



INDEPENDENT AUDITOR'S REPORT

South Western Sydney Local Health District

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of South Western Sydney Local Health District (the District), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, and notes to the financial statements, including a Statement of Significant Accounting Policies and other explanatory information of the District and the consolidated entity. The consolidated entity comprises the District 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 District's financial position, financial performance and cash flows of the District 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 District 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 40. The note states that AASB 1055 'Budgetary Reporting' is not applicable to the District. It also states that, unlike the requirement in AASB 1055 'Budgetary Reporting' to present original information, the District's financial statements present adjusted budget information.

Chief Executive 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, 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 District's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

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

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



Susan Prichard
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

18 September 2024
SYDNEY

South Western Sydney Local Health District

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 South Western Sydney Local Health District 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 South Western Sydney Local Health District'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.

Handwritten signature of Sonia Marshall in black ink.

Sonia Marshall

Chief Executive

18 September 2024

Handwritten signature of D. Palomares in black ink.

Director Finance & Corporate Services

18 September 2024

South Western Sydney Local Health District

Statement of Comprehensive Income for the year ended 30 June 2024

		Consolidated	Consolidated	Consolidated	Parent	Parent
		Actual	Budget ¹	Actual	Actual	Actual
		2024	2024	2023	2024	2023
	Notes	\$000	\$000	\$000	\$000	\$000
Continuing operations						
Expenses excluding losses						
Employee related expenses	2	1,705,319	1,694,126	1,544,579	-	-
Personnel services	3	-	-	-	1,652,962	1,506,117
Visiting medical officers	4	125,780	111,841	109,408	125,780	109,408
Operating expenses	5	649,387	621,943	697,595	649,387	697,595
Depreciation and amortisation	6	110,386	106,217	103,877	110,386	103,877
Grants and subsidies	7	17,391	16,955	12,920	17,391	12,920
Finance costs	8	1,579	985	1,600	1,579	1,600
Payments to Affiliated Health Organisations	9	38,283	38,422	36,190	38,283	36,190
Total expenses excluding losses		2,648,125	2,590,489	2,506,169	2,595,768	2,467,707
Revenue						
Ministry of Health recurrent allocations	12	1,338,544	1,285,005	2,153,741	1,338,544	2,153,741
Ministry of Health capital allocations	12	186,120	183,875	165,477	186,120	165,477
Acceptance by the Crown ² of employee benefits	16	52,357	53,252	38,462	-	-
Sale of goods and services from contracts with customers	13	221,727	218,472	196,388	221,727	196,388
Investment revenue	14	7,806	1,175	5,915	7,806	5,915
Grants and other contributions	15	939,568	924,439	59,065	939,568	59,065
Other income	17	6,628	7,864	6,591	6,628	6,591
Total revenue		2,752,750	2,674,082	2,625,639	2,700,393	2,587,177
Operating result		104,625	83,593	119,470	104,625	119,470
Gains / (losses) on disposal	18	(552)	-	(1,000)	(552)	(1,000)
Impairment losses on financial assets	22	(8,649)	(770)	(3,805)	(8,649)	(3,805)
Other gains / (losses)	19	(12)	(13)	205	(12)	205
Net result from continuing operations	37	95,412	82,810	114,870	95,412	114,870
Other comprehensive income						
Items that will not be reclassified to net result in subsequent periods						
Changes in revaluation surplus of property, plant and equipment	25	108,105	-	135,916	108,105	135,916
Total other comprehensive income		108,105	-	135,916	108,105	135,916
TOTAL COMPREHENSIVE INCOME		203,517	82,810	250,786	203,517	250,786

¹ Unaudited adjusted budget, see Note 36.

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

The accompanying notes form part of these financial statements.

South Western Sydney Local Health District

Statement of Financial Position as at 30 June 2024

		Consolidated Actual 2024 \$000	Consolidated Budget ¹ 2024 \$000	Consolidated Actual 2023 \$000	Parent Actual 2024 \$000	Parent Actual 2023 \$000
	Notes					
ASSETS						
Current assets						
Cash and cash equivalents	21	117,061	94,685	103,134	117,061	103,134
Receivables	22	91,864	87,094	52,802	91,864	52,802
Inventories	23	5,537	5,538	5,862	5,537	5,862
Financial assets at fair value	24	29,729	40,257	40,257	29,729	40,257
Other financial assets		-	46	46	-	46
Total current assets		244,191	227,620	202,101	244,191	202,101
Non-current assets						
Receivables	22	7,703	7,826	36,326	7,703	36,326
Property, plant & equipment	25					
- Land and buildings		2,594,945	2,484,147	2,406,428	2,594,945	2,406,428
- Plant and equipment		106,075	129,353	110,205	106,075	110,205
- Infrastructure systems		178,062	159,831	160,925	178,062	160,925
Total property, plant & equipment		2,879,082	2,773,331	2,677,558	2,879,082	2,677,558
Right-of-use assets	26	66,157	71,037	55,550	66,157	55,550
Intangible assets	27	2,557	2,471	2,908	2,557	2,908
Total non-current assets		2,955,499	2,854,665	2,772,342	2,955,499	2,772,342
Total assets		3,199,690	3,082,285	2,974,443	3,199,690	2,974,443
LIABILITIES						
Current liabilities						
Payables	30	130,066	125,515	136,547	130,066	136,547
Contract liabilities		3,466	3,463	3,463	3,466	3,463
Borrowings	31	10,437	12,351	12,558	10,437	12,558
Provisions	32	337,742	334,323	314,925	337,742	314,925
Other current liabilities	33	552	592	592	552	592
Total current liabilities		482,263	476,244	468,085	482,263	468,085
Non-current liabilities						
Borrowings	31	60,479	66,758	50,912	60,479	50,912
Provisions	32	5,054	5,054	4,027	5,054	4,027
Other non-current liabilities	33	28,219	31,261	31,261	28,219	31,261
Total non-current liabilities		93,752	103,073	86,200	93,752	86,200
Total liabilities		576,015	579,317	554,285	576,015	554,285
Net assets		2,623,675	2,502,968	2,420,158	2,623,675	2,420,158
EQUITY						
Reserves		956,644	853,039	853,039	956,644	853,039
Accumulated funds		1,667,031	1,649,929	1,567,119	1,667,031	1,567,119
Total Equity		2,623,675	2,502,968	2,420,158	2,623,675	2,420,158

¹ Unaudited adjusted budget, see Note 36.

The accompanying notes form part of these financial statements.

South Western Sydney Local Health District

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
Balance at 1 July 2023		1,567,119	853,039	2,420,158
Net result for the year		95,412	-	95,412
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	25	-	108,105	108,105
Total other comprehensive income		-	108,105	108,105
Total comprehensive income for the year		95,412	108,105	203,517
Transfer of asset revaluation surplus to accumulated funds on disposal of assets		4,500	(4,500)	-
Balance at 30 June 2024		1,667,031	956,644	2,623,675

	Notes	Accumulated Funds \$000	Asset Revaluation Surplus \$000	Total \$000
Balance at 1 July 2022		1,460,079	710,841	2,170,920
Correction of error - long service leave calculations		(1,548)	-	(1,548)
Balance at 1 July 2022		1,458,531	710,841	2,169,372
Net result for the year		114,870	-	114,870
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	25	-	135,916	135,916
Total other comprehensive income		-	135,916	135,916
Total comprehensive income for the year		114,870	135,916	250,786
Transfer of asset revaluation surplus to accumulated funds on disposal of assets		(6,282)	6,282	-
Balance at 30 June 2023		1,567,119	853,039	2,420,158

The accompanying notes form part of these financial statements.

