



INDEPENDENT AUDITOR'S REPORT

Health Administration Corporation

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Health Administration Corporation (the Corporation), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, and notes to the financial statements, including a Statement of Material Accounting Policy Information, and other explanatory information. The consolidated entity comprises the Corporation 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 2024* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Corporation's financial position, financial performance and cash flows

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 Corporation 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.

Emphasis of Matter- Presentation of Budget Information

Without modification to the opinion expressed above, I draw attention to the basis of presenting adjusted budget information detailed in Note 38. The note states that AASB 1055 'Budgetary

Reporting' is not applicable to the Corporation. It also states that, unlike the requirements in AASB 1055 'Budgetary Reporting' to present original budget information, the Corporation's financial statements present adjusted budget information.

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, 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 Corporation's ability 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/ar4.pdf . The description forms part of my auditor's report.

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

- that the Corporation carried out its 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.



Furqan Yousuf
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

14 October 2024
SYDNEY

Health Administration Corporation

Statement by the Accountable Authority

for the year ended 30 June 2024



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

1. The financial statements of the Health Administration Corporation for the year ended 30 June 2024 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 2024* ; and
 - c. Treasurer's Directions issued under the GSF Act.
2. The financial statements present fairly the Health Administration Corporation's financial position as at 30 June 2024 and the financial performance and cash flows for the year then ended; and
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, appearing to read 'Susan Pearce'.

Susan Pearce
Secretary, NSW Health

10 October 2024

A handwritten signature in black ink, appearing to read 'Steve Carr'.

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

10 October 2024

Health Administration Corporation

Statement of Comprehensive Income for the year ended 30 June 2024

		Consolidated	Consolidated	Consolidated	Parent	Parent
		Actual	Budget ¹	Actual	Actual	Actual
		2024	2024	2023	2024	2023
Notes		\$000	\$000	\$000	\$000	\$000
Continuing operations						
Expenses excluding losses						
Employee related expenses	2	2,674,827	2,670,452	2,307,071	-	-
Personnel services	3	-	-	-	2,582,447	2,246,931
Visiting medical officers	4	432	35	152	432	152
Operating expenses	5	2,052,069	1,870,568	2,596,986	2,052,069	2,596,986
Depreciation and amortisation	6	275,073	260,190	265,342	275,073	265,342
Grants and subsidies	7	60,444	46,987	80,401	60,444	80,401
Finance costs	8	13,080	7,381	9,960	13,080	9,960
Payments to Affiliated Health Organisations	9	-	-	276	-	276
Total expenses excluding losses		5,075,925	4,855,613	5,260,188	4,983,545	5,200,048
Revenue						
Ministry of Health recurrent allocations	12	1,554,222	1,515,520	1,684,413	1,554,222	1,684,413
Ministry of Health capital allocations	12	385,920	370,778	349,248	385,920	349,248
Acceptance by the Crown ² of employee benefits	16	92,380	93,404	60,140	-	-
Sale of goods and services from contracts with customers	13	2,853,596	2,730,537	3,119,344	2,853,596	3,119,344
Investment revenue	14	18,855	3,590	15,608	18,855	15,608
Grants and other contributions	15	130,609	128,267	123,682	130,609	123,682
Other income	17	101,752	87,279	57,164	101,752	57,164
Total revenue		5,137,334	4,929,375	5,409,599	5,044,954	5,349,459
Operating result		61,409	73,762	149,411	61,409	149,411
Gains / (losses) on disposal	18	(3,966)	(1,999)	(4,414)	(3,966)	(4,414)
Impairment losses on financial assets	21	(25,509)	(14,338)	(19,351)	(25,509)	(19,351)
Other gains / (losses)	19	(91,414)	(87,418)	(163,397)	(91,414)	(163,397)
Net result from continuing operations	39	(59,480)	(29,993)	(37,751)	(59,480)	(37,751)
Net result from discontinued operations		-	-	-	-	-
Net result		(59,480)	(29,993)	(37,751)	(59,480)	(37,751)

Health Administration Corporation

Statement of Comprehensive Income for the year ended 30 June 2024 (continued)

		Consolidated	Consolidated	Consolidated	Parent	Parent
		Actual	Budget ¹	Actual	Actual	Actual
		2024	2024	2023	2024	2023
	Notes	\$000	\$000	\$000	\$000	\$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	24	28,854	-	53,903	28,854	53,903
Total other comprehensive income		28,854	-	53,903	28,854	53,903
TOTAL COMPREHENSIVE INCOME		(30,626)	(29,993)	16,152	(30,626)	16,152

¹ Unaudited adjusted budget, see Note 38.

² Crown represents 'The Crown in right of the State of New South Wales'.

The accompanying notes form part of these financial statements.

Health Administration Corporation

Statement of Financial Position as at 30 June 2024

		Consolidated	Consolidated	Consolidated	Parent	Parent
		Actual	Budget ¹	Actual	Actual	Actual
		2024	2024	2023	2024	2023
Notes		\$000	\$000	\$000	\$000	\$000
ASSETS						
Current assets						
Cash and cash equivalents	20	794,000	675,973	758,448	794,000	758,448
Receivables	21	799,334	763,349	796,353	799,334	796,353
Inventories	22	162,598	159,094	288,023	162,598	288,023
Financial assets at fair value	23	2,447	2,522	2,522	2,447	2,522
		1,758,379	1,600,938	1,845,346	1,758,379	1,845,346
Non-current assets held for sale	27	304	304	304	304	304
Total current assets		1,758,683	1,601,242	1,845,650	1,758,683	1,845,650
Non-current assets						
Receivables	21	17,583	6,849	6,849	17,583	6,849
Financial assets at fair value	23	6,351	9,148	9,148	6,351	9,148
Property, plant & equipment	24					
- Land and buildings		979,762	986,506	877,628	979,762	877,628
- Plant and equipment		339,947	341,364	285,382	339,947	285,382
- Infrastructure systems		23,829	26,818	21,243	23,829	21,243
Total property, plant & equipment		1,343,538	1,354,688	1,184,253	1,343,538	1,184,253
Right-of-use assets	25	438,257	470,997	339,134	438,257	339,134
Intangible assets	26	943,856	954,884	688,876	943,856	688,876
Total non-current assets		2,749,585	2,796,566	2,228,260	2,749,585	2,228,260
Total assets		4,508,268	4,397,808	4,073,910	4,508,268	4,073,910
LIABILITIES						
Current liabilities						
Payables	30	707,013	612,887	573,015	707,013	573,015
Contract liabilities	31	2,578	2,020	2,020	2,578	2,020
Borrowings	32	361,801	289,955	290,929	361,801	290,929
Provisions	33	471,277	461,113	428,671	471,277	428,671
Other current liabilities	34	13	9,612	6,591	13	6,591
Total current liabilities		1,542,682	1,375,587	1,301,226	1,542,682	1,301,226
Non-current liabilities						
Payables	30	106,396	144,462	-	106,396	-
Borrowings	32	368,875	393,792	260,331	368,875	260,331
Provisions	33	22,269	15,289	13,681	22,269	13,681
Total non-current liabilities		497,540	553,543	274,012	497,540	274,012
Total liabilities		2,040,222	1,929,130	1,575,238	2,040,222	1,575,238
Net assets		2,468,046	2,468,678	2,498,672	2,468,046	2,498,672
EQUITY						
Reserves		314,626	287,284	287,285	314,626	287,285
Accumulated funds		2,153,420	2,181,394	2,211,387	2,153,420	2,211,387
Total Equity		2,468,046	2,468,678	2,498,672	2,468,046	2,498,672

¹ Unaudited adjusted budget, see Note 38.

The accompanying notes form part of these financial statements.

Health Administration Corporation

Statement of Changes in Equity for the year ended 30 June 2024

PARENT AND CONSOLIDATION

		Accumulated Funds	Asset Revaluation Surplus	Total
	Notes	\$000	\$000	\$000
Balance at 1 July 2023		2,211,387	287,285	2,498,672
Net result for the year		(59,480)	-	(59,480)
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	24	-	28,854	28,854
Total comprehensive income for the year		(59,480)	28,854	(30,626)
Transfer of asset revaluation surplus to accumulated funds on disposal of assets		1,513	(1,513)	-
Balance at 30 June 2024		2,153,420	314,626	2,468,046

		Accumulated Funds	Asset Revaluation Surplus	Total
	Notes	\$000	\$000	\$000
Balance at 1 July 2022		2,245,517	237,431	2,482,948
Net result for the year		(37,751)	-	(37,751)
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	24	-	53,903	53,903
Total comprehensive income for the year		(37,751)	53,903	16,152
Transfer of asset revaluation surplus to accumulated funds on disposal of assets		4,049	(4,049)	-
Transactions with owners in their capacity as owners				
Increase / (decrease) in net assets from equity transfers	35	(428)	-	(428)
Balance at 30 June 2023		2,211,387	287,285	2,498,672

The accompanying notes form part of these financial statements.

