ended 30 June 2023				
RNSH P1 Car Park	24,649	-	-	24,649
RNSH P2 Car Park	24,394	-	-	24,394
St George Hospital Car Park	10,378	-	-	10,378
Prince of Wales Hospital Car Park	52,302	-	-	52,302
Net carrying amount	111,723	-	-	111,723

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

Recognition and Measurement (continued)

Service concession assets (continued)

Description	Hospital facilities				
<p>Name and description of the SCA</p>	<p>Consist of two arrangements:</p> <p>Mental Health Recovery Centre - 10 bed residential Mental Health Sub-Acute Unit in Broken Hill that provides services to people across the Far West Local Health District. The Far West Mental Health Recovery Centre (Centre) is owned by the consolidated entity and operated by Neami Limited under a service agreement.</p> <p>Mercy Care Centre Young - 26 bed purpose-built sub-acute rehabilitation and palliative care unit in Young that provides services to the people of Young and surrounding regions. The Mercy Care Centre Young is owned by the consolidated entity and operated by Mercy Health under a 20 year lease agreement and annual service agreements.</p>				
<p>Period of arrangement</p>	<table> <tr> <td>Mental Health Recovery Centre</td> <td>5 years (2019 to 2023)</td> </tr> <tr> <td>Mercy Care Centre Young</td> <td>20 years (2004 to 2024)</td> </tr> </table>	Mental Health Recovery Centre	5 years (2019 to 2023)	Mercy Care Centre Young	20 years (2004 to 2024)
Mental Health Recovery Centre	5 years (2019 to 2023)				
Mercy Care Centre Young	20 years (2004 to 2024)				
<p>Terms of the arrangement</p>	<p>The consolidated entity has separately contracted Neami Limited (Operator for Mental Health Recovery Centre) and Mercy Health (Operator for Mercy Care Centre Young) to manage respective facilities for the duration of the arrangement. Separate funding arrangements have also been agreed to compensate the respective operators for managing the facilities. The capital assets associated with the arrangement have been provided by the consolidated entity to the operators.</p>				
<p>Rights and obligations</p>	<p>The consolidated entity is obligated to provide both operators with access to the respective facilities. The operators are responsible for the delivery of specified services to patients at the respective facilities. The consolidated entity is obligated to pay for those services under the funding agreements. At the end of the arrangement, the operators are obliged to return all assets back to the consolidated entity. There is no provision for an extension of the terms, however they can be separately negotiated.</p>				
<p>Changes in arrangement occurring during 2022</p>	<p>Nil</p>				
<p>Changes in arrangement occurring during 2023</p>	<p>Nil</p>				

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

Recognition and Measurement (continued)

Service concession assets (continued)

Carrying amounts of hospital facility service concession assets

	Land and buildings	Plant and equipment	Infrastructure Systems	Total
	2022	2022	2022	2022
	\$000	\$000	\$000	\$000
Year ended 30 June 2022				
Mental Health Recovery Centre	5,138	-	-	5,138
Mercy Care Centre Young	9,283	-	49	9,332
Net carrying amount	14,421	-	49	14,470

	Land and buildings	Plant and equipment	Infrastructure Systems	Total
	2023	2023	2023	2023
	\$000	\$000	\$000	\$000
Year ended 30 June 2023				
Mental Health Recovery Centre	5,275	-	-	5,275
Mercy Care Centre Young	9,684	-	50	9,734
Net carrying amount	14,959	-	50	15,009

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

Recognition and Measurement (continued)

Service concession assets (continued)

i. Initial recognition

For arrangements within the scope of AASB 1059, the entity recognises a service concession asset when it controls the asset. Where the asset is provided by the operator, or is an upgrade to or a major component replacement of an existing asset of the entity, the asset is recognised at current replacement cost based on AASB 13 *Fair Value Measurement* (AASB 13) principles.

Where the asset is an existing asset of the entity, the asset is reclassified as a service concession asset and remeasured at current replacement cost at the date of reclassification. Any difference between the previous carrying amount and current replacement cost is recognised as if it is a revaluation of the asset.

ii. Subsequent to initial recognition

Subsequent to the initial recognition or reclassification, the service concession asset is measured at current replacement cost and accounted for in accordance with the depreciation and impairment requirements of AASB 116 *Property, Plant and Equipment* (AASB 116) and AASB 136 *Impairment of Assets* (AASB 136).

iii. At the end of the arrangement

At the end of a service concession arrangement:

- the consolidated entity accounts for the asset in accordance with other AAS, with the entity reclassifying the asset based on its nature or function;
- reference to fair value reverts from the mandated current replacement cost under AASB 1059 to the appropriate approach under AASB 13; and
- the asset is only derecognised when the entity loses control of the asset in accordance with AASB 116.

Revaluations of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 21-09) and Treasurer's Direction, 'Valuation of Physical Non-Current Assets at Fair Value' (TD 21-05). TD 21-05 and TPP 21-09 adopt fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and takes into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participant's perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 29 for further information regarding fair value.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

Recognition and Measurement (continued)

Revaluations of property, plant and equipment (continued)

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The consolidated entity conducts a comprehensive revaluation at least every three years on a rotational basis for its land and buildings and infrastructure. Interim desktop revaluations are conducted between comprehensive revaluations for those assets, where cumulative changes to indicators suggest fair value may differ materially from carrying value. The consolidated entity uses an independent professionally qualified valuer for such revaluations.

The last comprehensive revaluation for the parent entity was completed on 31 December 2021 and was based on an independent assessment.

Comprehensive revaluations are conducted in December for the controlled entities on a rolling basis and are based on an independent assessment. A schedule of revaluations has been developed which rolls over every three years. Interim or out of schedule revaluations are conducted where cumulative changes to indicators suggest fair value may differ materially from the carrying value.

Indices obtained from external professionally qualified valuers in 2023 indicated a material cumulative increase in market prices for land and a material increase in construction and labour costs for building and infrastructure from the last comprehensive revaluation. Management has applied these indices to perform an interim revaluation and has recognised the resulting revaluation increment for land, building and infrastructure. A similar assessment was performed in 2022 resulting in a revaluation increment recognised for land, building and infrastructure.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as an approximation of fair value. The consolidated entity has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are recognised in other comprehensive income and credited to revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

25. Property, plant and equipment (continued)

Recognition and Measurement (continued)

Revaluations of property, plant and equipment (continued)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted if appropriate.

Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material.

The consolidated entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the consolidated entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, where they are regularly revalued under AASB 13.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. The reversal is recognised in other comprehensive income and is treated as a revaluation increase, except to the extent that an impairment loss on the same class of asset was previously recognised in net result, where a reversal of that impairment loss is also recognised in net result.

Derecognition of property, plant and equipment

Property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are included in the consolidated Statement of Comprehensive Income.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

26. Leases

(a) Entity as a lessee

The consolidated entity leases various property, equipment and motor vehicles. Lease contracts are typically made for fixed periods of 1 to 40 years (parent entity: 1 to 4 years), but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants but leased assets may not be used as security for borrowing purposes. The consolidated entity does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property and equipment leases. 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 the consolidated entity 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 if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows of \$264.39 million (2022: \$278.20 million) (parent entity: \$Nil, 2022: \$Nil) 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 extensions and termination options was an increase in recognised lease liabilities and right-of-use assets of \$7.51 million (2022: \$0.18 million) (parent entity: \$Nil, 2022: \$Nil).

AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

The consolidated entity has elected to recognise payments for short-term leases and low value leases as expenses on a straight line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new and comprise mainly of small office and medical equipment items.

During the financial year ended 30 June 2022, the consolidated and parent entity derecognised all leases with Property NSW (PNSW), an entity of the ultimate parent. A new 'substitution right' clause was added to the lease arrangements with PNSW, providing PNSW with a substantive substitution right to relocate the consolidated and parent entity during the term of the agreement. As a result of this new clause, those agreements were no longer accounted for as a lease within the scope of AASB 16.

The corresponding right of use assets and lease liabilities have been derecognised on 30 June 2022, the effective date of the new clause. The net impact of the derecognition is recognised in 'Gains / (Losses) on disposal' (refer to Note 14). From 1 July 2022, the associated accommodation and warehouse charges are recognised as 'occupancy agreement expenses - Property NSW' (refer to Note 3) when incurred over the agreement duration.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

26. Leases (continued)

(a) Entity as a lessee (continued)

The consolidated entity continues to carry the responsibility to make good, and to control the fit-out during the remaining occupancy period as the entity receives the economic benefits via using the fit-out or expected compensation from PNSW upon relocation. Therefore, the consolidated entity's accounting treatment for make-good provision and fit-out costs in relation to the relevant accommodation and warehouses remains unchanged.

Right-of-use assets under leases

The following table presents right-of-use assets that do not meet the definition of investment property.

There are no right-of-use assets that meet the definition of investment property.

CONSOLIDATED

	Land and Buildings \$000	Plant and Equipment \$000	Total \$000
Balance at 1 July 2022	293,514	319,217	612,731
Additions	96,156	70,971	167,127
Reassessments	23,527	4,987	28,514
Disposals	(17,713)	(1,824)	(19,537)
Depreciation expense	(71,974)	(89,255)	(161,229)
Reclassifications to property, plant and equipment	(891)	-	(891)
Balance at 30 June 2023	322,619	304,096	626,715

	Land and Buildings \$000	Plant and Equipment \$000	Total \$000
Balance at 1 July 2021	839,227	275,470	1,114,697
Additions	145,166	127,307	272,473
Reassessments	53,432	5,493	58,925
Disposals*	(644,798)	(1,433)	(646,231)
Depreciation expense	(99,513)	(87,620)	(187,133)
Balance at 30 June 2022	293,514	319,217	612,731

* 30 June 2022 disposals includes the derecognition of the right-of-use assets of \$640.39 million with Property NSW.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

26. Leases (continued)

(a) Entity as a lessee (continued)

Right-of-use assets under leases (continued)

PARENT

	Land and Buildings \$000	Plant and Equipment \$000	Total \$000
Balance at 1 July 2022	17,574	97	17,671
Additions	-	47	47
Reassessments	(1)	-	(1)
Disposals	(16,766)	-	(16,766)
Depreciation expense	(130)	(45)	(175)
Balance at 30 June 2023	677	99	776

	Land and Buildings \$000	Plant and Equipment \$000	Total \$000
Balance at 1 July 2021	488,036	67	488,103
Additions	-	86	86
Reassessments	679	-	679
Disposals*	(441,951)	(19)	(441,970)
Depreciation expense	(29,190)	(37)	(29,227)
Balance at 30 June 2022	17,574	97	17,671

* 30 June 2022 disposals includes the derecognition of the right-of-use assets of \$441.95 million with Property NSW.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

26. Leases (continued)

(a) Entity as a lessee (continued)

Lease liabilities

The following table presents liabilities under leases:

CONSOLIDATED

	2023 \$000	2022 \$000
Balance at 1 July	624,017	1,238,328
Additions	166,913	272,271
Interest expenses	16,893	29,741
Payments	(177,002)	(203,502)
Terminations / derecognition*	(19,409)	(771,746)
Other adjustments	28,514	58,925
Balance at 30 June	639,926	624,017

* 30 June 2022 terminations / derecognition includes the derecognition of lease liabilities of \$765.69 million with Property NSW.

