



INDEPENDENT AUDITOR'S REPORT

Health Administration Corporation

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Health Administration Corporation (the Corporation), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2025, the Statement of Financial Position as at 30 June 2025, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, and notes to the financial statements, including a Statement of Material Accounting Policy Information, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2024* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Corporation's financial position, financial performance and cash flows

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

Basis for Opinion

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

I am independent of the Corporation in accordance with the requirements of the:

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

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

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

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

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

Secretary's Responsibilities for the Financial Statements

The Secretary is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Secretary's responsibility also includes such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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




Furqan Yousuf
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

30 September 2025
SYDNEY

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

1. The financial statements of the Health Administration Corporation for the year ended 30 June 2025 have been prepared in accordance with:
 - a. Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
 - b. applicable requirements of the GSF Act, the *Government Sector Finance Regulation 2024*; and
 - c. Treasurer's Directions issued under the GSF Act.
2. The financial statements present fairly the Health Administration Corporation's financial position as at 30 June 2025 and the financial performance and cash flows for the year then ended.



Susan Pearce AM
Secretary, NSW Health

26 September 2025



Adjunct Professor Alfa D'Amato
**Deputy Secretary, Financial and Corporate Services
and Chief Financial Officer, NSW Health**

26 September 2025

Health Administration Corporation

Statement of Comprehensive Income for the year ended 30 June 2025

		Consolidated Actual 2025 \$000	Consolidated Budget ¹ 2025 \$000	Consolidated Actual 2024 \$000	Parent Actual 2025 \$000	Parent Actual 2024 \$000
	Notes					
Continuing operations						
Expenses excluding losses						
Employee related expenses	2	2,923,706	2,889,387	2,674,827	-	-
Personnel services	3	-	-	-	2,818,083	2,582,447
Visiting medical officers	4	521	36	432	521	432
Operating expenses	5	1,948,157	1,787,358	2,052,069	1,948,157	2,052,069
Depreciation and amortisation	6	295,193	295,193	275,073	295,193	275,073
Grants and subsidies	7	99,034	94,674	60,444	99,034	60,444
Finance costs	8	24,015	23,907	13,080	24,015	13,080
Payments to Affiliated Health Organisations	9	75	-	-	75	-
Total expenses excluding losses		5,290,701	5,090,555	5,075,925	5,185,078	4,983,545
Revenue						
Ministry of Health recurrent allocations	12	1,804,457	1,578,668	1,554,222	1,804,457	1,554,222
Ministry of Health capital allocations	12	219,266	236,676	385,920	219,266	385,920
Acceptance by the Crown ² of employee benefits	16	105,623	106,890	92,380	-	-
Sale of goods and services from contracts with customers	13	2,939,278	2,896,327	2,853,596	2,939,278	2,853,596
Investment revenue	14	16,631	3,590	18,855	16,631	18,855
Grants and other contributions	15	39,991	42,041	130,609	39,991	130,609
Other income	17	70,827	67,352	101,752	70,827	101,752
Total revenue		5,196,073	4,931,544	5,137,334	5,090,450	5,044,954
Operating result		(94,628)	(159,011)	61,409	(94,628)	61,409
Gains / (losses) on disposal	18	(3,051)	(2,690)	(3,966)	(3,051)	(3,966)
Impairment losses on financial assets	21	(26,757)	(14,338)	(25,509)	(26,757)	(25,509)
Other gains / (losses)	19	(18,985)	(1,087)	(91,414)	(18,985)	(91,414)
Net result from continuing operations	36	(143,421)	(177,126)	(59,480)	(143,421)	(59,480)
Net result		(143,421)	(177,126)	(59,480)	(143,421)	(59,480)
Other comprehensive income						
Items that will not be reclassified to net result in subsequent periods						
Changes in revaluation surplus of property, plant and equipment	24	63,627	-	28,854	63,627	28,854
Total other comprehensive income		63,627	-	28,854	63,627	28,854
TOTAL COMPREHENSIVE INCOME		(79,794)	(177,126)	(30,626)	(79,794)	(30,626)

¹ Unaudited adjusted budget, see Note 35.

