



## INDEPENDENT AUDITOR'S REPORT

### Cancer Institute NSW

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of Cancer Institute NSW (the Institute), 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.

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
- present fairly the Institute'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 Institute 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 adjustment budget information detailed in Note 24. The note states that AASB 1055 'Budgetary Reporting' is not applicable to the District. It also states that unlike the requirement in AASB 1055

'Budgetary Reporting' to present original budget information, the District's financial statements present adjusted budget information.

## **Chief Executive Officer's Responsibilities for the Financial Statements**

The Chief Executive Officer 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 Chief Executive Officer's responsibility also includes such internal control as the Chief Executive Officer 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 Chief Executive Officer is responsible for assessing the Institute'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:

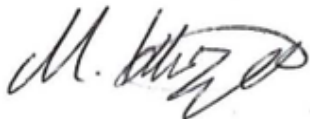
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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](http://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 Institute 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.



Michael Kharzoo  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

5 September 2024  
SYDNEY

# Cancer Institute NSW

## 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 Cancer Institute NSW 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 Cancer Institute NSW'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 that reads 'Tracey O'Brien'.

Professor Tracey O'Brien, AM

**Chief Cancer Officer NSW and Chief Executive Officer**

05 September 2024

A handwritten signature in black ink that reads 'Christine Giles'.

Adjunct Associate Professor Christine Giles

**Chairperson**

05 September 2024

# Cancer Institute NSW

## Statement of Comprehensive Income for the year ended 30 June 2024

		Consolidated	Consolidated	Consolidated	Parent	Parent
		Actual	Budget <sup>1</sup>	Actual	Actual	Actual
		2024	2024	2023	2024	2023
Notes		\$000	\$000	\$000	\$000	\$000
<b>Continuing operations</b>						
<b>Expenses excluding losses</b>						
Employee related expenses	2	43,169	43,567	39,769	-	-
Personnel services	3	-	-	-	41,599	38,186
Visiting medical officers	4	54	-	7	54	7
Operating expenses	5	41,744	44,068	47,205	41,744	47,205
Depreciation and amortisation	6	871	871	935	871	935
Grants and subsidies	7	98,330	97,889	97,349	98,330	97,349
Payments to Affiliated Health Organisations	8	477	248	350	477	350
<b>Total expenses excluding losses</b>		<b>184,645</b>	<b>186,643</b>	<b>185,615</b>	<b>183,075</b>	<b>184,032</b>
<b>Revenue</b>						
Ministry of Health recurrent allocations	11	185,161	184,575	181,645	185,161	181,645
Ministry of Health capital allocations	11	-	-	1,984	-	1,984
Acceptance by the Crown <sup>2</sup> of employee benefits	14	1,570	1,570	1,583	-	-
Sale of goods and services from contracts with customers	12	903	921	902	903	902
Grants and other contributions	13	790	590	732	790	732
Other income	15	116	-	176	116	176
<b>Total revenue</b>		<b>188,540</b>	<b>187,656</b>	<b>187,022</b>	<b>186,970</b>	<b>185,439</b>
<b>Operating result</b>		<b>3,895</b>	<b>1,013</b>	<b>1,407</b>	<b>3,895</b>	<b>1,407</b>
<b>Net result from continuing operations</b>	25	<b>3,895</b>	<b>1,013</b>	<b>1,407</b>	<b>3,895</b>	<b>1,407</b>
<b>Net result</b>		<b>3,895</b>	<b>1,013</b>	<b>1,407</b>	<b>3,895</b>	<b>1,407</b>
<b>Other comprehensive income</b>						
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>3,895</b>	<b>1,013</b>	<b>1,407</b>	<b>3,895</b>	<b>1,407</b>

<sup>1</sup> Unaudited adjusted budget, see Note 24.

<sup>2</sup> Crown represents 'The Crown in right of the State of New South Wales'.

The accompanying notes form part of these financial statements.

# Cancer Institute NSW

Statement of Financial Position as at 30 June 2024

		Consolidated	Consolidated	Consolidated	Parent	Parent
		Actual	Budget <sup>1</sup>	Actual	Actual	Actual
		2024	2024	2023	2024	2023
Notes		\$000	\$000	\$000	\$000	\$000
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	17	-	75	75	-	75
Receivables	18	5,219	4,064	4,064	5,219	4,064
<b>Total current assets</b>		<b>5,219</b>	<b>4,139</b>	<b>4,139</b>	<b>5,219</b>	<b>4,139</b>
<b>Non-current assets</b>						
Property, plant & equipment						
- Plant and equipment	19	435	2,303	412	435	412
Total property, plant & equipment		435	2,303	412	435	412
Intangible assets	20	5,060	5,346	5,716	5,060	5,716
<b>Total non-current assets</b>		<b>5,495</b>	<b>7,649</b>	<b>6,128</b>	<b>5,495</b>	<b>6,128</b>
<b>Total assets</b>		<b>10,714</b>	<b>11,788</b>	<b>10,267</b>	<b>10,714</b>	<b>10,267</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Payables	21	5,540	8,809	9,214	5,540	9,214
Contract liabilities	22	235	339	339	235	339
Provisions	23	6,207	6,791	5,901	6,207	5,901
<b>Total current liabilities</b>		<b>11,982</b>	<b>15,939</b>	<b>15,454</b>	<b>11,982</b>	<b>15,454</b>
<b>Non-current liabilities</b>						
Provisions	23	107	107	83	107	83
<b>Total non-current liabilities</b>		<b>107</b>	<b>107</b>	<b>83</b>	<b>107</b>	<b>83</b>
<b>Total liabilities</b>		<b>12,089</b>	<b>16,046</b>	<b>15,537</b>	<b>12,089</b>	<b>15,537</b>
<b>Net assets</b>		<b>(1,375)</b>	<b>(4,258)</b>	<b>(5,270)</b>	<b>(1,375)</b>	<b>(5,270)</b>
<b>EQUITY</b>						
Accumulated funds		(1,375)	(4,258)	(5,270)	(1,375)	(5,270)
<b>Total Equity</b>		<b>(1,375)</b>	<b>(4,258)</b>	<b>(5,270)</b>	<b>(1,375)</b>	<b>(5,270)</b>