Health Administration Corporation

Statement of Cash Flows for the year ended 30 June 2024

	Notes	Consolidated Actual 2024 \$000	Consolidated Budget ¹ 2024 \$000	Consolidated Actual 2023 \$000	Parent Actual 2024 \$000	Parent Actual 2023 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee related		(2,598,962)	(2,643,545)	(2,337,118)	-	-
Suppliers for goods and services		(2,166,724)	(1,995,798)	(2,822,509)	(2,166,724)	(2,822,509)
Grants and subsidies		(66,965)	(53,508)	(71,343)	(66,965)	(71,343)
Finance costs		(13,080)	(7,381)	(9,960)	(13,080)	(9,960)
Personnel services		-	-	-	(2,598,962)	(2,337,118)
Total payments		(4,845,731)	(4,700,232)	(5,240,930)	(4,845,731)	(5,240,930)
Receipts						
Ministry of Health recurrent allocations		1,554,222	1,515,520	1,684,413	1,554,222	1,684,413
Ministry of Health capital allocations		385,920	370,778	349,248	385,920	349,248
Reimbursements from the Crown ²		40,833	40,833	36,002	40,833	36,002
Sale of goods and services		2,780,920	2,732,106	3,210,944	2,780,920	3,210,944
Interest received		18,710	3,590	15,608	18,710	15,608
Grants and other contributions		64,654	68,677	40,166	64,654	40,166
Other		458,866	443,290	388,374	458,866	388,374
Total receipts		5,304,125	5,174,794	5,724,755	5,304,125	5,724,755
NET CASH FLOWS FROM OPERATING ACTIVITIES	39	458,394	474,562	483,825	458,394	483,825
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of property, plant and equipment		1,142	(1,717)	4,282	1,142	4,282
Purchases of property, plant and equipment and intangibles		(415,735)	(477,211)	(445,610)	(415,735)	(445,610)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(414,593)	(478,928)	(441,328)	(414,593)	(441,328)

Health Administration Corporation

Statement of Cash Flows for the year ended 30 June 2024 (continued)

		Consolidated	Consolidated	Consolidated	Parent	Parent
		Actual	Budget ¹	Actual	Actual	Actual
		2024	2024	2023	2024	2023
	Notes	\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM FINANCING						
ACTIVITIES						
Proceeds from borrowings and advances		281,133	281,133	203,037	281,133	203,037
Repayment of borrowings and advances		(203,135)	(281,133)	(495,897)	(203,135)	(495,897)
Payment of principal portion of lease liabilities		(89,486)	(78,109)	(88,622)	(89,486)	(88,622)
Proceeds / (payment) of derivatives		3,041	-	2,250	3,041	2,250
NET CASH FLOWS FROM FINANCING		(8,447)	(78,109)	(379,232)	(8,447)	(379,232)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS						
Opening cash and cash equivalents	20	758,448	758,448	1,095,229	758,448	1,095,229
Effects of exchange rate changes on cash and cash equivalents		198	-	(46)	198	(46)
CLOSING CASH AND CASH EQUIVALENTS	20	794,000	675,973	758,448	794,000	758,448

¹ Unaudited adjusted budget, see Note 38.

² Crown represents 'The Crown in right of the State of New South Wales'.

The accompanying notes form part of these financial statements.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

1. Statement of Material Accounting Policy Information

a) Reporting entity

The Health Administration Corporation (the Corporation), as a reporting entity, was established under the *Health Administration Act 1982*. The reporting entity is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The Corporation is a NSW Government entity, controlled by the Ministry of Health (and is consolidated as part of the Ministry of Health Consolidated Group (NSW Health) Accounts), which is the immediate parent. The Ministry of Health is controlled by the State of New South Wales (and is consolidated as part of the NSW Total State Sector Accounts), which is the ultimate parent.

The Corporation is also a parent entity in its own right, as it controls the operations of the Administrative Divisions established by the Secretary, NSW Health and its Employment Divisions.

The Secretary, NSW Health is responsible for establishing shared business services across NSW Health. The following Administrative Divisions have been established to undertake these services:

- Public Health System Support (PHSS) which has four main groups comprising:
 - Health System Support Group (HSSG) which undertakes financial and human resource management.
 - HealthShare NSW which provides financial, payroll, linen, food and other shared statewide services to NSW Health.
 - eHealth NSW which delivers information and communications technology services to NSW Health.
 - The Single Digital Patient Record Implementation Authority was established on 27 May 2024 to lead the delivery of the statewide implementation and rollout of the Single Digital Patient Record for NSW Health, and to ensure effective engagement across NSW Health to support the delivery of the Single Digital Patient Record.
- Health Infrastructure which delivers and manages major NSW Health capital works projects across NSW Health.
- Ambulance Service of NSW which provides clinical and health related transport services across the State.
- NSW Health Pathology which provides public pathology, forensic and analytical services on behalf of NSW Health.

Each Administrative Division is supported by special purpose Employment Divisions established under the *Health Services Act 1997*. The Employment Division assumes the responsibility for the employees and employee related liabilities. These Divisions are regarded as special purpose entities as they were established specifically to provide personnel services to the respective Administrative Divisions.

The consolidated entity includes the Corporation (with its Administrative Divisions) as the parent entity and the special purpose Employment Divisions. The consolidated financial statements disclose balances for the parent entity and the consolidated entity.

These consolidated financial statements for the year ended 30 June 2024 have been authorised for issue by the Secretary, NSW Health on 10 October 2024.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

1. Statement of Material Accounting Policy Information (continued)

b) Basis of preparation

The Corporation's financial statements are general purpose financial statements which have been prepared on an accrual 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'), the *Government Sector Finance Regulation 2024*; and
- * Treasurer's Directions issued under the GSF Act.

The financial statements of the Corporation have been prepared on a going concern basis.

Property, plant and equipment and certain financial assets 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 Corporation 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 periods as new information comes to light on this matter.

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

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

c) 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.

d) Statement of Compliance

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

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

1. Statement of Material Accounting Policy Information (continued)

e) Comparative Information

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

Certain comparative information has been reclassified to ensure consistency with current year presentation and classification. These include:

- * Note 3 Operating expenses: Details of operating expenses were previously split into two tables but have now been combined into one table for a more streamlined presentation in the current year. A number of new expense lines have also been added to provide additional information, these expenses previously formed part of different expense lines. There has been no change in the total operating expense amount.
- * Note 15 Grants and other contributions: one of the grant contracts was reassessed and reclassified from "Grants to acquire / construct non-financial asset" to "Grants from entities controlled by the ultimate parent". This also led to a change in the reconciliation presented in Note 34 for movement in "Liabilities under transfer to acquire or construct non-financial assets to be controlled by the entity". The comparatives were updated accordingly. There was no change in the totals for Note 15 and 34.
- * Note 29 Restricted assets: A new category, Clinical trials, has been added from 1 July 2023. The balance of Clinical trials was previously included in the Research category which has now been reclassified out of the Research category into Clinical trials.

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

(i) Effective for the first time in 2023-24

The Corporation applied AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates for the first time in 2023-24. The amendment requires reporting entities to disclose only 'material' accounting policies, rather than 'significant' accounting policies. This amendment has led to removal of several previously disclosed accounting policies that were not considered material.

Apart from the above noted change, the accounting policies applied in 2023-24 are consistent with those of the previous financial year.

(ii) Issued but not yet effective

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

The following new AAS has not been applied and is not yet effective:

- * AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

AASB 2022-10 amends AASB 13 *Fair Value Measurement* for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. For these assets, AASB 2022-10 clarifies when an entity is required to consider whether the asset's highest and best use differs from its current use, under what circumstances the asset's use is considered 'financially feasible', and when an entity should use its own assumptions as a starting point in developing unobservable inputs. AASB 2022-10 also provides guidance on how the cost approach is to be applied to measure the asset's fair value. The standard applies prospectively to annual periods beginning on or after 1 January 2024. The impact of the standard is yet to be determined by the Corporation.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

2. Employee related expenses

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Salaries and wages*	2,206,433	1,945,328	-	-
Superannuation - defined benefit plans	8,368	11,027	-	-
Superannuation - defined contribution plans	227,183	193,485	-	-
Long service leave	93,211	50,842	-	-
Redundancies	4,165	1,755	-	-
Workers' compensation insurance	118,046	91,818	-	-
Fringe benefits tax	175	237	-	-
Other staff related	17,246	12,579	-	-
	2,674,827	2,307,071	-	-

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

Refer to Note 33 for further details on recognition and measurement of employee related expenses.

Employee related costs of \$39.70 million (2023: \$33.54 million) have been capitalised in property, plant and equipment and intangible assets and are therefore excluded from the above amounts.

3. Personnel services

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Salaries and wages*	-	-	2,206,433	1,945,328
Superannuation - defined contribution plans	-	-	227,183	193,485
Long service leave	-	-	9,199	1,729
Redundancies	-	-	4,165	1,755
Workers' compensation insurance	-	-	118,046	91,818
Fringe benefits tax	-	-	175	237
Other staff related	-	-	17,246	12,579
	-	-	2,582,447	2,246,931

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

Personnel services of the Health Administration Corporation were provided by the employment divisions of the Ambulance Service of NSW, eHealth NSW, Health Infrastructure, HealthShare NSW, Health System Support Group and NSW Health Pathology.

Personnel services of \$39.70 million (2023: \$33.54 million) have been capitalised in property, plant and equipment and intangible assets and are excluded from the above amounts.

4. Visiting medical officers

Visiting medical officers (VMOs) enhance full-time medical specialist services by providing specialty input for pathology services. VMO expenses of \$0.43 million (2023: \$0.15 million) represent part of the day-to-day running costs incurred in the normal operations of the Corporation. These costs are expensed as incurred.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

5. Operating expenses

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Advertising	2,499	2,204	2,499	2,204
Agency expenses	7,605	7,228	7,605	7,228
Aircraft expenses	144,091	140,680	144,091	140,680
Auditor's remuneration - audit of financial statements	784	688	784	688
Blood and blood products	61	55	61	55
Consultants	1,225	7,661	1,225	7,661
Contractors	168,783	192,056	168,783	192,056
Cost of sales to non-NSW Health entities	2,414	-	2,414	-
Corporate support services	390,946	780,422	390,946	780,422
Courier and freight	43,323	43,788	43,323	43,788
Disability equipment support expenses	9,628	8,870	9,628	8,870
Domestic supplies and services	40,651	60,662	40,651	60,662
Drug supplies ¹	14,837	22,792	14,837	22,792
Expenses relating to short-term leases	24,709	25,061	24,709	25,061
Expenses relating to leases of low-value assets	586	3,213	586	3,213
Food supplies	111,286	110,126	111,286	110,126
Fuel, light, power and water	16,812	16,822	16,812	16,822
Information and communication technologies purchased from entities controlled by the immediate parent ²	2,426	1,905	2,426	1,905
Information management expenses	406,105	355,633	406,105	355,633
Insurance	9,367	7,540	9,367	7,540
Isolated patient travel and accommodation assistance scheme	49,302	37,327	49,302	37,327
Legal services	3,933	4,412	3,933	4,412
Maintenance (see Note 5 (a))	105,967	111,104	105,967	111,104
Medical and surgical supplies (including prostheses)	48,295	50,969	48,295	50,969
Membership / professional fees	3,624	3,356	3,624	3,356
Motor vehicle expenses	36,254	35,121	36,254	35,121
Occupancy agreement expenses - Property NSW	22,891	22,146	22,891	22,146
Outsourced patient services	16	-	16	-
Patient transport costs	48,141	42,456	48,141	42,456
Postal and telephone costs	13,774	15,016	13,774	15,016
Printing and stationery	7,197	6,714	7,197	6,714
Professional services (excluding consultants)	13,308	10,547	13,308	10,547
Quality assurance / accreditation	5,179	4,588	5,179	4,588
Rates and charges	1,063	844	1,063	844
Security services	1,138	1,223	1,138	1,223
Specialised services (dental, radiology, pathology and allied health)	197,262	352,126	197,262	352,126
Staff related costs	7,405	7,874	7,405	7,874

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

5. Operating expenses (continued)

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Travel related costs	18,794	20,377	18,794	20,377
Work performed for entities controlled by the ultimate parent	9,476	5,333	9,476	5,333
Other miscellaneous ³	60,912	78,047	60,912	78,047
	2,052,069	2,596,986	2,052,069	2,596,986

¹ The majority of the costs in relation to drug supplies and medical and surgical supplies expenses relate to the consumption of inventory held by the Corporation.