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

The accompanying notes form part of these financial statements.

Health Administration Corporation

Statement of Financial Position as at 30 June 2025

		Consolidated Actual 2025 \$000	Consolidated Budget ¹ 2025 \$000	Consolidated Actual 2024 \$000	Parent Actual 2025 \$000	Parent Actual 2024 \$000
	Notes					
ASSETS						
Current assets						
Cash and cash equivalents	20	674,967	657,451	794,000	674,967	794,000
Receivables	21	580,608	695,706	799,334	580,608	799,334
Inventories	22	76,061	75,758	162,598	76,061	162,598
Financial assets at fair value	23	1,587	2,447	2,447	1,587	2,447
		1,333,223	1,431,362	1,758,379	1,333,223	1,758,379
Non-current assets held for sale		-	304	304	-	304
Total current assets		1,333,223	1,431,666	1,758,683	1,333,223	1,758,683
Non-current assets						
Receivables	21	13,454	17,583	17,583	13,454	17,583
Financial assets at fair value	23	5,686	6,351	6,351	5,686	6,351
Property, plant & equipment	24					
- Land and buildings		1,058,971	978,990	979,762	1,058,971	979,762
- Plant and equipment		376,755	416,629	339,947	376,755	339,947
- Infrastructure systems		33,919	22,881	23,829	33,919	23,829
Total property, plant & equipment		1,469,645	1,418,500	1,343,538	1,469,645	1,343,538
Right-of-use assets	25	433,854	430,376	438,257	433,854	438,257
Intangible assets	26	1,030,813	1,058,264	943,856	1,030,813	943,856
Total non-current assets		2,953,452	2,931,074	2,749,585	2,953,452	2,749,585
Total assets		4,286,675	4,362,740	4,508,268	4,286,675	4,508,268
LIABILITIES						
Current liabilities						
Payables	29	616,643	730,253	707,013	616,643	707,013
Contract liabilities	30	4,409	2,578	2,578	4,409	2,578
Borrowings	31	266,752	364,118	361,801	266,752	361,801
Provisions	32	543,077	515,383	471,277	543,077	471,277
Other current liabilities		844	13	13	844	13
Total current liabilities		1,431,725	1,612,345	1,542,682	1,431,725	1,542,682
Non-current liabilities						
Payables	29	72,185	72,185	106,396	72,185	106,396
Borrowings	31	370,674	364,668	368,875	370,674	368,875
Provisions	32	23,839	22,623	22,269	23,839	22,269
Total non-current liabilities		466,698	459,476	497,540	466,698	497,540
Total liabilities		1,898,423	2,071,821	2,040,222	1,898,423	2,040,222
Net assets		2,388,252	2,290,919	2,468,046	2,388,252	2,468,046
EQUITY						
Reserves		379,373	314,624	314,626	379,373	314,626
Accumulated funds		2,008,879	1,976,295	2,153,420	2,008,879	2,153,420
Total Equity		2,388,252	2,290,919	2,468,046	2,388,252	2,468,046

¹ Unaudited adjusted budget, see Note 35.

The accompanying notes form part of these financial statements.

Health Administration Corporation

Statement of Changes in Equity for the year ended 30 June 2025

PARENT AND CONSOLIDATION

	Notes	Accumulated Funds \$000	Asset Revaluation Surplus \$000	Total \$000
Balance at 1 July 2024		2,153,420	314,626	2,468,046
Net result for the year		(143,421)	-	(143,421)
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	24	-	63,627	63,627
Total other comprehensive income		-	63,627	63,627
Total comprehensive income for the year		(143,421)	63,627	(79,794)
Transfer of asset revaluation surplus to accumulated funds on disposal of assets		(1,120)	1,120	-
Balance at 30 June 2025		2,008,879	379,373	2,388,252

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

The accompanying notes form part of these financial statements.