<sup>1</sup> Unaudited adjusted budget, see Note 24.

The accompanying notes form part of these financial statements.

# Cancer Institute NSW

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

### PARENT AND CONSOLIDATION

	Accumulated	
	Funds	Total
	\$000	\$000
Balance at 1 July 2023	(5,270)	(5,270)
Balance at 1 July 2023	(5,270)	(5,270)
Net result for the year	3,895	3,895
Total comprehensive income for the year	3,895	3,895
Balance at 30 June 2024	(1,375)	(1,375)

	Accumulated	
	Funds	Total
	\$000	\$000
Balance at 1 July 2022	(6,644)	(6,644)
Correction of error - long service leave calculations	(33)	(33)
Balance at 1 July 2022	(6,677)	(6,677)
Net result for the year	1,407	1,407
Total comprehensive income for the year	1,407	1,407
Balance at 30 June 2023	(5,270)	(5,270)

The accompanying notes form part of these financial statements.

# Cancer Institute NSW

## Statement of Cash Flows for the year ended 30 June 2024

	Notes	Consolidated Actual 2024 \$000	Consolidated Budget <sup>1</sup> 2024 \$000	Consolidated Actual 2023 \$000	Parent Actual 2024 \$000	Parent Actual 2023 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee related		(41,523)	(41,562)	(38,959)	-	-
Suppliers for goods and services		(51,470)	(48,199)	(53,346)	(51,470)	(53,346)
Grants and subsidies		(98,925)	(98,254)	(94,306)	(98,925)	(94,306)
Personnel services		-	-	-	(41,523)	(38,959)
<b>Total payments</b>		<b>(191,918)</b>	<b>(188,015)</b>	<b>(186,611)</b>	<b>(191,918)</b>	<b>(186,611)</b>
<b>Receipts</b>						
Ministry of Health recurrent allocations		185,161	184,575	181,645	185,161	181,645
Ministry of Health capital allocations		-	-	1,984	-	1,984
Reimbursements from the Crown <sup>2</sup>		523	523	393	523	393
Sale of goods and services		1,802	1,028	1,043	1,802	1,043
Grants and other contributions		1,086	720	616	1,086	616
Other		6,060	6,112	6,774	6,060	6,774
<b>Total receipts</b>		<b>194,632</b>	<b>192,958</b>	<b>192,455</b>	<b>194,632</b>	<b>192,455</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	25	<b>2,714</b>	<b>4,943</b>	<b>5,844</b>	<b>2,714</b>	<b>5,844</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchases of property, plant and equipment and intangibles		(2,789)	(4,943)	(5,769)	(2,789)	(5,769)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(2,789)</b>	<b>(4,943)</b>	<b>(5,769)</b>	<b>(2,789)</b>	<b>(5,769)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>						
Opening cash and cash equivalents	17	75	75	-	75	-
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	17	<b>-</b>	<b>75</b>	<b>75</b>	<b>-</b>	<b>75</b>

<sup>1</sup> Unaudited adjusted budget, see Note 24.

<sup>2</sup> Crown represents 'The Crown in right of the State of New South Wales'.

The accompanying notes form part of these financial statements.

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 1. Statement of Material Accounting Policy Information

#### a) Reporting entity

The Cancer Institute NSW was established under the Cancer Institute NSW Act 2003 to address the increasing incidence of cancer and the unacceptable rate of cancer deaths, to relieve suffering and to improve the quality of life of cancer patients and to provide key information to the government and the community thus accelerating the control and cure of cancer.

Following the assenting of the Cancer Institute Amendment Act 2012, the Cancer Institute NSW became subject to the administration of the public health system under the Health Services Act 1997 effective from the 1st of April 2013.

The Cancer Institute NSW is a NSW Government entity and is controlled by the Ministry of Health, 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 entity is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The Cancer Institute NSW is also a parent entity in its own right, as it controls the operations of the:

- \* The parent entity comprises all the operating activities of the Cancer Institute NSW. The Institute works in partnership with all involved in the cancer community to:
  - reduce the incidence of cancer in the community
  - increase the survival rate for cancer patients
  - improve the quality of life of cancer patients and their carers
  - provide a source of expertise on cancer control.