PARENT

	2023 \$000	2022 \$000
Balance at 1 July	17,489	592,304
Additions	47	86
Interest expenses	13	13,007
Payments	(181)	(32,477)
Terminations / derecognition*	(16,582)	(556,110)
Other adjustments	(1)	679
Balance at 30 June	785	17,489

* 30 June 2022 terminations / derecognition includes the derecognition of lease liabilities of \$556.09 million with Property NSW.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

26. Leases (continued)

(a) Entity as a lessee (continued)

The following amounts were recognised in the Statement of Comprehensive Income during the period in respect of leases where the consolidated entity is the lessee:

CONSOLIDATED

	2023	2022
	\$000	\$000
Depreciation expense of right-of-use assets	161,229	187,133
Interest expense on lease liabilities	16,893	29,741
Expenses relating to short-term leases	41,361	54,270
Expenses relating to leases of low-value assets	20,325	36,215
Variable lease payments not included in the measurement of lease liabilities	-	13
Income from subleasing right-of-use assets	(17)	(13)
(Gains) / losses on disposal*	128	(125,515)
Total amount recognised in the statement of comprehensive income	239,919	181,844

* In 2022, (Gains) / losses on disposal includes \$125.30 million of net gains on disposal as a result of the derecognition of leases with Property NSW.

The consolidated entity had total cash outflows for leases of \$238.69 million for the year ending 30 June 2023 (2022: \$294.00 million).

The following amounts were recognised in the Statement of Comprehensive Income during the period in respect of leases where the parent entity is the lessee:

PARENT

	2023	2022
	\$000	\$000
Depreciation expense of right-of-use assets	175	29,227
Interest expense on lease liabilities	13	13,007
Expenses relating to short-term leases	15	68
Expenses relating to leases of low-value assets	293	810
(Gains) / losses on disposal*	184	(114,140)
Total amount recognised in the statement of comprehensive income	680	(71,028)

* In 2022, (Gains) / losses on disposal includes \$114.14 million of net gains on disposal as a result of the derecognition of leases with Property NSW.

The parent entity had total cash outflows for leases of \$0.49 million for the year ending 30 June 2023 (2022: \$33.36 million).

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

26. Leases (continued)

(a) Entity as a lessee (continued)

Leases at significantly below market terms and conditions principally to enable the entity to further its objectives

The consolidated entity entered into a number of leases, with lease terms ranging from 1 to 99 years with various organisations, including local councils, health charities, Catholic churches and other NSW State entities for the use of various community health buildings. There are also some leases for the use of various helipads across the state. These contracts generally specify lease payments of \$Nil or negligible amounts per annum, and the leased premises are used by the consolidated entity to provide different community health services and access to helipads. These community health buildings and helipads account for a small portion of similar assets used by the consolidated entity for the purposes of providing health services. Therefore, these lease arrangements do not have a significant impact on the consolidated entity's operations.

Recognition and measurement

The consolidated entity assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The consolidated entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

i. Right-of-use assets

The consolidated entity recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date, lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Useful lives
Land and buildings	1 to 40 years
Plant and machinery	1 to 15 years
Motor vehicles and other equipment	1 to 5 years
Aeromedical	1 to 10 years

If ownership of the leased asset transfers to the consolidated entity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The consolidated entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the consolidated entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

26. Leases (continued)

(a) Entity as a lessee (continued)

Recognition and measurement (continued)

ii. Lease liabilities

At the commencement date of the lease, the consolidated entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase option reasonably certain to be exercised by the consolidated entity; and
- payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for real estate leases, the incremental borrowing rate is used. The consolidated entity does not borrow funds in the market. Instead it receives an allocation of the appropriations from the Crown and where the Crown needs additional funding, Treasury Corporation (TCorp) goes to the market to obtain these funds. As a result, the consolidated entity is using TCorp rates as its incremental borrowing rate. These rates are published by NSW Treasury on a regular basis.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The consolidated entity's lease liabilities are included in borrowings in Note 33.

iii. Short-term leases and leases of low-value assets

The consolidated entity applies the short-term lease recognition exemption to its short-term leases of buildings, machinery, motor vehicles and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

iv. Leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives

The initial and subsequent measurement of right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the consolidated entity to further its objectives is the same as normal right-of-use assets. They are measured at cost, subject to impairment.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

26. Leases (continued)

(b) Entity as a lessor

Recognition and measurement

The consolidated entity leases some retail spaces located within the hospital precincts under operating leases with rental payable monthly. Lease payments generally contain uplift clauses to align to the market conditions.

The consolidated entity also leases land and buildings to non-government organisations (NGO's) and universities under operating leases arrangements. Generally there are no rental payments as the consolidated entity provides market rental assistance grants which offset the rental payments.

The consolidated entity also leases out certain areas and floors within its buildings on a long term basis, which are treated as finance leases. All lease payments are generally paid upfront and the asset gets derecognised from non-current assets.

Lessor for finance leases

Future minimum rentals receivable (undiscounted) under non-cancellable finance leases as at 30 June are, as follows:

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Within one year	47	78	-	-
One to two years	-	47	-	-
Total (excluding GST)	47	125	-	-

Reconciliation of net investment in leases

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Future undiscounted rentals receivable	47	125	-	-
Unguaranteed residual amounts - undiscounted	313,686	313,686	-	-
Less: unearned finance income	(225,146)	(227,321)	-	-
Net investment in finance lease	88,587	86,490	-	-

Leases that the consolidated entity transfers substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases. Subleases are classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

At the lease commencement date, the consolidated entity recognises a receivable for assets held under a finance lease in its Statement of Financial Position at an amount equal to the net investment in the lease. The net investment in leases is classified as financial assets at amortised cost and equals the lease payments receivable by a lessor and the unguaranteed residual value, plus initial direct costs, discounted using the interest rate implicit in the lease.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

26. Leases (continued)

(b) Entity as a lessor (continued)

Recognition and measurement (continued)

Finance income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Lessor for operating leases

Future minimum rental receivables (undiscounted) under non-cancellable operating leases as at 30 June are as follows:

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Within one year	13,122	11,323	1,257	1,413
One to two years	11,172	8,491	1,377	1,071
Two to three years	10,670	7,897	1,304	1,024
Three to four years	9,931	7,638	1,121	988
Four to five years	9,469	7,162	1,047	1,016
Later than five years	108,619	89,843	7,954	7,495
Total (excluding GST)	162,983	132,354	14,060	13,007

An operating lease is a lease other than a finance lease. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in other revenue in the Statement of Comprehensive Income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases not yet commenced to which the lessee is committed

Ambulance Service of NSW has entered into a 10 year contract with Pel-Air Aviation Pty Ltd to provide aeromedical services. The contract has a lease component for the right-to-use of the contracted aircraft. Stage 2, which includes two additional aircraft, has not yet commenced operating and as a result, no right-of-use asset or liability has been recognised at the reporting date in respect of those two aircraft. Future cash outflows from the lease of these two aircraft is expected to be \$67.62 million.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

27. Intangible assets

CONSOLIDATED

	Software \$000	Total \$000
At 1 July 2021		
Cost (gross carrying amount)	1,265,650	1,265,650
Less: accumulated amortisation and impairment	(576,096)	(576,096)
Net carrying amount	689,554	689,554
	Software \$000	Total \$000
Year ended 30 June 2022		
Net carrying amount at beginning of year	689,554	689,554
Additions	98,851	98,851
Reclassifications from property, plant and equipment	1,375	1,375
Disposals	(313)	(313)
Amortisation (recognised in depreciation and amortisation)	(92,250)	(92,250)
Net carrying amount at the end of the year	697,217	697,217
	Software \$000	Total \$000
At 1 July 2022		
Cost (gross carrying amount)	1,363,369	1,363,369
Less: accumulated amortisation and impairment	(666,152)	(666,152)
Net carrying amount	697,217	697,217
	Software \$000	Total \$000
Year ended 30 June 2023		
Net carrying amount at beginning of year	697,217	697,217
Additions	139,812	139,812
Reclassifications from property, plant and equipment	3,360	3,360
Disposals	(1,993)	(1,993)
Amortisation (recognised in depreciation and amortisation)	(106,350)	(106,350)
Net carrying amount at the end of the year	732,046	732,046
	Software \$000	Total \$000
At 30 June 2023		
Cost (gross carrying amount)	1,495,526	1,495,526
Less: accumulated amortisation and impairment	(763,480)	(763,480)
Net carrying amount	732,046	732,046

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

27. Intangible assets (continued)

PARENT

	Software \$000	Total \$000
At 1 July 2021		
Cost (gross carrying amount)	4,801	4,801
Less: accumulated amortisation and impairment	(1,672)	(1,672)
Net carrying amount	3,129	3,129
Year ended 30 June 2022		
Net carrying amount at beginning of year	3,129	3,129
Additions	871	871
Disposals	(47)	(47)
Amortisation (recognised in depreciation and amortisation)	(745)	(745)
Net carrying amount at the end of the year	3,208	3,208
At 1 July 2022		
Cost (gross carrying amount)	4,750	4,750
Less: accumulated amortisation and impairment	(1,542)	(1,542)
Net carrying amount	3,208	3,208
Year ended 30 June 2023		
Net carrying amount at beginning of year	3,208	3,208
Additions	4,317	4,317
Amortisation (recognised in depreciation and amortisation)	(453)	(453)
Net carrying amount at the end of the year	7,072	7,072
At 30 June 2023		
Cost (gross carrying amount)	8,362	8,362
Less: accumulated amortisation and impairment	(1,290)	(1,290)
Net carrying amount	7,072	7,072

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

27. Intangible assets (continued)

Recognition and Measurement

The consolidated entity recognises intangible assets only if it is probable that future economic benefits will flow to the consolidated entity and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the consolidated entity's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

The consolidated entity's intangible assets are amortised using the straight-line method over a period of four to fifteen years. Computer software developed or acquired by the consolidated entity are recognised as intangible assets.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

28. Non-current assets held for sale

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Assets held for sale				
Land and buildings	304	3,304	-	-
	304	3,304	-	-

Further details regarding the fair value measurement are disclosed in Note 29.

Recognition and Measurement

The consolidated entity has certain non-current assets classified as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are recognised at the lower of carrying amount and fair value less costs of disposal.