Health Administration Corporation
Statement of Cash Flows for the year ended 30 June 2025

		Consolidated Actual 2025 \$000	Consolidated Budget ¹ 2025 \$000	Consolidated Actual 2024 \$000	Parent Actual 2025 \$000	Parent Actual 2024 \$000
	Notes					
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee related		(2,857,038)	(2,871,170)	(2,598,962)	-	-
Suppliers for goods and services		(2,410,010)	(2,054,490)	(2,166,724)	(2,410,010)	(2,166,724)
Grants and subsidies		(66,698)	(62,658)	(66,965)	(66,698)	(66,965)
Finance costs		(24,015)	(23,907)	(13,080)	(24,015)	(13,080)
Personnel services		-	-	-	(2,809,499)	(2,558,129)
Total payments		(5,357,761)	(5,012,225)	(4,845,731)	(5,310,222)	(4,804,898)
Receipts						
Ministry of Health recurrent allocations		1,804,457	1,578,668	1,554,222	1,804,457	1,554,222
Ministry of Health capital allocations		219,266	236,676	385,920	219,266	385,920
Reimbursements from the Crown ²		47,539	47,539	40,833	-	-
Sale of goods and services		3,283,014	3,059,167	2,780,920	3,283,014	2,780,920
Interest received		16,673	3,590	18,710	16,673	18,710
Grants and other contributions		39,191	39,498	64,654	39,191	64,654
Other		419,710	425,551	458,866	419,710	458,866
Total receipts		5,829,850	5,390,689	5,304,125	5,782,311	5,263,292
NET CASH FLOWS FROM OPERATING ACTIVITIES	36	472,089	378,464	458,394	472,089	458,394
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of property, plant and equipment and intangibles		1,444	1,717	1,142	1,444	1,142
Purchases of property, plant and equipment and intangibles		(415,270)	(429,485)	(415,735)	(415,270)	(415,735)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(413,826)	(427,768)	(414,593)	(413,826)	(414,593)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from borrowings and advances		184,620	184,620	281,133	184,620	281,133
Repayment of borrowings and advances		(281,233)	(184,620)	(203,135)	(281,233)	(203,135)
Payment of principal portion of lease liabilities		(85,860)	(87,245)	(89,486)	(85,860)	(89,486)
Proceeds / (payment) of derivatives		4,729	-	3,041	4,729	3,041
NET CASH FLOWS FROM FINANCING ACTIVITIES		(177,744)	(87,245)	(8,447)	(177,744)	(8,447)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS						
		(119,481)	(136,549)	35,354	(119,481)	35,354
Opening cash and cash equivalents	20	794,000	794,000	758,448	794,000	758,448
Effects of exchange rate changes on cash and cash equivalents		448	-	198	448	198
CLOSING CASH AND CASH EQUIVALENTS	20	674,967	657,451	794,000	674,967	794,000

¹ Unaudited adjusted budget, see Note 35.

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

The accompanying notes form part of these financial statements.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

1. Statement of Material Accounting Policy Information

(a) Reporting entity

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

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

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

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

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

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

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

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 2025 have been authorised for issue by the Secretary, NSW Health on 26 September 2025.

Health Administration Corporation

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

1. Statement of Material Accounting Policy Information (continued)

(b) Basis of preparation

The Corporation's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of the *Government Sector Finance Act 2018* ('GSF Act'), the *Government Sector Finance Regulation 2024*; and
- Treasurer's Directions issued under the GSF Act.

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

Property, plant and equipment and certain financial assets and liabilities are measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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

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

(c) Principles of consolidation

The consolidated financial statements comprise the financial statements of the parent entity and its controlled entities, after elimination of all inter-entity transactions and balances. The controlled entities are consolidated from the date the parent entity obtained control and until such time as control passes.

The financial statements of the controlled entities are prepared for the same reporting period as the parent entity using uniform accounting policies for like transactions and other events in similar circumstances. As a result, no adjustments were required for any dissimilar accounting policies.