Underpinning the Institute's work are initiatives to improve cancer outcomes across diverse cultural communities, report on the performance of cancer services, engage with primary care and enhance research capabilities across NSW.

- \* The Cancer Institute NSW Special Purpose Service Entity which was established as a Division of the Cancer Institute NSW on 17 March 2006 in accordance with the Public Sector Employment and Management Act 2002. As a result of the Cancer Institute (NSW) Amendment Act 2012, the Division was abolished as a Division of the Government Service from 1 July 2013 and re-established as a Division of the NSW Health Service under the Health Services Act 1997. The Division provides personnel services to enable the Cancer Institute NSW to exercise its functions.

The consolidated entity includes the Cancer Institute NSW as a parent entity and the Cancer Institute NSW Special Purpose Service Entity. The consolidated financial statements disclose balances for the parent entity and the consolidated entity.

In preparing the consolidated financial statements, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

These consolidated financial statements for the year ended 30 June 2024 have been authorised for issue by the Chief Cancer Officer NSW and Chief Executive Officer on 05 September 2024.



# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 1. Statement of Material Accounting Policy Information (continued)

#### b) Basis of preparation

The Cancer Institute NSW'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 Cancer Institute NSW have been prepared on a going concern basis.

The Secretary of NSW Health, the Chair of the Cancer Institute NSW Board and the Chief Executive, have agreed to service and funding levels for the forward financial year. The Performance Agreement sets out the level of financial resources for public health services under the Cancer Institute NSW's control and the source of these funds. By agreement, the Performance Agreement requires local management to control its financial liquidity and in particular meet benchmarks for the payment of creditors. Where the Cancer Institute NSW fails to meet Performance Agreement performance standards, the NSW Ministry of Health as the state manager can take action in accordance with annual performance framework requirements, including financial support and increased management interaction by the NSW Ministry of Health.

Other circumstances why the going concern assumption is appropriate include:

- \* Allocated funds, combined with other revenues earned, are adequate to pay debts as and when they become due and payable.
- \* The Cancer Institute NSW has the capacity to review the timing of Ministry of Health allocation cash flows to ensure debts can be paid when they become due and payable.
- \* The Cancer Institute NSW has developed an Efficiency and Improvement Plan (EIP) which identifies revenue improvement and cost saving strategies. Benefits from the EIP are retained by the Cancer Institute NSW and assist in meeting its overall budget target. The EIP is monitored and evaluated by the Ministry of Health throughout the financial year.

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 Cancer Institute NSW 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.

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 1. Statement of Material Accounting Policy Information (continued)

#### b) Basis of preparation (continued)

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 Cancer Institute NSW's presentation and functional currency.

#### c) Statement of Compliance

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

#### d) 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 5 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.
- \* Grant payments made to St Vincent's Hospital Sydney Limited have been reclassified from Note 7 Grants and Subsidies and reflected as part of Note 8 Payments to Affiliated Health Organisations. Comparative information has also been updated, resulting in a reduction in the Grant and Subsidies expense by \$0.35 million, and increase in Payments to Affiliated Health Organisations by the same amount.
- \* Note 28 Related party disclosures: Correction of a prior period error in Other long-term benefits resulting in a reduction of \$17 thousand.

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

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

The Cancer Institute NSW applied AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates for the first time in 2023. 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.

# Cancer Institute NSW

## 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*	37,089	34,210	-	-
Superannuation - defined contribution plans	4,020	3,583	-	-
Long service leave	1,718	1,735	-	-
Redundancies	104	-	-	-
Workers' compensation insurance	234	231	-	-
Fringe benefits tax	4	10	-	-
	<b>43,169</b>	<b>39,769</b>	<b>-</b>	<b>-</b>

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

Refer to Note 23 for further details on recognition and measurement of employee related expenses.

### 3. Personnel services

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Salaries and wages*	-	-	37,089	34,210
Superannuation - defined contribution plans	-	-	4,020	3,583
Long service leave	-	-	148	152
Redundancies	-	-	104	-
Workers' compensation insurance	-	-	234	231
Fringe benefits tax	-	-	4	10
	<b>-</b>	<b>-</b>	<b>41,599</b>	<b>38,186</b>

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

Personnel services of Cancer Institute NSW were provided by its controlled entity, Cancer Institute NSW Special Purpose Service Entity.

### 4. Visiting medical officers

Visiting medical officers (VMOs) provide expert advice on enhancements to the clinical workflow and coordinate consultation with clinicians for changes to the BreastScreen Information System. VMO expenses of \$0.05 million (2023: \$0.01 million) were expensed as incurred.