² The majority of the costs in relation to hosted services purchased from entities controlled by the immediate parent relate to information and communication technology expenses and the rental of pathology laboratories in hospitals.

³ Other miscellaneous expenses of \$60.91 million (2023: \$78.0 million) includes capital expenses that do not meet the capitalisation threshold, intra health expenses and sundry operating expenses.

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
(a) Reconciliation of total maintenance expense				
Corrective maintenance	21,279	17,838	21,279	17,838
Planned maintenance	54,315	41,548	54,315	41,548
New / replacement equipment under \$10,000	30,008	51,546	30,008	51,546
Other	365	172	365	172
Maintenance expense - contracted labour and other (non-employee related) in Note 5	105,967	111,104	105,967	111,104
Employee related / personnel services maintenance expense included in Notes 2 and 3*.	6,446	6,039	6,446	6,039
	112,413	117,143	112,413	117,143

* This balance consists of employees who have been classified as providing maintenance services for the Corporation and the expense is included in employee related expenses / personnel services in Notes 2 and 3.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

6. Depreciation and amortisation

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Depreciation - buildings	20,607	20,999	20,607	20,999
Depreciation - plant and equipment	57,028	56,278	57,028	56,278
Depreciation - infrastructure systems	844	623	844	623
Depreciation - right-of-use buildings	38,377	40,862	38,377	40,862
Depreciation - right-of-use plant and equipment	53,539	48,135	53,539	48,135
Amortisation - intangible assets	104,678	98,445	104,678	98,445
	275,073	265,342	275,073	265,342

Refer to Note 24 Property, plant and equipment, Note 25 Leases, and Note 26 Intangible assets for recognition and measurement policies on depreciation and amortisation.

7. Grants and subsidies

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Non-government organisations	3,015	2,851	3,015	2,851
Community packages	50,654	25,234	50,654	25,234
Grants to research organisations	534	682	534	682
Grants to entities controlled by the immediate parent	6,086	50,512	6,086	50,512
Other grants	155	1,122	155	1,122
	60,444	80,401	60,444	80,401

Recognition and Measurement

Grants and subsidies expense generally comprises contributions in cash or in kind to various local government authorities and not-for-profit community organisations to support their health-related objectives and activities. The grants and subsidies are expensed on the transfer of the cash or assets. The transferred assets are measured at their fair value.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

8. Finance costs

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Interest expense from lease liabilities	13,065	9,943	13,065	9,943
Interest expense from financial liabilities at amortised cost	15	17	15	17
	13,080	9,960	13,080	9,960

Recognition and Measurement

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing 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.

9. Payments to Affiliated Health Organisations

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
(a) Recurrent sourced	-	276	-	276
	-	276	-	276

Recognition and Measurement

Payments to non-government affiliated health organisations generally comprise contributions in cash or in kind. Non-government affiliated health organisations support the Ministry of Health's role of 'system manager' in relation to the NSW public health system. The payments are expensed on the transfer of the cash or assets. The transferred assets are measured at their fair value.

10. Revenue

Under the *GSF Act 2018*, the Corporation's own source revenue (which includes but is not limited to receipts from operating activities and proceeds from the sale of minor property, plant and equipment) meets the definition of deemed appropriation money under the *GSF Act*.

Deemed appropriation money is money received directly by the administrative divisions which forms part of the consolidated fund and is not appropriated to the Corporation by an Act.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

11. Summary of compliance

The *Appropriation Act 2023* (Appropriations Act) (and the subsequent variations, if applicable) appropriates the sum of \$19,613 million to the Minister for Health out of the Consolidated Fund for the services of the Ministry of Health for the year 2023-24. 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, including the Corporation.

The lead Minister for the Corporation, being the Minister for Health, is taken to have been given an appropriation out of the Consolidated Fund under the authority section 4.7 of the GSF Act, at the time the Corporation receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the Corporation. These deemed appropriations are taken to have been given for the services of the Ministry of Health.

In addition, government money that the Corporation receives or recovers, from another GSF agency, of a kind prescribed by the GSF regulations that forms part of the Consolidated Fund, is also deemed appropriation moneys 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)).

A summary of compliance is disclosed in the financial statements of the Annual Report of the Ministry of Health. It has been prepared by aggregating the spending authorities of the Minister for Health for the services of the Ministry of Health. It reflects the status at the point in time this disclosure statement is being made. Corporation's spending authority and expenditure is included in the summary of compliance.

The delegation / sub-delegations for 2024 and 2023, authorising officers of the Corporation to spend Consolidated Fund money, impose limits on the amounts of individual transactions, but not the overall expenditure of the Corporation. However, as they relate to expenditure in reliance on a sum appropriated by legislation, the delegation / sub-delegations are subject to the overall authority of the Ministry of Health to spend monies under relevant legislation. The individual transaction limits have been properly observed. The information in relation to the aggregate expenditure limit from the Appropriations Act and other sources is disclosed in the summary of compliance table included in the financial statements of the Annual Report of the Ministry of Health.

12. Ministry of Health allocations

Payments are made by the immediate parent as per the Service Agreement to the Corporation and adjusted for approved supplementations, mostly for salary agreements and approved enhancement projects. The Service Agreement between the immediate parent and the Corporation does not contain sufficiently specific enforceable performance obligations as defined by AASB 15 and are therefore recognised upon the receipt of cash, in accordance with AASB 1058.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

13. Sale of goods and services from contracts with customers

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
(a) Sale of goods comprise the following:				
Sale of inventories to non-NSW Health entities	2,414	-	2,414	-
Sale of small medical equipment and other merchandise	940	5,225	940	5,225
	3,354	5,225	3,354	5,225
(b) Rendering of services comprise the following:				
Patients				
Department of Veterans' Affairs	14,981	14,957	14,981	14,957
Motor Accident Authority third party	46,606	44,913	46,606	44,913
Patient co-payments - program of appliances for disabled people	744	716	744	716
Patient transport fees	211,709	188,159	211,709	188,159
Staff				
Private use of motor vehicles	249	248	249	248
Salary packaging fee	576	252	576	252
General community				
Cafeteria / kiosk	2,347	2,245	2,347	2,245
Car parking	1	24	1	24
Clinical services (excluding clinical drug trials)	27,179	22,687	27,179	22,687
Commercial activities ¹	614,760	612,730	614,760	612,730
Fees for conferences and training	245	301	245	301
Fees for medical records	215	146	215	146
Information retrieval	15	8	15	8
Meals on Wheels	216	251	216	251
Non-NSW Health entities				
Linen service revenues	5,096	4,780	5,096	4,780
Services to other organisations	2,164	2,530	2,164	2,530
Entities controlled by the immediate parent				
Linen service revenues	98,863	94,580	98,863	94,580
Shared corporate service revenues	1,646,420	1,952,043	1,646,420	1,952,043
Use of ambulance facilities	8,400	9,411	8,400	9,411
Entities controlled by the ultimate parent				
Work performed reimbursed by entities controlled by the ultimate parent	9,476	5,333	9,476	5,333
Other				
Infrastructure fees - annual charge	8,748	11,484	8,748	11,484
Infrastructure fees - monthly facility charge	143,332	140,078	143,332	140,078
Other	7,900	6,243	7,900	6,243
	2,850,242	3,114,119	2,850,242	3,114,119
	2,853,596	3,119,344	2,853,596	3,119,344

¹ Commercial activities include intra health pathology revenue of \$595.4 million (2023: \$593.8 million).

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

Recognition and Measurement

Sale of goods

Revenue from the sale of goods is recognised when the Corporation satisfies a 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
Sale of inventories and other merchandise to non-NSW Health entities	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.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

13. 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 Corporation 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 - Inpatient fees, Nursing home fees, Non inpatient fees, Department of Veterans' Affairs, Motor Accident Authority third party	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 their 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 staff, General community, Non-NSW Health entities and Entities controlled by the immediate parent	Various non-patient related services are provided to the members of staff, general community, non-NSW health entities and entities controlled by the immediate 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.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

13. 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
Infrastructure fees	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.

Refer to Note 31 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 Corporation expects to recognise the unsatisfied portion as revenue.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

14. Investment revenue

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Interest income from financial assets at amortised cost	18,855	15,608	18,855	15,608
	18,855	15,608	18,855	15,608

Recognition and Measurement

Interest income from financial assets at amortised cost

Interest income 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).