South Western Sydney Local Health District

Statement of Cash Flows for the year ended 30 June 2024

	Notes	Consolidated Actual 2024 \$000	Consolidated Budget ¹ 2024 \$000	Consolidated Actual 2023 \$000	Parent Actual 2024 \$000	Parent Actual 2023 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee related		(1,644,663)	(1,641,059)	(1,544,882)	-	-
Suppliers for goods and services		(836,560)	(794,766)	(846,826)	(836,560)	(846,826)
Grants and subsidies		(60,044)	(59,746)	(52,586)	(60,044)	(52,586)
Finance costs		(1,579)	(985)	(1,600)	(1,579)	(1,600)
Personnel services		-	-	-	(1,644,663)	(1,544,882)
Total payments		(2,542,846)	(2,496,556)	(2,445,894)	(2,542,846)	(2,445,894)
Receipts						
Ministry of Health recurrent allocations		1,338,544	1,285,005	2,153,741	1,338,544	2,153,741
Ministry of Health capital allocations		186,120	183,875	165,477	186,120	165,477
Reimbursements from the Crown ²		23,639	23,639	23,400	23,639	23,400
Sale of goods and services		215,074	219,458	193,013	215,074	193,013
Interest received		5,104	1,173	3,701	5,104	3,701
Grants and other contributions		934,925	926,673	57,700	934,925	57,700
Other		48,764	51,119	59,924	48,764	59,924
Total receipts		2,752,170	2,690,942	2,656,956	2,752,170	2,656,956
NET CASH FLOWS FROM OPERATING ACTIVITIES	37	209,324	194,386	211,062	209,324	211,062
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of financial assets		13,124	-	-	13,124	-
Purchases of property, plant and equipment and intangibles		(194,852)	(196,599)	(180,696)	(194,852)	(180,696)
Other		47	2	78	47	78
NET CASH FLOWS FROM INVESTING ACTIVITIES		(181,681)	(196,597)	(180,618)	(181,681)	(180,618)
CASH FLOWS FROM FINANCING ACTIVITIES						
Repayment of borrowings and advances		(3,752)	(67)	(4,743)	(3,752)	(4,743)
Payment of principal portion of lease liabilities		(9,964)	(6,171)	(9,379)	(9,964)	(9,379)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(13,716)	(6,238)	(14,122)	(13,716)	(14,122)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS						
Opening cash and cash equivalents	21	103,134	103,134	86,812	103,134	86,812
CLOSING CASH AND CASH EQUIVALENTS	21	117,061	94,685	103,134	117,061	103,134

¹ Unaudited adjusted budget, see Note 36.

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

The accompanying notes form part of these financial statements.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

1. Statement of Material Accounting Policy Information

a) Reporting entity

South Western Sydney Local Health District (SWSLHD), as a reporting entity, was established under the provisions of the Health Services Act 1997 with effect from 1 January 2011. The reporting entity is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

SWSLHD 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.

SWSLHD 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
- * South Western Sydney Local Health District Special Purpose Service Entity which provides personnel services to SWSLHD to exercise its functions and was established under the provisions of the Health Services Act 1997 with effect from 1 January 2011.

The consolidated entity includes SWSLHD as a parent entity and SWSLHD 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 18 September 2024.

b) Basis of preparation

SWSLHD'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 SWSLHD have been prepared on a going concern basis.

The Secretary of NSW Health, the Chair of South Western Sydney Local Health District 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 SWSLHD'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 SWSLHD 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.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

1. Statement of Material Accounting Policy Information (continued)

b) Basis of preparation (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.
- * SWSLHD 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.
- * SWSLHD has developed an Efficiency and Improvement Plan (EIP) which identifies revenue improvement and cost saving strategies. Benefits from the EIP are retained by SWSLHD 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.

SWSLHD 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 SWSLHD's presentation and functional currency.

c) Statement of Compliance

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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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 3 Operating expenses: Details of operating expenses were previously split into two tables but have now been combined into one table for a more streamlined presentation in the current year. A number of new expense lines have also been added to provide additional information, these expenses previously formed part of different expense lines. There has been no change in the total operating expense amount.
- * Note 29 Restricted assets: A new category, Clinical trials, has been added from 1 July 2023. The balance of Clinical trials was previously included in the Research category which has now been reclassified out of 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

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

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

(ii) Issued but not yet effective

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

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

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

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

South Western Sydney Local Health District

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*	1,467,154	1,344,585	-	-
Superannuation - defined benefit plans	2,301	3,548	-	-
Superannuation - defined contribution plans	151,744	131,932	-	-
Long service leave	55,864	36,493	-	-
Redundancies	293	1,268	-	-
Workers' compensation insurance	27,965	26,711	-	-
Fringe benefits tax	(2)	42	-	-
	1,705,319	1,544,579	-	-

* 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.

3. Personnel services

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Salaries and wages*	-	-	1,467,154	1,344,585
Superannuation - defined contribution plans	-	-	151,744	131,932
Long service leave	-	-	5,808	1,579
Redundancies	-	-	293	1,268
Workers' compensation insurance	-	-	27,965	26,711
Fringe benefits tax	-	-	(2)	42
	-	-	1,652,962	1,506,117

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

Personnel services of South Western Sydney Local Health District were provided by its controlled entity, South Western Sydney Local Health District Special Purpose Service Entity.

4. Visiting medical officers

Visiting medical officers (VMOs) enhance full-time medical specialist services by providing specialty input in a number of disciplines throughout SWSLHD's hospitals. VMO expenses of \$125.78 million (2023: \$109.41 million) represent part of the day-to-day running costs incurred in the normal operations of SWSLHD. These costs are expensed as incurred.

South Western Sydney Local Health District

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	253	221	253	221
Agency expenses	4,574	6,323	4,574	6,323
Auditor's remuneration - audit of financial statements	277	264	277	264
Blood and blood products	18,693	16,459	18,693	16,459
Consultants	86	1,316	86	1,316
Contractors	3,816	7,038	3,816	7,038
Corporate support services	13,506	11,218	13,506	11,218
Courier and freight	691	530	691	530
Disability equipment support expenses	2,040	1,966	2,040	1,966
Domestic supplies and services	24,005	23,257	24,005	23,257
Drug supplies	79,631	85,254	79,631	85,254
Expenses relating to short-term leases	2,199	1,895	2,199	1,895
Expenses relating to leases of low-value assets	3,808	3,215	3,808	3,215
Food supplies	44,550	42,363	44,550	42,363
Fuel, light, power and water	19,086	21,111	19,086	21,111
Hosted services purchased from entities controlled by the immediate parent	2,318	2,413	2,318	2,413
Information management expenses	45,452	45,952	45,452	45,952
Insurance	2,839	2,337	2,839	2,337
Legal services	598	766	598	766
Maintenance (see Note 5 (a))	47,036	57,838	47,036	57,838
Medical and surgical supplies (including prostheses)	115,235	123,702	115,235	123,702
Membership / professional fees	1,178	1,184	1,178	1,184
Motor vehicle expenses	2,057	1,658	2,057	1,658
Occupancy agreement expenses - Property NSW	545	288	545	288
Outsourced patient services	44,189	64,249	44,189	64,249
Patient transport costs	20,420	17,435	20,420	17,435
Postal and telephone costs	3,088	3,461	3,088	3,461
Printing and stationery	2,980	3,329	2,980	3,329
Professional services (excluding consultants)	2,736	2,824	2,736	2,824
Quality assurance / accreditation	66	53	66	53
Rates and charges	128	51	128	51
Security services	6,719	8,290	6,719	8,290
Specialised services (dental, radiology, pathology and allied health)	110,346	114,073	110,346	114,073
Staff related costs	6,867	6,943	6,867	6,943
Travel related costs	6,196	5,783	6,196	5,783
Other miscellaneous	11,179	12,536	11,179	12,536
	649,387	697,595	649,387	697,595