These assets are not depreciated while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are continued to be recognised.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

29. Fair value measurement of non-financial assets

Fair value measurement and hierarchy

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13 *Fair Value Measurement*, the consolidated entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

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

The consolidated entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(a) Fair value hierarchy

CONSOLIDATED	Level 1	Level 2	Level 3	Total Fair
	\$000	\$000	\$000	Value \$000
2023				
Land and buildings ⁽ⁱ⁾	-	843,232	21,932,830	22,776,062
Infrastructure systems ⁽ⁱ⁾	-	295	865,130	865,425
Non-current assets held for sale (Note 28)	-	304	-	304
	-	843,831	22,797,960	23,641,791
2022				
Land and buildings ^{(i), (ii)}	-	737,098	19,556,547	20,293,645
Infrastructure systems ^{(i), (iii)}	-	232	712,356	712,588
Non-current assets held for sale (Note 28)	-	3,304	-	3,304
	-	740,634	20,268,903	21,009,537

(i) Leasehold improvements, work in progress and newly completed buildings are carried at cost, therefore excluded from figures above and as a result the balances in Note 25 will not reconcile with balances disclosed above.

(ii) Land and buildings – Level 3 has been restated higher by \$276.27 million as a result of some assets incorrectly excluded and some incorrectly included in the 2022 financial statements.

(iii) Infrastructure systems – Level 3 has been restated higher by \$17.52 million as a result of some assets incorrectly excluded in the 2022 financial statements.

There were no transfers between Level 1 and 2 during the year ended 30 June 2023 and 2022.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

29. Fair value measurement of non-financial assets (continued)

(a) Fair value hierarchy (continued)

PARENT	Level 1	Level 2	Level 3	Total Fair
	\$000	\$000	\$000	Value \$000
2023				
Land and buildings	-	-	169,391	169,391
Infrastructure systems	-	-	941	941
	-	-	170,332	170,332
2022				
Land and buildings	-	-	172,288	172,288
Infrastructure systems	-	-	988	988
	-	-	173,276	173,276

There were no transfers between Level 1 and 2 during the year ended 30 June 2023 and 2022.

(b) Valuation techniques, inputs and processes

The consolidated entity obtains independent valuations for its non-financial assets at least every three years. The valuer used by the consolidated entity is independent of the respective entities.

At the end of each reporting period, the consolidated entity updates its assessment of the fair value of each category of non-financial assets, taking into account the most recent independent valuations. The best evidence of fair value is current prices in an active market for similar assets. Where such information is not available, the consolidated entity considers information from other sources, such as the indices provided by independent external valuers. These fair value adjustments are reflected in Note 25 Total property, plant and equipment - reconciliation.

The valuations techniques used maximise the use of observable inputs where available and rely as little as possible on entity or asset specific estimates. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the measurement in its entirety. If significant inputs required to measure fair value of an asset are observable, the asset is included in level 2 of the fair value hierarchy. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3 of the fair value hierarchy. All resulting fair value estimates for non-financial assets are included in level 3 with the exception of some land and buildings and non-current assets held for sale included in level 2.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

29. Fair value measurement of non-financial assets (continued)

(b) Valuation techniques, inputs and processes (continued)

The non-financial assets categorised in (a) above have been measured based on the following valuation techniques and inputs:

- **For land**, the valuation by the valuers is made on a market approach, comparing similar assets (not identical) and observable inputs. The most significant input is price per square metre. All commercial and non-restricted land is included in level 2 as these land valuations have a high level of observable inputs, although these lands are not identical. The majority of the restricted land has been classified as level 3 as, although observable inputs have been used, a significant level of professional judgement is required to adjust inputs in determining the land valuations. Certain parcels of land have zoning restrictions, for example hospital grounds, and values are adjusted accordingly.
- **For buildings and infrastructure systems**, many assets are of a specialised nature or use, and thus the most appropriate valuation method is depreciated replacement cost. These assets are included as level 3 as these assets have a high level of unobservable inputs. However, residential and commercial properties are valued on a market approach and are included in level 2.
- **Non-current assets held for sale** are a non-recurring item that is measured at the lesser of its carrying amount or fair value less cost to sell. These assets are categorised as level 2 except when an asset was a level 3 asset prior to transfer to non-current assets held for sale, and continues to be recognised as a level 3 asset where the carrying amount is less than the fair value (less cost) to sell.

Level 3 disclosures:

The fair value of buildings computed by suitably qualified independent valuers using a methodology known as the depreciated replacement cost valuation technique. The following table highlights the key unobservable (level 3) inputs assessed during the valuation process, the relationship to the estimated fair value and the sensitivity to changes in unobservable inputs.

Assets	Valuation	
	Techniques	Valuation Inputs
Land under specialised building(s)	Market approach	This valuation method involves comparing the subject property to comparable sale prices in similar location on a rate per square metre basis, adjusted for restrictions specific for the property (e.g. mandated use and / or zoning).
Specialised Buildings	Depreciated replacement cost approach	This valuation method involves establishing the current replacement cost of the modern equivalent asset for each type of building on a rate per square metre basis; depreciated to reflect the building's remaining useful life which is determined by a number of factors including asset condition and asset life.
Non-Specialised Buildings	Depreciated replacement cost approach	This valuation method involves establishing the current replacement cost of the modern equivalent asset for each type of building on a rate per square metre basis; depreciated to reflect the building's remaining useful life.
Infrastructure systems	Depreciated replacement cost approach	This valuation method involves establishing the current replacement cost of the modern equivalent infrastructure asset on a rate per square metre basis; depreciated to reflect the assets remaining useful life.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

29. Fair value measurement of non-financial assets (continued)

(c) Reconciliation of recurring Level 3 fair value measurements

CONSOLIDATED

	Land and Buildings \$000	Infrastructure Systems \$000	Total Level 3 Recurring \$000
2023			
Fair value as at 1 July 2022	19,556,547	712,356	20,268,903
Additions*	1,841,603	147,073	1,988,676
Revaluation increments / decrements recognised in other comprehensive income – included in line item 'Changes in revaluation surplus of property, plant and equipment'	1,327,571	41,149	1,368,720
Transfers from Level 2	2,156	-	2,156
Transfers to Level 2	(4,054)	-	(4,054)
Disposals	(5,284)	-	(5,284)
Depreciation expense	(778,102)	(35,930)	(814,032)
Equity transfers (out) - Note 36 (a)	(9,403)	-	(9,403)
Reclassification	1,796	482	2,278
Fair value as at 30 June 2023	21,932,830	865,130	22,797,960

* Additions include assets previously carried at cost which have been revalued under the level 3 fair value hierarchy for the first time as a result of a comprehensive revaluation or an interim desktop revaluation.

CONSOLIDATED

	Land and Buildings \$000	Infrastructure Systems \$000	Total Level 3 Recurring \$000
2022			
Fair value as at 1 July 2021	16,044,981	571,293	16,616,274
Additions ^{(i), (ii) *}	2,244,445	103,893	2,348,338
Revaluation increments / decrements recognised in other comprehensive income – included in line item 'Changes in revaluation surplus of property, plant and equipment' ^{(i), (ii)}	1,889,510	76,884	1,966,394
Transfers from Level 2	23,830	-	23,830
Transfers to Level 2	(2,042)	(9,087)	(11,129)
Disposals	(13,755)	(97)	(13,852)
Depreciation expense ^{(i), (ii)}	(630,678)	(30,755)	(661,433)
Reclassification	256	225	481
Fair value as at 30 June 2022	19,556,547	712,356	20,268,903

(i) Prior year land and buildings 'additions' has been restated higher by \$257.77 million, 'revaluation increments / decrements recognised in other comprehensive income' restated higher by \$24.10 million and 'depreciation expense' restated higher by \$5.60 million as a result of an error in the previous year.

(ii) Prior year infrastructure systems 'additions' has been restated higher by \$16.43 million, 'revaluation increments / decrements recognised in other comprehensive income' restated higher by \$1.40 million and 'depreciation expense' restated higher by \$0.31 million as a result of an error in the previous year.

* Additions include assets previously carried at cost which have been revalued under the level 3 fair value hierarchy for the first time as a result of a comprehensive revaluation or an interim desktop revaluation.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

29. Fair value measurement of non-financial assets (continued)

(c) Reconciliation of recurring Level 3 fair value measurements (continued)

PARENT

	Land and Buildings \$000	Infrastructure Systems \$000	Total Level 3 Recurring \$000
2023			
Fair value as at 1 July 2022	172,288	988	173,276
Additions*	1,596	-	1,596
Revaluation increments / decrements recognised in other comprehensive income – included in line item 'Changes in revaluation surplus of property, plant and equipment'	4,519	67	4,586
Depreciation expense	(9,012)	(114)	(9,126)
Fair value as at 30 June 2023	169,391	941	170,332

* Additions include assets previously carried at cost which have been revalued under the level 3 fair value hierarchy for the first time as a result of a comprehensive revaluation or an interim desktop revaluation.

	Land and Buildings \$000	Infrastructure Systems \$000	Total Level 3 Recurring \$000
2022			
Fair value as at 1 July 2021	119,550	573	120,123
Additions*	37,631	291	37,922
Revaluation increments / decrements recognised in other comprehensive income – included in line item 'Changes in revaluation surplus of property, plant and equipment'	23,419	228	23,647
Disposals	(4,623)	(76)	(4,699)
Depreciation expense	(7,217)	(104)	(7,321)
Equity transfers in - Note 36 (a)	3,528	76	3,604
Fair value as at 30 June 2022	172,288	988	173,276

* Additions include assets previously carried at cost which have been revalued under the level 3 fair value hierarchy for the first time as a result of a comprehensive revaluation or an interim desktop revaluation.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

30. Restricted assets

The financial statements include the following assets which are restricted by externally imposed conditions, eg. donor requirements. The assets are only available for application in accordance with the terms of the donor restrictions. They consist of cash assets and rights and obligations to receive and make payments as at 30 June 2023.

CONSOLIDATED	1 July 2022		30 June 2023	
	Opening equity	Revenue	Expense	Closing equity
	\$000	\$000	\$000	\$000
Category				
Community welfare	15,883	23,135	(19,463)	19,555
Facility improvements	844,389	216,049	(241,066)	819,372
Hold Funds in Perpetuity	14,691	1,230	(1,173)	14,748
Patient welfare	83,834	40,559	(28,002)	96,391
Private practice disbursements (No.2 Accounts)	510,377	111,764	(95,376)	526,765
Public contributions	46,415	23,334	(8,145)	61,604
Research	266,010	115,154	(91,734)	289,430
Section 19(2) primary care - exemption initiative	4,318	2,919	(2,717)	4,520
Staff welfare	20,410	6,399	(2,241)	24,568
Training and education including conferences	93,212	21,257	(18,244)	96,225
Other	8,597	254	-	8,851
Total Restricted Assets	1,908,136	562,054	(508,161)	1,962,029

PARENT	1 July 2022		30 June 2023	
	Opening equity	Revenue	Expense	Closing equity
	\$000	\$000	\$000	\$000
Category				
Facility improvements	43,392	43,403	(9,730)	77,065
Research	30,548	-	(1,516)	29,032
Total Restricted Assets	73,940	43,403	(11,246)	106,097

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

30. Restricted assets (continued)

Restricted assets are held for the following purpose and cannot be used for any other purpose.