(d) Statement of Compliance

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

(e) Comparative Information

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

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

- Statement of Cash Flows: 'Reimbursements from The Crown' has been reclassified to 'Personnel Services' in the Parent entity to align the cash flow presentation with the accounting of Crown reimbursements. The prior year comparatives have accordingly been updated.
- Note 27 Fair value measurement of non-financial assets: The fair value hierarchy disclosure has been updated in the current year to include leasehold improvements, work in progress and newly completed assets which are carried at cost for accurate presentation. Prior year comparatives have accordingly been updated.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

1. Statement of Material Accounting Policy Information (continued)

(e) Comparative Information (continued)

- Note 29 Restricted assets: The restricted asset balances, which previously reported the opening and closing equity balances, have now been revised to present the opening and closing balances of restricted cash and cash equivalents, along with restricted TCorpLM fund investments, for each category of restricted financial assets.
- Note 38 Trust funds: The trust fund balances, which previously reported the opening and closing equity balances, have now been revised to present the opening and closing balances of trust fund cash and cash equivalents for each trust fund category.
- Note 39 Financial instruments: The market risk sensitivity analysis, which demonstrates the sensitivity to a reasonably possible change in interest rates, has been revised to exclude assets and liabilities not exposed to interest rate risk. Prior year comparatives have accordingly been updated.

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

(i) Effective for the first time in 2024-25

The following new Australian Accounting Standard has been applied for the first time in 2024-25:

- *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).*

The nature and effect of the changes as a result of adoption of this amendment is described below.

AASB 2022-10 amends AASB 13 *Fair Value Measurement* to add authoritative implementation guidance and related illustrative examples for fair value measurement of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. The guidance specifies that the entity is required to consider whether the asset's highest and best use differs from its current use, clarifies the 'financially feasible' criteria, specifies that an entity uses its own assumptions as a starting point for unobservable inputs and provides guidance on how the cost approach is to be applied to measure the assets fair value.

The Corporation has reviewed its accounting policies with reference to the guidance and concluded that the impact of applying this amendment did not materially affect the financial statements.

Several other amendments and interpretations apply for the first time in 2024-25, the impact of which is not material to the financial statements of the Corporation.

As a result, the accounting policies applied in 2024-25 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 18 Presentation and Disclosure in Financial Statements (AASB 18).*

AASB 18 aims to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss. AASB 18 will replace *AASB 101 Presentation of Financial Statements*.

1. Statement of Material Accounting Policy Information (continued)

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

(ii) Issued but not yet effective (continued)

The key presentation and disclosure requirements established by AASB 18 are:

- the presentation of newly defined subtotals in the statement of profit or loss;
- the disclosure of management-defined performance measures; and
- enhanced requirements for grouping information (i.e. aggregation and disaggregation).

For not-for-profit public sector entities, AASB 18 applies to annual reporting periods beginning on or after 1 January 2028.

The impact of AASB 18 is yet to be determined by the Corporation.

There are other standards and amendments issued but not yet effective, the impacts of which are not anticipated to be material.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

2. Employee related expenses

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Salaries and wages*	2,383,526	2,206,433	-	-
Superannuation - defined benefit plans	8,125	8,368	-	-
Superannuation - defined contribution plans	262,163	227,183	-	-
Long service leave	101,049	93,211	-	-
Redundancies	6,464	4,165	-	-
Workers' compensation insurance	141,892	118,046	-	-
Fringe benefits tax	428	175	-	-
Other staff related	20,059	17,246	-	-
	2,923,706	2,674,827	-	-

* Salaries and wages include annual leave, accrued days off (ADO) and parental leave.

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

Employee related costs of \$97.65 million (2024: \$39.70 million) have been capitalised in property, plant and equipment and intangible assets and are therefore excluded from the above amounts.