15. Grants and other contributions

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Grants to acquire / construct a recognisable non-financial asset to be controlled by the entity				
Grants to acquire / construct non-financial assets *	930	597	930	597
Other grants with sufficiently specific performance obligations				
Cancer Institute grants received from an entity controlled by the immediate parent	346	346	346	346
Clinical trials and research grants	943	835	943	835
Commonwealth government grants received for community based services	-	(314)	-	(314)
Commonwealth government grants other	705	630	705	630
Grants from entities controlled by the ultimate parent	47	-	47	-
Other grants from entities controlled by the immediate parent	946	686	946	686
Other grants	1,329	1,288	1,329	1,288
Grants without specific performance obligations				
Clinical trial and research grants	154	825	154	825
Commonwealth government grants other	61,137	73,228	61,137	73,228
Grants from entities controlled by the ultimate parent *	36,452	36,996	36,452	36,996
Other grants from entities controlled by the immediate parent	26,790	4,933	26,790	4,933
Other grants	13	204	13	204
Donations				
Donations	817	3,428	817	3,428
	130,609	123,682	130,609	123,682

* In the prior year, grants to acquire / construct non-financial assets (\$36.88 million) have been reclassified to grants from entities controlled by the ultimate parent.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

15. Grants and other contributions (continued)

Recognition and Measurement

Revenue from grants with sufficiently specific performance obligations are recognised when the Corporation satisfies a performance obligation by transferring the promised goods or services. The Corporation typically receives grants in respect of research, clinical drug trials and other community, health and wellbeing related projects. The Corporation 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 in the contract.

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 31 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 Corporation obtains control over the granted assets (e.g. cash).

16. 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:

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Superannuation - defined benefit plans	8,368	11,027	-	-
Long service leave provision	84,012	49,111	-	-
	92,380	60,138	-	-

17. Other income

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Other income comprises the following:				
Bad debts recovered	136	155	136	155
Capital project management cost	71,254	52,383	71,254	52,383
Commissions	35	38	35	38
Discounts	429	207	429	207
Insurance refunds	726	1,280	726	1,280
Rental income	575	526	575	526
Sponsorship	135	177	135	177
Unclaimed deposits	242	209	242	209
Other*	28,220	2,189	28,220	2,189
	101,752	57,164	101,752	57,164

* Other income comprises \$20.5 million of old debts written off for which payment is no longer required.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

18. Gains / (losses) on disposal

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Gains / (losses) on disposals of:				
Property, plant and equipment				
Written down value of assets disposed	3,222	3,685	3,222	3,685
Less: proceeds from disposal	1,142	1,490	1,142	1,490
Net gains / (losses) on disposal	(2,080)	(2,195)	(2,080)	(2,195)
Right-of-use assets				
Written down value of assets disposed	11,130	430	11,130	430
Less : lease liabilities extinguished	11,357	412	11,357	412
Net gains / (losses) on disposal	227	(18)	227	(18)
Intangible assets				
Written down value of assets disposed	2,113	1,993	2,113	1,993
Net gains / (losses) on disposal	(2,113)	(1,993)	(2,113)	(1,993)
Assets held for sale				
Written down value of assets disposed	-	3,000	-	3,000
Less : proceeds from disposal	-	2,792	-	2,792
Net gains / (losses) on disposal	-	(208)	-	(208)
Total gains / (losses) on disposal	(3,966)	(4,414)	(3,966)	(4,414)

19. Other gains / (losses)

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Inventory write down	(91,444)	(164,955)	(91,444)	(164,955)
Gains / (losses) on derivative financial instruments at fair value through profit or loss	77	1,795	77	1,795
Foreign exchange gains / (losses)	119	(237)	119	(237)
Onerous contract costs	(166)	-	(166)	-
	(91,414)	(163,397)	(91,414)	(163,397)

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

20. Cash and cash equivalents

	Consolidated	Consolidated	Parent	Parent
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Cash at bank and on hand	794,000	758,448	794,000	758,448
	794,000	758,448	794,000	758,448

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

Most cash and cash equivalents held by the Corporation are restricted assets. Refer to Note 29 for details of restricted assets.

HealthShare NSW makes all payments to employees and most payments to suppliers of goods and services and grants and subsidies on behalf of all health entities. These payments are reported as expenses and operating cash outflows in the financial statements of the health entities.

HealthShare NSW receives payments directly from the NSW Ministry of Health on behalf of the health entities to fund these payments. These payments are reported as revenue (NSW Ministry of Health recurrent allocations) and operating cash inflows in the financial statements of the health entities when HealthShare NSW makes these payments on behalf of the health entities.

Health Infrastructure (HI) manages the approved major capital works program for the Ministry of Health and its controlled entities. HI receives Ministry of Health capital allocations and grants on behalf of the health entities to carry out the capital project works. All capital project costs incurred are initially recorded as capital work in progress or capital expenses by HI. At the end of the reporting period, all capital costs recognised, and the associated capital allocation or grant revenue are transferred across to the health entities and are reflected in the health entity's financial statements. Health Infrastructure and the Corporation therefore does not reflect those transactions in their annual financial statements. The Statement of Cashflows for the Corporation also does not reflect any cash inflows or outlays for the capital projects managed by Health Infrastructure. During the year, Health Infrastructure incurred \$1,598.61 million (2023: \$1,471.38 million) of capital project costs, which was transferred across to health entities and not reflected in the Statement of Cashflows.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

21. Receivables

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Current				
Trade receivables from contracts with customers	169,837	122,275	169,837	122,275
Intra health receivables	541,090	515,234	541,090	515,234
Goods and Services Tax	57,671	73,764	57,671	73,764
Other receivables	24,593	35,524	24,593	35,524
Sub total	793,191	746,797	793,191	746,797
Less: Allowance for expected credit losses*				
- Trade receivables from contracts with customers	(67,293)	(61,006)	(67,293)	(61,006)
- Other receivables	(1,279)	(566)	(1,279)	(566)
Sub total	724,619	685,225	724,619	685,225
Prepayments	74,715	111,128	74,715	111,128
	799,334	796,353	799,334	796,353
Non-current				
Other receivables	205	205	205	205
Prepayments	17,378	6,644	17,378	6,644
	17,583	6,849	17,583	6,849

(a) * Movement in the allowance for expected credit losses

Trade receivables from contracts with customers				
Balance at the beginning of the year	(61,006)	(57,208)	(61,006)	(57,208)
Amounts written off during the year	18,928	14,279	18,928	14,279
Amounts recovered during the year	72	94	72	94
(Increase) / decrease in allowance recognised in the net result	(25,287)	(18,170)	(25,287)	(18,170)
Balance at the end of the year	(67,293)	(61,006)	(67,293)	(61,006)
Other receivables				
Balance at the beginning of the year	(566)	(333)	(566)	(333)
Amounts written off during the year	(556)	888	(556)	888
Amounts recovered during the year	65	61	65	61
(Increase) / decrease in allowance recognised in the net result	(222)	(1,181)	(222)	(1,181)
Balance at the end of the year	(1,279)	(566)	(1,279)	(566)
	(68,572)	(61,572)	(68,572)	(61,572)

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

21. Receivables (continued)

(b) The current and non-current trade receivables from contracts with customers balances above include the following patient fee receivables:

Current and non-current include:

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Patient fees - inpatient & other	30,434	11,757	30,434	11,757
	30,434	11,757	30,434	11,757

Details regarding credit risk of receivables that are neither past due nor impaired, are disclosed in Note 42.

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Contract receivables (included in Note 21)	710,927	637,508	710,927	637,508
Total contract receivables	710,927	637,508	710,927	637,508

Recognition and Measurement

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 Corporation 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

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

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

22. Inventories

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Current				
Held-for-distribution				
Drug supplies	73,585	59,425	73,585	59,425
Medical and surgical supplies	126,202	511,433	126,202	511,433
Food and hotel supplies	3,072	2,950	3,072	2,950
Other including goods in transit	3,538	13	3,538	13
Sub total	206,397	573,821	206,397	573,821
<i>Less : Allowance for impairment</i>				
- Drug supplies	(6,457)	-	(6,457)	-
- Medical and surgical supplies	(37,342)	(285,798)	(37,342)	(285,798)
	162,598	288,023	162,598	288,023

Recognition and Measurement

The Corporation procures, stores and distributes inventory to all NSW health districts under their service delivery plan. Inventory is distributed to health districts at cost price plus service fee. The cost of inventory distributed is reflected as other expenses in the Statement of Comprehensive Income.

All inventory held by the Corporation is for distribution to health districts for consumption in their ordinary activities.

Inventories held for distribution are stated at cost and 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. 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.

The Corporation wrote off \$333.4 million (2023: \$125.9 million) of medical and surgical supplies. Following the write off, the allowance for impairment of medical and surgical supplies was reassessed and a reduced impairment of \$248.5 million (2023: increase of \$39.1 million) was recognised due to the changes in the current consumption forecast model of medical and surgical supplies. An allowance for impairment of \$6.5 million (2023: \$Nil) was recognised for drug supplies in the current year. The write-off and additional allowance for impairment expensed under 'Other gains / (losses)' (Note 19) is \$91.4 million (2023: \$165.0 million).

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 Corporation 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 of Health.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

23. Financial assets at fair value

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Current				
Derivatives	2,447	2,522	2,447	2,522
	2,447	2,522	2,447	2,522
Non-current				
Derivatives	6,351	9,148	6,351	9,148
	6,351	9,148	6,351	9,148

Refer to Note 42 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

Recognition and Measurement

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 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 Corporation has elected not to apply hedge accounting to the economic hedges.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

24. Property, plant and equipment

(a) Total property, plant and equipment

PARENT AND CONSOLIDATION

	Land and Buildings \$000	Plant and Equipment ¹ \$000	Infrastructure Systems \$000	Total \$000
At 1 July 2022 - fair value				
Gross carrying amount	1,106,550	580,315	23,937	1,710,802
Less: accumulated depreciation and impairment	389,428	351,214	4,402	745,044
Net carrying amount	717,122	229,101	19,535	965,758

	Land and Buildings \$000	Plant and Equipment ¹ \$000	Infrastructure Systems \$000	Total \$000
Year ended 30 June 2023				
Net carrying amount at beginning of year	717,122	229,101	19,535	965,758
Additions	128,724	121,379	192	250,295
Reclassification to intangibles	-	(276)	-	(276)
Reclassification from inventory	-	6,394	-	6,394
Reclassification from right-of-use assets	891	-	-	891
Disposals	(57)	(3,628)	-	(3,685)
Equity transfers - transfers in / (out)	(428)	-	-	(428)
Transfers within NSW Health entities through Statement of Comprehensive Income	-	(10,699)	-	(10,699)
Net revaluation increments less revaluation decrements	53,191	-	712	53,903
Depreciation expense	(20,999)	(56,278)	(623)	(77,900)
Reclassifications	(816)	(611)	1,427	-
Net carrying amount at end of year	877,628	285,382	21,243	1,184,253

¹ For non-specialised assets with short useful lives, recognition at depreciated historical cost is regarded as an acceptable approximation of fair value, in accordance with Treasury Policy Paper 21-09.