Category	Purpose
Community welfare	Improvements to service access, health literacy, public and preventative health care.
Facility improvements	Repairs, maintenance, renovations and/or new equipment or building related expenditure.
Hold funds in perpetuity	Donor has explicitly requested funds be invested permanently and not otherwise expended.
Patient welfare	Improvements such as medical needs, financial needs and standards for patients' privacy and dignity.
Private practice disbursements	Staff specialists' private practice arrangements to improve the level of clinical services provided (No. 2 Accounts).
Public contributions	Donations, gifts, bequests or legacies received without any donor-specified conditions as to its use. Such contributions are restricted as a result of the requirements of the Accounts and Audit Determination for Public Health Entities in NSW.
Section 19(2) primary care - exemption initiative	Improving access to primary care in rural and remote areas under the Council of Australian Governments (COAG) s19(2) Exemptions Initiative.
Research	Research to gain knowledge, understanding and insight.
Staff welfare	Staff benefits such as staff recognition awards, functions and staff amenity improvements.
Training and education including conferences	Professional training, education and conferences.
Other	This does not meet the definition of any of the above categories.

Unclaimed monies

All money and personal effects of patients which are left in the custody of the consolidated entity by any patient who is discharged or dies in hospital and which are not claimed by the person lawfully entitled thereto within a period of twelve months are recognised as the property of the respective health entity.

All such money and the proceeds of the realisation of any personal effects are lodged to the credit of the Samaritan Fund which is used specifically for the benefit of necessitous patients or necessitous outgoing patients.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

31. Payables

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Accrued salaries, wages and on-costs	319,679	260,745	2,944	2,484
Salaries and wages deductions	101,926	95,053	18	39
Payroll tax and fringe benefits tax	1,710	3,042	1,143	904
Trade operating creditors ¹	1,349,137	1,786,935	296,919	499,521
Interest	69	14	-	-
Other creditors				
- Capital works	163,651	225,590	-	-
- Payables to controlled health entities ¹	-	-	259,092	372,051
- Other ¹	5,270	4,829	-	-
Total current payables	1,941,442	2,376,208	560,116	874,999

¹ Manual creditors has been reclassified from 'other creditors - other' to 'trade operating creditors' and 'payables to controlled health entities' in the current year. The prior period 'other creditors - other' has been restated lower by \$838.90 million (parent entity: \$134.59 million), 'trade operating creditors' higher by \$838.90 million (parent entity: \$134.58 million) and 'payables to controlled health entities' higher by \$Nil (parent entity: \$0.003 million) to reflect this change.

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 44.

Recognition and Measurement

Payables represent liabilities for goods and services provided to the consolidated entity and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

32. Contract liabilities

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Current				
Contract liabilities	57,031	56,030	545	1,670
	57,031	56,030	545	1,670
Non-current				
Contract liabilities	556	1,081	-	-
	556	1,081	-	-

Recognition and Measurement

Contract liabilities are in respect of consideration received in advance from the sale of goods and services from contracts with customers and grants and other contributions.

The balance of the contract liabilities at the 30 June 2023 was impacted by the timing of payments received for the sales of goods and services from contracts with customers and grants and other contributions. The satisfaction of the specific performance obligations within the contracts hadn't been met at the 30 June 2023. Revenue from the contract liabilities will be recognised when the specific performance obligations have been met.

The current contract liability balance has increased in the consolidated entity and reduced in the parent entity during the year due to the timing of meeting the specific performance obligations within the contracts. The non-current contract liability has decreased in the consolidated entity as some long term grants and other contribution funds were reclassified to current within the current year.

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Revenue recognised that was included in the contract liability balance at the beginning of the year	55,696	45,415	1,670	319
Revenue recognised from performance obligations satisfied in previous periods	4,334	3,391	-	-
Transaction price allocated to the remaining performance obligations from contracts with customers	133,210	158,057	2,448	17,253

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

32. Contract liabilities (continued)

The transaction price allocated to the remaining performance obligations relates to the following revenue classes and is expected to be recognised as follows:

CONSOLIDATED

	2024	2025	2026	≥ 2027
Specific revenue class	\$000	\$000	\$000	\$000
Sales of goods and services from contracts with customers	26,081	1,195	1,114	1,115
Grants and other contributions	62,109	33,523	7,198	875
	88,190	34,718	8,312	1,990

PARENT

	2024	2025	2026	≥ 2027
Specific revenue class	\$000	\$000	\$000	\$000
Grants and other contributions	2,448	-	-	-
	2,448	-	-	-

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

33. Borrowings

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Current				
Derivatives	624	-	-	-
Other loans and deposits	7,321	7,349	-	-
Lease liabilities (see Note 26)	148,156	141,085	156	11,007
Service concession financial liabilities*	1,557	1,447	-	-
Public, Private Partnerships (PPP)				
Long Bay Forensic Hospital	3,283	2,968	-	-
Calvary Mater Newcastle Hospital	2,983	2,557	-	-
Orange Hospital & Associated Health Services	4,271	3,503	-	-
Royal North Shore Hospital Redevelopment	12,426	9,131	-	-
	180,621	168,040	156	11,007
Non-Current				
Other loans and deposits	30,850	38,170	-	-
Lease liabilities (see Note 26)	491,770	482,932	629	6,482
Service concession financial liabilities*	28,055	29,629	-	-
Public, Private Partnerships (PPP)				
Long Bay Forensic Hospital	58,040	61,323	-	-
Calvary Mater Newcastle Hospital	59,382	62,365	-	-
Orange Hospital & Associated Health Services	146,144	150,415	-	-
Royal North Shore Hospital Redevelopment	665,469	678,199	-	-
	1,479,710	1,503,033	629	6,482

* This relates to contractual payments made to the operator, refer to Note 25 for further details on the consolidated entity's service concession arrangements.

No assets have been pledged as security / collateral for liabilities and there are no restrictions on any title to property.

The Public, Private Partnerships (PPP) relate to the provision of service-enabling infrastructure that includes private sector delivering a combination of design, construction, financing, maintenance, operations and delivery of clinical and non-clinical services. Payments are made by the consolidated entity to the private sector entities on the basis of delivery of assets or service delivery. The liability to pay private sector entities is based on financing arrangements involving Consumer Price Index (CPI)-linked finance and fixed finance.

Details regarding liquidity risk, including a maturity analysis of the above borrowings are disclosed in Note 44.

Borrowings represents interest bearing liabilities mainly through NSW Treasury Corporation, lease liabilities, service concessions arrangement liabilities, other interest bearing liabilities and derivatives.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

33. Borrowings (continued)

Recognition and Measurement

Financial liabilities at amortised cost

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading such as derivative financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held-for-trading if they are incurred for the purpose of repurchasing in the near term or on initial recognition are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are economic hedges classified as at fair value through profit or loss unless they are designated as effective hedging instruments.

Derivatives are carried as financial liabilities when the fair value is negative. Gains or losses on derivative liabilities are recognised in the net result as the consolidated entity has elected not to apply hedge accounting.

Management only designates an instrument at FVPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- the designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- the liabilities are part of a group of financial liabilities, that are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- the liabilities contain one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

The consolidated entity has not designated any financial liability as at fair value through profit or loss.

The changes in fair value of liabilities designated at fair value through profit or loss are recorded in profit or loss with the exception that movements in fair value due to changes in the entity's own credit risk are recorded in other comprehensive income and do not get recycled to net result.

Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value, being the premium received. Subsequent to initial recognition, the consolidated entity's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation, and an expected credit loss provision.

The consolidated and parent entity has not granted any financial guarantees.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

33. Borrowings (continued)

Changes in liabilities arising from financing activities

CONSOLIDATED

	Derivatives \$000	Other loans and deposits \$000	Leases \$000	Service concession arrangements \$000	Total liabilities from financing \$000
1 July 2021	-	1,039,180	1,238,328	32,435	2,309,943
Cash flows	-	(23,200)	(173,761)	(1,359)	(198,320)
New leases	-	-	272,271	-	272,271
Lease terminations*	-	-	(771,746)	-	(771,746)
Lease reassessments	-	-	58,925	-	58,925
30 June 2022	-	1,015,980	624,017	31,076	1,671,073
1 July 2022	-	1,015,980	624,017	31,076	1,671,073
Cash flows	(11)	(25,811)	(160,109)	(1,464)	(187,395)
New leases	-	-	166,913	-	166,913
Lease terminations	-	-	(19,409)	-	(19,409)
Lease reassessments	-	-	28,514	-	28,514
Non-cash changes other	635	-	-	-	635
30 June 2023	624	990,169	639,926	29,612	1,660,331

* 30 June 2022 lease terminations include derecognition of lease liabilities of \$765.69 million with Property NSW. Please refer to Note 26 for further details on the derecognition.

Cash flows from derivatives in the above table will not reconcile to the Statement of Cash Flows as the Statement of Cash Flows presents a net cash movement of financial assets and liabilities.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

33. Borrowings (continued)

Changes in liabilities arising from financing activities (continued)

PARENT

	Leases \$000	Total liabilities from financing \$000
1 July 2021	592,304	592,304
Cash flows	(19,470)	(19,470)
New leases	86	86
Lease terminations*	(556,110)	(556,110)
Lease reassessments	679	679
30 June 2022	17,489	17,489
1 July 2022	17,489	17,489
Cash flows	(168)	(168)
New leases	47	47
Lease terminations	(16,582)	(16,582)
Lease reassessments	(1)	(1)
30 June 2023	785	785

* 30 June 2022 lease terminations include derecognition of lease liabilities of \$556.09 million with Property NSW. Please refer to Note 26 for further details on the derecognition.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

34. Provisions

	Consolidated 2023 \$000	Consolidated ¹ 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Current				
Employee benefits and related on-costs				
Annual leave - obligations expected to be settled within 12 months	1,591,399	1,429,119	15,910	13,157
Annual leave - obligations expected to be settled after 12 months	948,405	992,628	7,396	8,168
Death and disability (ambulance officers)	-	822	-	-
Long service leave consequential on-costs - obligations expected to be settled within 12 months	35,783	32,249	568	470
Long service leave consequential on-costs - obligations expected to be settled after 12 months	413,360	407,552	6,717	6,198
Allocated days off	87,243	83,260	-	-
Sick leave	149	192	-	-
Parental leave - obligations expected to be settled within 12 months	117,484	-	-	-
Provision for other employee benefits*	-	387,989	-	3,321
Other	-	778	-	-
	3,193,823	3,334,589	30,591	31,314
Other Provisions				
Restoration costs	13,913	11,784	-	-
Other	79,954	135,280	50,600	11,404
	93,867	147,064	50,600	11,404
Total current provisions	3,287,690	3,481,653	81,191	42,718
Non-current				
Employee benefits and related on-costs				
Long service leave consequential on-costs	44,265	43,341	720	659
	44,265	43,341	720	659
Other Provisions				
Restoration costs	10,056	15,995	-	-
Other	-	1,894	-	-
	10,056	17,889	-	-
Total non-current provisions	54,321	61,230	720	659

¹ 'Long service leave consequential on-costs' has been restated to be higher by \$16.51 million in the prior year for the consolidated entity. Refer to Note 17 for further details regarding restatement as a result of an error.