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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

5. Operating expenses (continued)

Other miscellaneous of \$11.18 million (2023: \$12.53 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
(a) Reconciliation of total maintenance expense				
Corrective maintenance	15,120	13,341	15,120	13,341
Planned maintenance	20,895	23,520	20,895	23,520
New / replacement equipment under \$10,000	11,017	20,824	11,017	20,824
Other	4	153	4	153
Maintenance expense - contracted labour and other (non-employee related) in Note 5	47,036	57,838	47,036	57,838
Employee related / personnel services maintenance expense included in Notes 2 and 3*.	4,985	4,301	4,985	4,301
	52,021	62,139	52,021	62,139

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

South Western Sydney Local Health District

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	76,083	72,171	76,083	72,171
Depreciation - plant and equipment	18,201	16,894	18,201	16,894
Depreciation - infrastructure systems	4,993	4,491	4,993	4,491
Depreciation - right-of-use buildings	2,877	3,281	2,877	3,281
Depreciation - right-of-use plant and equipment	7,683	6,609	7,683	6,609
Amortisation - intangible assets	549	431	549	431
	110,386	103,877	110,386	103,877

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

7. Grants and subsidies

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Non-government organisations	12,605	10,229	12,605	10,229
Grants to research organisations	94	140	94	140
Grants to entities controlled by the immediate parent	3,552	1,710	3,552	1,710
Other grants	1,140	841	1,140	841
	17,391	12,920	17,391	12,920

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.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

8. Finance costs

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Interest expense from lease liabilities	1,385	1,082	1,385	1,082
Interest expense from financial liabilities at amortised cost*	194	518	194	518
	1,579	1,600	1,579	1,600

Recognition and Measurement

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

9. Payments to Affiliated Health Organisations

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Recurrent sourced				
HammondCare Health (Braeside Hospital)	21,332	20,431	21,332	20,431
Karitane	8,754	7,934	8,754	7,934
The Benevolent Society (South Western Sydney Scarba Service)	636	612	636	612
NSW Service for the Treatment and Rehabilitation of Torture and Trauma Survivors - STARTTS	7,561	7,213	7,561	7,213
	38,283	36,190	38,283	36,190

Recognition and Measurement

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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

10. Revenue

The accounting policies of SWSLHD relating to the recognition of income are provided below.

Under the GSF Act 2018, SWSLHD'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 SWSLHD which forms part of the consolidated fund and is not appropriated to SWSLHD by an Act.

11. Summary of compliance

The Appropriation Act 2023 (Appropriations Act) (and the subsequent variations, if applicable) appropriates the sum of \$19,613 million to the Minister for Health out of the Consolidated Fund for the services of the Ministry of Health for the year 2023-24. The spending authority of the Minister from the Appropriations Act has been delegated or subdelegated to officers of the Ministry of Health and entities that it is administratively responsible for, including SWSLHD.

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

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

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

12. Ministry of Health allocations

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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

13. Sale of goods and services from contracts with customers

(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	37,572	37,830	37,572	37,830
Sale of prostheses	4,608	5,309	4,608	5,309
Other	61	37	61	37
	42,241	43,176	42,241	43,176

(b) Rendering of services comprise the following:

Patients				
Patient Fees:				
- Inpatient fees	92,979	79,838	92,979	79,838
- Nursing home fees	316	268	316	268
- Non inpatient fees	7,503	4,515	7,503	4,515
Department of Veterans' Affairs	12,466	10,898	12,466	10,898
Motor Accident Authority third party	20,161	16,685	20,161	16,685
Staff				
Private use of motor vehicles	52	56	52	56
Salary packaging fee	357	11	357	11
Meals and accommodation	1	2	1	2
Child care fees	1,367	1,329	1,367	1,329
General community				
Car parking	10,885	7,116	10,885	7,116
Clinical services (excluding clinical drug trials)	1,347	1,424	1,347	1,424
Commercial activities	446	1,574	446	1,574
Fees for conferences and training	3,142	2,202	3,142	2,202
Fees for medical records	366	345	366	345
Information retrieval	3	4	3	4
Non-NSW Health entities				
Services to other organisations	3,453	4,614	3,453	4,614
Entities controlled by the immediate parent				
Hosted service revenues	-	134	-	134
Shared corporate service revenues	-	1	-	1
Other				
Infrastructure fees - annual charge	12,269	10,065	12,269	10,065
Infrastructure fees - monthly facility charge	10,596	10,511	10,596	10,511
Other	1,777	1,620	1,777	1,620
	179,486	153,212	179,486	153,212
	221,727	196,388	221,727	196,388

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

Recognition and Measurement

Sale of goods

Revenue from the sale of goods is recognised when SWSLHD 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.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

Recognition and Measurement (continued)

Rendering of services

Revenue from rendering of services is recognised when SWSLHD 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.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

Recognition and Measurement (continued)

Rendering of services (continued)

Type of service	Nature of timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Infrastructure fees	Specialist doctors with rights of private practice are subject to an infrastructure charge, including service charges where applicable for the use of hospital facilities at rates determined by the Ministry of Health. The performance obligations for these services are typically satisfied when the hospital facilities are made available and used by the doctors and staff specialists. The payments are typically due when monies are collected from patient billings for services provided under the arrangement.	Revenue is recognised when promised services are delivered. No element of financing is deemed present as the services are made with a short credit term.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

14. Investment revenue

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Interest income from financial assets at amortised cost	5,153	3,701	5,153	3,701
Finance income on the net investment in the lease	-	1	-	1
Net gain / (loss) from TCorpIM Funds measured at fair value through profit or loss	2,596	2,203	2,596	2,203
Royalties	-	10	-	10
Dividends	57	-	57	-
	7,806	5,915	7,806	5,915

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.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

15. Grants and other contributions

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Grants to acquire / construct a recognisable non-financial asset to be controlled by the entity				
Grants to acquire / construct non-financial asset	4,371	-	4,371	-
Other grants with sufficiently specific performance obligations				
Ministry of Health National Health Reform Funding*	829,367	-	829,367	-
Cancer Institute grants received from an entity controlled by the immediate parent	6,751	6,916	6,751	6,916
Clinical trials and research grants	13,051	12,686	13,051	12,686
Commonwealth government grants received for community based services	4,230	4,698	4,230	4,698
Commonwealth government grants other	1,676	1,883	1,676	1,883
Grants from entities controlled by the ultimate parent	1,959	1,697	1,959	1,697
Other grants from entities controlled by the immediate parent	99	4,134	99	4,134
Other grants	7,741	7,572	7,741	7,572
Grants without specific performance obligations				
Ministry of Health National Health Reform Funding*	62,142	-	62,142	-
Commonwealth government grants other	33	58	33	58
Grants from entities controlled by the ultimate parent	252	13,721	252	13,721
Other grants from entities controlled by the immediate parent	355	345	355	345
Other grants	51	5	51	5
Donations				
Donations	7,490	5,350	7,490	5,350
	939,568	59,065	939,568	59,065

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

15. Grants and other contributions (continued)

* Represents funding received by SWSLHD 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. In previous years, NHRA funding was not separately distributed by the Ministry of Health and was included within the Ministry of Health recurrent allocations (Note 12).

Recognition and Measurement

Income from grants to acquire / construct a recognisable non-financial asset to be controlled by SWSLHD are recognised when SWSLHD satisfies its obligations under the transfer. SWSLHD 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 SWSLHD satisfies a performance obligation by transferring the promised goods or services. SWSLHD typically receives grants in respect of research, clinical drug trials and other community, health and wellbeing related projects. SWSLHD 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.