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 28.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

24. Property, plant and equipment (continued)

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

PARENT AND CONSOLIDATION

	Land and Buildings \$000	Plant and Equipment ¹ \$000	Infrastructure Systems \$000	Total \$000
At 1 July 2023 - fair value				
Gross carrying amount	1,278,378	668,230	26,099	1,972,707
Less: accumulated depreciation and impairment	400,750	382,848	4,856	788,454
Net carrying amount	877,628	285,382	21,243	1,184,253

	Land and Buildings \$000	Plant and Equipment ¹ \$000	Infrastructure Systems \$000	Total \$000
Year ended 30 June 2024				
Net carrying amount at beginning of year	877,628	285,382	21,243	1,184,253
Additions	99,253	119,388	-	218,641
Reclassification to intangibles	-	(1,455)	-	(1,455)
Reclassification to inventory	-	(3,228)	-	(3,228)
Disposals	(113)	(3,109)	-	(3,222)
Transfers within NSW Health entities through Statement of Comprehensive Income	903	(2,729)	-	(1,826)
Net revaluation increments less revaluation decrements	27,735	-	1,119	28,854
Depreciation expense	(20,607)	(57,028)	(844)	(78,479)
Reclassifications	(5,037)	2,726	2,311	-
Net carrying amount at end of year	979,762	339,947	23,829	1,343,538

	Land and Buildings \$000	Plant and Equipment ¹ \$000	Infrastructure Systems \$000	Total \$000
At 30 June 2024 - fair value				
Gross carrying amount	1,416,407	731,960	29,832	2,178,199
Less: accumulated depreciation and impairment	436,645	392,013	6,003	834,661
Net carrying amount	979,762	339,947	23,829	1,343,538

¹ For non-specialised assets with short useful lives, recognition at depreciated historical cost is regarded as an acceptable approximation of fair value, in accordance with Treasury Policy Paper 21-09.

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 28.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

24. Property, plant and equipment (continued)

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

PARENT AND CONSOLIDATION

The Corporation has no property, plant and equipment where it is the lessor under operating leases. All property, plant and equipment balances are for items held and used by the Corporation.

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.

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 - Note 35).

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.

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 Corporation.

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

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.

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

	Useful lives
Buildings	30-70 years
Buildings - leasehold improvements	3-10 years
Plant and equipment	4-20 years
Infrastructure Systems	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.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

24. Property, plant and equipment (continued)

Right-of-use assets acquired by lessees

AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. The Corporation has elected to present right-of-use assets separately in the Statement of Financial Position.

Further information on leases is contained in Note 25.

Revaluation 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). TPP 21-09 and TD 21-05 adopt fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

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.

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 Corporation conducts a comprehensive revaluation at least every three years for its land and buildings and infrastructure. Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. The Corporation uses an independent professionally qualified valuer for such interim revaluations.

The last comprehensive revaluation was completed on 31 December 2022 and was based on an independent assessment.

Indices obtained from external professionally qualified valuers in 2024 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 2023 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 Corporation 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 existing 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.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

25. Leases

(a) Entity as a lessee

The Corporation leases various property, equipment and motor vehicles. Lease contracts are typically made for fixed periods of 1 to 10 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 Corporation 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 Corporation 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 \$99.1 million 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 \$108.0 million.

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

The Corporation 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.

All occupancy agreements entered into by the Corporation with Property NSW (PNSW), an entity of the ultimate parent, have a 'substitution right' clause added to the occupancy arrangements providing PNSW with a substantive substitution right to relocate the Corporation during the term of the agreement. As a result of this clause, those agreements are not accounted for as a lease within the scope of AASB 16. These leases are recognised as an expense in Note 5 under 'occupancy agreement expenses - Property NSW' when incurred over the agreement duration.

Under the occupancy agreements with PNSW, the Corporation continues to carry the responsibility to make good, and to control the fit-out during the occupancy period as the Corporation receives the economic benefits via using the fit-out or expected compensation from PNSW upon relocation. Therefore, the Corporation recognises any make-good provision and fit-out costs in the financial statements arising from these occupancy agreements.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

25. Leases (continued)

(a) Entity as a lessee (continued)

Right-of-use assets under leases

The following table presents right-of-use assets. There are no right-of-use assets that meet the definition of investment property.

PARENT AND CONSOLIDATION

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$'000
Balance at 1 July 2023	151,244	187,890	339,134
Additions	14,488	71,285	85,773
Reassessments	66,046	50,350	116,396
Disposals	(10,785)	(345)	(11,130)
Depreciation expense	(38,377)	(53,539)	(91,916)
Balance at 30 June 2024	182,616	255,641	438,257

PARENT AND CONSOLIDATION

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$'000
Balance at 1 July 2022	131,976	205,859	337,835
Additions	48,222	30,313	78,535
Reassessments	12,903	179	13,082
Disposals	(104)	(326)	(430)
Depreciation expense	(40,862)	(48,135)	(88,997)
Reclassifications	(891)	-	(891)
Balance at 30 June 2023	151,244	187,890	339,134

Lease liabilities

The following table presents liabilities under leases.

PARENT AND CONSOLIDATION

	2024 \$000	2023 \$000
Balance at 1 July	346,759	344,289
Additions	85,773	78,422
Interest expenses	13,065	9,943
Payments	(102,551)	(98,565)
Terminations / derecognition	(11,357)	(412)
Other adjustments	116,396	13,082
Balance at 30 June	448,085	346,759

Other adjustments in 2024 includes \$108.0 million of lease extensions recognised for aeromedical leases.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

25. 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 Corporation is the lessee:

PARENT AND CONSOLIDATION

	2024	2023
	\$000	\$000
Depreciation expense of right-of-use assets	91,916	88,997
Interest expense on lease liabilities	13,065	9,943
Expenses relating to short-term leases	24,709	25,061
Expenses relating to leases of low-value assets	586	3,213
(Gains) / losses on disposal	(227)	18
Total amount recognised in the statement of comprehensive income	130,049	127,232

The Corporation had total cash outflows for leases of \$127.85 million for the year ended 30 June 2024 (2023: \$126.84 million).

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

The Corporation has leases with lease terms ranging from one to ten years. These leases do not have a significant impact on the Corporation's operations. The leases are with:

Sydney Ambulance Centre (Eveleigh), Gladesville Hospital (units 20, 22, 22c and 37), Auburn, Bundeena, Culburra and Perisher Valley ambulance stations, the Victoria Barracks (Paddington) helipad and the Eurobodalla Shire Council. The contracts specify lease payments of up to seven dollars per annum. The leased premises are used by the Corporation to provide community health services and access to the helipad.

Recognition and Measurement

The Corporation 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 Corporation 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 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
Buildings	1 to 22 years
Plant and equipment	1 to 4 years
Motor vehicles and other equipment	1 to 6 years
Aeromedical	1 to 15 years

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

25. Leases (continued)

(a) Entity as a lessee (continued)

Recognition and Measurement (continued)

ii. Lease liabilities

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 Corporation does not borrow funds in the market. Instead they receive 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 Corporation is using TCorp rates as their incremental borrowing rates. These rates are published by NSW Treasury on a regular basis.

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

The Corporation 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 an 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 Corporation to further its objectives is the same as normal right-of-use assets. They are measured at cost, subject to impairment.

(b) Entity as a lessor

The Corporation leases a retail space located within the Kangaroo Valley ambulance station to Kangaroo Valley Lions Club to be used as a medical centre. There is also a one year lease with the Police Citizens Youth Club on property that will become the North Sydney ambulance station. This is used for community and youth activities. There are no rental payments as the Corporation provides market rental assistance grants to offset all rental payments.

Recognition and Measurement

Lessor for operating leases

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in 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.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

26. Intangible assets

PARENT AND CONSOLIDATION

	Software \$000	Total \$000
At 1 July 2022		
Cost (gross carrying amount)	1,263,000	1,263,000
Less: accumulated amortisation and impairment	606,114	606,114
Net carrying amount	656,886	656,886
Year ended 30 June 2023		
Net carrying amount at beginning of year	656,886	656,886
Additions - acquired separately	132,152	132,152
Reclassifications from plant and equipment	276	276
Disposals	(1,993)	(1,993)
Amortisation (recognised in depreciation and amortisation)	(98,445)	(98,445)
Net carrying amount at end of year	688,876	688,876
At 1 July 2023		
Cost (gross carrying amount)	1,389,521	1,389,521
Less: accumulated amortisation and impairment	700,645	700,645
Net carrying amount	688,876	688,876
Year ended 30 June 2024		
Net carrying amount at beginning of year	688,876	688,876
Additions - acquired separately	360,316	360,316
Reclassifications from plant and equipment	1,455	1,455
Disposals	(2,113)	(2,113)
Amortisation (recognised in depreciation and amortisation)	(104,678)	(104,678)
Net carrying amount at end of year	943,856	943,856
At 30 June 2024		
Cost (gross carrying amount)	1,709,316	1,709,316
Less: accumulated amortisation and impairment	765,460	765,460
Net carrying amount	943,856	943,856

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

26. Intangible assets (continued)

Recognition and Measurement

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

The Corporation's intangible assets are amortised using the straight-line method over a period from four to twenty years.

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.

The Corporation recognises intangible assets only if it is probable that future economic benefits will flow to the Corporation 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. As there is no active market for the Corporation's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

27. Non-current assets held for sale

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Assets held for sale				
Land and buildings	304	304	304	304
	304	304	304	304

Assets held for sale consist of regional residences and ambulance stations that are surplus to the needs of the Ambulance Service of NSW and are being actively marketed for sale.