# Cancer Institute NSW

## 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	10,442	10,689	10,442	10,689
Agency expenses	123	780	123	780
Auditor's remuneration - audit of financial statements	58	55	58	55
Consultants	-	518	-	518
Contractors	7,200	21,882	7,200	21,882
Corporate support services	538	521	538	521
Courier and freight	1	8	1	8
Drug supplies	5	-	5	-
Expenses relating to short-term leases	2,213	2,052	2,213	2,052
Food supplies	-	1	-	1
Information management expenses	7,246	7,080	7,246	7,080
Insurance	1	-	1	-
Legal services	20	117	20	117
Maintenance (see Note 5 (a))	290	499	290	499
Membership / professional fees	143	83	143	83
Motor vehicle expenses	2	2	2	2
Postal and telephone costs	59	52	59	52
Printing and stationery	398	283	398	283
Professional services (excluding consultants)	8,698	303	8,698	303
Quality assurance / accreditation	26	12	26	12
Specialised services (population health)	1,530	-	1,530	-
Staff related costs	328	243	328	243
Travel related costs	218	292	218	292
Other miscellaneous	2,205	1,733	2,205	1,733
	<b>41,744</b>	<b>47,205</b>	<b>41,744</b>	<b>47,205</b>

Other miscellaneous of \$2.20 million (2023: \$1.73 million) includes expenses relating to corporate facilities, cancer conferences, and, boards and committees.

Expenses relating to short-term leases relate to office premises.

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 5. Operating expenses (continued)

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
<b>(a) Reconciliation of total maintenance expense</b>				
Corrective maintenance	5	10	5	10
Planned maintenance	-	73	-	73
New / replacement equipment under \$10,000	285	416	285	416
<b>Maintenance expense - contracted labour and other (non-employee related) in Note 5</b>	<b>290</b>	<b>499</b>	<b>290</b>	<b>499</b>

# Cancer Institute NSW

## 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 - plant and equipment	5	12	5	12
Amortisation - intangible assets	866	923	866	923
	<b>871</b>	<b>935</b>	<b>871</b>	<b>935</b>

Refer to Note 19 Property, plant and equipment and Note 20 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	3,152	1,037	3,152	1,037
Grants to research organisations	21,009	19,404	21,009	19,404
Grants to entities controlled by the immediate parent	74,044	76,867	74,044	76,867
Other grants	125	41	125	41
	<b>98,330</b>	<b>97,349</b>	<b>98,330</b>	<b>97,349</b>

#### Recognition and Measurement

Grants and subsidies expense generally comprise of contributions in cash or in kind to various health entities, cancer research organisations 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.

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 8. Payments to Affiliated Health Organisations

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
<b>(a) Recurrent sourced</b>				
St Vincent's Hospital Sydney Limited	477	350	477	350
	<b>477</b>	<b>350</b>	<b>477</b>	<b>350</b>

#### 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.

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 9. Revenue

Comments regarding the accounting policies for the recognition of income are discussed below.

Under the GSF Act 2018, the Cancer Institute NSW's own source revenue (which includes but is not limited to receipts from operating activities and other grants and contributions) meets the definition of deemed appropriation money under the GSF Act.

Deemed appropriation money is money received directly by the Cancer Institute NSW which forms part of the consolidated fund and is not appropriated to the Cancer Institute NSW by an Act.

### 10. 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 Cancer Institute NSW.

The lead Minister for the Cancer Institute NSW, 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 Cancer Institute NSW receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the Cancer Institute NSW. These deemed appropriations are taken to have been given for the services of the Ministry of Health.

In addition, government money that the Cancer Institute NSW 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. Cancer Institute NSW's spending authority and expenditure is included in the summary of compliance.

The delegation / sub-delegations for 2024 and 2023, authorising officers of the Cancer Institute NSW to spend Consolidated Fund money, impose limits on the amounts of individual transactions, but not the overall expenditure of the Cancer Institute NSW. 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.

### 11. Ministry of Health allocations

Payments are made by the immediate parent as per the Performance Agreement to the Cancer Institute NSW and adjusted for approved supplementations, mostly for salary agreements and approved enhancement projects. The Performance Agreement between the immediate parent and the Cancer Institute NSW 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.



# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 12. Sale of goods and services from contracts with customers

(a) Rendering of services comprise the following:

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
<b>Entities controlled by the immediate parent</b>				
Shared corporate service revenues	260	272	260	272
<b>Other</b>				
Recoveries	643	630	643	630
	<b>903</b>	<b>902</b>	<b>903</b>	<b>902</b>

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

#### Recognition and Measurement

#### Rendering of services

Revenue from rendering of services is recognised when the Cancer Institute NSW satisfies the performance obligation by transferring the promised services.

<b>Type of service</b>	<b>Nature of timing of satisfaction of performance obligations, including significant payment terms</b>	<b>Revenue recognition policies</b>
Non-Patient services provided to the General community, Non-NSW Health entities and Entities controlled by the immediate parent	Various non-patient related services are provided to the 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.

Refer to Note 22 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 Cancer Institute NSW expects to recognise the unsatisfied portion as revenue.