* In 2022, provisions for other employee benefits included a one-off payment to employees of \$387.99 million in the consolidated entity and \$3.32 million in the parent entity for the recognition of service during the COVID-19 pandemic.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

34. Provisions (continued)

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Aggregate employee benefits and related on-costs				
Provisions - current	3,193,823	3,334,589	30,591	31,314
Provisions - non-current	44,265	43,341	720	659
Accrued salaries, wages and on-costs and salaries and wages deductions (Note 31)	421,605	355,798	2,962	2,523
	3,659,693	3,733,728	34,273	34,496

Movements in provisions (other than employee benefits)

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

Restoration costs

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Carrying amount at beginning of year	27,779	25,685	-	-
- Additional provisions recognised	4,090	3,275	-	-
- Amounts used	(7,336)	(765)	-	-
- Unused amounts reversed	(564)	(416)	-	-
Carrying amount at end of year	23,969	27,779	-	-

The majority of 'restoration costs' represent the expected cost to restore a leased asset at the end of the lease term. Lease end dates vary across the consolidated entity's lease portfolio and therefore the timing of the payments to restore the leased asset at the end of the term will vary. The majority of the 'restoration cost' provision is as per the lease contracts.

The remaining balance consists of site remediation costs with the majority of the payments not expected to be made until 2024.

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for the year ended 30 June 2023

34. Provisions (continued)

Movements in provisions (other than employee benefits) (continued)

Other

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Carrying amount at beginning of year	137,174	85,456	11,404	-
- Additional provisions recognised*	57,706	112,542	50,600	11,404
- Amounts used	(101,187)	(56,160)	(11,404)	-
- Unused amounts reversed	(13,739)	(4,664)	-	-
Carrying amount at end of year	79,954	137,174	50,600	11,404

* In 2022, additional provisions recognised included a one-off payment to visiting medical officers of \$18.28 million (parent entity: \$Nil) and affiliated health organisations of \$19.89 million (parent entity: \$11.40 million) for the recognition of service during the COVID-19 pandemic.

The majority of the 'other' provision represent various contractual related obligations. The consolidated and parent entity has recognised the provision amount by taking into consideration all available information at the reporting date and making the best management estimation of the obligation. The timing of the payments will vary for each contractual related obligations.

Recognition and Measurement

Employee benefits and related on-costs

Salaries and wages, annual leave, allocated days off (ADOs), parental leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave, ADOs and parental leave are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

Actuarial advice obtained by NSW Treasury, an entity controlled by the ultimate parent, has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 8.4% to 14.03% of nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The consolidated entity has assessed the actuarial advice based on the consolidated entity's circumstances to annual leave, ADOs and parental leave and has determined that the effect of discounting is immaterial. All annual leave is classified as a current liability even where the consolidated entity does not expect to settle the liability within 12 months as the consolidated entity does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

34. Provisions (continued)

Recognition and Measurement (continued)

Long service leave and superannuation

The consolidated entity's liability for long service leave and defined benefit superannuation are assumed by The Crown in right of the State of New South Wales. The consolidated entity accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown of employee benefits and other liabilities'.

Specific on-costs relating to long service leave assumed by The Crown in right of the State of New South Wales are borne by the consolidated entity.

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on an actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using the long-term Commonwealth Government bond rate at the reporting date.

The superannuation expense for the financial year is determined by using the formula specified in the NSW Treasury's, an entity controlled by the ultimate parent entity, Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and Aware Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

Other provisions

Other provisions are recognised when the consolidated entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the consolidated entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the consolidated Statement of Comprehensive Income.

Any provisions for restructuring are recognised only when the consolidated entity has a detailed formal plan, and the entity has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

35. Other liabilities

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Current				
Unearned revenue	76,476	46,937	-	-
Grant of right to operate liability under service concessions*	9,903	9,903	-	-
Liabilities under transfer to acquire or construct non-financial assets to be controlled by the entity	33,815	33,896	3,000	3,000
Other	-	473	-	-
	120,194	91,209	3,000	3,000
Non-current				
Unearned revenue	97,888	102,089	-	-
Grant of right to operate liability under service concessions*	165,319	175,222	-	-
Liabilities under transfer to acquire or construct non-financial assets to be controlled by the entity	55,185	56,869	-	-
Other	213	224	-	-
	318,605	334,404	-	-

* This is the unearned revenue portion of the revenue from exchange of assets and is progressively reduced over the period of the arrangement. Refer to Note 13 and Note 25 for further information on service concession arrangements.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

35. Other liabilities (continued)

CONSOLIDATED

Reconciliation of financial assets and corresponding liabilities arising from transfers to acquire or construct non-financial assets to be controlled by the consolidated entity:

	2023 \$'000	2022 \$'000
Opening balance of liabilities arising from transfers to acquire / construct non-financial assets to be controlled by the entity	90,765	59,521
Add: receipt of cash during the financial year	62,673	60,841
Deduct: income recognised during the financial year	64,438	29,597
Closing balance of liabilities arising from transfers to acquire / construct non-financial assets to be controlled by the entity	89,000	90,765

PARENT

Reconciliation of financial assets and corresponding liabilities arising from transfers to acquire or construct non-financial assets to be controlled by the parent entity:

	2023 \$'000	2022 \$'000
Opening balance of liabilities arising from transfers to acquire / construct non-financial assets to be controlled by the entity	3,000	-
Add: receipt of cash during the financial year	-	3,000
Closing balance of liabilities arising from transfers to acquire / construct non-financial assets to be controlled by the entity	3,000	3,000

Refer to Note 11 for a description of the consolidated and parent entity's obligations under transfers received to acquire or construct non-financial assets to be controlled by the consolidated and parent entity.

The consolidated and parent entity expects to recognise as income any liability for unsatisfied obligations as at the end of the reporting period evenly in the next 1 to 2 financial years, as the related asset(s) are constructed. There are also some liabilities in relation to future replacement of capital assets, the timing of revenue recognition is mostly unknown at this stage.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

36. Equity

Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the consolidated entity's policy on the revaluation of property, plant and equipment as discussed in Note 25.

Accumulated funds

The category 'accumulated funds' includes all current and prior period retained funds.

Reserves

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards (e.g. revaluation surplus and foreign currency translation reserve).

Increase / (decrease) in net assets from equity transfer

		Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Transfer of property, plant and equipment	(a)	(9,404)	-	6,428	10,118
		(9,404)	-	6,428	10,118

(a) Transfer of property, plant and equipment

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Carrying amount at transfer date				
Land & buildings	(9,404)	-	6,428	9,560
Infrastructure	-	-	-	558
Fair value at transfer date	(9,404)	-	6,428	10,118

CONSOLIDATED

The *Greater Sydney Parklands Trust Act 2022* commenced on 1 July 2022, which amended the *Paramatta Park Trust Act 2001* to provide for Wistaria Gardens to be vested in the Parramatta Park Trust, an entity controlled by the ultimate parent. The transfer of Wistaria Gardens to the Parramatta Park Trust was completed on the 1 July 2022 and was treated as an equity transfer. The Wistaria Garden assets were carried at fair value. The carrying amount of the assets prior to the transfer was \$9.4 million.

PARENT

In 2023, in accordance with the Real Property Disposal Framework, the following assets were transferred from Ambulance Service of NSW and Northern Sydney Local Health District, controlled entities of the Ministry of Health, at fair value of the asset: Yass ambulance station, 88 Meehan Street Yass \$0.4 million and 10 Kooloora Avenue Freshwater \$6.0 million.

In 2022, in accordance with the Real Property Disposal Framework, the following assets were transferred from Ambulance Service of NSW, Illawarra Shoalhaven Local Health District, Mid North Coast Local Health District and Northern Sydney Local Health District, controlled entities of the Ministry of Health, at the fair value of the asset: Bulli Hospital, 29 Hospital Road Bulli \$5.0 million, Macksville Hospital, 14 - 22 Boundary Street Macksville \$1.6 million, Macquarie Hospital, 120 Coxs Road North Ryde \$2.9 million and Wagga Wagga ambulance station, 54 Johnston Street Wagga Wagga \$0.6 million.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

36. Equity (continued)

Increase / (decrease) in net assets from equity transfer (continued)

Recognition and Measurement

Equity transfers

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs / functions and parts thereof between entities controlled by the ultimate parent is designated or required by Accounting Standards to be treated as contributions by owners and is recognised as an adjustment to 'accumulated funds'. This treatment is consistent with AASB 1004 and Australian Accounting Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the consolidated entity recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the consolidated entity does not recognise that asset.

37. Commitments

(a) Capital commitments

Aggregate capital expenditure for the acquisition of land and buildings, plant and equipment, infrastructure and intangible assets, contracted for at balance date and not provided for:

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Within one year	1,575,788	1,090,185	-	-
Later than one year and not later than five years	1,515,715	1,127,277	-	-
Later than five years	518	111,545	-	-
Total (including GST)	3,092,021	2,329,007	-	-

(b) Input tax receivable related to capital commitments for expenditure

The total of capital 'commitments' payable, i.e. \$3,092 million as at 30 June 2023, includes input tax credits of \$281.10 million that are expected to be recoverable from the Australian Taxation Office (2022: \$211.70 million).

Output tax payable related to commitments for revenue

The total of 'commitments' receivable, i.e. \$179 million as at 30 June 2023, includes input tax of \$16.30 million that is expected to be payable to the Australian Taxation Office (2022: \$13.20 million).

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

38. Trust funds

CONSOLIDATED

The consolidated entity holds money in trust in relation to patient trusts, refundable deposits, private patient trust funds and third party funds. As the consolidated entity performs only a custodial role in respect of trust monies, they are excluded from the financial statements as the consolidated entity cannot use them for the achievement of its own objectives. The following is a summary of the transactions in the trust account.

2023	Opening Cash	Add:	Less:	Closing Cash
	Balance	Receipts	Expenditure	Balance
	\$000	\$000	\$000	\$000
Patient Trust	4,696	5,901	(5,183)	5,414
Refundable Deposits	13,798	4,202	(7,560)	10,440
Private Patient Trust Funds	5,700	551,275	(553,052)	3,923
Third Party Funds	41,175	156,723	(131,880)	66,018
Total trust funds	65,369	718,101	(697,675)	85,795

2022	Opening Cash	Add:	Less:	Closing Cash
	Balance	Receipts	Expenditure	Balance
	\$000	\$000	\$000	\$000
Patient Trust	4,908	6,756	(6,968)	4,696
Refundable Deposits	11,759	6,106	(4,067)	13,798
Private Patient Trust Funds	11,951	502,479	(508,730)	5,700
Third Party Funds	40,960	72,464	(72,249)	41,175
Total trust funds	69,578	587,805	(592,014)	65,369

PARENT

The parent entity holds money in a trust in relation to Nationally Funded Centres (NFC), Health Chief Executives Forum (HCEF) formerly known as Australian Health Ministers' Advisory Council (AHMAC) and other third party funds. As the parent entity performs only a custodial role in respect of trust monies, they are excluded from the financial statements as the parent entity cannot use them for the achievement of its own objectives. The following is a summary of the transactions in the trust account.