Further details regarding fair value measurement are disclosed in Note 28.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

28. Fair value measurement of non-financial assets

PARENT AND CONSOLIDATION

Fair value measurement and hierarchy

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 Corporation 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 Corporation 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

	Level 1	Level 2	Level 3	Total Fair Value
2024	\$000	\$000	\$000	\$000
Property, plant and equipment (Note 24)				
- Land and buildings	-	259,909	445,266	705,175
- Infrastructure systems	-	-	22,127	22,127
Non-current assets held for sale (Note 27)	-	304	-	304
	-	260,213	467,393	727,606

There were no transfers between level 1 and 2 during the year ended 30 June 2024.

The above figures exclude leasehold improvements, work in progress and newly completed projects which are carried at cost, and as a result they will not agree to Note 24.

	Level 1	Level 2	Level 3	Total Fair Value
2023	\$000	\$000	\$000	\$000
Property, plant and equipment (Note 24)				
- Land and buildings	-	263,719	430,841	694,560
- Infrastructure systems	-	-	19,541	19,541
Non-current assets held for sale (Note 27)	-	304	-	304
	-	264,023	450,382	714,405

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

The above figures exclude leasehold improvements, work in progress and newly completed projects which are carried at cost, and as a result they will not agree to Note 24.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

(b) Valuation techniques, inputs and processes

For land, buildings and infrastructure systems the Corporation obtains external valuations by independent valuers at least every three years. The valuer used by each administrative division is an independent entity and is not an associated entity of the Corporation. The last revaluation was performed for the 2023-24 financial year.

At the end of each reporting period a fair value assessment is made on any movements since the last revaluation, and a determination as to whether any adjustments need to be made. These adjustments are made by way of application of indices (refer Note 24).

The non-current assets categorised in (a) above have been measured as either level 2 or level 3 based on the following valuation techniques and inputs:

- For land, the valuation by the valuer 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, many assets are of a specialised nature or use, including some modified residential properties 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 some residential properties are valued on a market approach and included in level 2.
- Non-current assets held for sale is a non-recurring item that is measured at the lower of its fair value less cost to sell or its carrying amount. These assets are categorised as level 2.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

(c) Reconciliation of recurring Level 3 fair value measurements

PARENT AND CONSOLIDATION

2024	Land and Buildings \$000	Infrastructure Systems \$000	Total Level 3 Recurring \$000
Fair value as at 1 July 2023	430,841	19,541	450,382
Additions*	12,609	2,311	14,920
Revaluation increments/(decrements) recognised in other comprehensive income - included in line item 'Changes in revaluation surplus of property, plant and equipment' (Note 24)	22,490	1,119	23,609
Depreciation expense	(18,420)	(844)	(19,264)
Reclassifications	(2,254)	-	(2,254)
Fair value as at 30 June 2024	445,266	22,127	467,393

* 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 an interim desktop revaluation.

2023	Land and Buildings \$000	Infrastructure Systems \$000	Total Level 3 Recurring \$000
Fair value as at 1 July 2022	433,722	17,166	450,888
Additions*	5,727	1,788	7,515
Revaluation increments/(decrements) recognised in other comprehensive income - included in line item 'Changes in revaluation surplus of property, plant and equipment' (Note 24)	6,878	713	7,591
Transfers to Level 2	(20)	-	(20)
Depreciation expense	(17,250)	(621)	(17,871)
Reclassifications	1,784	495	2,279
Fair value as at 30 June 2023	430,841	19,541	450,382

* 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 an interim desktop revaluation.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

29. Restricted assets

PARENT AND CONSOLIDATION

The Corporation's financial statements include certain assets (predominantly cash and cash equivalents), the use of which is restricted for stipulated purposes and / or 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 2024.

Category	1 July 2023		30 June 2024	
	Opening \$000	Revenue \$000	Expense \$000	Closing \$000
Community welfare	27	413	112	328
Facility improvements	363,520	89,201	120,805	331,916
Patient welfare	243	17	-	260
Private practice disbursements (No.2 Accounts)	114,840	15,925	15,418	115,347
Public contributions	17,273	2,406	1,280	18,399
Clinical trials	1,049	478	219	1,308
Research	7,741	2,964	2,471	8,234
Staff welfare	17,828	691	1	18,518
Training and education including conferences	441	195	184	452
	522,962	112,290	140,490	494,762

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.
Patient welfare	Improvements such as medical needs, financial needs and standards for patients'.
Private practice disbursements (No.2 Accounts)	Staff specialists' private practice arrangements to improve the level of clinical services provided.
Public contributions	Donations or legacies received without any donor-specified conditions as to its use.
Clinical trials	A study designed to test the safety and effectiveness of a treatment.
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.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

30. Payables

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Current				
Accrued salaries, wages and on-costs	89,945	67,065	-	-
Salaries and wages deductions	108,516	99,082	-	-
Payroll and fringe benefits tax	31	99	-	-
Accrued liability - purchase of personnel services	-	-	198,492	166,246
Creditors	231,310	194,639	231,310	194,639
Other creditors				
- Capital works	213,132	159,260	213,132	159,260
- Payables to entities controlled by the immediate parent	61,131	50,467	61,131	50,467
- Other	2,948	2,403	2,948	2,403
	707,013	573,015	707,013	573,015
Non-current				
Other creditors				
- Capital works	106,396	-	106,396	-
	106,396	-	106,396	-

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 42.

Recognition and Measurement

Payables represent liabilities for goods and services provided to the Corporation 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.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

31. Contract liabilities

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Current				
Contract liabilities	2,578	2,020	2,578	2,020
	2,578	2,020	2,578	2,020

Recognition and Measurement

Contract liabilities relate to consideration received in advance from customers.

The contract liability balance has increased during the year because of the timing of payments received.

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Revenue recognised that was included in the contract liability balance at the beginning of the year	2,020	2,639	2,020	2,639
Transaction price allocated to the remaining performance obligations from contracts with customers	3,394	4,775	3,394	4,775

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

Specific revenue class	2025 \$000	2026 \$000	2027 \$000	≥ 2028 \$000	Total \$000
Sales of goods and services from contracts with customers	1,048	-	-	-	1,048
Grants and other contributions	1,995	351	-	-	2,346
	3,043	351	-	-	3,394

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

32. Borrowings

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Current				
Derivatives	679	624	679	624
Other loans and deposits	281,233	203,135	281,233	203,135
Lease liabilities (see Note 25)	79,889	87,170	79,889	87,170
	361,801	290,929	361,801	290,929
Non-current				
Derivatives	37	-	37	-
Other loans and deposits	642	742	642	742
Lease liabilities (see Note 25)	368,196	259,589	368,196	259,589
	368,875	260,331	368,875	260,331

Other loans and deposits includes \$281.1 million (2023: \$203.0 million) of amounts owed to the Ministry of Health.

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

Details regarding liquidity risk, including a maturity analysis of the above borrowings are disclosed in Note 42.

Recognition and Measurement

Borrowings represents interest bearing liabilities mainly raised through NSW Treasury Corporation, lease liabilities, and other interest bearing liabilities.

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.

Borrowings are classified as current liabilities unless the Corporation has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Refer to Note 42 (b) for derecognition policy.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

32. Borrowings (continued)

Changes in liabilities arising from financing activities

PARENT AND CONSOLIDATION

	Derivatives \$000	Other loans and deposits \$000	Leases \$000	Total liabilities from financing activities \$000
1 July 2022	-	496,737	344,286	841,023
Cash flows	(11)	(292,860)	(88,621)	(381,492)
New leases	-	-	78,422	78,422
Lease terminations	-	-	(412)	(412)
Lease reassessments	-	-	13,082	13,082
Non-cash changes other	635	-	-	635
30 June 2023	624	203,877	346,759	551,260
1 July 2023	624	203,877	346,759	551,260
Cash flows	(1,198)	77,998	(89,486)	(12,686)
New leases	-	-	85,773	85,773
Lease terminations	-	-	(11,357)	(11,357)
Lease reassessments	-	-	116,396	116,396
Non-cash changes other	1,290	-	-	1,290
30 June 2024	716	281,875	448,085	730,676

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.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

33. Provisions

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Current				
Employee benefits and related on-costs				
Annual leave				
- Obligations expected to be settled within 12 months	241,884	213,372	-	-
- Obligations expected to be settled after 12 months	127,760	119,615	-	-
Long service leave consequential on-costs				
- Obligations expected to be settled within 12 months	6,331	4,640	-	-
- Obligations expected to be settled after 12 months	64,068	58,168	-	-
Parental leave				
- Obligations expected to be settled within 12 months	15,790	-	-	-
Provision for other employee benefits	11,406	10,810	-	-
Provision for personnel services liability	-	-	467,239	406,605
	467,239	406,605	467,239	406,605
Other Provisions				
Restoration costs	59	3,696	59	3,696
Other	3,979	18,370	3,979	18,370
	4,038	22,066	4,038	22,066
Total current provisions	471,277	428,671	471,277	428,671
Non-current				
Employee benefits and related on-costs				
Long service leave consequential on-costs	7,806	6,198	-	-
Provision for personnel services liability	-	-	7,806	6,198
	7,806	6,198	7,806	6,198
Other Provisions				
Restoration costs	14,463	7,483	14,463	7,483
	14,463	7,483	14,463	7,483
Total non-current provisions	22,269	13,681	22,269	13,681
Aggregate employee benefits and related on-costs				
Provisions - current	467,239	406,605	-	-
Provisions - non-current	7,806	6,198	-	-
Accrued salaries, wages and on-costs and salaries and wages deductions (Note 30)	198,461	166,147	-	-
Liability - purchase of personnel services	-	-	673,506	578,950
	673,506	578,950	673,506	578,950

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

33. Provisions (continued)

Movements in provisions (other than employee benefits)

Movements in other provisions during the financial year, other than employee benefits, are set out below:

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Restoration costs				
Carrying amount at beginning of period	11,179	2,106	11,179	2,106
- Additional provisions recognised	3,343	9,073	3,343	9,073
Carrying amount at end of period	14,522	11,179	14,522	11,179

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 Corporation'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.