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 13. Grants and other contributions

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
<b>Other grants with sufficiently specific performance obligations</b>				
Other grants	790	598	790	598
<b>Donations</b>				
Donations	-	134	-	134
	<b>790</b>	<b>732</b>	<b>790</b>	<b>732</b>

### Recognition and Measurement

Revenue from grants with sufficiently specific performance obligations are recognised when the Cancer Institute NSW satisfies a performance obligation by transferring the promised services. The Cancer Institute NSW typically receives grants in respect of research and other community, health and wellbeing related projects. The Cancer Institute NSW 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 22 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 Cancer Institute NSW obtains control over the granted assets (e.g. cash).

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

The following liabilities and expenses have been assumed by the Crown:

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Long service leave provision	1,570	1,583	-	-
	<b>1,570</b>	<b>1,583</b>	<b>-</b>	<b>-</b>

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 15. Other income

	Consolidated	Consolidated	Parent	Parent
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Other income comprises the following:				
Insurance refunds	77	175	77	175
Other	39	1	39	1
	<b>116</b>	<b>176</b>	<b>116</b>	<b>176</b>

#### Recognition and Measurement

##### *Insurance refunds*

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

##### *Other income*

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

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

The Cancer Institute NSW receives various types of grants and donations from different grantors / donors, some of which may not have enforceable performance obligations. The Cancer Institute NSW determines the grantor / donor expectations in determining the externally imposed restrictions and discloses them in accordance with different types of restrictions. The Cancer Institute NSW did not receive donations with enforceable performance obligations.

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 17. Cash and cash equivalents

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Cash at bank and on hand	-	75	-	75
	-	<b>75</b>	-	<b>75</b>

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank.

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

Cash and cash equivalents (per Statement of Financial Position)	-	75	-	75
	-	<b>75</b>	-	<b>75</b>

Refer to Note 27 for details regarding credit risk and market risk arising from financial instruments.

HealthShare NSW, a controlled entity of the immediate parent manages accounts payable and employee related payments on behalf of the Cancer Institute NSW for payments to suppliers and employees. HealthShare NSW makes payments after the Cancer Institute NSW has reviewed and approved the invoices and employee rosters. The Cancer Institute NSW's approval of invoices and employee rosters provides authority to HealthShare NSW to make payments. These payments are reported as expenditures and cash outflows in the financial statements of the Cancer Institute NSW.

HealthShare NSW receives funds directly from the Ministry of Health to make these payments to suppliers and employees on behalf of the Cancer Institute NSW. Upon payment, these are reported as revenue (Ministry of Health recurrent and capital allocations) and cash inflows in the financial statements of the Cancer Institute NSW.

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 18. Receivables

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
<b>Current</b>				
Trade receivables from contracts with customers	267	720	267	720
Intra health receivables	259	650	259	650
Goods and Services Tax	1,597	1,562	1,597	1,562
Other receivables	202	36	202	36
<b>Sub total</b>	<b>2,325</b>	<b>2,968</b>	<b>2,325</b>	<b>2,968</b>
Less: Allowance for expected credit losses				
- Trade receivables from contracts with customers	-	-	-	-
- Other receivables	-	-	-	-
<b>Sub total</b>	<b>2,325</b>	<b>2,968</b>	<b>2,325</b>	<b>2,968</b>
Prepayments	2,894	1,096	2,894	1,096
	<b>5,219</b>	<b>4,064</b>	<b>5,219</b>	<b>4,064</b>

Details regarding credit risk of receivables that are neither past due nor impaired, are disclosed in Note 27.

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Contract receivables (included in Note 18)	526	1,370	526	1,370
<b>Total contract receivables</b>	<b>526</b>	<b>1,370</b>	<b>526</b>	<b>1,370</b>

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

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 19. Property, plant and equipment

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

##### PARENT AND CONSOLIDATION

	Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Total \$000
<b>At 1 July 2022 - fair value</b>			
Gross carrying amount	-	1,865	1,865
Less: accumulated depreciation and impairment	-	125	125
<b>Net carrying amount</b>	<b>-</b>	<b>1,740</b>	<b>1,740</b>

	Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Total \$000
<b>Year ended 30 June 2023</b>			
Net carrying amount at beginning of year	-	1,740	1,740
Additions	180	4,222	4,402
Transfers within NSW Health entities through Statement of Comprehensive Income	(180)	(5,538)	(5,718)
Depreciation expense	-	(12)	(12)
<b>Net carrying amount at end of year</b>	<b>-</b>	<b>412</b>	<b>412</b>

<sup>1</sup> 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.

Movement in the value of buildings relate to site preparation costs reimbursed by the Cancer Institute NSW as part of assets donated (Note 26).



# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 19. Property, plant and equipment (continued)

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

##### PARENT AND CONSOLIDATION

	Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Total \$000
<b>At 1 July 2023 - fair value</b>			
Gross carrying amount	-	528	528
Less: accumulated depreciation and impairment	-	116	116
<b>Net carrying amount</b>	<b>-</b>	<b>412</b>	<b>412</b>

	Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Total \$000
<b>Year ended 30 June 2024</b>			
Net carrying amount at beginning of year	-	412	412
Additions	620	1,959	2,579
Transfers within NSW Health entities through Statement of Comprehensive Income	(620)	(1,931)	(2,551)
Depreciation expense	-	(5)	(5)
<b>Net carrying amount at end of year</b>	<b>-</b>	<b>435</b>	<b>435</b>

	Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Total \$000
<b>At 30 June 2024 - fair value</b>			
Gross carrying amount	-	556	556
Less: accumulated depreciation and impairment	-	121	121
<b>Net carrying amount</b>	<b>-</b>	<b>435</b>	<b>435</b>

<sup>1</sup> 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.