3. Personnel services

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Salaries and wages*	-	-	2,383,526	2,206,433
Superannuation - defined contribution plans	-	-	262,163	227,183
Long service leave	-	-	3,551	9,199
Redundancies	-	-	6,464	4,165
Workers' compensation insurance	-	-	141,892	118,046
Fringe benefits tax	-	-	428	175
Other staff related	-	-	20,059	17,246
	-	-	2,818,083	2,582,447

* Salaries and wages include annual leave, accrued days off (ADO) and parental leave.

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

Personnel services of \$97.65 million (2024: \$39.70 million) have been capitalised in property, plant and equipment and intangible assets and are excluded from the above amounts.

4. Visiting medical officers

Visiting medical officers (VMOs) enhance full-time medical specialist services by providing specialty input for pathology services. VMO expenses of \$0.52 million (2024: \$0.43 million) represent part of the day-to-day running costs incurred in the normal operations of the Corporation. These costs are expensed as incurred.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

5. Operating expenses

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Advertising	2,144	2,499	2,144	2,499
Agency expenses	2,759	7,605	2,759	7,605
Aircraft expenses (Ambulance)	151,231	144,091	151,231	144,091
Auditor's remuneration - audit of financial statements	791	784	791	784
Blood and blood products	16	61	16	61
Consultants	288	1,225	288	1,225
Contractors	62,522	168,783	62,522	168,783
Cost of sales to non-NSW Health entities	7,854	2,414	7,854	2,414
Corporate support services	310,347	390,946	310,347	390,946
Courier and freight	42,944	43,323	42,944	43,323
Disability equipment support expenses	14,624	9,628	14,624	9,628
Domestic supplies and services	48,660	40,651	48,660	40,651
Drug supplies	12,594	14,837	12,594	14,837
Expenses relating to short-term leases	28,245	24,709	28,245	24,709
Expenses relating to leases of low-value assets	576	586	576	586
Food supplies	109,240	111,286	109,240	111,286
Fuel, light, power and water	16,390	16,812	16,390	16,812
Hosted services purchased from entities controlled by the immediate parent	2,380	2,426	2,380	2,426
Information management expenses	437,431	406,105	437,431	406,105
Insurance	9,466	9,367	9,466	9,367
Isolated patient travel and accommodation assistance scheme	55,051	49,302	55,051	49,302
Legal services	5,838	3,933	5,838	3,933
Maintenance (see Note 5 (a))	120,127	105,967	120,127	105,967
Medical and surgical supplies (including prostheses)	52,009	48,295	52,009	48,295
Membership / professional fees	2,945	3,624	2,945	3,624
Motor vehicle expenses	39,722	36,254	39,722	36,254
Occupancy agreement expenses	26,642	22,891	26,642	22,891
Outsourced patient services	2,489	16	2,489	16
Patient transport costs	55,322	48,141	55,322	48,141
Postal and telephone costs	11,702	13,774	11,702	13,774
Printing and stationery	7,235	7,197	7,235	7,197
Professional services (excluding consultants)	6,163	13,308	6,163	13,308
Quality assurance / accreditation	6,391	5,179	6,391	5,179
Rates and charges	1,115	1,063	1,115	1,063
Security services	1,369	1,138	1,369	1,138
Specialised services (dental, radiology, pathology and allied health)	193,433	197,262	193,433	197,262
Staff related costs	8,456	7,405	8,456	7,405
Travel related costs	17,685	18,794	17,685	18,794
Work performed for entities controlled by the ultimate parent	45,237	9,476	45,237	9,476
Other miscellaneous	28,724	60,912	28,724	60,912
	1,948,157	2,052,069	1,948,157	2,052,069

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

5. Operating expenses (continued)

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

Other miscellaneous of \$28.72 million (2024: \$60.91 million) includes capital expenses that do not meet the capitalisation threshold, intra health expenses and sundry operating expenses.