2023	Opening Cash	Add:	Less:	Closing Cash
	Balance	Receipts	Expenditure	Balance
	\$000	\$000	\$000	\$000
Third Party Funds	11,225	71,040	(56,225)	26,040
Total trust funds	11,225	71,040	(56,225)	26,040

2022	Opening Cash	Add:	Less:	Closing Cash
	Balance	Receipts	Expenditure	Balance
	\$000	\$000	\$000	\$000
Third Party Funds	16,141	10,537	(15,453)	11,225
Total trust funds	16,141	10,537	(15,453)	11,225

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

38. Trust funds (continued)

The following list provides a brief description of the purpose of the trust fund categories.

Category	Purpose
Patient Trust	The safe custody of patients' valuables including monies.
Refundable Deposits	A sum of money held in trust as a security deposit.
Private Patient Trust Funds	The revenue derived from private patient and other billable services provided by Staff Specialists.
Third Party Funds	A sum of money held in trust on behalf of external parties, e.g. external foundations, volunteer groups and auxiliaries.

Any amounts drawn down from trust funds under the private practice arrangements are not included in the key management personnel compensation amounts or disclosed as a related party transaction in Note 45.

39. Contingent liabilities and contingent assets

CONSOLIDATED

a) Contingent liabilities

A claim has been lodged against the consolidated entity for unspecified compensation in respect of alleged underpayment of employee award entitlements. The consolidated entity is defending the action. It is not practical to estimate the potential effect of these claims at the present time.

b) Contingent assets

The consolidated entity is not aware of any contingent assets which would have a material effect on the disclosures in these financial statements.

PARENT

The Ministry is not aware of any contingent liabilities or assets which would have a material effect on the disclosures in these financial statements.

Ministry of Health

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

40. Interests in other entities

a) Interests in associates

Set out below are the associates of Hunter New England Local Health District (HNELHD) as at 30 June 2023 which, in the opinion of management at HNELHD, are material to the group. The proportion of ownership interest held by the group equals the voting rights held by the group.

Name of entity	Place of business and country of incorporation	Class of shares	Ownership interest		Reporting Period	Measurement method	Carrying amount	
			2023 %	2022 %			2023 \$000	2022 \$000
Hunter Medical Research Institute	Australia	Not applicable	25	25	31 December	Equity method	-	-

Hunter Medical Research Institute is a company limited by guarantee, whose constitution prohibits the distribution of funds to its members. Accordingly the carrying amount has been equity accounted at \$Nil value and as such no financial information has been disclosed.

b) Interests in joint control

Central Coast Local Health District has entered into an agreement called Affiliation Agreement for the Central Coast Research Institute (CCRI) with the University of Newcastle, to undertake research.

The agreement requires equal appointment of directors to the CCRI's Governance Board, which will be managing the relevant activities of the CCRI. Both parties have direct rights to the assets of the CCRI and are jointly and severally liable for the liabilities incurred. CCRI is therefore classified as a joint operation and Central Coast Local Health District recognises its direct right to the jointly held assets, liabilities, revenues and expenses and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

41. Reconciliation of cash flows from operating activities to net result

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income as follows:

	Consolidated 2023 \$000	Consolidated ¹ 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Net cash used on operating activities	1,947,626	2,699,428	(484,920)	658,818
Depreciation and amortisation expense	(1,377,606)	(1,215,765)	(10,903)	(38,067)
Allowance for impairment	(222,562)	(135,480)	(595)	-
Effects of exchange rate changes	(46)	131	-	-
(Increase) / decrease in other liabilities	(13,671)	(1,059)	-	(3,000)
Decrease / (increase) in provisions	200,874	(609,601)	(38,533)	(16,970)
Increase / (decrease) in inventory	(221,586)	286,025	(6,309)	8,121
Increase / (decrease) in prepayments and other assets	(256,806)	321,606	(430,004)	301,745
Increase / (decrease) in contract assets	953	(487)	97	87
Decrease / (increase) in payables	363,909	(547,292)	314,876	(446,102)
Decrease / (increase) in contract liabilities	(476)	13,476	1,125	22,430
Increase / (decrease) in financial instruments at fair value	9,044	929	-	-
Net gain / (loss) on sale of property, plant and equipment	(27,301)	2,143	(5)	(1,140)
Net gain / (loss) on disposal of right-of-use assets	(128)	125,515	(184)	114,140
Assets donated or brought to account (Note 42)	839	2,244	(7,789)	(5,030)
Other	269	592	-	-
Net result	403,332	942,405	(663,144)	595,032

¹ 'Decrease / (increase) in provisions' has been restated to be lower by \$2.36 million in the prior year for the consolidated entity. Refer to Note 17 for further details regarding restatement as a result of an error.

42. Non-cash financing and investing activities

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Assets donated or brought to account	839	2,244	(7,789)	(5,030)
Property, plant and equipment acquired by a lease	167,127	272,473	47	86
Property, plant and equipment contributed by external organisation	-	8,934	-	-
	167,966	283,651	(7,742)	(4,944)

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

43. Budget Review - Consolidated

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

NET RESULT

The actual net result (\$403 million) is lower than the budgeted net result (\$617 million) by \$214 million for the year ended 30 June 2023.

A reconciliation of the movements between the actual and budgeted net result is presented below:

	\$000
Net result - actual	403,332
Employee related expenses were lower than budget due to the one-off payment for the recognition of service during COVID-19 which was recognised in the prior year and lower spend against workforce initiatives.	(1,032,722)
Operating expenses were lower than budget resulting from reduced medical and surgical supplies, specialised health services and outsourced patient care expenses as the COVID-19 response eased.	(148,089)
Depreciation and amortisation were lower than budget due to the timing of new capital projects coming into service.	(7,143)
Grants and subsidies expenses were higher than expected with higher than anticipated payments made to affiliated health organisations.	38,586
Finance costs were lower than budget from the timing of interest in connection with borrowings.	(5,643)
Appropriation funding was lower than budget as appropriations were only drawn down from the Consolidated Fund to meet the cash requirements for the financial year.	1,141,288
Acceptance by the Crown of employee benefits and other liabilities was lower than budget due to the timing of employees qualifying for long service leave entitlements and the decrease in the actuarial valuation to long service leave benefits assumed by the Crown.	80,855
Sale of goods and services from contracts with customers exceeded budget with fees for medical services rendered and fees for private usage of hospital facilities increasing due to increasing patient activity levels.	(126,578)
Investment revenue exceeded budget as a result of higher interest rates on financial assets at amortised cost and higher distributions and unit price increases on TCorpIM fund investments.	(40,054)
Grants and other contributions revenue was lower than budget resulting from reduced National Health Reform Funding Agreement revenue due to lower activity levels but partly offset by higher revenue recognised under the Commonwealth National Partnership Agreements for COVID-19.	40,816
Other income were lower than budget due to varying other arrangements not occurring throughout the year.	33,979
Gains / (losses) on disposal exceeded budget due to the disposal of various items of property, plant and equipment below their written down value and other gains / (losses) exceeded budget from increased write-off of and impairment of medical and surgical supplies.	181,182
Impairment losses on financial assets includes higher than expected credit losses for receivables than budget.	57,087
Net result - budget	616,896

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

43. Budget Review - Consolidated (continued)

ASSETS AND LIABILITIES

The actual net assets (\$26,788 million) is higher than the budgeted net assets (\$23,921 million) by \$2,867 million as at 30 June 2023.

A reconciliation of the movements between significant assets and liabilities is presented below:

	\$000
Net assets - actual	26,788,409
Cash and cash equivalents were higher than expected resulting from the timing of year end creditor and payroll payments, the divestment of TCorpIM fund investments into cash holdings and higher restricted financial asset holdings.	(881,103)
Receivables were higher than budget under trade receivables from contracts with customers as a result of increased debtor balances for the Commonwealth National Partnership Agreements on COVID-19 and prepayment balances for capital projects.	(186,772)
Inventories were higher than budget due to lower consumption rates of medical and surgical supplies than expected, including rapid antigen tests.	(310,077)
Financial assets at fair value were lower than budget primarily as a result of the divestment of a number of TCorpIM fund investments into cash holdings and no new financial assets were entered into throughout the financial year.	75,786
Property, plant and equipment was higher than expected primarily due to increases resulting from revaluation adjustments not captured in the budget.	(1,862,326)
Right-of-use assets were higher than budget due to lease remeasurements and additional aeromedical and property leases.	(105,724)
Intangibles were lower than original budget primarily resulting from reduced capital spend.	156,300
Payables were lower than expected resulting from decreased operating costs and trade creditors payable at year end. This reduction was partly offset by increases in accrued salaries, wages and on-costs due to timing differences.	(121,635)
Contract liabilities were lower than budget due to the timing of meeting the specific performance obligations within contracts.	(43,366)
Borrowings were higher than expected resulting from the additional recognition of leases.	108,474
Provisions were higher than expected primarily resulting from annual leave accrued, first time recognition of parental leave accrued, contractual non employee provisions and prior period error correction on long service leave consequential on-costs.	283,116
Other liabilities were higher than budget due primarily to the recognition of increased revenue deferrals.	20,776
Net movement across several asset classes due to other minor variations.	(629)
Net assets - budget	23,921,229

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

43. Budget Review - Consolidated (continued)

CASH FLOWS

Operating activities net cash inflows were lower than budget by \$688 million attributable to receipts being lower than budget for appropriations but slightly offset by higher sale of goods and services and grants and other contributions. Similar to receipts, payments were lower than budget due mainly to lower employee related expenses.

Investing activities net cash outflows were lower than budget by \$562 million attributable to decreases in purchases of property, plant and equipment and intangibles, and increases in proceeds from the sale of property, plant and equipment and intangibles and financial assets sales.

Financing net cash outflows were higher than expected by \$14 million. This was attributable primarily to higher repayments of the principal portion of lease liabilities and service concession financial liabilities than budgeted.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

44. Financial instruments

The consolidated entity's principal financial instruments are outlined below. These financial instruments arise directly from the consolidated entity's operations or are required to finance its operations. The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The consolidated entity's main risks arising from financial instruments are outlined below, together with the consolidated entity's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Secretary of NSW Health has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the consolidated and parent entities, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

(a) Financial instrument categories

CONSOLIDATED

Class	Note	Category	Carrying amount	
			2023 \$000	2022 \$000
Financial Assets				
Cash and cash equivalents	19	Amortised cost	2,475,288	2,887,006
Receivables ¹	20	Amortised cost	752,234	1,084,618
Contract assets ²	21	Amortised cost	2,260	1,307
Financial assets at fair value	23	Fair value through profit or loss - mandatory classification	106,470	108,386
Other financial assets	24	Amortised cost	88,587	86,490
Total financial assets			3,424,839	4,167,807
Financial Liabilities				
Payables ³	31	Financial Liabilities (at amortised cost)	1,939,732	2,373,166
Borrowings	33	Financial Liabilities (at amortised cost)	1,659,707	1,671,073
	33	Fair value through profit or loss - mandatory classification	624	-
Other liabilities ³	35	Financial Liabilities (at amortised cost)	213	697
Total financial liabilities			3,600,276	4,044,936

Notes

¹ Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7 Financial Instruments: Disclosures).