Movement in the value of buildings relate to site preparation costs reimbursed by the Cancer Institute NSW as part of assets donated (Note 26).

#### (b) Property, plant and equipment held and used by the Cancer Institute NSW

##### PARENT AND CONSOLIDATION

The Cancer Institute NSW 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 Cancer Institute NSW.

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 19. Property, plant and equipment (continued)

#### Recognition and Measurement

##### *Acquisition of property, plant and equipment*

Property, plant and equipment acquired are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

##### *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*

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 Cancer Institute NSW.

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

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

	<b>Useful lives</b>	<b>Useful lives</b>
	<b>2024</b>	<b>2023</b>
Plant and equipment	4-5 years	4-7 years

'Plant and equipment' comprises, among others, medical, computer and office equipment.

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

##### *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.

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

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 20. Intangible assets

#### PARENT AND CONSOLIDATION

	Software \$000	Total \$000
<b>At 1 July 2022</b>		
Cost (gross carrying amount)	18,149	18,149
Less: accumulated amortisation and impairment	12,877	12,877
<b>Net carrying amount</b>	<b>5,272</b>	<b>5,272</b>

	Software \$000	Total \$000
<b>Year ended 30 June 2023</b>		
Net carrying amount at beginning of year	5,272	5,272
Additions - internally developed	1,367	1,367
Amortisation (recognised in depreciation and amortisation)	(923)	(923)
<b>Net carrying amount at end of year</b>	<b>5,716</b>	<b>5,716</b>

	Software \$000	Total \$000
<b>At 1 July 2023</b>		
Cost (gross carrying amount)	18,896	18,896
Less: accumulated amortisation and impairment	13,180	13,180
<b>Net carrying amount</b>	<b>5,716</b>	<b>5,716</b>

	Software \$000	Total \$000
<b>Year ended 30 June 2024</b>		
Net carrying amount at beginning of year	5,716	5,716
Additions - internally developed	210	210
Amortisation (recognised in depreciation and amortisation)	(866)	(866)
<b>Net carrying amount at end of year</b>	<b>5,060</b>	<b>5,060</b>

#### PARENT AND CONSOLIDATION

	Software \$000	Total \$000
<b>At 30 June 2024</b>		
Cost (gross carrying amount)	19,072	19,072
Less: accumulated amortisation and impairment	14,012	14,012
<b>Net carrying amount</b>	<b>5,060</b>	<b>5,060</b>

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 20. Intangible assets (continued)

#### Recognition and Measurement

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

The Cancer Institute NSW's intangible assets are amortised using the straight-line method over a period of four to ten years.

Computer software developed or acquired by the Cancer Institute NSW are recognised as intangible assets. Some computer software is acquired from eHealth NSW, a controlled entity of the immediate parent. 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.

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 21. Payables

	Consolidated	Consolidated	Parent	Parent
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
<b>Current</b>				
Accrued salaries, wages and on-costs	1,460	1,132	-	-
Salaries and wages deductions	9	11	-	-
Accrued liability - purchase of personnel services	-	-	1,469	1,143
Creditors	2,329	6,419	2,329	6,419
Other creditors				
- Payables to entities controlled by the immediate parent	1,742	1,652	1,742	1,652
	<b>5,540</b>	<b>9,214</b>	<b>5,540</b>	<b>9,214</b>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 27.

#### Recognition and Measurement

Payables represent liabilities for goods and services provided to the Cancer Institute NSW 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.

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 22. Contract liabilities

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
<b>Current</b>				
Contract liabilities	235	339	235	339
	<b>235</b>	<b>339</b>	<b>235</b>	<b>339</b>

#### Recognition and Measurement

Contract liabilities relate to consideration received in advance from customers.

The contract liability balance has not changed significantly during the year.

	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	339	261	339	261
Revenue recognised from performance obligations satisfied in previous periods	-	-	-	-
Transaction price allocated to the remaining performance obligations from contracts with customers	235	339	235	339

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
Grants and other contributions	235	-	-	-	235
	<b>235</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>235</b>