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

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

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

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Superannuation - defined benefit plans	2,301	3,548	-	-
Long service leave provision	50,057	34,914	-	-
	52,358	38,462	-	-

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

17. Other income

	Consolidated	Consolidated	Parent	Parent
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Other income comprises the following:				
Commissions	192	289	192	289
Discounts	192	590	192	590
Insurance refunds	454	311	454	311
Rental income				
- Other rental income	5,271	4,971	5,271	4,971
Sponsorship	246	314	246	314
Unclaimed deposits	12	14	12	14
Other	261	102	261	102
	6,628	6,591	6,628	6,591

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

18. Gains / (losses) on disposal

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Gains / (losses) on disposals of:				
Property, plant and equipment				
Written down value of assets disposed	557	1,002	557	1,002
Net gains / (losses) on disposal	(557)	(1,002)	(557)	(1,002)
Right-of-use assets				
Written down value of assets disposed	710	21	710	21
Less : lease liabilities extinguished	715	23	715	23
Net gains / (losses) on disposal	5	2	5	2
Total gains / (losses) on disposal	(552)	(1,000)	(552)	(1,000)

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

19. Other gains / (losses)

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Inventory write down	(13)	202	(13)	202
Foreign exchange gains / (losses)	1	3	1	3
	(12)	205	(12)	205

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

SWSLHD receives various types of grants and donations from different grantors / donors, some of which may not have enforceable performance obligations. SWSLHD 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 29 Restricted assets.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

21. Cash and cash equivalents

	Consolidated	Consolidated	Parent	Parent
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Cash at bank and on hand	2,068	103,134	2,068	103,134
Cash at bank - held by HealthShare NSW*	114,993	-	114,993	-
	117,061	103,134	117,061	103,134

* Represents cash held by HealthShare NSW, a controlled entity of the immediate parent, in a central bank account, on behalf of SWSLHD for its operating and investing activities. It is an operational bank account that earns interest on daily bank balances. Refer to Note 14 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)	117,061	103,134	117,061	103,134
	117,061	103,134	117,061	103,134

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

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

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

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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

22. Receivables

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Current				
Trade receivables from contracts with customers	45,943	41,034	45,943	41,034
Intra health receivables	8,339	5,791	8,339	5,791
Goods and Services Tax	2,729	3,130	2,729	3,130
Other receivables	4,989	4,154	4,989	4,154
Sub total	62,000	54,109	62,000	54,109
Less: Allowance for expected credit losses*				
- Trade receivables from contracts with customers	(5,882)	(5,077)	(5,882)	(5,077)
- Other receivables	(2)	(9)	(2)	(9)
Sub total	56,116	49,023	56,116	49,023
Prepayments	35,748	3,779	35,748	3,779
	91,864	52,802	91,864	52,802

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

Trade receivables from contracts with customers				
Balance at the beginning of the year	(5,077)	(5,379)	(5,077)	(5,379)
Amounts written off during the year	7,844	4,089	7,844	4,089
(Increase) / decrease in allowance recognised in the net result ¹	(8,648)	(3,787)	(8,648)	(3,787)
Balance at the end of the year	(5,882)	(5,077)	(5,882)	(5,077)
Other receivables				
Balance at the beginning of the year	(9)	(4)	(9)	(4)
Amounts written off during the year	7	13	7	13
(Increase) / decrease in allowance recognised in the net result	-	(18)	-	(18)
Balance at the end of the year	(2)	(9)	(2)	(9)
	(5,884)	(5,086)	(5,884)	(5,086)

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Non-current				
Prepayments	7,703	36,326	7,703	36,326
	7,703	36,326	7,703	36,326

¹ Includes total impairment loss of \$8.65 million (2023: \$3.79 million) recognised on receivables from contracts with customers.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

22. 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	6,231	3,621	6,231	3,621
Patient fees - Medicare ineligible	22,649	18,425	22,649	18,425
Patient fees - inpatient & other	9,014	9,696	9,014	9,696
	37,894	31,742	37,894	31,742

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 22)	54,283	46,824	54,283	46,824
Total contract receivables	54,283	46,824	54,283	46,824

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

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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

23. Inventories

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Current				
Held-for-distribution				
Drug supplies	5,151	5,862	5,151	5,862
Medical and surgical supplies	386	-	386	-
	5,537	5,862	5,537	5,862

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 SWSLHD 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.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

24. Financial assets at fair value

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Current				
TCorpIM Funds Investment Facilities	29,729	40,257	29,729	40,257
	29,729	40,257	29,729	40,257

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

Recognition and Measurement

SWSLHD 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, SWSLHD considers:

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

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

Classification and measurement

SWSLHD'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.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

25. Property, plant and equipment

(a) Total property, plant and equipment

PARENT AND CONSOLIDATION

	Land and Buildings \$000	Plant and Equipment ¹ \$000	Infrastructure Systems \$000	Total \$000
At 1 July 2022 - fair value				
Gross carrying amount	3,318,659	234,153	46,526	3,599,338
Less: accumulated depreciation and impairment	972,527	136,613	14,150	1,123,290
Net carrying amount	2,346,132	97,540	32,376	2,476,048

	Land and Buildings \$000	Plant and Equipment ¹ \$000	Infrastructure Systems \$000	Total \$000
Year ended 30 June 2023				
Net carrying amount at beginning of year	2,346,132	97,540	32,376	2,476,048
Additions	130,759	25,259	-	156,018
Disposals	(531)	(471)	-	(1,002)
Transfers within NSW Health entities through Statement of Comprehensive Income	-	4,134	-	4,134
Net revaluation increments less revaluation decrements	123,260	-	12,656	135,916
Depreciation expense	(72,171)	(16,894)	(4,491)	(93,556)
Reclassifications	(121,021)	637	120,384	-
Net carrying amount at end of year	2,406,428	110,205	160,925	2,677,558

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

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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

25. Property, plant and equipment (continued)

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

PARENT AND CONSOLIDATION

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure Systems \$000	Total \$000
At 1 July 2023 - fair value				
Gross carrying amount	3,488,892	253,230	180,786	3,922,908
Less: accumulated depreciation and impairment	1,082,464	143,025	19,861	1,245,350
Net carrying amount	2,406,428	110,205	160,925	2,677,558

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure Systems \$000	Total \$000
Year ended 30 June 2024				
Net carrying amount at beginning of year	2,406,428	110,205	160,925	2,677,558
Additions	162,240	31,112	-	193,352
Reclassification to intangibles	-	(198)	-	(198)
Disposals	(231)	(326)	-	(557)
Transfers within NSW Health entities through Statement of Comprehensive Income	-	99	-	99
Net revaluation increments less revaluation decrements	98,883	-	9,222	108,105
Depreciation expense	(76,083)	(18,201)	(4,993)	(99,277)
Reclassifications	3,708	(16,616)	12,908	-
Net carrying amount at end of year	2,594,945	106,075	178,062	2,879,082

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure Systems \$000	Total \$000
At 30 June 2024 - fair value				
Gross carrying amount	3,729,995	249,558	204,187	4,183,740
Less: accumulated depreciation and impairment	1,135,050	143,483	26,125	1,304,658
Net carrying amount	2,594,945	106,075	178,062	2,879,082

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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

25. Property, plant and equipment (continued)

(b) Property, plant and equipment held and used by SWSLHD

PARENT AND CONSOLIDATION

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure Systems \$000	Total \$000
At 1 July 2022 - fair value				
Gross carrying amount	3,296,789	234,153	46,526	3,577,468
Less: accumulated depreciation and impairment	970,564	136,613	14,150	1,121,327
Net carrying amount	2,326,225	97,540	32,376	2,456,141