(a) Reconciliation of total maintenance expense

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Corrective maintenance	46,531	21,279	46,531	21,279
Planned maintenance	54,903	54,315	54,903	54,315
New / replacement equipment not capitalised	18,110	30,008	18,110	30,008
Other	583	365	583	365
Maintenance expense - contracted labour and other (non-employee related) in Note 5	120,127	105,967	120,127	105,967
Employee related / personnel services maintenance expense included in Note 2 and Note 3*	6,863	6,446	6,863	6,446
	126,990	112,413	126,990	112,413

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

6. Depreciation and amortisation

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Depreciation - buildings	30,492	20,607	30,492	20,607
Depreciation - plant and equipment	70,291	57,028	70,291	57,028
Depreciation - infrastructure systems	1,422	844	1,422	844
Depreciation - right-of-use buildings	34,603	38,377	34,603	38,377
Depreciation - right-of-use plant and equipment	57,063	53,539	57,063	53,539
Amortisation - intangible assets	101,322	104,678	101,322	104,678
	295,193	275,073	295,193	275,073

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

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

7. Grants and subsidies

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Non-government organisations	3,127	3,015	3,127	3,015
Community packages	49,371	50,654	49,371	50,654
Grants to research organisations	772	534	772	534
Grants to entities controlled by the ultimate parent	4	-	4	-
Grants to entities controlled by the immediate parent	45,751	6,086	45,751	6,086
Other grants	9	155	9	155
	99,034	60,444	99,034	60,444

Recognition and Measurement

Grants and subsidies expense generally comprise 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.

8. Finance costs

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Interest expense from lease liabilities	20,146	13,065	20,146	13,065
Interest expense from financial liabilities at amortised cost	3,869	15	3,869	15
	24,015	13,080	24,015	13,080

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 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Capital sourced				
Capital Sourced	75	-	75	-
	75	-	75	-

Recognition and Measurement

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

10. Revenue

Accounting policies for the recognition of income are discussed below.

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

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

11. Summary of compliance

The Appropriation Act 2024 (Appropriations Act) (and the subsequent variations, if applicable) appropriates the sum of \$20,367 million to the Minister for Health out of the Consolidated Fund for the services of the Ministry of Health for the year 2024–25. The spending authority of the Minister from the Appropriations Act has been delegated or subdelegated to officers of the Ministry of Health and entities that it is administratively responsible for, including the Corporation.

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

In addition, government money that the Corporation receives or recovers, from another *GSF* agency, of a kind prescribed by the *GSF* regulations that forms part of the Consolidated Fund, is also deemed appropriation moneys where the receiving agency has a different lead Minister to the agency making the payment, or one or both of the agencies is a special office (as defined in section 4.7(8)).

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

The delegation / sub-delegations for 2025 and 2024, authorising officers of the Corporation to spend Consolidated Fund money, impose limits on the amounts of individual transactions, but not the overall expenditure of the Corporation. However, as they relate to expenditure in reliance on a sum appropriated by legislation, the delegation / sub-delegations are subject to the overall authority of the Ministry of Health to spend monies under relevant legislation. The individual transaction limits have been properly observed. The information in relation to the aggregate expenditure limit from the Appropriations Act and other sources is disclosed in the summary of compliance table included in the financial statements of the Annual Report of the Ministry of Health.

12. Ministry of Health allocations

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

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

13. Sale of goods and services from contracts with customers

(a) Sale of goods comprise the following:

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Sale of inventories				
- non-NSW Health entities	7,854	2,414	7,854	2,414
Other	1,308	940	1,308	940
	9,162	3,354	9,162	3,354

(b) Rendering of services comprise the following:

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Patients				
Patient Fees:				
Department of Veterans' Affairs	15,485	14,981	15,485	14,981
Motor Accident Authority third party	51,014	46,606	51,014	46,606
Patient co-payments - program of appliances for disabled people	1,008	744	1,008	744
Patient transport fees	223,088	211,709	223,088	211,709
Staff				
Private use of motor vehicles	243	249	243	249
Salary packaging fee	803	576	803	576
General community				
Cafeteria / kiosk	1,620	2,347	1,620	2,347
Car parking	-	1	-	1
Clinical services (excluding clinical drug trials)	27,780	27,179	27,780	27,179
Commercial activities	627,450	614,760	627,450	614,760
Fees for conferences and training	123	245	123	245
Fees for medical records	135	215	135	215
Information retrieval	11	15	11	15
Meals on Wheels	252	216	252	216
Non-NSW Health entities				
Linen Service Revenues - Non Health Services	4,953	5,096	4,953	5,096
Services to other organisations	5,790	2,164	5,790	2,164
Entities controlled by the immediate parent				
Hosted service revenues	926	-	926	-
Linen service revenues	95,014	98,863	95,014	98,863
Shared corporate service revenues	1,641,548	1,646,420	1,641,548	1,646,420
Use of ambulance facilities	8,616	8,400	8,616	8,400
Entities controlled by the ultimate parent				
Work performed reimbursed by entities controlled by the ultimate parent	45,237	9,476	45,237	9,476
Other				
Infrastructure fees - annual charge	14,423	8,748	14,423	8,748
Infrastructure fees - monthly facility charge	156,409	143,332	156,409	143,332
Other	8,188	7,900	8,188	7,900
	2,930,116	2,850,242	2,930,116	2,850,242
	2,939,278	2,853,596	2,939,278	2,853,596

Commercial activities include intra health pathology revenue of \$604.7 million (2024: \$595.4 million).

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

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

Recognition and Measurement

Sale of goods

Revenue from the sale of goods is recognised when the Corporation satisfies a performance obligation by transferring the promised goods.

Type of good	Nature of timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Sale of inventories and other merchandise to non-NSW Health entities	Relates to sale of various products including the sale of low value medical equipment, schedule 3 medical equipment, sale of publications, old wares and refuse and other general goods. The performance obligation of transferring these products is typically satisfied at the point in time when the products are purchased by the customer and takes delivery, which denotes acceptance by the customer, and therefore deemed as the point in time when the control is transferred to the customer. The payments are typically due within 30 days after the invoice date.	Revenue from these sales is recognised based on the price specified on the invoice, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a short credit term. No volume discount or warranty is provided on the sale.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

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

Recognition and Measurement (continued)

Rendering of services

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

Type of service	Nature of timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Patient services - 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, compensable patients are billed for health services provided under various contractual arrangements. Billings are typically done upon patient discharge and is based on the rates specified by the Ministry of Health. The payments are typically due within 30 days after the invoice date.	Revenue is recognised on an accrual basis when the service has been provided to the patient. In limited circumstances the price is not fully recovered, e.g. due to inadequate insurance policies, overseas patients returning to their home country before paying, etc. The likelihood of their occurrences is considered on a case by case basis. In most instances revenue is initially recognised at full amounts and subsequently adjusted when more information is provided. No element of financing is deemed present as majority of the services are made with a short credit term.
Non-Patient services provided to staff, General community, Non-NSW Health entities and Entities controlled by the immediate parent	Various non-patient related services are provided to the members of staff, general community, non-NSW health entities and entities controlled by the immediate parent. The performance obligations for these services are typically satisfied by transferring the promised services to its respective customers. The payments are typically due within 30 days after the invoice date.	Revenue is recognised when promised services are delivered. No element of financing is deemed present as the services are made with a short credit term.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

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

Recognition and Measurement (continued)

Rendering of services (continued)

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

Refer to Note 30 for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and when the Corporation expects to recognise the unsatisfied portion as revenue.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

14. Investment revenue

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Interest income from financial assets at amortised cost	16,631	18,855	16,631	18,855
	16,631	18,855	16,631	18,855