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 23. Provisions

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
<b>Current</b>				
<b>Employee benefits and related on-costs</b>				
Annual leave				
- Obligations expected to be settled within 12 months	3,856	3,342	-	-
- Obligations expected to be settled after 12 months	829	1,400	-	-
Long service leave				
Long service leave consequential on-costs				
- Obligations expected to be settled within 12 months	86	51	-	-
- Obligations expected to be settled after 12 months	877	788	-	-
Parental leave				
- Obligations expected to be settled within 12 months	232	-	-	-
Provision for other employee benefits	327	320	-	-
Provision for personnel services liability	-	-	6,207	5,901
<b>Total current provisions</b>	<b>6,207</b>	<b>5,901</b>	<b>6,207</b>	<b>5,901</b>
<b>Non-current</b>				
<b>Employee benefits and related on-costs</b>				
Long service leave consequential on-costs	107	83	-	-
Provision for personnel services liability	-	-	107	83
<b>Total non-current provisions</b>	<b>107</b>	<b>83</b>	<b>107</b>	<b>83</b>
<b>Aggregate employee benefits and related on-costs</b>				
Provisions - current	6,207	5,901	-	-
Provisions - non-current	107	83	-	-
Accrued salaries, wages and on-costs and salaries and wages deductions (Note 21)	1,469	1,143	-	-
Liability - purchase of personnel services	-	-	7,783	7,127
	<b>7,783</b>	<b>7,127</b>	<b>7,783</b>	<b>7,127</b>

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 23. Provisions (continued)

#### Recognition and Measurement

##### *Employee benefits*

##### *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 of 19.70% are applied to the value of leave payable at 30 June 2024 (comparable on-costs for 30 June 2023 were 18.90%). The Cancer Institute NSW has assessed the actuarial advice based on the Cancer Institute NSW'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 Cancer Institute NSW does not expect to settle the liability within 12 months as the Cancer Institute NSW 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 Cancer Institute NSW's liability for long service leave is assumed by The Crown in right of the State of New South Wales. The Cancer Institute NSW 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 Cancer Institute NSW.

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 expense for certain superannuation schemes (i.e. Basic Benefit and Aware Super) is calculated as a percentage of the employee's salary.

##### *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.



# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 24. 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 Cancer Institute NSW'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 Cancer Institute NSW's financial statements present adjusted budget information. The adjusted budgeted amounts are drawn from the initial Performance Agreement between the Cancer Institute NSW 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 was higher than adjusted budget by \$2.88 million, primarily due to:

Underspending in contracted services as a result of delays in the delivery of programs of works and higher revenue drawdown due to timing of trade creditor settlements.

##### Assets and liabilities

Actual net assets as at 30 June 2024 were higher than budget by \$2.88 million due to the net result variance and timing of trade creditor settlements.

##### Cash flows

Operating cashflow was \$2.23 million lower than budget due to timing of settlement of trade creditors. Cashflow from investing activities was lower than budget by \$2.20 million due to the delay in the implementation of a capital program.

Movements in the level of the Ministry of Health Recurrent Allocation that have occurred since the time of the initial allocation on 29 June 2023 are as follows:

	<b>\$000</b>
Initial allocation, 1 July 2023	176,060
Additional allocation for short-term lease of office premises	3,005
BreastScreen Surge Funding	2,441
Expansion of Colonoscopy Triage Services	1,282
Others	1,787
<b>Balance as per Statement of Comprehensive Income</b>	<b>184,575</b>

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 25. 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:

	<b>Consolidated</b>	<b>Consolidated</b>	<b>Parent</b>	<b>Parent</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Net cash used on operating activities	2,714	5,844	2,714	5,844
Depreciation and amortisation expense	(871)	(935)	(871)	(935)
Decrease / (increase) in provisions	(328)	315	(328)	315
Increase / (decrease) in prepayments and other assets	849	749	849	749
Decrease / (increase) in payables	3,978	1,230	3,978	1,230
Decrease / (increase) in contract liabilities	104	(78)	104	(78)
Assets donated (Note 26)	(2,551)	(5,718)	(2,551)	(5,718)
<b>Net result</b>	<b>3,895</b>	<b>1,407</b>	<b>3,895</b>	<b>1,407</b>

### 26. Non-cash financing and investing activities

	<b>Consolidated</b>	<b>Consolidated</b>	<b>Parent</b>	<b>Parent</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Assets donated to Local Health Districts	(2,551)	(5,718)	(2,551)	(5,718)
	<b>(2,551)</b>	<b>(5,718)</b>	<b>(2,551)</b>	<b>(5,718)</b>

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 27. Financial instruments

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

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

The Chief Cancer Officer NSW and Chief Executive Officer 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 Cancer Institute NSW, 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
<b>Financial assets</b>			
Cash and cash equivalents (Note 17)	Amortised cost	-	75
Receivables (Note 18) <sup>1</sup>	Amortised cost	728	1,406
<b>Total financial assets</b>		<b>728</b>	<b>1,481</b>
<b>Financial liabilities</b>			
Payables (Note 21) <sup>2</sup>	Financial liabilities measured at amortised cost	5,540	9,214
<b>Total financial liabilities</b>		<b>5,540</b>	<b>9,214</b>

#### Notes

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

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

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

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

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the entity transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement and either:

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

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 27. Financial instruments (continued)

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

When the Cancer Institute NSW 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 Cancer Institute NSW 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 Cancer Institute NSW's continuing involvement in the asset. In that case, the Cancer Institute NSW 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 Cancer Institute NSW has retained.

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 Cancer Institute NSW. 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 Cancer Institute NSW, including cash and receivables. No collateral is held by the Cancer Institute NSW. The Cancer Institute NSW has not granted any financial guarantees.