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure Systems \$000	Total \$000
Year ended 30 June 2023				
Net carrying amount at beginning of year	2,326,225	97,540	32,376	2,456,141
Additions	130,759	25,259	-	156,018
Disposals	(531)	(471)	-	(1,002)
Transfers within NSW Health entities through Statement of Comprehensive Income	-	4,134	-	4,134
Net revaluation increment less revaluation decrements	122,315	-	12,656	134,971
Depreciation expense	(71,658)	(16,894)	(4,491)	(93,043)
Reclassifications	(121,021)	637	120,384	-
Net carrying amount at end of year	2,386,089	110,205	160,925	2,657,219

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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

25. Property, plant and equipment (continued)

(b) Property, plant and equipment held and used by SWSLHD (continued)

PARENT AND CONSOLIDATION

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure Systems \$000	Total \$000
At 1 July 2023 - fair value				
Gross carrying amount	3,465,939	253,230	180,786	3,899,955
Less: accumulated depreciation and impairment	1,079,850	143,025	19,861	1,242,736
Net carrying amount	2,386,089	110,205	160,925	2,657,219

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure Systems \$000	Total \$000
Year ended 30 June 2024				
Net carrying amount at beginning of year	2,386,089	110,205	160,925	2,657,219
Additions	162,240	31,112	-	193,352
Reclassification to intangibles	-	(198)	-	(198)
Disposals	(231)	(326)	-	(557)
Transfers within NSW Health entities through Statement of Comprehensive Income	-	99	-	99
Net revaluation increments less revaluation decrements	97,862	-	9,222	107,084
Depreciation expense	(75,544)	(18,201)	(4,993)	(98,738)
Reclassifications	3,708	(16,616)	12,908	-
Net carrying amount at end of year	2,574,124	106,075	178,062	2,858,261

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure Systems \$000	Total \$000
At 30 June 2024 - fair value				
Gross carrying amount	3,705,793	249,558	204,187	4,159,538
Less: accumulated depreciation and impairment	1,131,669	143,483	26,125	1,301,277
Net carrying amount	2,574,124	106,075	178,062	2,858,261

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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

25. Property, plant and equipment (continued)

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

PARENT AND CONSOLIDATION

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure Systems \$000	Total \$000
At 1 July 2022 - fair value				
Gross carrying amount	21,870	-	-	21,870
Less: accumulated depreciation and impairment	1,963	-	-	1,963
Net carrying amount	19,907	-	-	19,907

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure Systems \$000	Total \$000
Year ended 30 June 2023				
Net carrying amount at beginning of year	19,907	-	-	19,907
Net revaluation increment less revaluation decrements	945	-	-	945
Depreciation expense	(513)	-	-	(513)
Net carrying amount at end of year	20,339	-	-	20,339

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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

25. Property, plant and equipment (continued)

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

PARENT AND CONSOLIDATION

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure Systems \$000	Total \$000
At 1 July 2023 - fair value				
Gross carrying amount	22,953	-	-	22,953
Less: accumulated depreciation and impairment	2,614	-	-	2,614
Net carrying amount	20,339	-	-	20,339

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure Systems \$000	Total \$000
Year ended 30 June 2024				
Net carrying amount at beginning of year	20,339	-	-	20,339
Net revaluation increments less revaluation decrements	1,021	-	-	1,021
Depreciation expense	(539)	-	-	(539)
Net carrying amount at end of year	20,821	-	-	20,821

	Land and Buildings \$000	Plant and Equipment \$000	Infrastructure Systems \$000	Total \$000
At 30 June 2024 - fair value				
Gross carrying amount	24,202	-	-	24,202
Less: accumulated depreciation and impairment	3,381	-	-	3,381
Net carrying amount	20,821	-	-	20,821

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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

25. Property, plant and equipment (continued)

Recognition and Measurement

Acquisition of property, plant and equipment

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

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 SWSLHD and records all costs incurred as work in progress or expenses and subsequently transfers those costs to SWSLHD. The costs are then accordingly reflected in SWSLHD's financial statements. SWSLHD 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 SWSLHD are deemed to be controlled by SWSLHD and are reflected as such in the financial statements.

Capitalisation thresholds

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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

25. 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 SWSLHD.

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

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

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

	Useful lives 2024	Useful lives 2023
Buildings	30-70 years	30-70 years
Buildings - leasehold improvements	3-10 years	3-10 years
Plant and equipment	4-20 years	4-20 years
Infrastructure Systems	40 years	40 years

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

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

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

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

Further information on leases is contained in Note 26.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

25. 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. SWSLHD 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. SWSLHD uses an independent professionally qualified valuer for such interim revaluations.

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

Indices were subsequently obtained from CBRE Valuation & Advisory Services as at 30 June 2024. Indices obtained indicated a cumulative increase in market price of -2.15% for residential land, 5.06% for specialised/commercial land and an increase in construction costs of 14.55% for building and infrastructure. Management has applied these indices to perform an interim revaluation and has recognised the resulting revaluation increment for land, buildings and infrastructure in 2023 and 2024.

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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

26. Leases

Entity as a lessee

SWSLHD leases various property, equipment and motor vehicles. Lease contracts are typically made for fixed periods of 3 to 5 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. SWSLHD 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 SWSLHD 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.

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extensions and termination options was an increase in recognised lease liabilities and right-of-use assets of \$Nil.

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

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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

26. Leases (continued)

Entity as a lessee (continued)

Right-of-use assets under leases

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

PARENT AND CONSOLIDATION

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$'000
Balance at 1 July 2023	37,033	18,517	55,550
Additions	-	17,651	17,651
Reassessments	256	3,970	4,226
Disposals	(612)	(98)	(710)
Depreciation expense	(2,877)	(7,683)	(10,560)
Balance at 30 June 2024	33,800	32,357	66,157

PARENT AND CONSOLIDATION

	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$'000
Balance at 1 July 2022	37,987	19,583	57,570
Additions	1,349	3,163	4,512
Reassessments	978	2,401	3,379
Disposals	-	(21)	(21)
Depreciation expense	(3,281)	(6,609)	(9,890)
Balance at 30 June 2023	37,033	18,517	55,550

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

26. Leases (continued)

Entity as a lessee (continued)

Lease liabilities

The following table presents liabilities under leases.

PARENT AND CONSOLIDATION

	2024	2023
	\$000	\$000
Balance at 1 July	58,353	59,864
Additions	17,651	4,512
Interest expenses	1,385	1,082
Payments	(11,349)	(10,461)
Terminations / derecognition	(715)	(23)
Other adjustments	4,226	3,379
Balance at 30 June	69,551	58,353

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

PARENT AND CONSOLIDATION

	2024	2023
	\$000	\$000
Depreciation expense of right-of-use assets	10,560	9,890
Interest expense on lease liabilities	1,385	1,082
Expenses relating to short-term leases	2,199	1,895
Expenses relating to leases of low-value assets	3,808	3,215
(Gains) / losses on disposal	(5)	(3)
Total amount recognised in the statement of comprehensive income	17,947	16,079

SWSLHD had total cash outflows for leases of \$17.36 million for the year ended 30 June 2024 (2023: \$15.57 million).

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

26. Leases (continued)

Entity as a lessee (continued)

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

SWSLHD entered into a number of leases, with lease terms ranging from 5 to 10 years with various organisations (Lendlease Real Estate Investment Limited & GPT Funds Management Limited, State Rail Authority of NSW and Wingecarribee Shire Council), for the use of community health buildings. The contract specifies lease payments of \$0.26k per annum. The leased premise is be used by SWSLHD to provide different community health services. The community health buildings account for a small portion of the similar assets SWSLHD is using for the purpose of providing community services. Therefore it does not have a significant impact on SWSLHD's operations.

Recognition and Measurement

SWSLHD 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.

