



## INDEPENDENT AUDITOR'S REPORT

### The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating the Royal Alexandra Hospital for Children)

To Members of the New South Wales Parliament

### Opinion

I have audited the accompanying financial statements of The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating the Royal Alexandra Hospital for Children (the Network)), which comprise the Statement by the Accountable Authority, the Statements 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 of the Network and the consolidated entity. The consolidated entity comprises the Network 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 financial position, financial performance and cash flows of the Network and the consolidated entity.

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

### Basis for Opinion

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

I am independent of the Network and the consolidated entity in accordance with the requirements of the:

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

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

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

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

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

## **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 36. The note states that AASB 1055 'Budgetary Reporting' is not applicable to the Network. It also states that, unlike the requirement in AASB 1055 'Budgetary Reporting' to present original budget information, the Network's financial statements present adjusted budget information.

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

The Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the GSF Act, GSF Regulation and Treasurer's Directions. The Chief Executive's responsibility also includes such internal control as the Chief Executive 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 is responsible for assessing the ability of the Network and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). The description forms part of my auditor's report.

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

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



Manuel Moncada  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

20 September 2024  
SYDNEY

**The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)**

**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 Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children) 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 Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)'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.



Cathryn Cox PSM  
Chief Executive



Eileen Albertini  
Acting Director Finance & Corporate Services

**Date:** 16 September 2024

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

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	769,425	748,366	703,953	-	-
Personnel services	3	-	-	-	745,336	684,438
Visiting medical officers	4	36,740	30,678	23,615	36,740	23,615
Operating expenses	5	289,425	282,187	311,310	289,425	311,310
Depreciation and amortisation	6	47,010	46,624	44,719	47,010	44,719
Grants and subsidies	7	9,696	3,577	7,943	9,696	7,943
Finance costs	8	72	14	35	72	35
<b>Total expenses excluding losses</b>		<b>1,152,368</b>	<b>1,111,446</b>	<b>1,091,575</b>	<b>1,128,279</b>	<b>1,072,060</b>
<b>Revenue</b>						
Ministry of Health recurrent allocations	11	513,173	497,181	799,107	513,173	799,107
Ministry of Health capital allocations	11	353,978	352,784	189,836	353,978	189,836
Acceptance by the Crown <sup>2</sup> of employee benefits	15	24,089	24,495	19,515	-	-
Sale of goods and services from contracts with customers	12	141,068	143,827	161,404	141,068	161,404
Investment revenue	13	11,177	5,319	7,571	11,177	7,571
Grants and other contributions	14	408,429	353,305	101,946	408,429	101,946
Other income	16	1,617	8,634	2,228	1,617	2,228
<b>Total revenue</b>		<b>1,453,531</b>	<b>1,385,545</b>	<b>1,281,607</b>	<b>1,429,442</b>	<b>1,262,092</b>
<b>Operating result</b>		<b>301,163</b>	<b>274,099</b>	<b>190,032</b>	<b>301,163</b>	<b>190,032</b>
Gains / (losses) on disposal	17	(25)	-	(26)	(25)	(26)
Impairment losses on financial assets	21	(891)	(554)	(79)	(891)	(79)
Other gains / (losses)	18	(120)	(115)	(126)	(120)	(126)
<b>Net result</b>		<b>300,127</b>	<b>273,430</b>	<b>189,801</b>	<b>300,127</b>	<b>189,801</b>
<b>Other comprehensive income</b>						
Items that will not be reclassified to net result in subsequent periods						
Changes in revaluation surplus of property, plant and equipment	24	36,801	-	27,087	36,801	27,087
<b>Total other comprehensive income</b>		<b>36,801</b>	<b>-</b>	<b>27,087</b>	<b>36,801</b>	<b>27,087</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>336,928</b>	<b>273,430</b>	<b>216,888</b>	<b>336,928</b>	<b>216,888</b>

<sup>1</sup> Unaudited adjusted budget, see Note 36.

<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.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

Statement of Financial Position as at 30 June 2024

		Consolidated Actual 2024 \$000	Consolidated Budget <sup>1</sup> 2024 \$000	Consolidated Actual 2023 \$000	Parent Actual 2024 \$000	Parent Actual 2023 \$000
	Notes					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	20	136,840	128,162	147,128	136,840	147,128
Receivables	21	66,296	45,927	79,208	66,296	79,208
Inventories	22	12,883	12,883	10,787	12,883	10,787
Financial assets at fair value	23	36,345	32,853	32,853	36,345	32,853
<b>Total current assets</b>		<b>252,364</b>	<b>219,825</b>	<b>269,976</b>	<b>252,364</b>	<b>269,976</b>
<b>Non-current assets</b>						
Receivables	21	-	10	10	-	10
Property, plant & equipment	24					
- Land and buildings		1,157,067	1,124,705	786,360	1,157,067	786,360
- Plant and equipment		76,809	75,449	70,229	76,809	70,229
- Infrastructure systems		34,322	32,532	34,923	34,322	34,923
Total property, plant & equipment		1,268,198	1,232,686	891,512	1,268,198	891,512
Right-of-use assets	25	116,657	117,044	119,177	116,657	119,177
Intangible assets	26	10,258	10,391	13,080	10,258	13,080
<b>Total non-current assets</b>		<b>1,395,113</b>	<b>1,360,131</b>	<b>1,023,779</b>	<b>1,395,113</b>	<b>1,023,779</b>
<b>Total assets</b>		<b>1,647,477</b>	<b>1,579,956</b>	<b>1,293,755</b>	<b>1,647,477</b>	<b>1,293,755</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Payables	29	66,332	61,673	58,721	66,332	58,721
Contract liabilities	30	201	8,037	8,037	201	8,037
Borrowings	31	784	557	591	784	591
Provisions	32	144,692	141,444	132,932	144,692	132,932
Other current liabilities	33	7,769	3,512	3,512	7,769	3,512
<b>Total current liabilities</b>		<b>219,778</b>	<b>215,223</b>	<b>203,793</b>	<b>219,778</b>	<b>203,793</b>
<b>Non-current liabilities</b>						
Borrowings	31	1,176	1,610	731	1,176	731
Provisions	32	2,488	2,585	2,124	2,488	2,124
<b>Total non-current liabilities</b>		<b>3,664</b>	<b>4,195</b>	<b>2,855</b>	<b>3,664</b>	<b>2,855</b>
<b>Total liabilities</b>		<b>223,442</b>	<b>219,418</b>	<b>206,648</b>	<b>223,442</b>	<b>206,648</b>
<b>Net assets</b>		<b>1,424,035</b>	<b>1,360,538</b>	<b>1,087,107</b>	<b>1,424,035</b>	<b>1,087,107</b>
<b>EQUITY</b>						
Reserves		455,338	418,539	418,537	455,338	418,537
Accumulated funds		968,697	941,999	668,570	968,697	668,570
<b>Total Equity</b>		<b>1,424,035</b>	<b>1,360,538</b>	<b>1,087,107</b>	<b>1,424,035</b>	<b>1,087,107</b>

<sup>1</sup> Unaudited adjusted budget, see Note 36.

The accompanying notes form part of these financial statements.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

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

## PARENT AND CONSOLIDATION

	Notes	Accumulated Funds \$000	Asset Revaluation Surplus \$000	Total \$000
<b>Balance at 1 July 2023</b>		<b>668,570</b>	<b>418,537</b>	<b>1,087,107</b>
<b>Net result for the year</b>		<b>300,127</b>	<b>-</b>	<b>300,127</b>
<b>Other comprehensive income:</b>				
Net change in revaluation surplus of property, plant and equipment	24	-	36,801	36,801
<b>Total other comprehensive income</b>		<b>-</b>	<b>36,801</b>	<b>36,801</b>
<b>Total comprehensive income for the year</b>		<b>300,127</b>	<b>36,801</b>	<b>336,928</b>
<b>Balance at 30 June 2024</b>		<b>968,697</b>	<b>455,338</b>	<b>1,424,035</b>

	Notes	Accumulated Funds \$000	Asset Revaluation Surplus \$000	Total \$000
<b>Balance at 1 July 2022</b>		<b>479,589</b>	<b>391,450</b>	<b>871,039</b>
Correction of error - long service leave calculations		(820)	-	(820)
<b>Balance at 1 July 2022</b>		<b>478,769</b>	<b>391,450</b>	<b>870,219</b>
<b>Net result for the year</b>		<b>189,801</b>	<b>-</b>	<b>189,801</b>
<b>Other comprehensive income:</b>				
Net change in revaluation surplus of property, plant and equipment	24	-	27,087	27,087
<b>Total other comprehensive income</b>		<b>-</b>	<b>27,087</b>	<b>27,087</b>
<b>Total comprehensive income for the year</b>		<b>189,801</b>	<b>27,087</b>	<b>216,888</b>
<b>Balance at 30 June 2023</b>		<b>668,570</b>	<b>418,537</b>	<b>1,087,107</b>

The accompanying notes form part of these financial statements.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