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

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 27. Financial instruments (continued)

#### (d) Financial risk (continued)

##### i. Credit risk (continued)

The Cancer Institute NSW considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Cancer Institute NSW may also consider a financial asset to be in default when internal or external information indicates that the Cancer Institute NSW is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Cancer Institute NSW.

The Cancer Institute NSW applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, other receivables .

To measure the expected credit losses, trade receivables and other receivables 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 Cancer Institute NSW has identified relevant factors, and accordingly has adjusted the historical loss rates based on expected changes in these factors.

Trade receivables and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 120 days past due.

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 27. Financial instruments (continued)

#### (d) Financial risk (continued)

##### i. Credit risk (continued)

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

###### Receivables - trade receivables and other receivables (continued)

The loss allowance for trade receivables, other receivables 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	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Estimated total gross carrying amount <sup>1</sup>	296	-	166	-	7	469
Expected credit loss	-	-	-	-	-	-

	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	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Estimated total gross carrying amount <sup>1</sup>	732	21	-	-	3	756
Expected credit loss	-	-	-	-	-	-

###### Notes

<sup>1</sup> 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 18.

The Cancer Institute NSW 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.

##### ii. Liquidity risk

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

The Cancer Institute NSW 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 Cancer Institute NSW's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 27. Financial instruments (continued)

#### (d) Financial risk (continued)

##### ii. Liquidity risk (continued)

The Cancer Institute NSW has exposure to liquidity risk. However, the risk is minimised by the Performance Agreement with the Ministry of Health, as the annual Performance Agreement requires local management to control its financial liquidity and in particular meet benchmarks for the payment of creditors. Where the Cancer Institute NSW fails to meet Performance 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.

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 27. Financial instruments (continued)

#### (d) Financial risk (continued)

##### ii. Liquidity risk (continued)

#### PARENT AND CONSOLIDATION

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

*Maturity Analysis and interest rate exposure of financial liabilities*

	Interest Rate Exposure		Maturity Dates
	Nominal Amount <sup>1</sup>	Non - Interest Bearing	< 1 Year
	\$000	\$000	\$000
<b>2024</b>			
Payables:			
- Creditors <sup>2</sup>	5,540	5,540	5,540
	<b>5,540</b>	<b>5,540</b>	<b>5,540</b>
<b>2023</b>			
Payables:			
- Creditors <sup>2</sup>	9,214	9,214	9,214
	<b>9,214</b>	<b>9,214</b>	<b>9,214</b>

#### Notes:

<sup>1</sup> The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Cancer Institute NSW 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.

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



# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 27. Financial instruments (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 Cancer Institute NSW 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 risk variable is outlined in the information below, for interest rate risk.

#### *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.

The Cancer Institute NSW 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.

The Cancer Institute NSW is not permitted to borrow external to the Ministry of Health.

#### (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.

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 28. Related party disclosures

#### PARENT AND CONSOLIDATION

##### (a) Key management personnel compensation

Key management personnel compensation is as follows:

	2024	2023
	\$000	\$000
Short-term employee benefits	105	121
Post-employment benefits	12	13
Other long-term benefits*	-	-
	117	134

\* The prior period 'Other long-term benefits' has been restated \$17 thousand lower.

During the financial year, Cancer Institute NSW obtained key management personnel services from the immediate parent and incurred \$0.46 million (2023: \$0.47 million) for these services. This amount does not form part of the key management personnel compensation disclosed above.

The Cancer Institute NSW's key management personnel comprise its board members and chief executive (or acting chief executive) from time to time during the year.

Compensation for the Minister for Health is paid by the Legislature and is not reimbursed by the Ministry of Health and its controlled entities. Accordingly no such amounts are included in the key management personnel compensation disclosures above.

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 the key management personnel compensation disclosures above.

##### (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 year (2023: \$Nil).

##### (d) Transactions the Cancer Institute NSW had with government related entities during the financial year

During the financial year and comparative year, the Cancer Institute NSW 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:

- Health Administration Corporation (includes Ambulance Service of NSW, eHealth NSW, Health Infrastructure, Health System Support Group, HealthShare NSW and NSW Health Pathology) provides shared services for the majority of information management services and corporate support services.
- Visiting Medical Officers' expenses paid to local health districts
- Rental for office premises and facilities fees paid to the immediate parent
- Senior staff related costs paid to the immediate parent
- Cancer grants, patient survey expenses, maintenance and personnel expenses paid to health entities

# Cancer Institute NSW

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 28. Related party disclosures (continued)

#### (d) Transactions the Cancer Institute NSW had with government related entities during the financial year (continued)

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

- Fringe benefits taxes
- Audit of the statutory financial statements
- Insurance costs

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

- Revenue from recurrent and capital allocations
- Various grants and contributions towards cancer projects
- Information management services provided to Health Administration Corporation

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

- Insurance refunds
- Revenue from acceptance of long service leave liabilities

*Assets and liabilities as follows:*

- Receivables and payables in respect of the above noted related party revenue and expense transactions

### 29. Events after the reporting period

No other matters have arisen subsequent to balance date that would require these financial statements to be amended.

**END OF AUDITED FINANCIAL STATEMENTS**