SWSLHD 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	4 years
Plant and equipment	5 years
Motor vehicles and other equipment	3 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. SWSLHD 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, SWSLHD 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

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

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

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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

27. Intangible assets

PARENT AND CONSOLIDATION

	Software \$000	Total \$000
At 1 July 2022		
Cost (gross carrying amount)	4,894	4,894
Less: accumulated amortisation and impairment	1,555	1,555
Net carrying amount	3,339	3,339

Year ended 30 June 2023

Net carrying amount at beginning of year	3,339	3,339
Amortisation (recognised in depreciation and amortisation)	(431)	(431)
Net carrying amount at end of year	2,908	2,908

At 1 July 2023

Cost (gross carrying amount)	4,894	4,894
Less: accumulated amortisation and impairment	1,986	1,986
Net carrying amount	2,908	2,908

Year ended 30 June 2024

Net carrying amount at beginning of year	2,908	2,908
Reclassifications from plant and equipment	198	198
Amortisation (recognised in depreciation and amortisation)	(549)	(549)
Net carrying amount at end of year	2,557	2,557

At 30 June 2024

Cost (gross carrying amount)	5,018	5,018
Less: accumulated amortisation and impairment	2,461	2,461
Net carrying amount	2,557	2,557

Recognition and Measurement

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

SWSLHD's intangible assets are amortised using the straight-line method over a period of four years.

Computer software developed or acquired by SWSLHD 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.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

28. Fair value measurement of non-financial assets

PARENT AND CONSOLIDATION

Fair value measurement and hierarchy

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13 Fair Value Measurement, SWSLHD 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).

SWSLHD 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 25)				
- Land and buildings	-	81,727	2,118,241	2,199,968
- Infrastructure systems	-	-	178,062	178,062
	-	81,727	2,296,303	2,378,030

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 25.

	Level 1	Level 2	Level 3	Total Fair Value
2023	\$000	\$000	\$000	\$000
Property, plant and equipment (Note 25)				
- Land and buildings	-	80,653	1,980,255	2,060,908
- Infrastructure systems	-	-	161,008	161,008
	-	80,653	2,141,263	2,221,916

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 25.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

(b) Valuation techniques, inputs and processes

For land, buildings and infrastructure systems SWSLHD obtains external valuations by independent valuers at least every three years. The last revaluation was performed by CBRE Valuation & Advisory Services for the 2021-22 financial year. CBRE Valuation & Advisory Services is an independent entity and is not an associated entity of SWSLHD.

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 25).

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.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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

(c) Reconciliation of recurring Level 3 fair value measurements

PARENT AND CONSOLIDATION

2024	Land and Buildings \$000	Infrastructure Systems \$000	Total Level 3 Recurring \$000
Fair value as at 1 July 2023	1,980,255	161,008	2,141,263
Additions*	116,778	12,908	129,686
Revaluation increments/(decrements) recognised in other comprehensive income - included in line item 'Changes in revaluation surplus of property, plant and equipment' (Note 25)	97,523	9,222	106,745
Disposals	(231)	-	(231)
Depreciation expense	(76,084)	(5,076)	(81,160)
Fair value as at 30 June 2024	2,118,241	178,062	2,296,303

* 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
Fair value as at 1 July 2022	1,501,303	32,376	1,533,679
Additions*	429,357	120,384	549,741
Revaluation increments/(decrements) recognised in other comprehensive income - included in line item 'Changes in revaluation surplus of property, plant and equipment' (Note 25)	122,639	12,656	135,295
Disposals	(531)	-	(531)
Depreciation expense	(72,513)	(4,408)	(76,921)
Fair value as at 30 June 2023	1,980,255	161,008	2,141,263

* 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.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

29. Restricted assets

PARENT AND CONSOLIDATION

SWSLHD'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	4,835	1,464	1,416	4,883
Facility improvements	56,678	(6,574)	2,895	47,209
Patient welfare	2,086	154	342	1,898
Private practice disbursements (No.2 Accounts)	43,814	13,300	8,790	48,324
Public contributions	3,008	2,082	1,100	3,990
Clinical trials	16,534	14,314	10,903	19,945
Research	5,011	696	769	4,938
Staff welfare	1,105	9	84	1,030
Training and education including conferences	8,424	1,598	1,425	8,597
	141,495	27,043	27,724	140,814

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

Category	Purpose
Community welfare	Improvements to service access, health literacy, public and preventative health care.
Facility improvements	Repairs, maintenance, renovations and/or new equipment or building related expenditure.
Patient welfare	Improvements such as medical needs, financial needs and standards for patients'.
Private practice disbursements (No.2 Accounts)	Staff specialists' private practice arrangements to improve the level of clinical services provided.
Public contributions	Donations or legacies received without any donor-specified conditions as to its use.
Clinical trials	A study designed to test the safety and effectiveness of a treatment.
Research	Research to gain knowledge, understanding and insight.
Staff welfare	Staff benefits such as staff recognition awards, functions and staff amenity improvements.
Training and education including conferences	Professional training, education and conferences.

Unclaimed monies

All money and personal effects of patients which are left in the custody of SWSLHD 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 SWSLHD.

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.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

30. Payables

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Current				
Accrued salaries, wages and on-costs	41,696	30,153	-	-
Salaries and wages deductions	381	323	-	-
Payroll and fringe benefits tax	11	60	-	-
Accrued liability - purchase of personnel services	-	-	42,088	30,536
Creditors	57,798	79,407	57,798	79,407
Other creditors				
- Payables to entities controlled by the immediate parent	30,054	26,461	30,054	26,461
- Other	126	143	126	143
	130,066	136,547	130,066	136,547

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 SWSLHD 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.

South Western Sydney Local Health District

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
Current				
Other loans and deposits	239	3,752	239	3,752
Lease liabilities (see Note 26)	10,198	8,806	10,198	8,806
	10,437	12,558	10,437	12,558
Non-current				
Other loans and deposits	1,126	1,365	1,126	1,365
Lease liabilities (see Note 26)	59,353	49,547	59,353	49,547
	60,479	50,912	60,479	50,912

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

Final repayment of Liverpool Carpark loan was made on 25 June 2024, and final repayment of Fairfield EEGP loan is scheduled for 31 December 2029.

Other loans still to be extinguished represent monies to be repaid to the immediate parent and the NSW Treasury, which is controlled by the ultimate parent.

Recognition and Measurement

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

Borrowings are classified as current liabilities unless SWSLHD 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.

Changes in liabilities arising from financing activities

PARENT AND CONSOLIDATION

	Derivatives \$000	Service concession arrangements \$000	Other loans and deposits \$000	Leases \$000	Total liabilities from financing \$000
1 July 2022	-	-	9,860	59,863	69,723
Cash flows	-	-	(4,743)	(9,379)	(14,122)
New leases	-	-	-	4,512	4,512
Lease terminations	-	-	-	(23)	(23)
Lease reassessments	-	-	-	3,380	3,380
30 June 2023	-	-	5,117	58,353	63,470
1 July 2023	-	-	5,117	58,353	63,470
Cash flows	-	-	(3,752)	(9,964)	(13,716)
New leases	-	-	-	17,651	17,651
Lease terminations	-	-	-	(715)	(715)
Lease reassessments	-	-	-	4,226	4,226
30 June 2024	-	-	1,365	69,551	70,916

South Western Sydney Local Health District

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
Current				
Employee benefits and related on-costs				
Annual leave				
- Obligations expected to be settled within 12 months	163,055	144,506	-	-
- Obligations expected to be settled after 12 months	112,256	120,883	-	-
Long service leave consequential on-costs				
- Obligations expected to be settled within 12 months	3,806	2,897	-	-
- Obligations expected to be settled after 12 months	41,852	37,981	-	-
Parental leave				
- Obligations expected to be settled within 12 months	9,069	-	-	-
Provision for other employee benefits	7,704	8,658	-	-
Provision for personnel services liability	-	-	337,742	314,925
Total current provisions	337,742	314,925	337,742	314,925
Non-current				
Employee benefits and related on-costs				
Long service leave consequential on-costs	5,054	4,027	-	-
Provision for personnel services liability	-	-	5,054	4,027
Total non-current provisions	5,054	4,027	5,054	4,027
Aggregate employee benefits and related on-costs				
Provisions - current	337,742	314,925	-	-
Provisions - non-current	5,054	4,027	-	-
Accrued salaries, wages and on-costs and salaries and wages deductions (Note 30)	42,077	30,476	-	-
Liability - purchase of personnel services	-	-	384,873	349,428
	384,873	349,428	384,873	349,428

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

32. Provisions (continued)

Recognition and Measurement

Employee benefits and other provisions

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

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

Annual leave, ADO and parental leave are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As such, they are required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted).