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Other				
Carrying amount at beginning of period	18,370	44,907	18,370	44,907
- Amounts used	(14,391)	(26,537)	(14,391)	(26,537)
Carrying amount at end of period	3,979	18,370	3,979	18,370

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

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

33. Provisions (continued)

Recognition and Measurement

Employee benefits and other provisions

Salaries and wages, annual leave, allocated days off (ADO), 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, ADO and parental leave are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As such, they are 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, a controlled entity of the ultimate parent, has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave can be used to approximate the present value of the annual leave liability. On-costs from 19.10% to 34.63% are applied to the value of leave payable at 30 June 2024 (comparable on-costs for 30 June 2023 were from 18.30% to 31.43%). The Corporation has assessed the actuarial advice based on the Corporation's circumstances to annual leave, ADO and parental leave and has determined that the effect of discounting is immaterial. All annual leave, ADO and parental leave are classified as a current liability even where the Corporation does not expect to settle the liability within 12 months as the Corporation 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.

Long service leave and superannuation

The Corporation's liability for long service leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by The Crown in right of the State of New South Wales. The Corporation 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 Corporation.

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 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 formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and Aware Super) is calculated as a percentage of the employee's salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employee's 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 workers' compensation insurance premiums and fringe benefits tax.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

34. Other liabilities

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Current				
Unearned revenue	13	23	13	23
Liabilities under transfer to acquire or construct non-financial assets to be controlled by the entity	-	6,568	-	6,568
	13	6,591	13	6,591

PARENT AND CONSOLIDATION

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

	2024 \$'000	2023 \$000
Opening balance of liabilities arising from transfers to acquire / construct non-financial assets to be controlled by the entity	6,568	12,770
Add: receipt of cash during the financial year	(5,638)	(5,605)
Deduct: income recognised during the financial year	930	597
Closing balance of liabilities arising from transfers to acquire / construct non-financial assets to be controlled by the entity	-	6,568

Refer to Note 15 for a description of the Corporation's obligations under transfers received to acquire or construct non-financial assets to be controlled by the Corporation.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

35. Equity transfers

Increase / (decrease) in net assets from equity transfers

Equity transfers effected in the 2023/24 year were:

- (a) There were no equity transfers effected in 2023/24.

Equity transfers effected in the 2022/23 year were:

- (b) A decrease of \$0.4 million in net assets occurred during the 2022/23 year. This relates to the transfer of land and buildings at Yass from the Ambulance Service of NSW to the Ministry of Health.

Equity transfers effected comprised:

	2024	2023
	\$000	\$000
(a) Nil	-	-
(b) Land and buildings transfer from the Ambulance Service of NSW to the Ministry of Health.	-	(428)
	-	(428)
Increase / (Decrease) in Net Assets From Equity Transfers	-	(428)

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

36. Commitments

(a) Capital commitments

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

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Within one year	95,052	97,379	95,052	97,379
Later than one year and not later than five years	3,113	1,777	3,113	1,777
Total (including GST)	98,165	99,156	98,165	99,156

(b) Contingent asset related to commitments for expenditure

The total 'Capital expenditure commitments' of \$98.17 million as at 30 June 2024 includes input tax credits of \$8.92 million that are expected to be recoverable from the Australian Taxation Office (2023: \$9.01 million).

37. Contingent liabilities and contingent assets

PARENT AND CONSOLIDATION

(a) Contingent liabilities

The Corporation has a compulsory property acquisition matter under litigation where the claim differs from the Valuer General's determined amount.

(b) Contingent assets

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

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

38. Adjusted budget review

NSW Health's budget is shown at a consolidated level when presented in parliament each year (i.e. in the NSW Government Budget Papers). The Corporation's budget is not presented in parliament, therefore AASB 1055 *Budgetary Reporting* is not applicable. Unlike the requirement in AASB 1055 *Budgetary Reporting* to present original budget information, the Corporation's financial statements present adjusted budget information. The adjusted budgeted amounts are drawn from the initial Service Agreements between the Corporation and the Ministry of Health at the beginning of the financial year, as well as any adjustments for the effects of additional supplementation provided in accordance with delegations to derive a final budget at year end (i.e. adjusted budget). The budget amounts are not subject to audit and, accordingly, the relevant budget entries in the financial statements are unaudited.

PARENT AND CONSOLIDATION

Net result

The actual net result (deficit \$59.5 million) was higher than the adjusted budget (deficit \$30.0 million) by \$29.5 million.

This was primarily due to cloud, software licences and network service charges offset by higher recurrent and capital allocations funding and sales.

Assets and liabilities

Net assets (\$2.47 billion) were lower than the adjusted budget (\$2.47 billion) by \$0.6 million.

Cash flows

The actual net cash flows from operating activities (\$458.4 million) were lower compared to the adjusted budget (\$474.6 million) by \$16.2 million.

This was primarily due to higher total payments made, partially offset by higher receipts.

The actual net cash flows from investing activities (deficit \$414.6 million) were lower compared to the adjusted budget (deficit \$478.9 million) by \$64.3 million.

This was primarily due to lower property, plant and equipment purchases.

The actual net cash flows from financing activities (deficit \$8.4 million) were lower than the adjusted budget (deficit \$78.1 million) by \$69.7 million.

This was primarily due to lower borrowings repayments offset by higher lease payments.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

39. 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 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Net cash used on operating activities	458,394	483,825	458,394	483,825
Depreciation and amortisation expense	(275,073)	(265,342)	(275,073)	(265,342)
Allowance for impairment	(116,953)	(184,306)	(116,953)	(184,306)
Effects of exchange rate changes	198	(46)	198	(46)
(Increase) / decrease in other liabilities	6,577	8,619	6,577	8,619
Decrease / (increase) in provisions	(51,191)	63,366	(51,191)	63,366
Increase / (decrease) in inventory	(37,207)	(225,179)	(37,207)	(225,179)
Increase / (decrease) in prepayments and other assets	41,490	(51,753)	41,490	(51,753)
Decrease / (increase) in payables	(80,401)	145,653	(80,401)	145,653
Decrease / (increase) in contract liabilities	(558)	618	(558)	618
Increase / (decrease) in financial instruments at fair value	77	1,795	77	1,795
Net gain / (loss) on sale of property, plant and equipment	(4,193)	(4,396)	(4,193)	(4,396)
Net gain / (loss) on disposal of right-of-use assets	227	(18)	227	(18)
Assets donated or brought to account	(1,826)	(10,699)	(1,826)	(10,699)
Other	959	112	959	112
Net result	(59,480)	(37,751)	(59,480)	(37,751)

40. Non-cash financing and investing activities

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Assets donated or brought to account	(1,826)	(10,699)	(1,826)	(10,699)
Property, plant and equipment acquired by a lease	85,773	78,534	85,773	78,534
	83,947	67,835	83,947	67,835

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

41. Trust funds

PARENT AND CONSOLIDATION

The Corporation holds money in Private Patient Trust Funds and Third Party Funds which are used in accordance with conditions specified in the Staff Specialists Determination made by the Secretary, NSW Health.

These funds are excluded from the financial statements as the Corporation cannot use them for the achievement of its objectives. The following is a summary of the transactions in the trust account.

Category	1 July 2023	Revenue	Expense	30 June 2024
	Opening equity			Closing equity
	\$'000	\$000	\$000	\$'000
Private Patient Trust Funds	-	205,633	(205,633)	-
Third Party Funds	7,561	87,195	(88,932)	5,824
Total trust funds	7,561	292,828	(294,565)	5,824

Category	1 July 2022	Revenue	Expense	30 June 2023
	Opening equity			Closing equity
	\$'000	\$000	\$000	\$'000
Private Patient Trust Funds	-	199,748	(199,748)	-
Third Party Funds	-	7,613	(52)	7,561
Total trust funds	-	207,361	(199,800)	7,561

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

Category	Purpose
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.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

42. Financial instruments

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

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

The Secretary, 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 Corporation, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

(a) Financial instrument categories

PARENT AND CONSOLIDATION

Class	Category	Carrying	Carrying
		Amount	Amount
		2024	2023
		\$000	\$000
Financial assets			
Cash and cash equivalents (Note 20)	Amortised cost	794,000	758,448
Receivables (Note 21) ¹	Amortised cost	667,153	611,666
Financial assets at fair value (Note 23)	Fair value through profit or loss - mandatory classification	8,798	11,670
Total financial assets		1,469,951	1,381,784
Financial liabilities			
Borrowings (Note 32)	Financial liabilities measured at amortised cost	729,960	550,636
	Fair value through profit or loss - mandatory classification	716	624
Payables (Note 30) ²	Financial liabilities measured at amortised cost	813,378	572,916
Total financial liabilities		1,544,054	1,124,176

Notes

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

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

The Corporation 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.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

42. Financial instruments (continued)

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

When the Corporation 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 Corporation 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 Corporation's continuing involvement in the asset. In that case, the Corporation 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 Corporation 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 Corporation could be required to repay.

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 risk

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 Corporation. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses).

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

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

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

42. Financial instruments (continued)

(d) Financial risk (continued)

i. Credit risk (continued)

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

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

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

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 Corporation has identified relevant factors, and accordingly has adjusted the historical loss rates based on expected changes in these factors.

Trade receivables, other receivables and contract assets 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.

Accounting policy for impairment of trade receivables and other financial assets

Receivables - trade receivables, other receivables and contract assets

The loss allowance for trade receivables, other receivables and contract assets as at 30 June 2024 and 30 June 2023 was determined as follows:

PARENT AND CONSOLIDATION

	Current	<30 days	30-60 days	61-90 days	>91 days	Total
30 June 2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate	6.77%	9.28%	19.15%	24.84%	59.77%	35.23%
Estimated total gross carrying amount ¹	59,700	16,331	10,749	10,047	97,808	194,635
Expected credit loss	4,043	1,515	2,058	2,496	58,460	68,572
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
30 June 2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate	5.33%	18.65%	29.29%	44.42%	65.31%	38.97%
Estimated total gross carrying amount ¹	58,290	7,608	5,883	4,739	81,484	158,004
Expected credit loss	3,108	1,419	1,723	2,105	53,217	61,572

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 21.

The Corporation is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2024 and 30 June 2023.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

42. Financial instruments (continued)

(d) Financial risk (continued)

ii. Liquidity risk

Liquidity risk is the risk that the Corporation will be unable to meet its payment obligations when they fall due. The Corporation 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 the use of loans and other advances.

The Corporation has negotiated no loan outside of arrangements with the Ministry of Health or NSW Treasury.