² While contract assets are also not financial assets, they are explicitly included in the scope of AASB 7 Financial Instruments: Disclosures for the purpose of the credit risk disclosures.

³ Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7 Financial Instruments: Disclosures).

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

44. Financial instruments (continued)

(a) Financial instrument categories (continued)

PARENT

Class	Note	Category	Carrying amount	
			2023 \$000	2022 \$000
Financial Assets				
Cash and cash equivalents	19	Amortised cost	426,486	614,647
Receivables ¹	20	Amortised cost	196,009	615,408
Contract assets ²	21	Amortised cost	460	363
Other financial assets	24	Amortised cost	206,553	503,828
Total financial assets			829,508	1,734,246
Financial Liabilities				
Payables ³	31	Financial Liabilities (at amortised cost)	558,973	874,095
Borrowings	33	Financial Liabilities (at amortised cost)	785	17,489
Total financial liabilities			559,758	891,584

Notes

¹ Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7 Financial Instruments: Disclosures).

² While contract assets are also not financial assets, they are explicitly included in the scope of AASB 7 Financial Instruments: Disclosures for the purpose of the credit risk disclosures.

³ Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7 Financial Instruments: Disclosures).

The consolidated entity determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(b) Derecognition of financial assets and financial liabilities

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 contractual rights to the cash flows from the financial assets expire; or if the entity transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement and either:

- the consolidated entity has transferred substantially all the risks and rewards of the asset; or
- the consolidated entity has neither transferred nor retained substantially all the risks and rewards for the asset, but has transferred control.

When the consolidated entity has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the consolidated entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the consolidated entity continuing involvement in the asset. In that case, the consolidated entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the consolidated entity could be required to repay.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

44. Financial instruments (continued)

(b) Derecognition of financial assets and financial liabilities (continued)

A financial liability is derecognised when the obligation specified in the contract is discharged or 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) Financial risks

i. Credit risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the consolidated entity. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

Credit risk arises from financial assets of the consolidated entity, including cash, receivables and authority deposits. No collateral is held by the consolidated entity. The consolidated entity has not granted any financial guarantees.

Credit risk associated with the consolidated entity's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

The consolidated entity considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the consolidated entity may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the consolidated entity.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp IM Funds cash facility is discussed in market risk below.

Accounting policy for impairment of trade receivables and other financial assets

Receivables - trade receivables, other receivables, contract assets and lease receivables

Collectability of trade receivables, other receivables, contract assets and lease receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The consolidated entity applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, other receivables, contract assets and lease receivables.

To measure the expected credit losses, trade receivables, other receivables, contract assets and lease receivables have been grouped based on shared credit risk characteristics and the days past due.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

44. Financial instruments (continued)

(d) Financial risks (continued)

i. Credit risk (continued)

Accounting policy for impairment of trade receivables and other financial assets (continued)

Receivables - trade receivables, other receivables, contract assets and lease receivables (continued)

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The consolidated entity has not identified any relevant factors, and accordingly has not adjusted the historical loss rates.

Trade receivables, other receivables, contract assets and lease receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

44. Financial instruments (continued)

(d) Financial risks (continued)

i. Credit risk (continued)

The loss allowance for trade receivables, other receivables, contract assets and lease receivables as at 30 June 2023 and 2022 was determined as follows:

CONSOLIDATED

	Current \$000	<30 days \$000	30-60 days \$000	61-90 days \$000	>91 days \$000	Total \$000
30 June 2023						
Expected credit loss rate	1.51%	5.91%	15.69%	23.99%	37.47%	15.32%
Estimated total gross carrying amount ¹	546,785	50,704	24,504	18,872	354,752	995,617
Expected credit loss	8,250	2,998	3,845	4,527	132,916	152,536
30 June 2022						
Expected credit loss rate	1.32%	7.29%	15.54%	24.69%	30.81%	10.36%
Estimated total gross carrying amount ¹	859,231	39,776	24,226	15,511	369,232	1,307,976
Expected credit loss	11,303	2,899	3,764	3,830	113,765	135,561

PARENT

	Current \$000	<30 days \$000	30-60 days \$000	61-90 days \$000	>91 days \$000	Total \$000
30 June 2023						
Expected credit loss rate	0.03%	2.43%	98.11%	0.00%	0.46%	0.33%
Estimated total gross carrying amount ^{1,2}	74,343	1,068	53	35	106,026	181,525
Expected credit loss	26	26	52	-	491	595
30 June 2022						
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Estimated total gross carrying amount ^{1,2,3}	438,836	2,153	2,163	2,137	160,031	605,320
Expected credit loss	-	-	-	-	-	-

Notes

¹ The analysis excludes statutory receivables and prepayments as these are not within the scope of AASB 7 Financial Instruments: Disclosures. Therefore the 'total' will not reconcile to the receivables total in Note 20 and the contract assets total in Note 21.

² The estimated total gross carrying amount for the parent entity also excludes receivables from controlled health entities.

³ The estimated total gross carrying amount for the parent entity has been restated lower by \$0.12 million in the prior period due to an amount being reclassified from other receivables to receivables from controlled health entities.

The consolidated entity is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2023 and 30 June 2022.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

44. Financial instruments (continued)

(d) Financial risks (continued)

ii. Liquidity risk

Liquidity risk is the risk that the consolidated entity will be unable to meet its payment obligations when they fall due. The consolidated entity continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The consolidated entity has negotiated no loan outside of arrangements with the Crown. During the current and prior year, there were no defaults of loans payable. No assets have been pledged as collateral.

Liquidity risk is minimised by the use of service agreements between the Secretary of NSW Health and controlled health entities. The annual service agreements, requires controlled entities to manage their financial liquidity and in particular, meet benchmarks for the payment of creditors. Where the controlled entities fail to meet service agreement performance standards, the parent as the state manager can take action in accordance with annual performance framework requirements, including providing financial support and increased management interaction.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. For a supplier, that has a correctly rendered invoice, a matched purchase order and where goods have been received, an immediate payment is made irrespective of current contract payment terms.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

44. Financial instruments (continued)

(d) Financial risks (continued)

ii. Liquidity risk (continued)

The following table summarises the maturity profile of the consolidated entity's financial liabilities together with the interest rate exposure.

Maturity analysis and interest rate exposure of financial liabilities:

	EIR ³ %	Nominal Amount ¹ \$000	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$000	Variable Interest Rate \$000	Non - Interest Bearing \$000	< 1 Year \$000	1-5 Years \$000	> 5 Years \$000
CONSOLIDATED								
2023								
Payables ²		1,939,732	-	-	1,939,732	1,939,732	-	-
Borrowings:								
- Other loans and deposits	2.52	40,822	40,822	-	-	8,186	27,203	5,433
- Lease liabilities	2.84	709,575	709,575	-	-	166,800	401,665	141,110
- Service concession financial liabilities	2.42	34,927	34,927	-	-	2,257	9,631	23,039
- PPP	10.39	1,894,976	100,828	1,794,148	-	127,830	542,748	1,224,398
		4,620,032	886,152	1,794,148	1,939,732	2,244,805	981,247	1,393,980
2022								
Payables ²		2,373,166	-	-	2,373,166	2,373,166	-	-
Borrowings:								
- Other loans and deposits	2.52	49,225	49,225	-	-	8,403	30,644	10,178
- Lease liabilities	2.32	675,471	675,471	-	-	151,937	395,662	127,872
- Service concession financial liabilities	2.42	37,532	37,532	-	-	2,200	9,387	25,945
- PPP	9.67	2,004,302	109,215	1,895,087	-	123,991	526,048	1,354,263
- Other	-	46	-	-	46	46	-	-
		5,139,742	871,443	1,895,087	2,373,212	2,659,743	961,741	1,518,258

Notes

¹ The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the consolidated entity can be required to pay. The tables include both interest and principal cash flows and therefore will not agree to the Statement of Financial Position.

² Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7 Financial Instruments: Disclosures).

³ Weighted Average Effective Interest Rate (EIR).

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

44. Financial instruments (continued)

(d) Financial risks (continued)

ii. Liquidity risk (continued)

Maturity analysis and interest rate exposure of financial liabilities:

	EIR ³ %	Nominal Amount ¹ \$000	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$000	Variable Interest Rate \$000	Non - Interest Bearing \$000	< 1 Year \$000	1-5 Years \$000	> 5 Years \$000
PARENT								
2023								
Payables ²		558,973	-	-	558,973	558,973	-	-
Borrowings:								
- Lease liabilities	1.78	1,022	1,022	-	-	304	718	-
		559,995	1,022	-	558,973	559,277	718	-
2022								
Payables ²		874,095	-	-	874,095	874,095	-	-
Borrowings:								
- Lease liabilities	0.84	17,641	17,641	-	-	11,111	6,366	164
		891,736	17,641	-	874,095	885,206	6,366	164

Notes

¹ The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the consolidated entity can be required to pay. The tables include both interest and principal cash flows and therefore will not agree to the Statement of Financial Position.

² Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7 Financial Instruments: Disclosures).

³ Weighted Average Effective Interest Rate (EIR).

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

44. Financial instruments (continued)

(d) Financial risks (continued)

ii. Liquidity risk (continued)

The following table summarises the maturity profile of the consolidated entity's derivative financial instruments. The maturity profile of the cash flows are matched to the anticipated settlement of the commercial contracts as forecasted by the consolidated entity.

Maturity analysis of derivative financial assets at fair value through profit and loss that are hedging foreign currency

	Fair Value	Maturity Dates		
		< 1 Year	1-5 Years	> 5 Years
	\$000	\$000	\$000	\$000
CONSOLIDATED				
2023				
Financial assets:				
- Derivatives - inflows	11,670	43,837	81,887	28,687
- Derivatives - outflows		(41,115)	(75,572)	(25,098)
	11,670	2,722	6,315	3,589
2023				
Financial liabilities:				
- Derivatives - inflows	(624)	44,226	-	-
- Derivatives - outflows		(44,607)	-	-
	(624)	(381)	-	-
2022				
Financial assets:				
- Derivatives - inflows	11,501	30,574	30,352	83,612
- Derivatives - outflows		(28,937)	(26,991)	(79,183)
	11,501	1,637	3,361	4,429

Notes

Cash outflows in foreign currencies are translated at prevailing spot rates on reporting dates.

The consolidated entity had no derivative financial liabilities at fair value for the year ended 30 June 2022.

The parent entity had no derivative financial assets or liabilities at fair value for the year ended 30 June 2023 or 2022.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

44. Financial instruments (continued)

(d) Financial risks (continued)

iii. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The consolidated entity's exposures to market risk are primarily through interest rate risk on the consolidated entity's borrowings, foreign currency risk and other price risks associated with the movement in the unit price of the Hour Glass Investment Facilities. The consolidated entity does not enter into commodity contracts.

The effect on net result and equity due to a reasonably possible change in risk variable is outlined in the information below for interest rate risk, foreign currency risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the consolidated entity operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position reporting date. The analysis was performed on the same basis for 2022. The analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the consolidated entity's interest bearing liabilities.