Statement of Cash Flows for the year ended 30 June 2024

	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	(743,179)	(727,212)	(702,783)	-	-
Suppliers for goods and services	(351,788)	(340,504)	(346,350)	(351,788)	(346,350)
Grants and subsidies	(10,460)	(4,340)	(8,302)	(10,460)	(8,302)
Finance costs	(72)	(14)	(35)	(72)	(35)
Personnel services	-	-	-	(743,179)	(702,783)
<b>Total payments</b>	<b>(1,105,499)</b>	<b>(1,072,070)</b>	<b>(1,057,470)</b>	<b>(1,105,499)</b>	<b>(1,057,470)</b>
<b>Receipts</b>					
Ministry of Health recurrent allocations	513,173	497,181	799,107	513,173	799,107
Ministry of Health capital allocations	353,978	352,784	189,836	353,978	189,836
Reimbursements from the Crown <sup>2</sup>	13,526	13,526	11,535	13,526	11,535
Sale of goods and services	135,293	164,724	158,993	135,293	158,993
Interest received	7,382	310	4,560	7,382	4,560
Grants and other contributions	413,031	357,401	96,121	413,031	96,121
Other	22,358	32,623	20,504	22,358	20,504
<b>Total receipts</b>	<b>1,458,741</b>	<b>1,418,549</b>	<b>1,280,656</b>	<b>1,458,741</b>	<b>1,280,656</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>353,242</b>	<b>346,479</b>	<b>223,186</b>	<b>353,242</b>	<b>223,186</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of property, plant and equipment	33	-	85	33	85
Purchases of property, plant and equipment and intangibles	(362,794)	(364,880)	(210,889)	(362,794)	(210,889)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(362,761)</b>	<b>(364,880)</b>	<b>(210,804)</b>	<b>(362,761)</b>	<b>(210,804)</b>

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# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

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

		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>CASH FLOWS FROM FINANCING</b>						
<b>ACTIVITIES</b>						
Payment of principal portion of lease liabilities		(769)	(565)	(627)	(769)	(627)
<b>NET CASH FLOWS FROM FINANCING</b>						
<b>ACTIVITIES</b>						
		<b>(769)</b>	<b>(565)</b>	<b>(627)</b>	<b>(769)</b>	<b>(627)</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>						
<b>AND CASH EQUIVALENTS</b>						
Opening cash and cash equivalents	20	147,128	147,128	135,373	147,128	135,373
<b>CLOSING CASH AND CASH</b>						
<b>EQUIVALENTS</b>						
	20	<b>136,840</b>	<b>128,162</b>	<b>147,128</b>	<b>136,840</b>	<b>147,128</b>

<sup>1</sup> Unaudited adjusted budget, see Note 36.

<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.



# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## 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 Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children) (the Network), as a reporting entity, was established under the provisions of the Health Services Act 1997 with effect from 1 July 2010. The reporting entity is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

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

- \* Hospital Facilities and the Community Health Centres within its designated geographical remit; and
- \* The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children) Special Purpose Service Entity which provides personnel services to the Network to exercise its functions and was established under the provisions of the Health Services Act 1997 with effect from 1 July 2010.

The consolidated entity includes the Network as a parent entity and the Network 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 Executive on 16 September 2024.

#### b) Basis of preparation

The Network'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 Network have been prepared on a going concern basis.

The Secretary of NSW Health, the Chair of The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children) Board and the Chief Executive, through the Service Agreement have agreed to service and funding levels for the forward financial year. The Service Agreement sets out the level of financial resources for public health services under the Network's control and the source of these funds. By agreement, the Service Agreement requires local management to control its financial liquidity and in particular meet benchmarks for the payment of creditors. Where the Network 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 withholding or providing additional financial support and increased management interaction.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## 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)

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 Network 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 Network has developed an Efficiency and Improvement Plan (EIP) which identifies revenue improvement and cost saving strategies. Benefits from the EIP are retained by the Network 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 Network 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 Network's presentation and functional currency.

#### c) Statement of Compliance

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

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## 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)

#### 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.
- \* Note 28 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 Research category into Clinical trials.

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

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

The Network 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.

##### (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 Network.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## 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*	667,771	616,151	-	-
Superannuation - defined benefit plans	1,186	1,859	-	-
Superannuation - defined contribution plans	69,986	62,169	-	-
Long service leave	25,261	18,501	-	-
Redundancies	382	812	-	-
Workers' compensation insurance	4,801	4,450	-	-
Fringe benefits tax	38	11	-	-
	<b>769,425</b>	<b>703,953</b>	<b>-</b>	<b>-</b>

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

Refer to Note 32 for further details on recognition and measurement of employee related expenses.

Employee related costs of \$2.78 million (2023: \$0.94 million) have been capitalised in property, plant and equipment 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*	-	-	667,771	616,151
Superannuation - defined contribution plans	-	-	69,986	62,169
Long service leave	-	-	2,358	845
Redundancies	-	-	382	812
Workers' compensation insurance	-	-	4,801	4,450
Fringe benefits tax	-	-	38	11
	<b>-</b>	<b>-</b>	<b>745,336</b>	<b>684,438</b>

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

Personnel services of The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children) were provided by its controlled entity, The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children) Special Purpose Service Entity.

Personnel services of \$2.78 million (2023: \$0.94 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 in a number of disciplines throughout the Network's hospitals. VMO expenses of \$36.74 million (2023: \$23.62 million) represent part of the day-to-day running costs incurred in the normal operations of the Network. These costs are expensed as incurred.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## 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	113	138	113	138
Agency expenses	499	456	499	456
Auditor's remuneration - audit of financial statements	232	215	232	215
Blood and blood products	8,467	7,866	8,467	7,866
Consultants	147	576	147	576
Contractors	621	1,324	621	1,324
Corporate support services	3,763	2,903	3,763	2,903
Courier and freight	687	730	687	730
Domestic supplies and services	6,123	5,649	6,123	5,649
Drug supplies	104,389	125,049	104,389	125,049
Expenses relating to short-term leases	307	332	307	332
Expenses relating to leases of low-value assets	368	337	368	337
Food supplies	10,185	9,509	10,185	9,509
Fuel, light, power and water	7,307	5,920	7,307	5,920
Hosted services purchased from entities controlled by the immediate parent	11	12	11	12
Information management expenses	20,386	18,497	20,386	18,497
Insurance	1,445	1,094	1,445	1,094
Legal services	272	336	272	336
Maintenance (see Note 5 (a))	18,623	21,905	18,623	21,905
Medical and surgical supplies (including prostheses)	44,297	45,264	44,297	45,264
Membership / professional fees	1,146	1,497	1,146	1,497
Motor vehicle expenses	419	492	419	492
Occupancy agreement expenses - Property NSW	72	71	72	71
Outsourced patient services	2,428	4,193	2,428	4,193
Patient transport costs	6,588	7,098	6,588	7,098
Postal and telephone costs	2,066	2,278	2,066	2,278
Printing and stationery	1,662	1,625	1,662	1,625
Professional services (excluding consultants)	2,007	1,859	2,007	1,859
Quality assurance / accreditation	228	119	228	119
Rates and charges	363	521	363	521
Security services	323	395	323	395
Specialised services (dental, radiology, pathology and allied health)	27,170	26,911	27,170	26,911
Staff related costs	3,560	3,073	3,560	3,073
Travel related costs	7,738	6,199	7,738	6,199
Other miscellaneous	5,413	6,867	5,413	6,867
	<b>289,425</b>	<b>311,310</b>	<b>289,425</b>	<b>311,310</b>

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 Network.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 5. Operating expenses (continued)

Other miscellaneous of \$5.41 million (2023: \$6.87 million) includes audiovisual expenses, capital project expenses, chaplaincy expenses, data records and storage, expenses relating to non-lease component of a lease, other intra health expenses, other management services, patient support services and translator services amongst others.

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
<b>(a) Reconciliation of total maintenance expense</b>				
Corrective maintenance	4,319	3,745	4,319	3,745
Planned maintenance	6,631	6,568	6,631	6,568
New / replacement equipment under \$10,000	5,971	9,819	5,971	9,819
Other	1,702	1,773	1,702	1,773
<b>Maintenance expense - contracted labour and other (non-employee related) in Note 5</b>	<b>18,623</b>	<b>21,905</b>	<b>18,623</b>	<b>21,905</b>
Employee related / personnel services maintenance expense included in Notes 2 and 3*.	757	667	757	667
	<b>19,380</b>	<b>22,572</b>	<b>19,380</b>	<b>22,572</b>

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

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## 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	25,867	24,145	25,867	24,145
Depreciation - plant and equipment	12,136	11,497	12,136	11,497
Depreciation - infrastructure systems	2,391	2,230	2,391	2,230
Depreciation - right-of-use land and buildings	3,541	3,538	3,541	3,538
Depreciation - right-of-use plant and equipment	386	281	386	281
Amortisation - intangible assets	2,689	3,028	2,689	3,028
	<b>47,010</b>	<b>44,719</b>	<b>47,010</b>	<b>44,719</b>

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	700	473	700	473
Grants to research organisations	3,704	4,002	3,704	4,002
Grants to entities controlled by the immediate parent	1,574	3,177	1,574	3,177
Other grants	3,718	291	3,718	291
	<b>9,696</b>	<b>7,943</b>	<b>9,696</b>	<b>7,943</b>

#### Recognition and Measurement

Grants and subsidies expense generally comprise of 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.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 8. Finance costs

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Interest expense from lease liabilities	72	35	72	35
	<b>72</b>	<b>35</b>	<b>72</b>	<b>35</b>

#### 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.



# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## 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 Network'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 Network which forms part of the consolidated fund and is not appropriated to the Network by an Act.

### 10. Summary of compliance

The Appropriation Act 2023 (Appropriations Act) (and the subsequent variations, if applicable) appropriates the sum of \$19.61 billion 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 Network.

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

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

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

# **The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)**

**Notes to and forming part of the Financial Statements**

for the year ended 30 June 2024

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## **11. Ministry of Health allocations**

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

Interstate patient flows are funded through the NSW State Pool Account, based on activity and consistent with the price determined in cross border agreements. The funding is also recognised as part of the Ministry of Health recurrent allocation from the immediate parent.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

### (a) Sale of goods comprise the following:

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Sale and recovery of pharmaceutical supplies	62,333	89,494	62,333	89,494
Sale of prostheses	2,261	2,111	2,261	2,111
Other	459	435	459	435
	<b>65,053</b>	<b>92,040</b>	<b>65,053</b>	<b>92,040</b>

### (b) Rendering of services comprise the following:

<b>Patients</b>				
Patient Fees:				
- Inpatient fees	28,644	25,569	28,644	25,569
- Non inpatient fees	672	521	672	521
Motor Accident Authority third party	4,869	3,602	4,869	3,602
Patient transport fees	8,784	9,270	8,784	9,270
<b>Staff</b>				
Private use of motor vehicles	-	12	-	12
Salary packaging fee	164	180	164	180
Meals and accommodation	151	138	151	138
Child care fees	1,044	984	1,044	984
<b>General community</b>				
Cafeteria / kiosk	-	2	-	2
Car parking	3,117	1,665	3,117	1,665
Clinical services (excluding clinical drug trials)	4	6	4	6
Commercial activities	7,059	6,602	7,059	6,602
Fees for conferences and training	3,038	2,871	3,038	2,871
Fees for medical records	85	95	85	95
Information retrieval	1	6	1	6
<b>Non-NSW Health entities</b>				
Services to other organisations	149	86	149	86
<b>Other</b>				
Infrastructure fees - annual charge	2,980	3,097	2,980	3,097
Infrastructure fees - monthly facility charge	14,789	13,955	14,789	13,955
Other	465	703	465	703
	<b>76,015</b>	<b>69,364</b>	<b>76,015</b>	<b>69,364</b>
	<b>141,068</b>	<b>161,404</b>	<b>141,068</b>	<b>161,404</b>

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 12. 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 Network 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.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

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 (continued)

#### Rendering of services (continued)

<b>Type of service</b>	<b>Nature of timing of satisfaction of performance obligations, including significant payment terms</b>	<b>Revenue recognition policies</b>
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 30 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 Network expects to recognise the unsatisfied portion as revenue.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## 13. Investment revenue

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Interest income from financial assets at amortised cost	7,439	4,560	7,439	4,560
Net gain / (loss) from TCorpIM Funds measured at fair value through profit or loss	3,492	2,989	3,492	2,989
Royalties	17	22	17	22
Other	229	-	229	-
	<b>11,177</b>	<b>7,571</b>	<b>11,177</b>	<b>7,571</b>

### 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).

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

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

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## 14. Grants and other contributions

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
<b>Grants to acquire / construct a recognisable non-financial asset to be controlled by the entity</b>				
Grants to acquire / construct non-financial asset	-	3,500	-	3,500
<b>Other grants with sufficiently specific performance obligations</b>				
Ministry of Health National Health Reform Funding*	279,925	-	279,925	-
Cancer Institute grants received from an entity controlled by the immediate parent	268	443	268	443
Clinical trials and research grants	9,074	10,763	9,074	10,763
Commonwealth government grants other	17,959	18,307	17,959	18,307
Grants from entities controlled by the ultimate parent	318	262	318	262
Other grants from entities controlled by the immediate parent	13	1,370	13	1,370
Other grants	1,305	1,540	1,305	1,540
<b>Grants without specific performance obligations</b>				
Ministry of Health National Health Reform Funding*	27,280	-	27,280	-
Clinical trial and research grants	8,048	7,692	8,048	7,692
Commonwealth government grants other	1,599	1,002	1,599	1,002
Grants from entities controlled by the ultimate parent	82	2,398	82	2,398
Other grants from entities controlled by the immediate parent	332	219	332	219
Other grants**	60,137	53,367	60,137	53,367
<b>Donations</b>				
Donations	2,089	1,083	2,089	1,083
	<b>408,429</b>	<b>101,946</b>	<b>408,429</b>	<b>101,946</b>



# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 14. Grants and other contributions (continued)

\* Represents funding received by the Network from the Ministry of Health, the immediate parent, in respect of activity-based funding and block funding in scope of the Commonwealth National Health Reform Agreement (NHRA). The Ministry of Health receives funding from the Commonwealth and distributes it based on activity levels for activity-based funding and at set amounts for the block funding component. The activity-based funding is recognised under AASB 15 Revenue from Contracts with Customers (AASB 15), while block funding is recognised under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) due to lack of specific performance obligations. The activity-based revenue is calculated by multiplying activity levels with the agreed National Weighted Activity Unit price with a predetermined cap on the funding. In previous years, NHRA funding was not separately distributed by the Ministry of Health and was included within the Ministry of Health recurrent allocations (in Note 11).

\*\* Other grants also include grants from the Sydney Children's Hospitals Foundation of \$48.7 million (2023: \$48.3 million).

#### Recognition and Measurement

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

Revenue from grants with sufficiently specific performance obligations are recognised when the Network satisfies a performance obligation by transferring the promised goods or services. The Network typically receives grants in respect of research, clinical drug trials and other community, health and wellbeing related projects. The Network 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 30 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 Network obtains control over the granted assets (e.g. cash).

### 15. 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	1,186	1,859	-	-
Long service leave provision	22,903	17,656	-	-
	<b>24,089</b>	<b>19,515</b>	-	-

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 16. Other income

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Other income comprises the following:				
Commissions	108	90	108	90
Discounts	7	41	7	41
Insurance refunds	62	95	62	95
Rental income				
- Other rental income	566	510	566	510
Sponsorship	58	29	58	29
Other	816	1,463	816	1,463
	<b>1,617</b>	<b>2,228</b>	<b>1,617</b>	<b>2,228</b>

### Recognition and Measurement

#### *Rental income*

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

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## 17. Gains / (losses) on disposal

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
<b>Gains / (losses) on disposals of:</b>				
<b>Property, plant and equipment</b>				
Written down value of assets disposed	59	111	59	111
<i>Less: proceeds from disposal</i>	33	85	33	85
<b>Net gains / (losses) on disposal</b>	<b>(26)</b>	<b>(26)</b>	<b>(26)</b>	<b>(26)</b>
<b>Right-of-use assets</b>				
Written down value of assets disposed	1	10	1	10
<i>Less : lease liabilities extinguished</i>	2	10	2	10
<b>Net gains / (losses) on disposal</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>
<b>Total gains / (losses) on disposal</b>	<b>(25)</b>	<b>(26)</b>	<b>(25)</b>	<b>(26)</b>

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 18. Other gains / (losses)

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Inventory write down	(115)	(107)	(115)	(107)
Foreign exchange gains / (losses)	(5)	(19)	(5)	(19)
	<b>(120)</b>	<b>(126)</b>	<b>(120)</b>	<b>(126)</b>

### Recognition and Measurement

#### **Impairment losses on non-financial assets**

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

- Note 21 Receivables
- Note 22 Inventories
- Note 24 Property, plant and equipment
- Note 25 Leases
- Note 26 Intangible assets.

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

The Network receives various types of grants and donations from different grantors / donors, some of which may not have enforceable performance obligations. The Network determines the grantor / donor expectations in determining the externally imposed restrictions and discloses them in accordance with different types of restrictions. The types of restrictions and income earned with restrictions are detailed in Note 28 Restricted assets.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 20. Cash and cash equivalents

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Cash at bank and on hand	4,304	147,128	4,304	147,128
Cash at bank - held by HealthShare NSW*	132,536	-	132,536	-
	<b>136,840</b>	<b>147,128</b>	<b>136,840</b>	<b>147,128</b>

\* Represents cash held by HealthShare NSW, a controlled entity of the immediate parent, in a central bank account, on behalf of the Network for its operating and investing activities. It is an operational bank account that earns interest on daily bank balances. Refer to Note 13 Investment revenue for the recognition and measurement policies on interest income.

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.

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)	136,840	147,128	136,840	147,128
	<b>136,840</b>	<b>147,128</b>	<b>136,840</b>	<b>147,128</b>

Refer to Note 40 for details regarding credit risk and market risk arising from financial instruments.

Most cash and cash equivalents held by the Network are restricted assets. Refer to Note 28 for details of restricted assets.

HealthShare NSW, a controlled entity of the immediate parent manages accounts payable and employee related payments on behalf of the Network for payments to suppliers and employees. HealthShare NSW makes payments after the Network has reviewed and approved the invoices and employee rosters. The Network'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 Network.

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

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

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
<b>Current</b>				
Trade receivables from contracts with customers	28,330	28,517	28,330	28,517
Intra health receivables	6,677	5,439	6,677	5,439
Goods and Services Tax	1,722	1,606	1,722	1,606
Other receivables	5,049	2,313	5,049	2,313
<b>Sub total</b>	<b>41,778</b>	<b>37,875</b>	<b>41,778</b>	<b>37,875</b>
Less: Allowance for expected credit losses*				
- Trade receivables from contracts with customers	(329)	(336)	(329)	(336)
<b>Sub total</b>	<b>41,449</b>	<b>37,539</b>	<b>41,449</b>	<b>37,539</b>
Prepayments	24,847	41,669	24,847	41,669
	<b>66,296</b>	<b>79,208</b>	<b>66,296</b>	<b>79,208</b>

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

<b>Trade receivables from contracts with customers</b>				
Balance at the beginning of the year	(336)	(321)	(336)	(321)
Amounts written off during the year	890	62	890	62
(Increase) / decrease in allowance recognised in the net result <sup>1</sup>	(883)	(78)	(883)	(78)
<b>Balance at the end of the year</b>	<b>(329)</b>	<b>(336)</b>	<b>(329)</b>	<b>(336)</b>
<b>Other receivables</b>				
Amounts written off during the year	8	1	8	1
(Increase) / decrease in allowance recognised in the net result	(8)	(1)	(8)	(1)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>(329)</b>	<b>(336)</b>	<b>(329)</b>	<b>(336)</b>

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
<b>Non-current</b>				
Prepayments	-	10	-	10
	<b>-</b>	<b>10</b>	<b>-</b>	<b>10</b>

<sup>1</sup> Includes total impairment loss of \$0.88 million (2023: \$0.08 million) recognised on receivables from contracts with customers.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## 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 - compensable	305	302	305	302
Patient fees - Medicare ineligible	4,786	3,883	4,786	3,883
Patient fees - inpatient & other	4,653	4,960	4,653	4,960
	<b>9,744</b>	<b>9,145</b>	<b>9,744</b>	<b>9,145</b>

Details regarding credit risk of receivables that are neither past due nor impaired, are disclosed in Note 40.

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Contract receivables (included in Note 21)	35,007	33,956	35,007	33,956
<b>Total contract receivables</b>	<b>35,007</b>	<b>33,956</b>	<b>35,007</b>	<b>33,956</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 Network 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 Network applies a simplified approach in calculating ECLs. The Network recognises a loss allowance based on lifetime ECLs at each reporting date. The Network has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward looking factors specific to the receivable.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

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
<b>Current</b>				
<b>Held-for-distribution</b>				
Drug supplies	4,956	3,855	4,956	3,855
Medical and surgical supplies	6,678	5,754	6,678	5,754
Engineering supplies	383	318	383	318
Other including goods in transit	866	860	866	860
	<b>12,883</b>	<b>10,787</b>	<b>12,883</b>	<b>10,787</b>

### Recognition and Measurement

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount or any loss of operating capacity due to obsolescence. 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 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 Network 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.



# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## 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
<b>Current</b>				
TCorpIM Funds Investment Facilities	36,345	32,853	36,345	32,853
	<b>36,345</b>	<b>32,853</b>	<b>36,345</b>	<b>32,853</b>

Refer to Note 40 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

#### Recognition and Measurement

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

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

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

#### Classification and measurement

The Network's financial assets at fair value are classified, at fair value through profit or loss. The classification was based on the purpose of acquiring such assets.

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

#### Financial assets at fair value through profit or loss

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

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

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

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

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## 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 <sup>1</sup> \$000	Infrastructure Systems \$000	Total \$000
<b>At 1 July 2022 - fair value</b>				
Gross carrying amount	1,121,443	168,586	89,182	1,379,211
Less: accumulated depreciation and impairment	502,141	97,916	54,009	654,066
<b>Net carrying amount</b>	<b>619,302</b>	<b>70,670</b>	<b>35,173</b>	<b>725,145</b>

	Land and Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Infrastructure Systems \$000	Total \$000
<b>Year ended 30 June 2023</b>				
Net carrying amount at beginning of year	619,302	70,670	35,173	725,145
Additions	166,136	9,757	-	175,893
Disposals	-	(111)	-	(111)
Transfers within NSW Health entities through Statement of Comprehensive Income	-	1,370	-	1,370
Net revaluation increments less revaluation decrements	25,107	-	1,980	27,087
Depreciation expense	(24,145)	(11,497)	(2,230)	(37,872)
Reclassifications	(40)	40	-	-
<b>Net carrying amount at end of year</b>	<b>786,360</b>	<b>70,229</b>	<b>34,923</b>	<b>891,512</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.

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 27.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## 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 <sup>1</sup> \$000	Infrastructure Systems \$000	Total \$000
<b>At 1 July 2023 - fair value</b>				
Gross carrying amount	1,344,486	177,987	94,541	1,617,014
Less: accumulated depreciation and impairment	558,126	107,758	59,618	725,502
<b>Net carrying amount</b>	<b>786,360</b>	<b>70,229</b>	<b>34,923</b>	<b>891,512</b>

	Land and Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Infrastructure Systems \$000	Total \$000
<b>Year ended 30 June 2024</b>				
Net carrying amount at beginning of year	786,360	70,229	34,923	891,512
Additions	361,426	18,638	-	380,064
Reclassification from intangibles	-	261	-	261
Disposals	-	(59)	-	(59)
Transfers within NSW Health entities through Statement of Comprehensive Income	-	13	-	13
Net revaluation increments less revaluation decrements	34,806	205	1,790	36,801
Depreciation expense	(25,867)	(12,136)	(2,391)	(40,394)
Reclassifications	342	(342)	-	-
<b>Net carrying amount at end of year</b>	<b>1,157,067</b>	<b>76,809</b>	<b>34,322</b>	<b>1,268,198</b>

	Land and Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Infrastructure Systems \$000	Total \$000
<b>At 30 June 2024 - fair value</b>				
Gross carrying amount	1,760,575	193,011	99,655	2,053,241
Less: accumulated depreciation and impairment	603,508	116,202	65,333	785,043
<b>Net carrying amount</b>	<b>1,157,067</b>	<b>76,809</b>	<b>34,322</b>	<b>1,268,198</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.

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 27.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## 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 Network

##### PARENT AND CONSOLIDATION

	Land and Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Infrastructure Systems \$000	Total \$000
<b>At 1 July 2022 - fair value</b>				
Gross carrying amount	1,116,160	168,586	89,182	1,373,928
Less: accumulated depreciation and impairment	499,037	97,916	54,009	650,962
<b>Net carrying amount</b>	<b>617,123</b>	<b>70,670</b>	<b>35,173</b>	<b>722,966</b>

	Land and Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Infrastructure Systems \$000	Total \$000
<b>Year ended 30 June 2023</b>				
Net carrying amount at beginning of year	617,123	70,670	35,173	722,966
Additions	166,136	9,757	-	175,893
Disposals	-	(111)	-	(111)
Transfers within NSW Health entities through Statement of Comprehensive Income	-	1,370	-	1,370
Net revaluation increment less revaluation decrements	25,015	-	1,980	26,995
Depreciation expense	(24,023)	(11,497)	(2,230)	(37,750)
Reclassifications	(40)	40	-	-
<b>Net carrying amount at end of year</b>	<b>784,211</b>	<b>70,229</b>	<b>34,923</b>	<b>889,363</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.

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 27.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## 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 Network (continued)

##### PARENT AND CONSOLIDATION

	Land and Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Infrastructure Systems \$000	Total \$000
<b>At 1 July 2023 - fair value</b>				
Gross carrying amount	1,338,939	177,987	94,541	1,611,467
Less: accumulated depreciation and impairment	554,728	107,758	59,618	722,104
<b>Net carrying amount</b>	<b>784,211</b>	<b>70,229</b>	<b>34,923</b>	<b>889,363</b>

	Land and Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Infrastructure Systems \$000	Total \$000
<b>Year ended 30 June 2024</b>				
Net carrying amount at beginning of year	784,211	70,229	34,923	889,363
Additions	361,426	18,638	-	380,064
Reclassification from intangibles	-	261	-	261
Disposals	-	(59)	-	(59)
Transfers within NSW Health entities through Statement of Comprehensive Income	-	13	-	13
Net revaluation increments less revaluation decrements	34,674	205	1,790	36,669
Depreciation expense	(25,726)	(12,136)	(2,391)	(40,253)
Reclassifications	342	(342)	-	-
<b>Net carrying amount at end of year</b>	<b>1,154,927</b>	<b>76,809</b>	<b>34,322</b>	<b>1,266,058</b>

	Land and Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Infrastructure Systems \$000	Total \$000
<b>At 30 June 2024 - fair value</b>				
Gross carrying amount	1,754,671	193,011	99,655	2,047,337
Less: accumulated depreciation and impairment	599,744	116,202	65,333	781,279
<b>Net carrying amount</b>	<b>1,154,927</b>	<b>76,809</b>	<b>34,322</b>	<b>1,266,058</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.

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 27.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

### (c) Property, plant and equipment where the Network is the lessor under operating leases

#### PARENT AND CONSOLIDATION

	Land and Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Infrastructure Systems \$000	Total \$000
<b>At 1 July 2022 - fair value</b>				
Gross carrying amount	5,283	-	-	5,283
Less: accumulated depreciation and impairment	3,104	-	-	3,104
<b>Net carrying amount</b>	<b>2,179</b>	<b>-</b>	<b>-</b>	<b>2,179</b>

	Land and Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Infrastructure Systems \$000	Total \$000
<b>Year ended 30 June 2023</b>				
Net carrying amount at beginning of year	2,179	-	-	2,179
Net revaluation increment less revaluation decrements	92	-	-	92
Depreciation expense	(122)	-	-	(122)
<b>Net carrying amount at end of year</b>	<b>2,149</b>	<b>-</b>	<b>-</b>	<b>2,149</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.

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 27.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

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

##### PARENT AND CONSOLIDATION

	Land and Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Infrastructure Systems \$000	Total \$000
<b>At 1 July 2023 - fair value</b>				
Gross carrying amount	5,547	-	-	5,547
Less: accumulated depreciation and impairment	3,398	-	-	3,398
<b>Net carrying amount</b>	<b>2,149</b>	<b>-</b>	<b>-</b>	<b>2,149</b>

	Land and Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Infrastructure Systems \$000	Total \$000
<b>Year ended 30 June 2024</b>				
Net carrying amount at beginning of year	2,149	-	-	2,149
Net revaluation increments less revaluation decrements	132	-	-	132
Depreciation expense	(141)	-	-	(141)
<b>Net carrying amount at end of year</b>	<b>2,140</b>	<b>-</b>	<b>-</b>	<b>2,140</b>

	Land and Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Infrastructure Systems \$000	Total \$000
<b>At 30 June 2024 - fair value</b>				
Gross carrying amount	5,904	-	-	5,904
Less: accumulated depreciation and impairment	3,764	-	-	3,764
<b>Net carrying amount</b>	<b>2,140</b>	<b>-</b>	<b>-</b>	<b>2,140</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.

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 27.

# **The Sydney Children's Hospitals Network (Randwick and Westmead)**

## **(incorporating The Royal Alexandra Hospital for Children)**

**Notes to and forming part of the Financial Statements**

for the year ended 30 June 2024

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### **24. 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.

Health Infrastructure, a controlled entity of the immediate parent, manages the approved major capital works program for the Ministry of Health and its controlled entities. Health Infrastructure receives Ministry of Health Capital Allocations and grants on behalf of the Network and records all costs incurred as work in progress or expenses and subsequently transfers those costs to the Network. The costs are then accordingly reflected in the Network's financial statements. The Network acquires most assets in this manner.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Land and buildings are owned by the Health Administration Corporation. Land and buildings which are operated / occupied by the Network are deemed to be controlled by the Network and are reflected as such in the financial statements.

##### ***Capitalisation thresholds***

Property, plant and equipment assets costing \$10,000 and above individually (or forming part of a network costing more than \$10,000) and intangible assets costing \$50,000 and above individually (or forming part of a network costing more than \$50,000) are capitalised.



# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

#### **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 Network.

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:

	<b>Useful lives 2024</b>	<b>Useful lives 2023</b>
Buildings	30-70 years	30-70 years
Buildings - leasehold improvements	3-40 years	3-40 years
Plant and equipment	4-20 years	4-20 years
Infrastructure Systems	40 years	40 years

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

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

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

#### **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 Network has elected to present right-of-use assets separately in the Statement of Financial Position.

Further information on leases is contained in Note 25.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

#### *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 Network 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 Network uses an independent professionally qualified valuer for such interim revaluations.

The last comprehensive revaluation was completed on 31 December 2023 and was based on an independent assessment. Indices were subsequently obtained from external professionally qualified valuers covering the period from the last comprehensive revaluation to the end of the year. Indices obtained indicated a cumulative change of 0.00% in market prices for land and increases in construction material and labour costs of 3.00% for buildings and 3.00% for infrastructure between 01 January 2024 to 30 June 2024. Management has applied these indices to perform an interim revaluation and has recognised the resulting revaluation increment for buildings and infrastructure to June 2024.

The Network also conducts comprehensive revaluation of its Artworks collection every three years. The last comprehensive revaluation of Artworks was completed on 16 February 2024 and was based on an independent assessment.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as an approximation of fair value. The Network 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.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 25. Leases

#### (a) Entity as a lessee

The Network leases various property, equipment and motor vehicles. Lease contracts are typically made for fixed periods of 1 to 40 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 Network 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 Network 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 \$NIL have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

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

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

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

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
<b>Balance at 1 July 2023</b>	118,713	464	119,177
Additions	-	1,161	1,161
Reassessments	241	6	247
Disposals	-	(1)	(1)
Depreciation expense	(3,541)	(386)	(3,927)
<b>Balance at 30 June 2024</b>	<b>115,413</b>	<b>1,244</b>	<b>116,657</b>

#### PARENT AND CONSOLIDATION

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$'000
<b>Balance at 1 July 2022</b>	122,239	651	122,890
Additions	-	81	81
Reassessments	22	13	35
Disposals	(10)	-	(10)
Depreciation expense	(3,538)	(281)	(3,819)
<b>Balance at 30 June 2023</b>	<b>118,713</b>	<b>464</b>	<b>119,177</b>

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## 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)

##### Lease liabilities

The following table presents liabilities under leases.

##### PARENT AND CONSOLIDATION

	2024	2023
	\$000	\$000
<b>Balance at 1 July</b>	1,322	1,844
Additions	1,161	81
Interest expenses	72	35
Payments	(841)	(662)
Terminations / derecognition	(2)	(10)
Other adjustments	248	34
<b>Balance at 30 June</b>	<b>1,960</b>	<b>1,322</b>

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

##### PARENT AND CONSOLIDATION

	2024	2023
	\$000	\$000
Depreciation expense of right-of-use assets	3,927	3,819
Interest expense on lease liabilities	72	35
Expenses relating to short-term leases	307	332
Expenses relating to leases of low-value assets	368	337
(Gains) / losses on disposal	(1)	-
<b>Total amount recognised in the statement of comprehensive income</b>	<b>4,673</b>	<b>4,523</b>

The Network had total cash outflows for leases of \$1.52 million for the year ended 30 June 2024 (2023: \$1.33 million).

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 25. Leases (continued)

#### (a) Entity as a lessee (continued)

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

The Network holds a lease for a piece of land from a not-for-profit organisation, where the Network has previously exercised the option to extend the lease for another 20 years upon expiry of the initial 20 year term. The contract specifies lease payments of \$1 per annum. The building erected on the leased asset is used by the Network to provide palliative care services to very sick children. The leased asset accounts for a small portion of assets the Network uses for the purpose of providing health services. Therefore it does not have a significant impact on the Network's operations.

##### Recognition and Measurement

The Network 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 Network 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 40 years
Plant and equipment	1 to 5 years
Motor vehicles and other equipment	1 to 5 years

#### 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 Network 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 Network 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 Network 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.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 25. Leases (continued)

#### (a) Entity as a lessee (continued)

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

Although the Network is exposed to changes in the residual value at the end of the current lease, the Network typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

Future minimum rentals receivable (undiscounted) under non-cancellable operating lease are, as follows:

#### PARENT AND CONSOLIDATION

	2024	2023
	\$'000	\$'000
Within one year	123	-
One to two years	72	-
<b>Total (excluding GST)</b>	<b>195</b>	<b>-</b>

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

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
<b>At 1 July 2022</b>		
Cost (gross carrying amount)	38,023	38,023
Less: accumulated amortisation and impairment	22,249	22,249
<b>Net carrying amount</b>	<b>15,774</b>	<b>15,774</b>

	Software \$000	Total \$000
<b>Year ended 30 June 2023</b>		
Net carrying amount at beginning of year	15,774	15,774
Additions	334	334
Amortisation (recognised in depreciation and amortisation)	(3,028)	(3,028)
<b>Net carrying amount at end of year</b>	<b>13,080</b>	<b>13,080</b>

	Software \$000	Total \$000
<b>At 1 July 2023</b>		
Cost (gross carrying amount)	34,820	34,820
Less: accumulated amortisation and impairment	21,740	21,740
<b>Net carrying amount</b>	<b>13,080</b>	<b>13,080</b>

	Software \$000	Total \$000
<b>Year ended 30 June 2024</b>		
Net carrying amount at beginning of year	13,080	13,080
Additions	128	128
Reclassifications to plant and equipment	(261)	(261)
Amortisation (recognised in depreciation and amortisation)	(2,689)	(2,689)
<b>Net carrying amount at end of year</b>	<b>10,258</b>	<b>10,258</b>



# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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## 26. Intangible assets (continued)

### PARENT AND CONSOLIDATION

	Software \$000	Total \$000
<b>At 30 June 2024</b>		
Cost (gross carrying amount)	34,681	34,681
Less: accumulated amortisation and impairment	24,423	24,423
<b>Net carrying amount</b>	<b>10,258</b>	<b>10,258</b>

### Recognition and Measurement

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

The Network's intangible assets are amortised using the straight-line method over a period of ten years.

Computer software developed or acquired by the Network are recognised as intangible assets. Most 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.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 27. 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 Network 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 Network 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	-	-	477,972	477,972
- Infrastructure systems	-	-	34,322	34,322
Artworks	-	2,703	-	2,703
	-	<b>2,703</b>	<b>512,294</b>	<b>514,997</b>

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	-	-	468,388	468,388
- Infrastructure systems	-	-	34,923	34,923
Artworks	-	2,412	-	2,412
	-	<b>2,412</b>	<b>503,311</b>	<b>505,723</b>

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.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

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

For land, buildings and infrastructure systems the Network obtains external valuations by independent valuers at least every three years. The last revaluation was performed by CBRE Valuations Pty Limited for the 2023-24 financial year. CBRE Valuations Pty Limited is an independent entity and is not an associated entity of the Network.

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).

For Artworks, the Network obtains independent external valuations every three years. The last revaluation was performed in the 2023-24 financial year by an independent valuer, Ms. Adrienne Carlson, an approved valuer under the Commonwealth Government Cultural Gifts Program, not an employee of the Network.

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.

All 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.
- For Artworks, the valuation is made on a market approach, comparing the current pricings of comparable works, auction sales records particularly in relation to works by senior artists or those who have an established secondary market presence and information gathered from primary art dealers, dependent on particular circumstances. These valuations have been included in Level 2.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 27. 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
<b>Fair value as at 1 July 2023</b>	468,388	34,923	503,311
Additions*	395	-	395
Revaluation increments/(decrements) recognised in other comprehensive income - included in line item 'Changes in revaluation surplus of property, plant and equipment' (Note 24)	34,806	1,790	36,596
Depreciation expense	(25,617)	(2,391)	(28,008)
<b>Fair value as at 30 June 2024</b>	<b>477,972</b>	<b>34,322</b>	<b>512,294</b>

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

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

2023	Land and Buildings \$000	Infrastructure Systems \$000	Total Level 3 Recurring \$000
<b>Fair value as at 1 July 2022</b>	467,165	35,173	502,338
Additions*	12	-	12
Revaluation increments/(decrements) recognised in other comprehensive income - included in line item 'Changes in revaluation surplus of property, plant and equipment' (Note 24)	25,107	1,980	27,087
Depreciation expense	(23,896)	(2,230)	(26,126)
<b>Fair value as at 30 June 2023</b>	<b>468,388</b>	<b>34,923</b>	<b>503,311</b>

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

There were no transfers between level 2 or 3 during the year ended 30 June 2023.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 28. Restricted assets

#### PARENT AND CONSOLIDATION

The Network'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	5,362	21,137	17,083	9,416
Facility improvements	19,563	13,084	2,935	29,712
Holds funds in perpetuity	11,041	3	-	11,044
Patient welfare	41,892	23,917	11,440	54,369
Private practice disbursements (No.2 Accounts)	14,780	3,021	2,471	15,330
Public contributions	977	122	228	871
Clinical trials	229	53	213	69
Research	58,198	35,553	35,200	58,551
Staff welfare	37	(7)	4	26
Training and education including conferences	10,555	1,937	2,954	9,538
	<b>162,634</b>	<b>98,820</b>	<b>72,528</b>	<b>188,926</b>

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

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 28. Restricted assets (continued)

<b>Category</b>	<b>Purpose</b>
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.
Holds funds in perpetuity	Donor has explicitly requested funds be invested permanently and not otherwise expended.
Patient welfare	Improvements such as medical needs, financial needs and standards for patients'.
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.
Section 19(2) exemption funds	Improving access to primary care in rural and remote areas.
Staff welfare	Staff benefits such as staff recognition awards, functions and staff amenity improvements.
Training and education including conferences	Professional training, education and conferences.
Other	Does not meet the definition of any of the above categories.

#### **Unclaimed monies**

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

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

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 29. Payables

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
<b>Current</b>				
Accrued salaries, wages and on-costs	12,498	8,399	-	-
Salaries and wages deductions	154	157	-	-
Payroll and fringe benefits tax	-	(12)	-	-
Accrued liability - purchase of personnel services	-	-	12,652	8,544
Creditors	30,239	27,101	30,239	27,101
Other creditors				
- Payables to entities controlled by the immediate parent	23,304	22,957	23,304	22,957
- Other	137	119	137	119
	<b>66,332</b>	<b>58,721</b>	<b>66,332</b>	<b>58,721</b>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 40.

#### Recognition and Measurement

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

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 30. Contract liabilities

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
<b>Current</b>				
Contract liabilities	201	8,037	201	8,037
	<b>201</b>	<b>8,037</b>	<b>201</b>	<b>8,037</b>

#### Recognition and Measurement

Contract liabilities relate to consideration received in advance from customers.

The contract liability balance has decreased 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	8,037	7,153	8,037	7,153
Revenue recognised from performance obligations satisfied in previous periods	1,803	3,148	1,803	3,148
Transaction price allocated to the remaining performance obligations from contracts with customers	15,443	5,115	15,443	5,115

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	12,931	1,966	546	-	15,443
	<b>12,931</b>	<b>1,966</b>	<b>546</b>	<b>-</b>	<b>15,443</b>



# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## 31. Borrowings

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
<b>Current</b>				
Lease liabilities (see Note 25)	784	591	784	591
	<b>784</b>	<b>591</b>	<b>784</b>	<b>591</b>
<b>Non-current</b>				
Lease liabilities (see Note 25)	1,176	731	1,176	731
	<b>1,176</b>	<b>731</b>	<b>1,176</b>	<b>731</b>

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 40.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## 31. Borrowings (continued)

### Recognition and Measurement

#### *Financial liabilities at amortised cost*

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

Borrowings are classified as current liabilities unless the Network has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Refer to Note 40 (b) for derecognition policy.

#### *Financial liabilities at fair value through profit or loss*

The Network has not designated any financial liability at fair value through profit or loss.

### Changes in liabilities arising from financing activities

#### PARENT AND CONSOLIDATION

	<b>Leases</b>	<b>Total liabilities from financing activities</b>
	<b>\$000</b>	<b>\$000</b>
<b>1 July 2022</b>	<b>1,844</b>	<b>1,844</b>
Cash flows	(627)	(627)
New leases	81	81
Lease terminations	(10)	(10)
Lease reassessments	34	34
<b>30 June 2023</b>	<b>1,322</b>	<b>1,322</b>
<b>1 July 2023</b>	<b>1,322</b>	<b>1,322</b>
Cash flows	(769)	(769)
New leases	1,161	1,161
Lease terminations	(2)	(2)
Lease reassessments	248	248
<b>30 June 2024</b>	<b>1,960</b>	<b>1,960</b>

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.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## 32. 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	77,298	70,526	-	-
- Obligations expected to be settled after 12 months	36,186	38,810	-	-
Long service leave				
- Obligations expected to be settled within 12 months	1,889	1,373	-	-
- Obligations expected to be settled after 12 months	20,569	19,188	-	-
Parental leave				
- Obligations expected to be settled within 12 months	5,519	-	-	-
Provision for other employee benefits	3,029	2,711	-	-
Provision for personnel services liability	-	-	144,490	132,608
	<b>144,490</b>	<b>132,608</b>	<b>144,490</b>	<b>132,608</b>
<b>Other Provisions</b>				
Restoration costs	97	-	97	-
Other	105	324	105	324
	202	324	202	324
<b>Total current provisions</b>	<b>144,692</b>	<b>132,932</b>	<b>144,692</b>	<b>132,932</b>
<b>Non-current</b>				
<b>Employee benefits and related on-costs</b>				
Long service leave consequential on-costs	2,488	2,027	-	-
Provision for personnel services liability	-	-	2,488	2,027
	<b>2,488</b>	<b>2,027</b>	<b>2,488</b>	<b>2,027</b>
<b>Other Provisions</b>				
Restoration costs	-	97	-	97
	-	<b>97</b>	-	<b>97</b>
<b>Total non-current provisions</b>	<b>2,488</b>	<b>2,124</b>	<b>2,488</b>	<b>2,124</b>
<b>Aggregate employee benefits and related on-costs</b>				
Provisions - current	144,490	132,608	-	-
Provisions - non-current	2,488	2,027	-	-
Accrued salaries, wages and on-costs and salaries and wages deductions (Note 29)	12,652	8,556	-	-
Liability - purchase of personnel services	-	-	159,630	143,191
	<b>159,630</b>	<b>143,191</b>	<b>159,630</b>	<b>143,191</b>

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## 32. 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
<b>Restoration costs</b>				
Carrying amount at beginning of period	97	97	97	97
<b>Carrying amount at end of period</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>

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 Network'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
<b>Other</b>				
Carrying amount at beginning of period	324	1,188	324	1,188
- Additional provisions recognised	45	63	45	63
- Amounts used	(264)	(927)	(264)	(927)
<b>Carrying amount at end of period</b>	<b>105</b>	<b>324</b>	<b>105</b>	<b>324</b>

The majority of the 'other' provision represent various contractual related obligations. The Network 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.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 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 of 21.28% are applied to the value of leave payable at 30 June 2024 (comparable on-costs for 30 June 2023 were 20.48%). The Network has assessed the actuarial advice based on the Network'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 Network does not expect to settle the liability within 12 months as the Network 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 Network'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 Network 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 Network.

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.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 33. Other liabilities

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
<b>Current</b>				
Unearned revenue	7,769	3,512	7,769	3,512
	<b>7,769</b>	<b>3,512</b>	<b>7,769</b>	<b>3,512</b>

Unearned revenue was derived from the following:

Unearned revenue includes \$4.50 million of funding received from a philanthropic organisation towards the cost of Children's Cancer Care Centre at Randwick. This is anticipated to be paid out once the terms of agreement with the organisation are finalised. The balance \$3.27 million Unearned revenue relates to grant funding the services for which are anticipated to be delivered after 30 June 2024.

### 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 Network.**

	2024 \$'000	2023 \$000
Opening balance of liabilities arising from transfers to acquire / construct non-financial assets to be controlled by the entity	-	1,500
Add: receipt of cash during the financial year	-	2,000
Deduct: income recognised during the financial year	-	3,500
<b>Closing balance of liabilities arising from transfers to acquire / construct non-financial assets to be controlled by the entity</b>	<b>-</b>	<b>-</b>

Refer to Note 14 for a description of the Network's obligations under transfers received to acquire or construct non-financial assets to be controlled by the Network.

The Network expects to recognise as income any liability for unsatisfied obligations as at the end of the reporting period evenly during the next 1-5 financial years, as the related asset(s) are constructed / acquired.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 34. 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	277,479	386,598	277,479	386,598
Later than one year and not later than five years	34,675	266,288	34,675	266,288
<b>Total (including GST)</b>	<b>312,154</b>	<b>652,886</b>	<b>312,154</b>	<b>652,886</b>

Capital commitments mainly relate to construction contracts for Westmead and Randwick redevelopment projects which are managed by Health Infrastructure, an entity of the immediate parent.

#### (b) Contingent asset related to commitments for expenditure

The total 'Capital expenditure commitments' of \$312.15 million as at 30 June 2024 includes input tax credits of \$28.38 million that are expected to be recoverable from the Australian Taxation Office (2023: \$652.89 million including input tax credits of \$59.35 million).

#### Output tax payable related to commitments for revenue

The 'Operating Lease Commitments (Entity as Lessor)' of \$0.19 million as at 30 June 2024 relate to future minimum rental receivable under non-cancellable operating leases which are reported under Note 25(b). The goods and services tax anticipated thereon of \$0.02 million (2023: NIL) is expected to be payable to the Australian Tax Office.

### 35. Contingent liabilities and contingent assets

#### PARENT AND CONSOLIDATION

#### (a) Contingent liabilities

Liability may arise for the Network, at the expiry of extended lease term of twenty years, for restoration or make good expenses relating to the piece of land that the Network holds as a lessee under a lease at significantly below market terms. However, the amounts cannot be reliably estimated as the event is too far in the future and there is a high possibility that the building erected on the land will vest to the lessor at the end of the lease term. It is estimated that the building itself which is carried as a leasehold improvement would be fully depreciated by such time.

#### (b) Contingent assets

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

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 36. 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 Network'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 Network's financial statements present adjusted budget information. The adjusted budgeted amounts are drawn from the initial Service Agreements between the Network 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 and this note are unaudited.

#### PARENT AND CONSOLIDATION

##### Net result

The actual Net Result was higher than adjusted budget by \$27 million, primarily due to:

Higher than budget revenue of \$68 million, offset by higher than budget expenditure of \$41 million.

The variance in expenditure of \$41 million was contributed mainly by Employee related expenses of \$21 million, \$7 million relating to Operating expenses, \$6 million for Visiting Medical Officers and \$6 million relating to Grants and subsidies.

The revenue variance of \$68 million was contributed mainly by \$55 million in Grants and contributions revenue; \$16 million in NSW Ministry of Health allocations; \$6 million of higher than budget Investment revenue and \$1 million in NSW Ministry of Health Capital allocations; this was partially offset by lower than budget Other income of \$7 million and Sale of goods and services of \$3 million.

##### Assets and liabilities

The Net Assets were higher than adjusted budget by \$64 million comprising of higher than budget total assets of \$68 million and higher than budget liabilities of \$4 million.

The variance of \$68 million in assets compared to adjusted budget was mainly on account of higher than budget Property, plant and equipment of \$36 million primarily contributed by revaluation increments, \$20 million higher than budget Receivables, Cash and cash equivalents of \$9 million and \$4 million relating to Financial assets.

The variance of \$4 million in higher than budget liabilities comprised of \$5 million in payables; \$4 million in other current liabilities and \$3 million in provisions; partially offset by decrease of \$8 million in contract liabilities.



# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### Cash flows

The balance of cash and cash equivalents was \$9 million higher than adjusted budget. Of this, \$7 million was contributed by higher than budget net cashflows from operating activities while the balance \$2 million was due to lower than budget Purchases of property, plant and equipment and intangibles.

The cashflows from operating activities were contributed mainly by higher than budget Grants and contributions income of \$56 million, cash allocations from the Ministry of \$17 million and \$7 million from interest received. This was partially offset by \$29 million and \$10 million lower than budget sale of goods and services revenue and other receipts respectively. While on the payments side, payments for employee related expenses, suppliers of goods and services and grants and subsidies were higher than budget by \$16 million, \$11 million and \$6 million respectively.

Movements in the level of the Ministry of Health Recurrent Allocation that have occurred since the time of the initial allocation on 01 July 2023 are as follows:

	<b>\$000</b>
Initial allocation, 1 July 2023	437,854
Award increases	27,680
Special projects:	
Highly specialised therapy services	7,216
Newborn & Paediatric Emergency Transport Service (NETS)	5,300
High Cost Drugs	2,075
The Special Commission of Inquiry into the Drug 'Ice' Implementation	1,815
NSW Newborn Bloodspot Screening Program	1,328
Stage 1 Viral Vector Manufacturing Facility	1,052
MH - Towards Zero Suicides	636
Nurse and Midwifery Strategy Reserve	345
Organ and Tissue Donation Funding	216
Other special projects	675
Others:	
Additional Activity	9,341
Nationally Funded Centres – Pancreas and Islet Cell Transplantation	7,664
Additional Capacity for In House Elective Surgery (Central Acute Services Building)	4,300
Extension of the Statewide 1112 FTE funding for Safe Staffing Levels	2,077
Waived Car Parking Fees for Staff	1,216
Gas Price Increase 2023-24 Budget Relief	938
TMF Workers Compensation Insurance	932
High Cost Patient Pool	750
Nurse Driven Pilot Program	614
Stillbirth Autopsy	544
Defined Benefit Superannuation	422
Safety and Support for Children Experiencing Violence Abuse and Neglect	354
Tertiary Health Study Subsidy Program	320
Other projects	1,055
FY24 Non-cash adjustments for movements in Asset & Liabilities	(19,538)
<b>Balance as per Statement of Comprehensive Income</b>	<b>497,181</b>

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 37. 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	353,242	223,186	353,242	223,186
Depreciation and amortisation expense	(47,010)	(44,719)	(47,010)	(44,719)
Allowance for impairment	(1,006)	(186)	(1,006)	(186)
(Increase) / decrease in other liabilities	(4,257)	(1,361)	(4,257)	(1,361)
Decrease / (increase) in provisions	(12,125)	9,213	(12,125)	9,213
Increase / (decrease) in inventory	2,211	1,838	2,211	1,838
Increase / (decrease) in prepayments and other assets	3,939	11,984	3,939	11,984
Decrease / (increase) in payables	(6,982)	(13,662)	(6,982)	(13,662)
Decrease / (increase) in contract liabilities	7,836	(884)	7,836	(884)
Increase / (decrease) in financial instruments at fair value	3,492	2,989	3,492	2,989
Net gain / (loss) on sale of property, plant and equipment	(26)	(26)	(26)	(26)
Net gain / (loss) on disposal of right-of-use assets	1	-	1	-
Assets donated or brought to account (Note 38)	812	1,429	812	1,429
<b>Net result</b>	<b>300,127</b>	<b>189,801</b>	<b>300,127</b>	<b>189,801</b>

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

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Assets donated or brought to account	812	1,429	812	1,429
Property, plant and equipment acquired by a lease	1,161	81	1,161	81
	<b>1,973</b>	<b>1,510</b>	<b>1,973</b>	<b>1,510</b>

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 39. Trust funds

#### PARENT AND CONSOLIDATION

The Network holds trust funds of \$0.05 million (2023: \$0.17 million) which are held for the safe keeping of patients' monies, deposits on hired items of equipment and Private Patient Trusts.