Actuarial advice obtained by NSW Treasury, a controlled entity of the ultimate parent, has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave can be used to approximate the present value of the annual leave liability. On-costs of 22.38% are applied to the value of leave payable at 30 June 2024 (comparable on-costs for 30 June 2023 were 21.58%). SWSLHD has assessed the actuarial advice based on the SWSLHD'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 SWSLHD does not expect to settle the liability within 12 months as SWSLHD 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

SWSLHD'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. SWSLHD 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 SWSLHD.

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.

South Western Sydney Local Health District

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
Current				
Unearned revenue	552	592	552	592
	552	592	552	592
Non-current				
Unearned revenue	17,213	17,755	17,213	17,755
Liabilities under transfer to acquire or construct non-financial assets to be controlled by the entity	11,006	13,506	11,006	13,506
	28,219	31,261	28,219	31,261

Unearned revenue was derived from the following:

Current unearned revenue \$0.5m relate to prepaid rental from the University of Wollongong at Bowral Hospital (\$7k) and prepaid rental from Western Sydney University for the Macarthur Clinical School at Campbelltown Hospital (\$0.5m).

Non-current unearned revenue \$17m relate to the Macarthur Clinical School Capital funding received from Western Sydney University treated as prepaid rental ("right of use"), over the 40 year life of the land lease at Campbelltown Hospital.

Non-current liabilities \$11m relate to the Radiation Oncology Health Program Grants received in advance.

PARENT AND CONSOLIDATION

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

	2024 \$'000	2023 \$000
Opening balance of liabilities arising from transfers to acquire / construct non-financial assets to be controlled by the entity	13,506	11,605
Add: receipt of cash during the financial year	1,871	1,901
Deduct: income recognised during the financial year	4,371	-
Closing balance of liabilities arising from transfers to acquire / construct non-financial assets to be controlled by the entity	11,006	13,506

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

SWSLHD 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.

South Western Sydney Local Health District

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	97,637	82,541	97,637	82,541
Later than one year and not later than five years	177,040	347,570	177,040	347,570
Later than five years	-	98	-	98
Total (including GST)	274,677	430,209	274,677	430,209

(b) Contingent asset related to commitments for expenditure

The total 'Capital expenditure commitments' of \$274.68 million as at 30 June 2024 includes input tax credits (GST) of \$2.17 million that are expected to be recoverable from the Australian Taxation Office (2023: \$3.62 million).

Output tax payable related to commitments for revenue

The 'Operating Lease Commitments (Entity as Lessor)' of \$45.48 million as at 30 June 2024 includes taxable sales (GST) of \$2.36 million that are expected to be payable to the Australian Taxation Office (2023: \$2.44 million).

35. Contingent liabilities and contingent assets

PARENT AND CONSOLIDATION

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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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). SWSLHD'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, SWSLHD's financial statements present adjusted budget information. The adjusted budgeted amounts are drawn from the initial Service Agreements between SWSLHD and the Ministry of Health at the beginning of the financial year, as well as any adjustments for the effects of additional supplementation provided in accordance with delegations to derive a final budget at year end (i.e. adjusted budget). The budget amounts are not subject to audit and, accordingly, the relevant budget entries in the financial statements are unaudited.

PARENT AND CONSOLIDATION

Net result

The actual Net Result was higher than adjusted budget by \$13 million, primarily due to:

Favourability in revenue of \$23.8M and government contributions (subsidy) of \$55.7M offset by unfavourability in expenses of \$57.6M and other items of \$8.4M.

Revenue favourability of \$23.8M was primarily driven by increased Grants & Contributions within commercially sponsored Clinical Trials, specifically Haematology and Medical Oncology, as well as investment revenue. This is partly offset by unfavourability in Patient Fees and National Health Reform Agreement funding. Although patient fee revenue is unfavourable to budget, it is an increase of \$23M compared to Financial Year 23 actual result, reflecting the success of strategies to improve private patient conversion.

Expense unfavourability of \$57.6M is primarily due to unfunded increases in Visiting Medical Officer (VMO) and premium labour use, such as overtime, due to staff vacancies, as well as unfunded expenditure outsourced to private hospitals to reduce the overdue surgical waitlist. Clinical trial expenditure is also unfavourable to budget, however, Clinical Trials are fully funded by the Revenue they earn, and are favourable from a Net Cost of Service perspective.

Assets and liabilities

The Net Assets are \$121M favourable to budget. This was primarily driven by the unbudgeted uplift in land & buildings fair value (\$108M) as a result of the desktop revaluation conducted in 2023/24 to reflect changes in market conditions, specifically around gross construction costs for building. Excluding the revaluation impact driving the total asset result, total liabilities are favourable to budget primarily driven by a reduction in current payables (refer to Note 30).

Cash flows

Overall Cash Flows were favourable to budget by \$22M. Primarily driven by Net cash flows from Operating Activities which were \$15M favourable to budget, offset by higher than expected outflows from financing activities (\$7.4M). Cash flows from investing activities were a further \$15M favourable to budget improving the cash flow position.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

36. Adjusted budget review

Movements in the level of the Ministry of Health Recurrent Allocation that have occurred since the time of the initial allocation on 1 July 2023 are as follows:

	\$000
Initial allocation, 1 July 2023	1,969,555
Escalation and Growth	125,946
Commonwealth revenue	(892,927)
Special projects	
Workforce Resilience	13,077
Nursing and Midwifery Strategy Reserves and Enhancements	9,419
Safe Staffing Levels	6,224
Adult Dental Services	5,714
Elective Surgery	7,008
Other Initiatives	10,730
Balance Sheet Movements	22,572
Antiviral Pharmaceuticals	4,329
Mobile Dental Program	3,941
Early Childhood Education	3,269
Drug & Alcohol Ice Enquiry	3,267
End Of Life Care	1,935
Waived Staff Car Parking Fees	1,688
Women's Health	1,460
Increased Gas Charges	1,265
AN-ACC Assessment Services	1,259
Towards Zero Suicides	1,237
BreastScreen	1,197
Menopause Services Model	1,123
Child Development	1,000
Pregnancy Connect	652
Youth Mental Health Services	588
Aboriginal programs	427
Workplace Safety and Culture	331
TMF Adjustment	(1,440)
Whole Of Government Savings	(19,841)
Balance as per Statement of Comprehensive Income	1,285,005

South Western Sydney Local Health District

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	209,324	211,062	209,324	211,062
Depreciation and amortisation expense	(110,386)	(103,877)	(110,386)	(103,877)
Allowance for impairment	(8,662)	(3,603)	(8,662)	(3,603)
(Increase) / decrease in other liabilities	3,082	(1,316)	3,082	(1,316)
Decrease / (increase) in provisions	(23,844)	20,585	(23,844)	20,585
Increase / (decrease) in inventory	(311)	(739)	(311)	(739)
Increase / (decrease) in prepayments and other assets	17,593	(2,803)	17,593	(2,803)
Decrease / (increase) in payables	6,476	(9,217)	6,476	(9,217)
Decrease / (increase) in contract liabilities	(3)	(559)	(3)	(559)
Increase / (decrease) in financial instruments at fair value	2,596	2,203	2,596	2,203
Net gain / (loss) on sale of property, plant and equipment	(557)	(1,002)	(557)	(1,002)
Net gain / (loss) on disposal of right-of-use assets	5	2	5	2
Assets donated or brought to account (Note 38)	99	4,134	99	4,134
Net result	95,412	114,870	95,412	114,870

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	99	4,134	99	4,134
Property, plant and equipment acquired by a lease	17,651	4,512	17,651	4,512
	17,750	8,646	17,750	8,646

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

39. Trust funds

PARENT AND CONSOLIDATION

SWSLHD holds trust funds of \$1.3 million (2023: \$1.5 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 SWSLHD 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
Patient Trust	214	13	(13)	214
Refundable Deposits	634	23	-	657
Private Patient Trust Funds	-	43,166	(43,166)	-
Third Party Funds	633	1,126	(1,285)	474
Total trust funds	1,481	44,328	(44,464)	1,345

Category	1 July 2022			30 June 2023
	Opening equity	Revenue	Expense	Closing equity
	\$'000	\$000	\$000	\$'000
Patient Trust	206	8	-	214
Refundable Deposits	562	72	-	634
Private Patient Trust Funds	-	40,590	(40,590)	-
Third Party Funds	646	1,015	(1,028)	633
Total trust funds	1,414	41,685	(41,618)	1,481

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.

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

40. Financial instruments

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

SWSLHD's main risks arising from financial instruments are outlined below, together with SWSLHD'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 SWSLHD, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

(a) Financial instrument categories

PARENT AND CONSOLIDATION

Class	Category	Carrying	Carrying
		Amount	Amount
		2024	2023
		\$000	\$000
Financial assets			
Cash and cash equivalents (Note 21)	Amortised cost	117,061	103,134
Receivables (Note 22) ¹	Amortised cost	53,387	45,893
Financial assets at fair value (Note 24)	Fair value through profit or loss - mandatory classification	29,729	40,257
Other financial assets	Amortised cost	-	46
Total financial assets		200,177	189,330
Financial liabilities			
Borrowings (Note 31)	Financial liabilities measured at amortised cost	70,916	63,470
Payables (Note 30) ²	Financial liabilities measured at amortised cost	130,055	136,487
Total financial liabilities		200,971	199,957

Notes

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

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

SWSLHD 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:

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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

40. Financial instruments (continued)

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

When SWSLHD 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 SWSLHD has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of SWSLHD's continuing involvement in the asset. In that case, SWSLHD also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that SWSLHD 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 SWSLHD 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 SWSLHD. 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 SWSLHD, including cash, receivables and authority deposits. No collateral is held by SWSLHD. SWSLHD has not granted any financial guarantees.

Credit risk associated with SWSLHD'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.

South Western Sydney Local Health District

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)

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

SWSLHD 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. SWSLHD 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.

South Western Sydney Local Health District

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	2.97%	7.80%	16.61%	21.88%	26.82%	11.55%
Estimated total gross carrying amount ¹	29,728	2,282	1,914	1,161	15,848	50,932
Expected credit loss	884	178	318	254	4,250	5,884
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	3.15%	6.76%	16.10%	21.17%	25.59%	11.24%
Estimated total gross carrying amount ¹	25,041	3,450	1,486	1,808	13,448	45,234
Expected credit loss	789	233	239	383	3,442	5,086

Notes

¹ The analysis excludes statutory receivables and prepayments as these are not within the scope of AASB 7 Financial Instruments: Disclosures. Therefore the 'total' will not reconcile to the receivables total in Note 22.

SWSLHD 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 SWSLHD will be unable to meet its payment obligations when they fall due. SWSLHD 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.

SWSLHD 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. SWSLHD's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

South Western Sydney Local Health District

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)

SWSLHD 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 SWSLHD 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.

South Western Sydney Local Health District

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 SWSLHD's financial liabilities together with the interest rate exposure.

Maturity Analysis and interest rate exposure of financial liabilities

	Interest Rate Exposure				Maturity Dates			
	EIR ³ %	Nominal Amount ¹ \$000	Fixed	Variable	Non -	< 1 Yr \$000	1-5 Yr \$000	> 5Yr \$000
			Interest Rate \$000	Interest Rate \$000	Bearing Interest \$000			
2024								
Payables:								
- Creditors ²		130,055	-	-	130,055	130,055	-	-
Borrowings:								
- Other loans and deposits	1.64	1,433	1,433	-	-	261	1,042	130
- Lease liabilities	2.66	81,245	81,245	-	-	11,568	30,517	39,160
		212,733	82,678	-	130,055	141,884	31,559	39,290
2023								
Payables:								
- Creditors ²		136,487	-	-	136,487	136,487	-	-
Borrowings:								
- Other loans and deposits	5.83	5,379	5,379	-	-	3,946	1,042	391
- Lease liabilities	1.96	68,554	68,554	-	-	9,341	23,164	36,049
		210,420	73,933	-	136,487	149,774	24,206	36,440

Notes:

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

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

³ Weighted Average Effective Interest Rate (EIR).

South Western Sydney Local Health District

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. SWSLHD's exposures to market risk are primarily through interest rate risk on SWSLHD's borrowings and other price risks associated with the movement in the Hour Glass Investment Facilities. SWSLHD 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 SWSLHD operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position date. The analysis is performed on the same basis as for 2023. The analysis assumes that all other variables remain constant.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to interest rate risk arises primarily through SWSLHD's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily through NSW TCorp.

SWSLHD 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, SWSLHD 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	(759)	759	(800)	800
Equity	(759)	759	(800)	800

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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 SWSLHD. 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, SWSLHD did not hold any material foreign currency denominated monetary assets and monetary liabilities.

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. SWSLHD has no direct equity investments. SWSLHD holds units in the following TCorpIM Funds trusts:

Facility	Investment Sectors	Investment Horizon	2024 \$000	2023 \$000
TCorpIM Medium Term Growth Fund	Cash and fixed income, credit, equities, alternative assets and real assets	3 years to 7 years	29,729	40,257

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 SWSLHD'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 Medium Term Growth Fund	10%	10%	2,973	4,026

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

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.

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, SWSLHD 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).

SWSLHD 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
Financial assets at fair value				
TCorpIM Funds	-	29,729	-	29,729
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2023 Total \$'000
Financial assets at fair value				
TCorpIM Funds	-	40,257	-	40,257

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 SWSLHD'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.

South Western Sydney Local Health District

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	1,313	916
Post-employment benefits	101	67
	1,414	983

During the financial year, South Western Sydney Local Health District obtained key management personnel services from the immediate parent and incurred \$0.471 million (2023: \$0.450 million) for these services. The amount in this paragraph includes Chief Executives employed and paid by the Ministry of Health and reimbursed by SWSLHD. It does not form part of the key management personnel compensation disclosed in the table above.

SWSLHD'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 SWSLHD had with government related entities during the financial year

During the financial year and comparative year, SWSLHD 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

South Western Sydney Local Health District

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

41. Related party disclosures (continued)

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

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

- Payroll and fringe benefits taxes
- Audit of the statutory financial statements
- Legal and consultancy services
- Utilities, including electricity, gas and water expenses
- Motor vehicle toll expenses
- Insurance costs
- Occupancy agreement expenses for Property NSW properties
- 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

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
- Motor vehicle rebates
- 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
- Energy Efficient Government Program loans are held with the Crown
- 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