However, controlled entities are not permitted to borrow external to the Ministry of Health (energy loans which are negotiated through NSW Treasury are excepted).

Both NSW Treasury and Ministry of Health loans are set at fixed rates and therefore are generally not affected by fluctuations in market rates. The consolidated entity does not account for any fixed rate financial instruments at fair value through profit or loss or at fair value through other comprehensive income. Therefore, for these financial instruments, a change of interest rates would not affect the carrying value or interest paid / earned.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates:

CONSOLIDATED	2023		2022	
	-1%	1%	-1%	1%
	\$'000		\$'000	
Net result	(10,098)	10,098	(14,101)	14,101
Equity	(10,098)	10,098	(14,101)	14,101
PARENT	2023		2022	
	\$'000		\$'000	
	-1%	1%	-1%	1%
Net result	(6,330)	6,330	(11,185)	11,185
Equity	(6,330)	6,330	(11,185)	11,185

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

44. Financial instruments (continued)

(d) Financial risks (continued)

iii. Market risk (continued)

Foreign exchange risk

Exposure to foreign exchange risk arises primarily through the contractual commercial transactions denominated in a foreign currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The consolidated entity manages its foreign exchange risk by maintaining foreign currency denominated bank accounts or buying foreign currency from TCorp at the time of purchase commitment, or enters into derivative economic hedges with TCorp in accordance with the consolidated entity's risk management policies.

At year end, the consolidated entity did not hold any foreign currency denominated monetary assets and monetary liabilities, except for cash held in a US dollar denominated bank account. All funds held at year end in foreign currency are expected to be used to settle existing purchase commitments that are denominated in US currency.

The consolidated entity has outstanding forward foreign exchange contracts entered with TCorp to hedge foreign currency risks. The forward foreign exchange contracts enable the consolidated entity to exchange fixed foreign currency for fixed AUD at specified future date, enabling cash flow certainty.

The consolidated entity is exposed to foreign exchange risks associated with commercial contracts payments denominated in foreign currency. The consolidated entity's risk management strategy is to hedge foreign currency risks by maintaining foreign currency denominated bank accounts, buying foreign currencies from TCorp at the time of purchase commitment or entering into foreign exchange derivative contracts as approved within internal policies and guidelines set out under NSW Health's Procurement Policy and broader framework under *NSW Government Foreign Exchange Risk Policy* (TPP18-03). The forward foreign exchange derivative contracts are economic hedges which enables the consolidated entity to exchange a fixed amount of foreign currency for fixed AUD amount at a specified future settlement date, ensuring cash flow certainty.

A sensitivity analysis has been disclosed for the cash held in foreign currency bank account and outstanding derivative contracts at year end. A sensitivity of 10% movement in the exchange rates has been selected for use in the sensitivity analysis at the reporting date, as this is considered reasonable, based on the current Australian dollar level and the historical volatility of the Australian dollar against the US currency. Based on the value of the Australian dollar at the reporting date as compared with the currencies below, adverse or favourable movements in the foreign exchange rates would result in an increase or decrease in the Australian dollar fair value respectively.

CONSOLIDATED

2023	+10%		-10%	
	Net result \$000	Equity \$000	Net result \$000	Equity \$000
Denominated US Dollars	3,442	(313)	382	382
Derivatives	11,046	(16,545)	20,222	20,222

2022	+10%		-10%	
	Net result \$000	Equity \$000	Net result \$000	Equity \$000
Denominated US Dollars	730	(66)	81	81
Derivatives	11,501	(12,029)	14,702	14,702

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

44. Financial instruments (continued)

(d) Financial risks (continued)

iii. Market risk (continued)

Other price risk - TCorpIM Funds

Exposure to 'other price risk' primarily arises through the investment in the TCorpIM Funds, which are held for strategic rather than trading purposes. The consolidated entity has no direct equity investments. The consolidated entity holds units in the following TCorpIM Funds trusts:

Facility	Investment Sectors	Investment Horizon	2023 \$000	2022 \$000
TCorpIM Medium Term Growth Fund	Cash and fixed income, credit, equities, alternative assets and real assets	3 years to 7 years	49,868	52,385
TCorpIM Long Term Growth Fund	Cash and fixed income, credit, equities, alternative assets and real assets	7 years and over	44,932	44,500

The unit price of each facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily. TCorp as trustee for each of the above facilities is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risk of each facility in accordance with a mandate agreed by the parties. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the TCorpIM Funds facilities limits the consolidated entity's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

TCorp provides sensitivity analysis information for each of the Investment facilities, which is used to demonstrate the impact on the funds' net assets as a result of a change in the unit price. This impact is based on a sensitivity rate of 10%, multiplied by the redemption value as at 30 June each year for each facility (balance from TCorpIM Funds statement). Actual movements in the price risk variables may differ to the sensitivity rate used due to a number of factors. The TCorpIM Funds are measured at fair value through profit or loss and therefore any change in unit price impacts directly on net results / equity.

	Change in unit price		Impact on net result / equity	
	2023	2022	2023	2022
	%	%	\$000	\$000
TCorpIM Medium Term Growth Fund	+/- 10%	+/- 10%	4,987	5,238
TCorpIM Long Term Growth Fund	+/- 10%	+/- 10%	4,493	4,450

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

44. Financial instruments (continued)

(e) Fair value measurement

i. Fair value compared to carrying amount

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The consolidated entity's fair value does not differ from the carrying amount.

ii. Fair value recognised in the Statement of Financial Position

Derivative economic hedges and TCorpIM Funds Investment Facilities are measured at fair value. Management assessed that cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their fair values, largely due to the short-term maturities of these instruments.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the consolidated entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

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

The consolidated entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

	Level 1	Level 2	Level 3	Total
	\$000	\$000	\$000	\$000
2023				
Financial assets at fair value				
Derivatives	-	11,670	-	11,670
TCorpIM Funds Investment Facility	-	94,800	-	94,800
Financial liabilities at fair value				
Derivatives	-	624	-	624
2022				
Financial assets at fair value				
Derivatives	-	11,501	-	11,501
TCorpIM Funds Investment Facility	-	96,885	-	96,885

The consolidated entity had no financial liabilities at fair value in the Statement of Financial Position for the year ended 30 June 2022.

The parent entity had no financial assets or liabilities at fair value in the Statement of Financial Position for the year ended 30 June 2023 or 2022.

There were no transfers between Level 1, 2 or 3 during the year ended 30 June 2023 (2022: \$Nil).

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

44. Financial instruments (continued)

(e) Fair value measurement (continued)

ii. Fair value recognised in the Statement of Financial Position (continued)

The value of the TCorpIM Funds Investments is based on the consolidated entity's share of the value of the underlying assets of the facility, based on the market value. All of the TCorpIM Funds Investment facilities are valued using 'redemption' pricing.

The fair values of derivative economic hedges are determined using standard valuation technique based on the applicable market observable rates including spot rate and forward points.

45. Related party disclosures

(a) Key management personnel compensation

Key management personnel compensation is as follows:

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Short-term employee benefits	4,110	3,550	4,110	3,550
Post-employment benefits	133	72	133	72
	4,243	3,622	4,243	3,622

Compensation for the Minister for Health is paid by the Legislature and is not reimbursed by the Ministry of Health and its controlled entities. Accordingly no such amounts are included in the key management personnel compensation disclosures above.

(b) Transactions and outstanding balances with key management personnel of the consolidated entity and its parent during the financial year

There were no material transactions or outstanding balances with key management personnel of the consolidated entity and its parent during the financial year.

(c) Transactions the consolidated entity had with government related entities during the financial year

During the financial year and comparative year, the consolidated entity entered into the various transactions with other entities consolidated as part of the NSW Total State Sector (the ultimate parent) within the normal course of business.

Operating expenses incurred as follows:

- Payroll and fringe benefits taxes
- Audit of the statutory financial statements
- Cost for mobile radio network services
- Utilities, including electricity, gas and water expenses
- Property occupancy and maintenance expenses
- Insurance costs
- Legal and consultancy costs
- Records storage and retrieval expenses
- Grants and subsidies to health cluster agencies
- Personal protective equipment and rapid antigen tests granted to entities controlled by the ultimate parent
- Revenue collection services
- Project management and advisory costs for capital works projects
- Traineeship program contributions
- Various grants and other contributions.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

45. Related party disclosures (continued)

(c) Transactions the consolidated entity had with government related entities during the financial year (continued)

Revenue earned as follows:

- Appropriations as per the Appropriations Act received from Consolidated Fund
- Motor Accident Third Party revenue is received from State Insurance Regulatory Authority and Lifetime Care and Support Authority of New South Wales
- Clinical services revenue was received from the NSW Police Force, Transport for NSW and Resilience NSW
- Various grants and other contributions
- Interest income on restricted financial assets from the Crown
- Interest income and unit price movements on TCorpIM Funds Investment facilities
- Motor vehicle rebates
- Contract revenue for the construction works
- Insurance refunds
- Revenue from acceptance of long service leave liabilities and defined benefit superannuation.

Assets and Liabilities as follows:

- Receivables / payables in respect of the above noted related party revenue and expense transactions
- Some sale proceeds for non-current property, plant and equipment assets
- Right-of-use assets with Department of Customer Service
- Some funds are invested in TCorpIM Funds Investment facilities
- Forward foreign exchange derivative contracts are purchased through NSW Treasury Corporation
- Energy Efficient Government Program loans are held with the Crown.

Transactions the parent entity had with government related entities during the financial year

Further to the above transactions entered into by the consolidated entity, the parent entity entered into the following transactions within the normal course of business with entities it controlled which are consolidated as part of these financial statements:

Operating expenses incurred as follows:

- Grants and subsidies provided to health entities
- Information technology service charges.

Revenue earned as follows:

- Interest for loans made to health entities
- Revenue from short term lease arrangements
- Recovery of outgoings from short term lease arrangements.

Assets and Liabilities as follows:

- Intra-health receivables and payables
- Receivable for loans and advances made to health entities.

Ministry of Health

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

45. Related party disclosures (continued)

(d) Individually significant transactions with Government-related entities

Peppercorn Lease 1: Doonside Lease

NSW Land & Housing Corporation (LHC), an entity controlled by the ultimate parent, entered into a lease agreement with Western Sydney Local Health District (WSLHD) for the lease of the land at 32 Birdside Avenue, Doonside for a 99 year period commencing on 2 December 1991 and ending on 1 December 2090. WSLHD pay a lease rental of \$1 per year to the LHC.

Peppercorn Lease 2: Mt Druitt Lease

Department of Planning and Environment, an entity controlled by the ultimate parent, has entered into a lease agreement with Western Sydney Local Health District (WSLHD) for lease of the land located at Lots 29 and 30 in Rooty Hill, Cumberland County for a 77 year period commencing from 4 November 1973 to 31 December 2050. WSLHD will pay \$1 per year to the DPIE.

46. Events after the reporting period

No other matters have arisen subsequent to balance date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENTS