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# 1

## Background

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## 1.1 Purpose

This document (2025-26 Financial Requirements and Conditions of Subsidy (Government Grants)) is a policy document that outlines the requirements and guidelines for financial management and compliance for Public Health Entities (PHEs) within the NSW Health system. PHEs are required to comply with the Conditions of Subsidy, which include financial accountability, budget management, and compliance with accounting standards, taxation legislation and Government policies.

The Conditions of Subsidy emphasise the importance of sound financial management, proper accounting procedures, tax compliance, accurate record keeping, and adherence to directions and requirements set by the Secretary and the Ministry of Health.

This policy document outlines the requirements and provides guidance to ensure that Conditions of Subsidy requirements under the [Health Services Act 1997](#) and other relevant NSW Health policy requirements are met. This policy document outlines requirements and expectations in relation to financial matters including accountability, budget and liquidity management, Auditor-General compliance, taxation, superannuation, and leave.

The key principles in this document, will:

- assist PHEs to comply with the Health Services Act 1997 and respective Service Agreements
- enable appropriate reporting on key financial and non-financial information in relation to the subsidies
- provide guidance to PHEs on financial reporting requirements to ensure policy compliance
- provide guidance to PHEs to promote and enhance consistency of reporting between PHEs.

PHEs are required to comply with these guidelines and policy directives as these represent best practice and ensure compliance with statutory and legislative policy requirements across NSW Health.

The requirement to comply with the various Conditions of Subsidy is outlined in the Service Agreements between NSW Health and NSW Health Public Health Entities (PHEs). These Service Agreements are a central component of the [NSW Health Performance Framework](#). The Conditions of Subsidy requirements outlined in this policy document should therefore be read in conjunction with the Service Agreement and with knowledge of the NSW Health Performance Framework.

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## 1.2 Legal status of this document

The [Health Services Act 1997](#) is the principal act regulating the governance and management of the public health system in NSW. The Act establishes the NSW public health system as comprising of:

- Local Health Districts
- Statutory Health Corporations, including board, chief executive and network governed Statutory Health Corporations
- Affiliated Health Organisations (with respect to their recognised services)
- the Secretary, NSW Health, with respect to ambulance services and other services to support the public health system.

In the context of this policy, Public Health Entities (PHEs) are entities which receive government grants from the Ministry of Health via Service Agreements. Specifically, these are Local Health Districts, Statutory Health Corporations, St Vincent's Health Network, and services provided by Health Administration Corporation as incorporated by the [Health Administration Act 1982](#), including NSW Ambulance. This document does not apply to other NSW Government entities within the Health portfolio such as the Health Care Complaints Commission, Mental Health Review Tribunal, Health Professionals Councils, and Mental Health Commission of NSW.

[Section 4.7 of the Government Sector Finance Act](#) deems government money that a GSF agency receives or recovers, including from the Commonwealth or other GSF agency as appropriation.

[Section 127 of the Health Services Act 1997](#) refers to appropriation as subsidy and permits the Minister for Health ('the Minister') to determine the subsidies, if any, to all local health districts and statutory health corporations), including the Cancer Institute NSW, from the money appropriated to the Minister for Health under the annual Appropriation Act. The same section allows the Minister, or delegate, to attach conditions to such subsidy. The ability to apply conditions of subsidy has been delegated to the Secretary, Deputy Secretary, Chief Financial Officer and Deputy Chief Financial Officer (as part of delegations F23 and F25 of the [Finance and Expenditure Delegations](#)).

In practice, recurrent refers to operating expenses and revenues and will be referred to as such within this document and in communications to PHEs.

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## 1.3 When and how to use this policy

This policy document should be read in conjunction with the documents listed in section 1.2 Legal status of this document.

This document should be understood by each Chief Executive, Director of Finance, and their direct reports:

- as a requirement of receiving government grants from the Ministry of Health
- to comply with mandatory reporting requirements
- to ensure consistency in financial reporting and statutory compliance across the NSW public health system
- to ensure appropriate governance and compliance of each PHE's financial performance and balance sheet position.

This document is structured to identify the Conditions of Subsidy with explanatory notes following.

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## 1.4 Escalation requirements

Section 127 (5) of the *Health Services Act 1997* states that if any such condition is breached, the Health Secretary may make such recommendations to the Minister as the Health Secretary thinks fit concerning any action to be taken against the public health organisation concerned or any officer or employee of the organisation.

Chief Executives (CEs), Directors of Finance (DoFs), and their direct reports are responsible for understanding and complying with this policy. Non-compliance may result in performance review meetings and can impact the relationship with the Ministry of Health.

Where requirements are not complied with or key performance metrics are not met, the Ministry of Health will consider these as part of the quarterly performance review meetings with the CE and escalated to the Deputy Secretary Financial and Corporate Services and Chief Financial Officer, NSW Health and internal audit where appropriate.

Interpretations of the provisions of this guidance paper that are unclear or not specifically addressed should be discussed in writing with the Executive Director System Financial Performance and Deputy Chief Financial Officer in the first instance or otherwise the Deputy Secretary Financial and Corporate Services and Chief Financial Officer, NSW Health.

## 1.5 Policy review and control

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<b>Issue Date</b>	24 June 2025
<b>Revised Date</b>	23 June 2025
<b>Author</b>	Executive Director System Financial Performance and Deputy Chief Financial Officer
<b>Key Changes to 30 June 2025 policy document</b>	<ul style="list-style-type: none"><li>• Streamlining of document to clearly outlay the Conditions of subsidy</li><li>• standardise the format of each section</li><li>• replace repetition of existing policy/procedure or legislation with references where appropriate</li><li>• include team contact details.</li></ul>

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# 2

## Conditions of Subsidy

## 2.1 Financial management

It is a Condition of Subsidy that:

PHE Chief Executives ensure that there are appropriate measures in place for sound financial management and compliance with Ministry of Health and Government policies with regards to financial and budgeting practices.

PHEs operate within the [NSW Health Performance Framework](#).

PHEs meet the targets and other performance requirements of their Service Agreement. This includes operating within approved operating and capital budgets, achieving service activity volumes, key performance indicators and other performance and service objectives.

PHEs employ or engage a Director of Finance (or delegate) to attend and contribute to the entirety of meetings of the Executive Leadership team, Board, Board Finance and Performance Sub Committee and Audit and Risk Management Committee. This requirement is in accordance with the Chief Financial Officer's role in risk management as set out in [TPG 24-08](#) CFO Certification on the Internal Control Framework over Financial Systems and Information.

PHEs develop and maintain a financial strategy that includes focus on accurate forecasting, strengthening financial governance, financial sustainability along with sound budget planning and financial management practices to assess and make allowance for a normal level operational volatility and risk in annual budget formation.

Financial sustainability should be viewed from both a short- and long-term perspective. Short term indicators show the ability of an entity to sustain sufficient liquidity, while long term indicators have a strategic focus such as an ability to continue funding asset replacement programs.

Statistical analysis and use of the MoH Financial Analytics tool across employee related, goods and services, and repairs, maintenance and renewals can inform the assessment of operational volatility and risk, along with discussions with Board governance committees including Finance and Performance and Audit and Risk committees.

Chief Executives and Boards are best placed to meet the above obligations with the support of a Director of Finance that is a member of a professional Australian accounting organisation (CPA or CA) to prepare budgets, monitor financial performance and compete statutory financial accounts.

Contact [MOH-InternalReportingFinance@health.nsw.gov.au](mailto:MOH-InternalReportingFinance@health.nsw.gov.au) for guidance.

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## 2.2 Compliance with applicable laws, regulations, and directions

It is a Condition of Subsidy that:

1. PHEs comply with the requirements of relevant laws and regulations
2. Government grants (subsidies) are spent in accordance with the purpose and conditions of Service Agreements and must comply with all statutory and regulatory conditions placed upon the payment of grants under the Service Agreement and any subsequent funding approvals.
3. each PHE must comply with the requirements of:
  - the [Accounts and Audit Determination for Public Health Entities in NSW](#)
  - the [NSW Health Accounting Policy Manual](#)
  - the [Australian Accounting Standards Board pronouncements](#), where applicable to the public sector

4. any directions, policy directives, information bulletins, guidelines, manuals and any other policies or procedures issued or approved by the Ministry of Health, Health Secretary, Minister or Treasury
5. each PHE must complete and submit an annual Corporate Governance Attestation Statement, using the template as issued by the Ministry.

For further information, contact [MOH-HealthFinReporting@health.nsw.gov.au](mailto:MOH-HealthFinReporting@health.nsw.gov.au).

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## 2.3 Statutory reporting and audit compliance

It is a Condition of Subsidy that:

1. PHEs prepare statutory financial statements in the pro-forma financial statement template issued by the Ministry of Health. Any changes to the pro-forma financial statements must be endorsed by the Ministry of Health. Refer to the [NSW Health Accounting Policy Manual](#) which provides guidance on the preparation and presentation of its financial information and performance to ensure compliance with the [Government Sector Finance Act 2018](#) and the [Government Sector Finance Regulation 2018](#).
2. PHEs respond to the audit management letters in a timely manner, responding to the matters or recommendations raised and, where required, putting measures to improve processes and practices.
3. where applicable, PHEs track performance against Auditor-General Report Recommendations made to Parliament, with remediation plans being prepared and in place prior to the Early Close date in the following financial year (i.e. 2024-25 recommendations remediation plan should be in place prior to April 2026). The Ministry of Health can request for status reports, and these should be readily available.
4. local Audit and Risk Committees review matters raised by auditors and establish processes to rectify issues raised by the auditors at least once a quarter and submit updates by the end of the quarter (excluding year-end).
5. PHEs ensure the Ministry of Health Financial Accounting team are advised of all administrative transfers on a timely basis.
6. Chief Executives ensure they have processes and governance arrangements in place so there are no material misstatements or errors in the annual financial statements of their reporting entity.
7. Chief Executives are required to submit an annual Certification of the Effectiveness of Internal Controls over Financial Information.

Further information on the annual Certification of the Effectiveness of Internal Controls over Financial Information can be found in CFO Certification on the Internal Control Framework over Financial Systems and Information ([TPG24-08](#)).

For further information, contact [MOH-HealthFinReporting@health.nsw.gov.au](mailto:MOH-HealthFinReporting@health.nsw.gov.au).

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## 2.4 Staff Specialist and VMO contracts

It is a Condition of Subsidy that:

1. PHEs ensure that the terms of appointment for employees engaged under [Chapter 9](#) of the *Health Services Act 1997* and visiting practitioners engaged under [Chapter 8](#) of the *Health Services Act 1997* (including remuneration, benefits, conditions and rights of private practice) comply with, and do not exceed, applicable industrial instruments (including awards), policy directives and determinations of the Secretary.

Non-standard remuneration proposals should be submitted to the Ministry Workplace Relations Branch for approval consistent with Part 3 of Non-Standard Remuneration or Conditions of Employment ([PD2018\\_040](#)). Expenditure is not authorised where this directive is not complied with as per [Section 5.5](#) of the *Government Sector Finance Act 2018*.

For further information, contact [MOH-HealthFinReporting@health.nsw.gov.au](mailto:MOH-HealthFinReporting@health.nsw.gov.au).

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## 2.5 Acts of Grace and Gifts of Government Property

It is a Condition of Subsidy that:

1. Annual registers (including NIL returns) containing details of all Act of Grace payments and Gifts of Government Property are submitted to the Ministry of Health in January each year

For further information on the Act of Grace and Gifts of Government Property registers, please contact [MOH-GSFCCompliance@health.nsw.gov.au](mailto:MOH-GSFCCompliance@health.nsw.gov.au).

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## 2.6 Administration of Grants

It is a Condition of Subsidy that:

1. All grant contracts are reported to the Ministry of Health via PORTT.

In 2025-26, non-government organisation ('NGO') budgets will be escalated by 3.5%.

### Relevant policies

- Treasury Grants Administration Guide ([M2024-03](#))
- Disclosure of Contract Information ([PD2018\\_021](#))

For further information on the PORTT system, please contact [MOH-PORTTSupport@health.nsw.gov.au](mailto:MOH-PORTTSupport@health.nsw.gov.au).

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## 2.7 Initial budget guidance

It is a Condition of Subsidy that:

1. PHEs (with the exception of Shared Services) publish the following on its external website and notice boards no later than the date stipulated by the Secretary of NSW Health in the letter that accompanies the issued Service Agreement:
  - executed Service Agreement (signed by the Chair of the Board and the Secretary of NSW Health)
  - Service Agreement Data Supplement documents
  - Facility and Budget Notices
  - Facility Expense Budget Allocations.

The Budget Schedule of the Service Agreement advises the initial expenditure and revenue budgets (inclusive of government grants), contributions under Activity Based Funding, block funding and Commonwealth contributions. No other variations to revenue or expense budgets are permitted.

In preparing an annual budget, PHEs should ensure appropriate consideration to balance sheet movements, such as:

- salary and wages accrual

- accumulated depreciation
- loan repayments, as per schedules
- lease liabilities, as per schedules
- public private partnership liabilities, as per schedules
- prepayments, long term only and as per schedules
- income in advance (contract liabilities), long term only and as per schedules
- any other relevant working capital movements.

Only salary and wages accrual and accumulated depreciation budgets are annualised. Budget for general fund cash at bank should reflect zero cash buffer only and have no net movement.

For further information on Service Agreements, please contact [MOH-ServiceAgreementSPB@health.nsw.gov.au](mailto:MOH-ServiceAgreementSPB@health.nsw.gov.au) and for balance sheet movements, please contact [MOH-HealthFinReporting@health.nsw.gov.au](mailto:MOH-HealthFinReporting@health.nsw.gov.au).

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## 2.8 Affiliated Health Organisations

It is a Condition of Subsidy that:

1. Local health districts exercising a function delegated under [section 129](#) of the *Health Services Act 1997* with Affiliated Health Organisations (AHO) establish a Service Agreement using the Ministry of Health Service Agreement template, and manage the operational and financial performance of the AHO(s) within the District and Ministry's broader service agreement parameters, including:
  - KPIs
  - activity targets
  - the revenue and expenditure budget envelope.

A principles-based approach to engagement with AHOs needs to be taken within the prevailing contracts and arrangements operating at local level.

Districts are expected to cascade relevant elements of their Service Agreement in a consistent, fair, and timely manner. This includes expenditure, revenue, NWAU targets and price, efficiency improvement initiatives and relevant KPI targets and performance thresholds. Reporting by AHOs of these requirements is to occur on a monthly basis where the total annual value of the grant is \$10M or more. For amounts under \$10M, reporting should be a least quarterly.

Assessment of the District's overall performance will include the impact of the AHO, and risks need to be raised and managed accordingly.

Questions, requests for reporting formats, and submissions should be provided to [MOH-ServiceAgreementSPB@health.nsw.gov.au](mailto:MOH-ServiceAgreementSPB@health.nsw.gov.au).

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## 2.9 Shared services subsidy funding reconciliation

It is a Condition of Subsidy that:

1. Shared Services entities provide a breakdown of programs to be funded from subsidy.

In July of each year, shared services must provide a reconciliation and attestation of the prior (just closed) year, and an allocation for the current year.

For more information, contact [MOH-BudgetSupp@health.nsw.gov.au](mailto:MOH-BudgetSupp@health.nsw.gov.au).

## 2.10 Budget supplementations (including for NWAU activity)

It is a Condition of Subsidy that:

1. No outstanding supplementations be posted, which increases or decreases the approved budget, without formal Ministry of Health approval. Outstanding supplementations must be reversed once the top-level budget supplementation has been posted, and all outstanding supplementations are to be reverse by 30 June of each year.

The initial expense and revenue budgets are subject to variation only through supplementations or other directives approved by the Ministry of Health or through line-item adjustments initiated by reporting entities.

Expense and revenue budget supplementations will occur in two tranches throughout the year December (in-year supplementations) and June (technical adjustments). These will be allocated to Health entities across Salaries and Wages, Goods and Services, and Repairs and Maintenance accounts to accurately reflect actual health system costs. This will ensure adequate consideration is made towards the full range of costs PHEs face in program delivery. PHEs will continue to have the autonomy to redistribute amongst accounts as required.

Health entities are funded to undertake NWAU activity outlined in the Service Agreement and should not expect additional expenditure budget where NWAU exceeds targeted volume.

Subsequent balance sheet movements will be assessed by the Ministry as required, for example:

<b>Asset</b>	<b>Assessment Details</b>
<b>Cash at Bank</b>	General Fund - should be reported as zero as no funds should be held locally. Restricted Financial Assets – movement in expected closing balances.
<b>Debtors</b>	Will be reviewed at the end of the financial year. Any approved budget movements will be reversed the following year.
<b>Creditors</b>	Will be reviewed at the end of the financial year. Any approved budget movements will be reversed the following year. Creditor balances are expected to reflect creditor terms.
<b>Inventories</b>	Budget may be provided where the Ministry has approved the increase in inventory holdings.
<b>Prepayments</b>	Long term (> 1 year) prepayments need to be provided as a schedule and included as part of the forward estimates. Material movements between financial years may receive budget, with the budget reversed in the following year.
<b>Accumulated Depreciation</b>	Will be reviewed during the year by the Ministry’s Financial Accounting Team.
<b>Capital Programs</b>	Will be reviewed during the year by the Ministry’s Treasury & Capital Reporting Team.
<b>Assets - Lease</b>	For new leases, budget adjustments will be provided according to the schedule.

An outstanding supplementation may be entered into the Budget Transaction System (BTS) by the PHE when there is an approved budget variation that has yet to be transacted in BTS. The PHE should seek approval of the Executive Director, System Financial Performance and Deputy Chief Financial Officer in the first instance. The Ministry of Health will review the outstanding supplementations monthly along with supporting justification for appropriateness and request the PHE to remove any unapproved supplementations.

For more information, contact [MOH-BudgetSupp@health.nsw.gov.au](mailto:MOH-BudgetSupp@health.nsw.gov.au).

## 2.11 Confirmation of forward year initial budget estimates

It is a Condition of Subsidy that:

1. PHEs participate in the Forward Estimates process and review forward years' budgets with the view of ensuring accurate alignment of expense, revenue, assets and liabilities, budget controls and strategic priorities.

System escalation calculations are based on account line-item amounts (e.g. Salaries and Wages, Goods and Services). As part of the Forward Estimates process, PHEs must review and confirm their future year budgets' accuracy and submit adjustment requests to reallocate budget within account line items where appropriate. This will ensure that budgets are in the correct category for escalation calculation. The Forward Estimates process is not an opportunity for PHEs to request additional funding or changes to subsidy.

Reporting formats and submission timeframes will be provided from [MOH-BudgetSupp@health.nsw.gov.au](mailto:MOH-BudgetSupp@health.nsw.gov.au).

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## 2.12 Intra-Health budgets

It is a Condition of Subsidy that:

1. budget allocated by PHEs for services purchased from NSW Health Pathology, eHealth NSW and HealthShare NSW agree with the volume and pricing advice provided by these entities (and, therefore, with the budgets allocated to PHEs for this purpose).

Intra-health budgets have been set according to the Shared Services Pricing Model Governance Framework. This framework sets out the expectations and aims to increase consistency and transparency across the shared services pricing model governance. The level of maturity and detail of the pricing models of HealthShare NSW, eHealth NSW and NSW Health Pathology will improve over time.

PHEs must ensure that intra-health monthly budgets are in line with the 2025-26 intra-health budget schedules distributed by the Ministry. Expense and revenue budgets are each consolidated across the state and reported at the state level. Therefore, PHEs must ensure line-item transfers remain within gross expense and revenue limits and changes between budget expense and revenue budget classes do not occur without prior written approval from the Ministry of Health.

Intra-health changes to budgets must follow the same rules for actual intra-health transactions using the one-for-one mapping or same account with the other party to the charge. Intra-health charges and revenues must be eliminated on consolidation across NSW Health. Therefore, it is required that any changes be reflected in the budgets of both parties to the charge.

Questions, requests for reporting formats, and submissions should be provided to [MOH-BudgetSupp@health.nsw.gov.au](mailto:MOH-BudgetSupp@health.nsw.gov.au).

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## 2.13 Forecasting

It is a Condition of Subsidy that:

1. PHEs submit and certify their full year forecasts at October (P4) and March (P9) month-end
2. PHEs review their monthly financial results and provide considered forecasts of expenditure, own source revenue and balance sheet at an appropriate account, fund entity and cost centre level.

Full-year certified forecasts are required as part of the October (P4) and March (P9) month-end for the purposes of NSW Treasury reporting. This requirement is to ensure that an appropriate level of governance is operating at the PHE to minimise forecast variances at the end of the financial year and ensure variances are appropriately managed. Aggregated forecasts are provided to NSW Treasury and are subject to review. Revisions may be necessary, as notified by Ministry of Health.

Forecasts are reviewed monthly, usually on Working Day 4, to ensure appropriate insights are gained to complete the Monthly Performance & Strategy Report. Forecasts must be phased across months in the year to show expected financial trends. It is expected that forecasts (and budgets) reflect cyclical and seasonal trends with respect to the delivery of most health programs. The appropriateness of budget phasing will be monitored through the Monthly Performance & Strategy Report and discussed during NSW Health Performance Framework meetings with PHEs.

Contact [MOH-InternalReportingFinance@health.nsw.gov.au](mailto:MOH-InternalReportingFinance@health.nsw.gov.au) for guidance.

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## 2.14 Own source revenue

A supplementary section will be issued in the coming months outlining the updated own revenue requirements to replace this section.

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## 2.15 Monthly performance reporting

It is a Condition of Subsidy that:

1. PHEs submit their monthly financial results and certifications to the Ministry of Health to enable consolidated reporting on financial performance, and compliance with policy requirements and accountabilities. Financial performance reports include:
  - Monthly Performance and Strategy Report (including for Shared Services Entity Cost Metrics)
  - Capital Narrative
  - Milestone Report
2. the variance percentage of actuals versus budget (general fund) for expenditure, own source revenue and net cost of service (NCOS) should be on budget or favourable.

### Monthly Performance and Strategy Report

The Monthly Performance and Strategy Report is the PHE's management report detailing the financial performance of the PHE. The report takes the form of a letter to the Ministry of Health Chief Financial Officer and includes reporting on:

- Expense, revenue and other items financial performance
- Activity
- Efficiency Improvement Plans (and other savings targets/initiatives)
- FTE. Affordable FTE methodology is to guide budget performance and should be included in PHE FTE reporting for monthly and quarterly performance)
- Balance sheet performance including leave entitlements (ADOs and annual leave) and debtors
- Restricted Financial Assets.

PHEs are to report and explain year-to-date and full-year projection variances to budget on a monthly basis by major account grouping and include commentary where there are significant variances along with insights into cost and revenue drivers and strategies to improve results. A

forecast for expenditure and revenue for the following month is also expected. Revenue commentary should reflect NHRA activity and other own sources. Submissions are due monthly usually on Working Day 6.

### *Shared Services Entity Cost Metrics*

Each Shared Service entity is required to report monthly on a range of Shared Services Entity Cost Metrics as defined by the Ministry that examine internal drivers of cost for the entity along with cost measures that flow to LHDs/SHNs. These cost metrics include prior year performance, monthly results, forecast for current year, covering operating and capital expenditure and will form part of discussion at Service Agreement performance meetings.

Contact [MOH-InternalReportingFinance@health.nsw.gov.au](mailto:MOH-InternalReportingFinance@health.nsw.gov.au) for required reporting templates and guidance.

## **Capital Narrative**

The monthly Capital Narrative is the PHE's management report detailing the performance of the PHE's Capital Program. The report focuses on year-to-date actual capital spend against year-to-date budget and forecast. If there are variances to budget that are greater than 5%, then commentary is required to explain each variance.

Contact [MOH-CapitalReporting@health.nsw.gov.au](mailto:MOH-CapitalReporting@health.nsw.gov.au) for required reporting templates and guidance.

## **Milestone Report**

Each PHE is required to complete and certify a monthly checklist known as the 'Milestone Report'. The Milestone Report acts as a monthly checklist of required tasks and a management certification by the CE and/or DoF to ensure certain policy requirements and accountabilities are complied with and met. This is to ensure:

- compliance with relevant NSW Health policy requirements, including but not limited to this Conditions of Subsidy policy document
- consistency in reporting across each of the PHEs
- accountabilities are clearly distinguished between the Health entities and the Ministry
- certain representations are made by those charged with governance, such as the CE and DoF.

The Milestone Report enables real-time monitoring of financial reporting and statutory compliance of each PHE. The Milestone Report ensures certain mandatory requirements and accountabilities within the Conditions of Subsidy document are complied with.

Contact [MOH-InternalReportingFinance@health.nsw.gov.au](mailto:MOH-InternalReportingFinance@health.nsw.gov.au) for required reporting templates and guidance.

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## **2.16 Efficiency Improvement Plans**

It is a Condition of Subsidy that:

1. PHEs, in partnership with the Ministry's Efficiency Improvement and Support Team and Financial and Corporate Services Division, develop and maintain efficiency improvement plans (EIPs)
2. PHEs submit actual spend on specific mental health initiatives, including accurate financial reporting and substantiation, as at the end of each quarterly reporting period in KEY.

EIPs assist Health entities to manage cost pressures and optimise resource allocation whilst balancing operational needs and meeting Service Agreement obligations on an annual basis. EIPs represent the value of all saving measures required to deliver all service requirements. This should account for:

- any underlying deficits carried forward from the prior year
- efficiency dividends
- the impact of the marginal price
- operational costs outside the budget envelope
- any activity benefits (as per Budget Schedule)
- financial recovery plan targets as agreed with Ministry of Health Finance
- strategic investment plans while achieving budget performance.

The plan is broken down into individual strategies, each of which focuses on improvements or savings in either revenue or expenditure. Productivity strategies may also be included in the PHE's overall EIP Program. Revenue improvement requirements are identified in the Budget Schedule of the Service Agreement.

These strategies are to be documented as EIPs approved by the PHE's Director of Finance and submitted through to the Ministry's Efficiency Improvement and Support Team (EIST) in the provided Excel templates. The EIST will conduct a quality assurance review on every EIP prior to it being endorsed and uploaded into the Ministry's electronic platform KEY.

EIP actuals and full year forecasts are updated monthly on Working Day 6. The year-to-date actuals for expenditure and revenue EIPs must have a direct correlation to the PHE's general ledger (GL). PHEs are required to monitor and report on the progress of strategies in KEY as part of their monthly financial reporting processes.

PHEs must provide accurate financial reporting and substantiation, in the form of SMRS extracts as part an EIP submission. In instances where a direct correlation to the GL is difficult to establish, EIP workpapers to support the alternate calculation methodology are to be submitted to EIST. Further, it is also expected that Health Entities' full year EIP savings forecasts is to be factored into the Health Entities' full year financial forecast, to ensure greater accuracy, alignment and consistency of results reported to MoH Finance.

As part of the EIST's ongoing quality assurance measures, the actual EIP values recorded by PHEs into the KEY system are subject to periodic and spot audits during the financial year.

Questions, requests for reporting formats, and submissions should be provided to [MOH-HSSG-EIST@health.nsw.gov.au](mailto:MOH-HSSG-EIST@health.nsw.gov.au).

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## 2.17 Financial Recovery Plans

It is a Condition of Subsidy that:

1. PHEs prepare and implement a Financial Recovery Plan if requested by the Ministry of Health.

Contact [MOH-InternalReportingFinance@health.nsw.gov.au](mailto:MOH-InternalReportingFinance@health.nsw.gov.au) for required reporting templates and guidance.

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## 2.18 Clinical costing data (District and Network Return)

It is a Condition of Subsidy that:

1. LHDs and SHNs submit clinical costing data to the Ministry of Health via the District and Network Return (DNR) half yearly (unless otherwise advised by the Ministry)
2. LHDs and SHNs complete the audit process for the full year DNR.

The DNR includes patient activity and service utilisation data, along with general ledger expenses to calculate hospital costs in a fully absorbed costing model. The DNR is used to inform the State Efficient Price, the National Efficient Price, and several national data submissions, such as National Hospital Cost Data Collection, Public Hospital Establishment and Health Expenditure. DNR costing data is also published in the NSW ABM Portal and enables clinical variation analysis.

Contact [HSSG-ActivityBasedManagement@health.nsw.gov.au](mailto:HSSG-ActivityBasedManagement@health.nsw.gov.au) for additional guidance.

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## 2.19 Leave entitlement and allocated days off (ADOs)

It is a Condition of Subsidy that:

1. PHEs communicate the monetary value of annual leave strategies (agreed with the Ministry of Health's Workforce Planning and Talent Development Branch) to the Ministry of Health's Finance Branch
2. The average ADO balance is to be no greater than three days and is to be reported monthly
3. The number of employees with greater than three days decreases longitudinally so no employees have a balance greater than three days. Where the average ADO balance as of 30 June 2025 is greater than three days, the average ADO balance of the employees should show a reduction of at least 20% by 31 December 2025.

Measures must be put in place to continuously reduce excess leave and ADO balances to ensure compliance with NSW Government Policy, the [Annual Holiday Act 1944](#) and the [Industrial Relations Act 1996](#). Excessive leave entitlements adversely impact the organisation because these are paid at the rate of pay when the leave is taken or paid out, not the time at which it was accrued. It can also have adverse effects on employee wellbeing and productivity.

Contact [MOH-HealthFinReporting@health.nsw.gov.au](mailto:MOH-HealthFinReporting@health.nsw.gov.au) for additional guidance.

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## 2.20 Employee on-costs and administrative charges

It is a Condition of Subsidy that:

1. the administrative charge of employee on-costs related to the secondment of staff in the NSW public sector is commensurate with the marginal cost of providing the support and is determined in a transparent manner (based upon an estimate of actual effort required)
2. the administrative charge applied to RFA is transferred as an expense offset to the General Fund
3. the maximum rate to be applied to recoup overheads is 7.5%.

PHEs may recoup employee on-costs related to the secondment of staff in the NSW public sector at the rate of 21.7% of the actual employee related cost. This rate has been determined on the following basis:

- annual leave expense at the rate of 8.4%
- superannuation at the rate of 12%
- Workers Compensation at the rate of 1.3%.

Long service leave expense is not to be recovered as it is funded by the Crown finance entity.

PHEs may also levy an administrative charge to recover costs associated with:

- the support of projects and programs funded by the Ministry of Health
- the management of Restricted Financial Assets
- the recouping of seconded employee costs and on-costs.

Recoup of administrative costs for services to other than NSW public sector may be charged at the fully absorbed cost.

Contact [MOH-HealthFinReporting@health.nsw.gov.au](mailto:MOH-HealthFinReporting@health.nsw.gov.au) for additional guidance.

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## 2.21 Capital reporting

It is a Condition of Subsidy that:

1. PHEs submit and certify required capital reporting:
  - Locally funded initiative submissions
  - Rollover confirmations
  - Major Capital Program rebalance (for Treasury Half Year Review, Health Infrastructure, eHealth and Ambulance only)
  - Mid-year return
  - Major Capital Program Final Forecast Position (for forward year budget process)
  - Final budget variations
  - Final line-item adjustment requests

### Relevant policies and procedures

- NSW Health Facility Planning Process ([GL2021\\_018](#))
- NSW Treasury Circular Budget Controls – Capital Expenditure Authorisation Limits ([TC12-20](#)).

Templates for submissions will be provided via email and submission is to [MOH-CapitalReporting@health.nsw.gov.au](mailto:MOH-CapitalReporting@health.nsw.gov.au).

Locally funded initiatives exceeding \$250,000 are projects which involve the use of locally sourced PHE funds for use on capital works.

It is imperative that all new works/scope variation requests, irrespective of funding source, are submitted and approved by Ministry prior to the commencement of future new works or equipment purchases above \$250,000. Retrospective approvals for completed new projects or increase in scope will not be supported.

### Major Capital Planning

PHEs may submit capital investment proposals to the Ministry of Health to be assessed and prioritised against the three strategic alignment tests in the Statewide Investment and Prioritisation Framework. Investment proposals may then be eligible for funding consideration as part of the Ministry's 10 Year Capital Investment Strategic Plan (CISP) submitted annually to NSW in accordance with the budget process. Capital investment proposals which should:

- reflect the PHE's prioritisation of proposed asset investments
- align with the long-term statewide directions in the [20-Year Health Infrastructure Strategy](#)
- clearly describe the benefit of the investment and health outcomes expected
- demonstrate consideration of a range of procurement options, including non-asset solutions

The Ministry's Strategic Capital Planning Unit is available to discuss the capital investment planning process and to support the new collaborative planning approach, forming 'Stage 0' of the NSW Health Facility Planning Process. Please email [MOH-SCPU@health.nsw.gov.au](mailto:MOH-SCPU@health.nsw.gov.au).

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## 2.22 Capital expenditure administration

It is a Condition of Subsidy that:

1. no capital expenditure to occur outside of the Health Service's approved capital allocations
2. no portion of the capital subsidy may be used for purposes other than the capital project for which the subsidy was paid.

This Condition is also applicable to Minor Works and Equipment programs.

Approval for a new capital project or an increase to an existing project must be sought from the Ministry in advance, irrespective of the funding source.

The Ministry of Health will only authorise the release of capital subsidy to a PHE where the capital expenditure is correctly coded against a capital project code and the appropriate expenditure general ledger account codes. The value of subsidy released by the Ministry will be determined using year-to-date capital expenditure recorded appropriately in SMRS and will not exceed the total capital subsidy budget available for the project over its lifetime.

Changes to the capital limit creates an opportunity to optimise the greater use of local funds (e.g., RFAs) where it can be demonstrated the PHE has sufficient cash available. Requests to use these funds should follow the process detailed in the [FS01-1 Capital Budget Requests Factsheet](#).

Contact [MOH-CapitalReporting@health.nsw.gov.au](mailto:MOH-CapitalReporting@health.nsw.gov.au) for additional guidance.

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## 2.23 Asset management

It is a Condition of Subsidy that:

1. PHEs submit the following asset management plans and assessment to the Ministry of Health:
  - local Strategic Asset Management Plans (SAMPs) and Asset Management Plans
  - Local asset management maturity assessments (conducted annually).
2. PHEs progress further implementation of the AFM Online system for asset management and asset maintenance scheduling
3. Local Health Districts, Sydney Children's Hospitals Network, Justice Health, NSW Ambulance, and Shared Services submit quarterly the energy efficiency performance metric quarterly.

### Relevant policies and procedures

- NSW Health Asset Management policy ([PD2022\\_044](#))
- Whole of Government Asset Management Policy ([TPP 19-07](#)).

### Strategic Asset Management Plans and Asset Management Plans

PHEs are responsible for developing, maintaining, and progressively improving their local Strategic Asset Management Plans (SAMPs) and Asset Management Plans (AMPs). SAMPs and AMPs provide input into the development of the NSW Health Agency SAMP and AMP, including information on current and future capital investment priorities, asset maintenance and asset disposals. The PHE's SAMP and AMP should identify any potential asset gaps, maintenance

requirements, critical works, and asset disposals necessary to support the ongoing delivery of services in the PHE and optimising use of local funds with alignment with the PHE's AMP.

The PHE's SAMPs and AMPs must be supported by robust and comprehensive service and strategic plans to support the need for capital investment to achieve service development priorities, and proposed changes in the local approach to health care.

## AFM Online

Lease data is managed centrally via the mandated statewide Shared Services Lease Data Hub and lease registration within AFM Online. PHEs must refer new leases and requests for lease data modification to the Lease Data Hub for action and in accordance with Ministry of Health's Financial and Corporate Services directive to lease approvals.

It is expected that PHEs continue to uplift the quality of asset related data, to enable better forecasting and risk management and planning.

Property assets which do not support core government service provisions should be disposed of and the unlocked capital put to alternate use with a priority given to maintaining, improving, and extending property assets that are key to current or future service delivery. The MoH Strategic Capital Planning and Asset Management Branch are available to provide guidance to individual PHEs on the disposal and acquisition of property.

## Energy Efficiency Performance Metric

The total amount of energy use avoided each year represented as a percentage of the total consumption in the baseline year (FY2024-25) is to be submitted to the Ministry of Health quarterly, as an interim report complementing the bi-annual key performance indicator (at least 1.5% avoided) included in the Service Agreement. Submissions are in September (Q1), December (Q2), March (Q3), June (Q4).

To calculate the performance metric, the following should be applied:

- Determine baseline energy consumption (total grid) electricity, gas, non-automotive LPG) using FY2024-25 data. Convert all figures to a single unit of measurement (watt-hours or joules). Call this Value A. Guidance in calculating the baseline will be provided separately by the Ministry of Health.
- Determine the total annual (year one) energy savings for all projects implemented during the 2025-26 fiscal year. Convert all figures to a single unit of measurement (watt-hours or joules). Call this Value B. As an illustrative example, if a solar project was completed mid-year, an annualised assessment should be calculated at the end of the fiscal year.
- Determine what percentage Value B is of Value A.

Conversion factors necessary for determining baseline (converting to a single unit of measurement, either watt-hours or joules) can be obtained from the National Greenhouse Accounts Factors, Australian Government, Department of Industry, Science, Industry and Resources.

Questions, requests for reporting formats, and submissions should be provided to [MOH-AssetManagement@health.nsw.gov.au](mailto:MOH-AssetManagement@health.nsw.gov.au).

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## 2.24 Procurement

It is a Condition of Subsidy that:

1. PHEs ensure that purchasing guidelines and procedures are in place to support implementation and use of procurement cards within their organisation
2. purchase orders be used for the procurement of most goods and services

3. on a monthly basis the actual year-to-date procurement savings achieved as a percentage of target year-to-date procurement savings is equal or greater than 95%. For further information and specific guidance refer to the Service Agreement Key Definitions document
4. all procurements (contracts and purchase orders) valued over \$150,000 (incl. GST) must be disclosed on the eTenders website, in line with the requirements of the [Government Information \(Public Access\) Act 2009](#)
5. PHEs appropriately manage allocated travel budget, including developing a travel plan which accounts for essential overseas travel (such as for medical recruitment) before any non-essential overseas travel is approved.

### Relevant policies and procedures:

- [NSW Government Procurement Policy Framework](#) and NSW Health (Goods and Services) Procurement Policy ([PD2024\\_044](#)), including Memorandum issued by the NSW Health Chief Procurement Officer as an interim measure prior to formal policy change. Any breaches in compliance with NSW Health Procurement Policy will need to be reported to the Ministry Strategic Procurement Branch.
- Treasury Policy and Guideline: Management of NSW Government Payments ([TPG24-01](#))
- Treasury Policy and Guideline: Use and Management of NSW Govt Purchasing Cards ([TPP21-02](#))
- NSW Health Policy Determination: Procurement Cards within NSW Health ([PD2022\\_038](#))
- Procurement activities need to also comply with the requirements of NSW Government Financial Risk Management Policy ([TPP21-14](#)) in particular foreign exchange risk including foreign exchange hedging. These requirements are included in the NSW Health Procurement Policy (PD2024\_044) at 8.6 Foreign exchange risks.
- NSW Health Policy Directive Official Travel ([PD2024\\_033](#))
- NSW Health Policy Directive Training, Education and Study Leave (TESL) for Staff Specialists ([PD2019\\_043](#))

### Purchase Order Compliance

Purchase orders must be used for the procurement of all goods and services. The exception for this requirement is where the procurement is for an item designated as purchase order (PO) exempt or where the goods or services are being paid via a Procurement Card.

A list of purchasing categories which are PO required and PO exempt is available by referencing the Natural Account Code Mapping on the Ministry SharePoint.

Compliance with this requirement is monitored by HealthShare NSW and reported monthly for defined services categories. Purchase orders must be coded to the correct GL accounts and ensure that full and accurate information is provided to reflect the procurement undertaken.

Where non purchase order invoices are unavoidable, PHEs must utilise HealthShare's invoice scanning system to load and reroute the invoice in StaffLink to gain the appropriate PHE approvals as per the PHEs delegation manual.

HealthShare may charge PHEs an additional fee per invoice for non-purchase order invoices requiring manual processing. Purchase orders are not to be raised against other NSW Health entities, as all inter-entity charges are to be managed via the Advanced Global Intercompany System (AGIS) system.

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## 2.25 Cash, banking, and liquidity management

It is a Condition of Subsidy that:

1. PHEs forecast by bank account and report to the Ministry in line with the daily, monthly and rolling 12-month cash forecast requirements set by NSW
2. PHEs refer all requests related to operating bank accounts and payment facilities to the central banking function for approval, submission, and liaison with the Contract Banking providers. This request is to be sent to [MOH-Banking@health.nsw.gov.au](mailto:MOH-Banking@health.nsw.gov.au).

### **Relevant legislation, policies and procedures**

- All requests for new banking and payment facilities are approved via the delegated approvers as per the [Combined Delegations Manual](#) – in particular ‘F35 Operating Banking Accounts and Transactional Banking Services’ of the Finance and Expenditure Delegations.

### **Payment, Billing and Cash Management Systems**

The Health Payment Portal is to be used for all online sundry and miscellaneous receipt payments including aids and equipment, medical records, pharmacy.

To facilitate the automation of forecasting, actual cash, and variance reporting, PHEs are required to utilise the StaffLink Cash Management Module when reconciling their Cash at Bank. Reporting of all reconciled balances for cash at bank will be required to ensure monitoring in compliance with NSW Treasury cash balance reporting.

### **Cash Sweeps and Cash Buffer**

In consultation with the PHEs, the Ministry will sweep excess cash from locally held general fund bank accounts weekly. This transfer will be treated as a reduction in operational subsidy received and thereby increase the PHEs remaining subsidy available.

All PHEs must transfer any funds held in local Custodial Trust bank accounts which relate to settlements between general fund and custodial trust bank accounts weekly and at least two days prior to each Ministry cash sweep to ensure these are available to sweep and be settled to the central CTF bank account.

Cash buffers related to the General Fund designated bank accounts remain at zero for all PHEs.

PHEs must process all general ledger transactions at least weekly where settlement of funds between general fund bank accounts, restricted financial asset funds and custodial trust funds. HealthShare funds settlements will be made weekly.

Contact [MOH-Banking@health.nsw.gov.au](mailto:MOH-Banking@health.nsw.gov.au) for any guidance or assistance.

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## **2.26 Restricted Financial Assets and Custodial Trust Funds**

It is a Condition of Subsidy that:

1. PHEs must ensure that effective processes are implemented to monitor and maintain relevant cost centres within eCTRA
2. expenditures from Public Contributions RFAs are to be authorized by the Chief Executive
3. funds received which fit with the definition of Restricted Financial Assets or Custodial Trust Funds must be managed using the eCTRA application. Any funds received not meeting this definition must be deposited and accounted for as General Funds
4. RFA and CTF balance sheets are reviewed to ensure all balance sheet items are promptly devolved into equity backed by cash
5. action plans to resolve all overdrawn cost centres must be tabled to the Health Entity Finance & Performance Committee and may not be ‘regularised’ using reversing journals. Overdrawn cost

centres are those where funds have been spent with no underlying 'funds available for use'. Compliance with Health policies and statutory requirements will not result in any overdrawn cost centres at any time

6. holding and use of Interest and earnings from RFA funds held as cash at bank or within authorised investments as per PD2024-017 Investment in Restricted Financial Assets must comply with the RFA Policy provisions
7. Staff specialist rights of private practice processing are operated using No.1 CTFs and No.2 RFAs; and in compliance with the Staff Specialist Determination and related NSW Health policies. Drawing rights are paid from realized billings held in the CTF bank account and not from general fund sources.

## Relevant Policies

- Accounts and Audit Determination
- [PD2024-017 Investment in Restricted Financial Assets](#).

PHEs should contact the Ministry of Health RFA team at [MOH-RestrictedFinancialAssets@health.nsw.gov.au](mailto:MOH-RestrictedFinancialAssets@health.nsw.gov.au) for any specific guidance or assistance.

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## 2.27 Capital Funds

It is a Condition of Subsidy that:

1. where the capital funding has been utilised either from an RFA or an external source, PHEs must ensure that these proceeds are transferred to the General Fund bank account and form part of the excess cash buffer sweep noted and treated as a reduction in operational subsidy received.

Capital subsidy drawdowns will result in the recognition of capital subsidy and a reduction in operational subsidy received (increasing the PHE's remaining operational subsidy available) and will not result in a physical transfer of cash.

Contact [MOH-Banking@health.nsw.gov.au](mailto:MOH-Banking@health.nsw.gov.au) for any guidance or assistance.

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## 2.28 Aged debtors

It is a Condition of Subsidy that:

1. the patient fees debtor balance greater than 120 days as a percentage of total patient fees debtors is less than 20%
2. the sundry debtor balance greater than 120 days as a percentage of total sundry debtors is less than 10%
3. recovery of outstanding patient fees must be actioned at 30, 45, and 60 days, using reminder letters and final notices for recovery
4. Outstanding patient fees relating to Medicare claims are to be written off once they exceed the time limit listed in Note MN.13.14 of the Medicare Benefits Schedule.
5. After complying with section 4. and all efforts to recover patient fees has been exhausted, patient fees debtor balances greater than 365 days with balances less than \$40 shall be written off.

6. strategies must be put in place to minimise doubtful and bad debts, including adherence to the MoH's policy on securing fees for service and the reporting of debtors' written off to the PHE's Finance and Performance Committee each quarter.

Directors of Finance are responsible for implementing payment processes to support debt recovery and further reduce transaction processing time.

Contact [MOH-HealthFinReporting@health.nsw.gov.au](mailto:MOH-HealthFinReporting@health.nsw.gov.au) for any guidance or assistance.

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## 2.29 Taxation and superannuation

It is a Condition of Subsidy that:

1. PHEs submit all required returns and lodgements:
  - Private usage of fleet vehicles data including SG Fleet report for year ending 31 March
  - Non-salary packaging benefits or incentives (including staff accommodation, extended travel costs, relocation costs, rural health workforce incentive scheme benefits and visa costs) provided to employees during the year ending 31 March
  - Submit fringe benefit tax (FBT) return endorsed by DoF or alternatively submit further changes to the Ministry of Health Tax and Superannuation team. Any required changes must be endorsed by the Ministry of Health Tax and Superannuation team
2. Observe the Ministry of Health's responsibility to manage overarching taxation and superannuation risk for NSW Health by:
  - providing timely and accurate status updates within TaxAccelerate in relation to Health entity progress of the FBT review. Any issues that have been identified must be raised to the Ministry of Health Tax and Superannuation team
  - completing FBT validation questions within TaxAccelerate per milestones communicated by Ministry of Health Tax and Superannuation team and respond to any questions from external tax advisor in a timely manner
  - responding to any final consolidation questions from Ministry of Health Tax and Superannuation team
  - consulting with the Ministry in relation to transactions that may have material tax implications
  - ensuring that any request of private ruling with the Australian Taxation Office (ATO) are managed and lodged by the Ministry to maintain consistent tax position and minimise any risk for the State
  - ensuring Salary Packaging Administration and Novated Leasing Customer Agreements are being managed and to notify the Ministry of Health of any non-compliance to the Agreement
  - obtaining taxation and superannuation sign-off for new pay elements and new general ledger accounts are obtained prior to creation
  - seeking taxation and superannuation sign-off for all Deed of Release payment requests.
3. PHEs submit opportunities to reduce FBT from review of Liability allocation report
4. PHEs maintain records of all non-salary packaged benefits and incentives provided to employees during the year including staff accommodation, relocations costs, details of extended travel to assist in the assessment of any exemptions and concessions.

### Relevant Agreements, Policies, Information Bulletins

- Comply with [IB2025\\_013](#) to ensure FBT liabilities are minimised and enforce proper record keeping (including proper use of telematics where installed) in relation to staff's private use of fleet vehicles.

- NSW Health Salary Packaging Policy ([PD2018\\_044](#)).
- Statement of Requirements under the Whole of Health Salary Packaging Administration and Novated Leasing Head Agreement.
- Superannuation obligations are met where applicable when engaging consultants and contractors in accordance with [PD2016\\_004](#).

The Ministry of Health provides PHEs with policy directives, tax law interpretation and technical support for all taxation, superannuation, and salary packaging issues. The Ministry of Health also provides guidance on management of risk. The Ministry of Health has overarching responsibility to manage taxation and superannuation risk for NSW Health. The Ministry of Health is the Public Officer and the lead tax representative for NSW Health when liaising with the ATO in respect of ATO reviews and audits or private ruling requests.

The Ministry of Health have developed comprehensive FBT compliance guidance and FBT Compliance Masterclasses to support PHEs in meeting their annual reporting requirements.

Templates and dates for submissions will be provided via email and submission to [MOH-Tax@health.nsw.gov.au](mailto:MOH-Tax@health.nsw.gov.au).

# 3

## Definitions

<b>Term</b>	<b>Definition</b>
<b>AHO</b>	Affiliated Health Organisation. Defined under section 13 of the <i>Health Services Act 1997</i> and means a non-profit, religious, charitable, or other non-government organisation listed in Column 1 of Schedule 3 of the Act, but only in respect of its recognised establishments or services listed in Column 2 of that Schedule.
<b>CE</b>	Chief Executive
<b>Consolidated Fund</b>	The fund established by the <i>Constitution Act 1902</i> into which all public moneys (including government deposits, taxes, tariffs, excises, fines, fees, loans, income from Crown assets and other revenues) is collected, received, or held together with Commonwealth grants, and from which appropriations may be drawn by way of Act of Parliament to cover expenditure.
<b>CTF</b>	Custodial Trust Funds are contributions that are not held for the benefit of the PHE. A PHE only performs the role of trustee and custodian of these assets.
<b>DoF</b>	Director of Finance
<b>eCTRA</b>	Electronic Custodial Trusts and Restricted Assets
<b>EIP</b>	Efficiency Improvement Plan
<b>Government Grant</b>	Funds allocated to PHEs by the Ministry, or by a Local Health District to an AHO, including from appropriations from the Consolidated Fund and funds from the Commonwealth under the National Health Reform Agreement.
<b>HAC</b>	Health Administration Corporation. The Health Secretary incorporated as a corporation sole under s 9 of the <i>Health Administration Act 1982</i> . The Health Administration Corporation includes Public Health System Support (comprising Health System Support Group, HealthShare NSW and eHealth NSW), Health Infrastructure, NSW Ambulance and NSW Health Pathology.
<b>Health Secretary</b>	Secretary of the NSW Ministry of Health
<b>KPI</b>	Key performance indicator (or metric)
<b>LHD</b>	Local Health District
<b>MoH, Ministry or Ministry of Health</b>	NSW Ministry of Health listed in Part 1 of Schedule 1 of the <i>Government Sector Employment Act 2013</i>
<b>Monthly Performance and Strategy Report</b>	Monthly commentary on actual versus budgeted performance, identifying key issues, insights, and strategies on improving performance
<b>NWAU</b>	National Weighted Activity Unit
<b>Pillars</b>	Agency for Clinical Innovation, Bureau of Health Information, Cancer Institute NSW, Clinical Excellence Commission, and Health Education & Training Institute. Pillars are Statutory Health Corporations as defined by section 2 of the <i>Health Services Act 1997</i> . The Cancer Institute NSW is subject to Chapter 10 of the <i>Health Services Act 1997</i>

	as if it were a statutory health corporation (s 21A of <i>Cancer Institute (NSW) Act 2003</i> )
<b>PHE</b>	Public Health Entities and includes, for the purposes of this policy document, i) Public Health Organisations (including Local Health Districts, Statutory Health Corporations) excluding Affiliated Health Organisations but including St Vincent's Hospitals Network, and ii) Services provided by the Health Administration Corporation.
<b>PHO</b>	Public Health Organisations. This is defined under section 7 of the <i>Health Services Act 1997</i> and comprises Local Health Districts, Statutory Health Corporations and Affiliated Health Organisations in respect of their recognised establishments and services.
<b>RFA</b>	Restricted Financial Assets. This means public money that is not a NSW Government Grant or Consolidated Fund payment and that can only be used for a specified purpose or purposes under a contract or other binding legal obligation. All RFA revenue is deemed appropriation money under the <i>Government Sector Finance Act 2018</i> .
<b>Service Agreement</b>	For the purposes of this document, this refers to the various agreements the Secretary, NSW Health executes with various public health entities. Local Health Districts, Specialty Health Networks and NSW Ambulance have a multi-year Service Agreement and an annual Funding and Performance supplement, Pillars have Performance Agreements and HAC entities have Statements of Service.
<b>Shared Service Entity</b>	Defined as HealthShare NSW and eHealth NSW, Health Infrastructure and NSW Health Pathology
<b>SHN</b>	Specialty Health Network
<b>SMRS</b>	Statewide Management Reporting Services (sometimes referred to as Corporate Analytics or SMRT)
<b>Statutory Health Corporation</b>	Defined in Schedule 2 of the <i>Health Services Act 1997</i>