During the current and prior year, there were no defaults of loans payable. No assets have been pledged as collateral. The Corporation's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The Corporation has exposure to liquidity risk. However, the risk is minimised by the service agreement with the Ministry of Health, as the annual service agreement requires local management to control its financial liquidity and in particular meet benchmarks for the payment of creditors. Where the Corporation fails to meet service agreement performance standards, the Ministry of Health as the state manager can take action in accordance with annual performance framework requirements, including providing financial support and increased management interaction (refer Note 1).

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. For all suppliers, that have 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 affected 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.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

42. Financial instruments (continued)

(d) Financial risk (continued)

ii. Liquidity risk (continued)

PARENT AND CONSOLIDATION

The table below summarises the maturity profile of the Corporation's financial liabilities together with the interest rate exposure.

Maturity Analysis and interest rate exposure of financial liabilities

	EIR ³ %	Interest Rate Exposure			Maturity Dates		
		Nominal Amount ¹ \$000	Fixed Interest Rate \$000	Non - Interest Bearing \$000	< 1 Yr \$000	1-5 Yr \$000	> 5Yr \$000
2024							
Payables:							
- Creditors ²		813,378	-	821,181	706,982	114,199	-
Borrowings:							
- Other loans and deposits		281,929	794	281,135	281,248	454	227
- Lease liabilities	4.32%	521,876	521,876	-	97,652	280,639	143,585
		1,617,183	522,670	1,102,316	1,085,882	395,292	143,812
2023							
Payables:							
- Creditors ²		572,916	-	572,916	572,916	-	-
Borrowings:							
- Other loans and deposits		203,879	840	203,039	203,137	520	222
- Lease liabilities	2.96%	380,303	380,303	-	95,915	235,792	48,595
		1,157,098	381,143	775,955	871,968	236,312	48,817

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 Corporation can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile 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).

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

42. Financial instruments (continued)

(d) Financial risk (continued)

ii. Liquidity risk (continued)

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

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

	Fair Values	Maturity Dates		
		< 1 Yr	1-5 Yr	> 5Yr
	\$000	\$000	\$000	\$000
2024				
Financial assets:				
- Derivatives - inflows	8,798	58,837	39,483	20,110
- Derivatives - outflows		(56,153)	(34,749)	(17,685)
	8,798	2,684	4,734	2,425
Financial liabilities:				
- Derivatives - inflows	(716)	26,238	31,743	-
- Derivatives - outflows		(26,828)	(31,648)	-
	(716)	(590)	95	-
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
Financial liabilities:				
- Derivatives - inflows	(624)	44,226	-	-
- Derivatives - outflows		(44,607)	-	-
	(624)	(381)	-	-

Notes:

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

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

42. Financial instruments (continued)

(d) Financial risk (continued)

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation's exposures to market risk are primarily through interest rate risk on the Corporation's borrowings and other price risks associated with the movement in the Hour Glass Investment Facilities. The Corporation has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on net result and equity due to a reasonably possible change in the risk variable is outlined in the information below, for interest rate 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 Corporation 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 date. The analysis is performed on the same basis as for 2023. 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 Corporation's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily through NSW TCorp.

The Corporation 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 in 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 Reserve Bank of Australia 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.

However, the Corporation is not permitted to borrow external to the Ministry of Health (except energy loans which are negotiated through NSW Treasury). Both NSW Treasury and the Ministry of Health loans are set at fixed rates and therefore are generally not affected by fluctuations in market rates.

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

PARENT AND CONSOLIDATION

	2024		2023	
	\$000		\$000	
	-1%	1%	-1%	1%
Net result	(5,121)	5,121	(5,546)	5,546
Equity	(5,121)	5,121	(5,546)	5,546

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

42. Financial instruments (continued)

(d) Financial risk (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 Corporation is exposed to foreign exchange risks associated with commercial contracts payments denominated in foreign currency. The Corporation'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 Financial Risk Management Policy (TPP 21-14). The forward foreign exchange derivative contracts are economic hedges which enables the Corporation to exchange a fixed amount of foreign currency for fixed AUD amount at a specified future settlement date, ensuring cash flow certainty.

As at 30 June 2024, the Corporation has outstanding forward foreign exchange contracts entered into with TCorp to hedge foreign currency risks.

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.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

42. Financial instruments (continued)

(d) Financial risk (continued)

iii. Market risk (continued)

PARENT AND CONSOLIDATION

2024	+10%		-10%		
	Net result	Equity	Net result	Equity	
	\$000	\$000	\$000	\$000	
Denominated US Dollars	4,662	(424)	(424)	518	518
Derivatives	8,082	(14,609)	(14,609)	17,856	17,856

2023	+10%		-10%		
	Net result	Equity	Net result	Equity	
	\$000	\$000	\$000	\$000	
Denominated US Dollars	3,442	(313)	(313)	382	382
Derivatives	11,046	(16,545)	(16,545)	20,222	20,222

(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 amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short term nature of many of the financial instruments.

Therefore the fair value of the financial instruments does not differ from the carrying amount.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

42. Financial instruments (continued)

(e) Fair value measurement (continued)

ii. Fair value recognised in the Statement of Financial Position

Financial instruments are generally recognised at cost, with the exception of the derivatives and TCorpIM Funds investment facilities, which 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 Corporation 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 Corporation 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
2024	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value				
Derivatives	-	8,798	-	8,798
Financial liabilities at fair value				
Derivatives	-	716	-	716

	Level 1	Level 2	Level 3	Total
2023	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value				
Derivatives	-	11,670	-	11,670
Financial liabilities at fair value				
Derivatives	-	624	-	624

There were no transfers between level 1, 2 or 3 during the year ended 30 June 2024.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

43. Related party disclosures

PARENT AND CONSOLIDATION

(a) Key management personnel compensation

During the financial year, Health Administration Corporation obtained key management personnel services from the immediate parent and incurred \$2.3 million (2023: \$2.0 million) for these services.

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 this disclosure.

Remuneration for the Secretary and Deputy Secretaries are paid by the Ministry of Health and is not reimbursed by the health entities. Accordingly no such amounts are included in this disclosure.

(b) Transactions with key management personnel and their close family members

There were no transactions with key management personnel and their close family members (2023: \$Nil).

(c) Transactions with the ultimate parent

There were no transactions with the ultimate parent during the financial period (2023: \$Nil).

(d) Transactions the Corporation had with government related entities during the financial year

During the financial year and comparative year, the Corporation entered into the various transactions with other entities consolidated as part of the Ministry of Health (the immediate parent) and the NSW Total State Sector (the ultimate parent) within the normal course of business.

The following operating expenses were incurred with entities controlled by the immediate parent:

- The Health Administration Corporation provides shared services for the majority of patient transport services, information management services, domestic supplies and services, food supplies and corporate support services.
- The Health Administration Corporation provides some specialised services which includes pathology related costs.
- Rental for office space
- Staff related costs in relation to secondments to other health entities
- Various grants and subsidies towards research and other projects
- Information Technology Services
- Short term motor vehicle expenses
- Property rates, charges and maintenance costs
- Utilities, including electricity, gas and water expenses

The following operating expenses were incurred with entities controlled by the ultimate parent:

- Payroll and fringe benefits taxes
- Audit of the statutory financial statements
- Legal and consultancy services
- Utilities, including electricity, gas and water expenses
- Motor vehicle toll expenses
- Insurance costs
- Occupancy agreement expenses for Property NSW properties and maintenance costs
- Various grants and subsidies towards research and other projects
- Respiratory Fit Testing costs

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

43. Related party disclosures (continued)

(d) Transactions the Corporation had with government related entities during the financial year (continued)

The following revenues were earned from entities controlled by the immediate parent:

- Revenue from recurrent and capital allocations
- Various grants and contributions towards research and other projects
- Commercial activities revenue in respect of information technology, financial services and pathology charges
- Miscellaneous revenue for such items as travel and meal cost reimbursement, together with rental income
- Patient transport fees

The following revenues were earned from entities controlled by the ultimate parent:

- Motor Accident Authority third party revenue received from the State Insurance Regulatory Authority (SIRA)
- Various grants and other contributions towards research and other projects
- Motor vehicle rebates
- Insurance refunds
- Revenue from acceptance of long service leave liabilities and defined benefit superannuation
- Clinical services revenue earned from NSW Police Force and Transport for NSW
- Information retrieval revenue earned from Monash University and University of Sydney
- Revenue for pathology services provided to the Local Court of NSW
- Fees for medical records revenue earned from Legal Aid Commission Of NSW

Assets and liabilities as follows:

- Receivables and payables in respect of the above noted related party revenue and expense transactions
- Energy Efficient Government Program loans are held with the Crown
- Intra-health loans and advances

Other transactions as follows:

- Manage and oversee major capital projects for health entities

44. Events after the reporting period

In July 2024, Regional Express Holdings Limited (REX) and a number of its subsidiaries entered into voluntary administration. Pel-Air Aviation Pty Limited (Pel-Air) and NAA Pty Ltd (NAA), who are wholly owned subsidiaries of REX, are not part of the REX voluntary administration and continue to operate without any restrictions.

Pel-Air provides fixed wing air ambulance services to the Health Administration Corporation (Ambulance Service of NSW), based on a multi-year services contract (Contract). NAA is the owner of the fixed wing assets, and leases those assets to Pel-Air for use under the Contract. The Ambulance Service of NSW relies heavily on Pel-Air for the provision of fixed wing ambulance services, which is a critical service delivery function of the Ambulance Service of NSW. Any potential impact from REX administration on the operations of Pel-Air or the Pel-Air aeromedical contract could disrupt the fixed wing ambulance services of the Ambulance Service of NSW.

Following the announcement of REX's voluntary administration, Pel-Air continues to provide the services in accordance with the Contract, however the management of the Ambulance Service of NSW is closely monitoring any developments. There is no impact on the net result or carrying values of assets and liabilities as at 30 June 2024, however changes to the Contract (if any) arising from the voluntary administration process (for example, the sale of shares in Pel-Air and/or NAA to another operator/owner) will need to be assessed and reflected if/as and when that happens.

END OF AUDITED FINANCIAL STATEMENTS