These funds are excluded from the financial statements as the Network 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			30 June 2024
	Opening equity	Revenue	Expense	Closing equity
	\$'000	\$000	\$000	\$'000
Private Patient Trust Funds	-	23,001	(23,001)	-
Third Party Funds	171	19	(137)	53
<b>Total trust funds</b>	<b>171</b>	<b>23,020</b>	<b>(23,138)</b>	<b>53</b>

Category	1 July 2022			30 June 2023
	Opening equity	Revenue	Expense	Closing equity
	\$'000	\$000	\$000	\$'000
Private Patient Trust Funds	-	22,984	(22,984)	-
Third Party Funds	205	22	(56)	171
<b>Total trust funds</b>	<b>205</b>	<b>23,006</b>	<b>(23,040)</b>	<b>171</b>

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

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

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 40. Financial instruments

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

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

The Chief Executive 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 Network, 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 20)	Amortised cost	136,840	147,128
Receivables (Note 21) <sup>1</sup>	Amortised cost	39,727	35,933
Financial assets at fair value (Note 23)	Fair value through profit or loss - mandatory classification	36,345	32,853
<b>Total financial assets</b>		<b>212,912</b>	<b>215,914</b>
<b>Financial liabilities</b>			
Borrowings (Note 31)	Financial liabilities measured at amortised cost	1,960	1,322
Payables (Note 29) <sup>2</sup>	Financial liabilities measured at amortised cost	66,332	58,733
<b>Total financial liabilities</b>		<b>68,292</b>	<b>60,055</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 Network 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 Network has transferred substantially all the risks and rewards of the asset; or
- The Network has neither transferred nor retained substantially all the risks and rewards for the asset, but has transferred control.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 40. Financial instruments (continued)

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

When the Network 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 Network 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 Network's continuing involvement in the asset. In that case, the Network 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 Network 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 Network 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 Network. 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 Network, including cash, receivables and authority deposits. No collateral is held by the Network. The Network has not granted any financial guarantees.

Credit risk associated with the Network's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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## 40. Financial instruments (continued)

### (d) Financial risk (continued)

#### i. Credit risk (continued)

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

The Network 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 Network 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.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2024

## 40. 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, other receivables and contract assets (continued)

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	0.21%	0.93%	3.27%	5.87%	6.33%	0.99%
Estimated total gross carrying amount <sup>1</sup>	26,968	1,620	1,437	511	2,843	33,379
Expected credit loss	57	15	47	30	180	329
30 June 2023	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate	0.38%	0.43%	0.28%	3.49%	7.69%	1.09%
Estimated total gross carrying amount <sup>1</sup>	22,892	2,583	2,148	372	2,835	30,830
Expected credit loss	88	11	6	13	218	336

##### 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 21.

The Network 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 Network will be unable to meet its payment obligations when they fall due. The Network 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 Network 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 Network's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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## 40. Financial instruments (continued)

### (d) Financial risk (continued)

#### ii. Liquidity risk (continued)

The Network 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 Network 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.



# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

## 40. Financial instruments (continued)

(d) Financial risk (continued)

ii. Liquidity risk (continued)

### PARENT AND CONSOLIDATION

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

*Maturity Analysis and interest rate exposure of financial liabilities*

	EIR <sup>3</sup> %	Interest Rate Exposure			Maturity Dates			
		Nominal Amount <sup>1</sup>	Fixed Interest Rate	Variable Interest Rate	Non - Interest Bearing	< 1 Yr	1-5 Yr	> 5Yr
		\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2024</b>								
Payables:								
- Creditors <sup>2</sup>		66,332	-	-	66,332	66,332	-	-
Borrowings:								
- Lease liabilities	5.06	2,143	2,143	-	-	855	1,273	15
		<b>68,475</b>	<b>2,143</b>	-	<b>66,332</b>	<b>67,187</b>	<b>1,273</b>	<b>15</b>
<b>2023</b>								
Payables:								
- Creditors <sup>2</sup>		58,733	-	-	58,733	58,733	-	-
Borrowings:								
- Lease liabilities	2.36%	1,364	1,364	-	-	613	728	23
		<b>60,097</b>	<b>1,364</b>	-	<b>58,733</b>	<b>59,346</b>	<b>728</b>	<b>23</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 Network 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).

<sup>3</sup> Weighted Average Effective Interest Rate (EIR).

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 40. 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 Network's exposures to market risk are primarily through interest rate risk on the Network's borrowings and other price risks associated with the movement in the Hour Glass Investment Facilities. The Network 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 and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Network 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.

The Network 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 Network 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	(1,368)	1,368	(1,471)	1,471
Equity	(1,368)	1,368	(1,471)	1,471

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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## 40. Financial instruments (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.

Foreign exchange risk is managed using the guidelines set out under NSW Health's Procurement Policy and broader framework under NSW Government Financial Risk Management Policy (TPP 21-14). Central foreign currency denominated bank accounts are maintained by HealthShare NSW to make foreign currency payments on behalf of The Network. Further, HealthShare NSW, in discussion with the health entities enters into forward foreign exchange derivative economic hedges with TCorp in accordance with Ministry's internal risk management policies. These hedges are entered in the name of HealthShare NSW and recognised in HealthShare NSW financial statements.

At year end, the Network did not hold any material foreign currency denominated monetary assets and monetary liabilities.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 40. Financial instruments (continued)

#### iii. Market risk (continued)

##### *Other price risk - TCorpIM Funds*

Exposure to 'other price risk' primarily arises through the investment in the TCorpIM Funds, which are held for strategic rather than trading purposes. The Network has no direct equity investments. The Network holds units in the following TCorpIM Funds trusts:

Facility	Investment Sectors	Investment Horizon	2024 \$000	2023 \$000
TCorpIM Long Term Growth Fund	Cash and fixed income, credit, equities, alternative assets and real assets	7 years and over	36,345	32,853

The unit price of each facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily.

TCorp, as trustee for each of the above facilities is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risk of each facility in accordance with a mandate agreed by the parties. TCorp has also leveraged off internal expertise to manage certain fixed income assets for the TCorpIM Funds facilities. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the TCorpIM Funds facilities limits the Network's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

TCorp provides sensitivity analysis information for each of the investment facilities, which is used to demonstrate the impact on the funds' net assets as a result of changes in unit price. This impact is based on a sensitivity rate of 10%, multiplied by the redemption value as at the 30 June each year for each facility (balance from TCorpIM Funds statement). Actual movements in the price risk variables may differ to the sensitivity rates used due to a number of factors. TCorpIM Funds are measured at fair value through profit or loss and therefore any change in unit price impacts directly on net results.

	Change in unit price		Impact on net result	
	2024 %	2023 %	2024 \$000	2023 \$000
TCorpIM Long Term Growth Fund	10%	10%	3,635	3,285

# **The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)**

**Notes to and forming part of the Financial Statements**

for the year ended 30 June 2024

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## **40. Financial instruments (continued)**

### **(e) Fair value measurement**

#### **i. Fair value compared to carrying amount**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The 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.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 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 Network 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 Network recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2024 Total \$'000
<b>Financial assets at fair value</b>				
TCorpIM Funds	-	36,345	-	36,345
<b>Financial liabilities at fair value</b>				
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2023 Total \$'000
<b>Financial assets at fair value</b>				
TCorpIM Funds	-	32,853	-	32,853
<b>Financial liabilities at fair value</b>				

The table above only includes financial assets as no financial liabilities were measured at fair value in the Statement of Financial Position.

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

The value of the TCorpIM Funds investment is based on the Network's share of the value of the underlying assets of the facility, based on the market value. All of the TCorpIM Funds investment facilities are valued using 'redemption' pricing.

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

### 41. 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	405	338
Post-employment benefits	41	34
	<b>446</b>	<b>372</b>

During the financial year, The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children) obtained key management personnel services from the immediate parent and incurred \$0.43 million (2023: \$0.49 million) for these services. This amount does not form part of the key management personnel compensation disclosed above.

The Network'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 period (2023: \$Nil).

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

During the financial year and comparative year, the Network 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 patient transport services, information management services, domestic supplies and services, food supplies and corporate support services.
- Health Administration Corporation provides some specialised services which includes pathology related costs.
- Various grants and subsidies towards research and other projects

# The Sydney Children's Hospitals Network (Randwick and Westmead) (incorporating The Royal Alexandra Hospital for Children)

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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### 41. Related party disclosures (continued)

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

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

- Audit of the statutory financial statements
- Utilities, including electricity, gas and water expenses
- Motor vehicle toll expenses
- Insurance costs
- Occupancy agreement expenses for Property NSW properties
- Various grants and subsidies towards research and other projects

*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 pathology services
- Patient transport services

*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
- Interest income on TCorpIM Funds Investment facilities
- Insurance refunds
- Revenue from acceptance of long service leave liabilities and defined benefit superannuation

*Assets and liabilities as follows:*

- Receivables and payables in respect of the above noted related party revenue and expense transactions
- Some term deposits are invested with TCorpIM Funds Investment facilities
- The majority of the construction of property, plant and equipment is managed and overseen by Health Administration Corporation
- The majority of capital commitments contracted but not provided for related to capital works overseen by the Health Administration Corporation.

### 42. 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**