Recognition and Measurement

Interest income from financial assets at amortised cost

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

15. Grants and other contributions

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Grants to acquire / construct a recognisable non-financial asset to be controlled by the entity				
Grants to acquire / construct non-financial asset	100	930	100	930
Other grants with sufficiently specific performance obligations				
Cancer Institute grants received from an entity controlled by the immediate parent	339	346	339	346
Clinical trials and research grants	700	943	700	943
Commonwealth government grants other	544	705	544	705
Grants from entities controlled by the ultimate parent	541	47	541	47
Other grants from entities controlled by the immediate parent	2,753	946	2,753	946
Other grants	1,941	1,329	1,941	1,329
Grants without specific performance obligations				
Clinicals trial and research grants	65	154	65	154
Commonwealth government grants other	291	61,137	291	61,137
Grants from entities controlled by the ultimate parent	-	36,452	-	36,452
Other grants from entities controlled by the immediate parent	30,781	26,790	30,781	26,790
Other grants	93	13	93	13
Donations				
Donations	1,843	817	1,843	817
	39,991	130,609	39,991	130,609

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

15. Grants and other contributions (continued)

Recognition and Measurement

Revenue from grants with sufficiently specific performance obligations are recognised when the Corporation satisfies a performance obligation by transferring the promised goods or services. The Corporation typically receives grants in respect of research, clinical drug trials and other community, health and wellbeing related projects. The Corporation uses various methods to recognise revenue over time, depending on the nature and terms and conditions of the grant contract. The payments are typically based on an agreed timetable or on achievement of different milestones in the contract.

Revenue from these grants is recognised based on the grant amount specified in the funding agreement / funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

Refer to Note 30 for the transaction price allocated to the performance obligations that have not been satisfied at the end of the year and when it is expected to be recognised as revenue.

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

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

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

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Superannuation - defined benefit plans	8,125	8,368	-	-
Long service leave provision	97,498	84,012	-	-
	105,623	92,380	-	-

17. Other income

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Other income comprises the following:				
Bad debts recovered	223	136	223	136
Capital project management cost	52,142	71,254	52,142	71,254
Commissions	27	35	27	35
Discounts	1,205	429	1,205	429
Insurance refunds	9,579	726	9,579	726
Rental income				
- Other rental income	355	575	355	575
Sponsorship	92	135	92	135
Unclaimed deposits	157	242	157	242
Other	7,047	28,220	7,047	28,220
	70,827	101,752	70,827	101,752

Other income in 2024 comprised \$20.5 million of debts written off for which payment was no longer required.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

18. Gains / (losses) on disposal

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Gains / (losses) on disposals of:				
Property, plant and equipment				
Written down value of assets disposed	1,684	3,222	1,684	3,222
Less: proceeds from disposal	1,444	1,142	1,444	1,142
Net gains / (losses) on disposal	(240)	(2,080)	(240)	(2,080)
Right-of-use assets				
Written down value of assets disposed	3,563	11,130	3,563	11,130
Less: lease liabilities extinguished	3,795	11,357	3,795	11,357
Net gains / (losses) on disposal	232	227	232	227
Intangible assets				
Written down value of assets disposed	3,043	2,113	3,043	2,113
Less: proceeds from disposal	-	-	-	-
Net gains / (losses) on disposal	(3,043)	(2,113)	(3,043)	(2,113)
Total gains / (losses) on disposal	(3,051)	(3,966)	(3,051)	(3,966)

19. Other gains / (losses)

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Inventory write down	(20,277)	(91,444)	(20,277)	(91,444)
Gains / (losses) on derivative financial instruments at fair value through profit or loss	1,067	77	1,067	77
Foreign exchange gains / (losses)	225	119	225	119
Other	-	(166)	-	(166)
	(18,985)	(91,414)	(18,985)	(91,414)

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

20. Cash and cash equivalents

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Cash at bank and on hand	286,776	794,000	286,776	794,000
Cash at bank - held by HealthShare NSW*	388,191	-	388,191	-
	674,967	794,000	674,967	794,000

\$447.5M (2024: \$497.4M) of cash and cash equivalents held by the Corporation are restricted assets. Refer to Note 28 for the details of restricted assets.

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

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

Health Infrastructure (HI) manages the approved major capital works program for the Ministry of Health and its controlled entities. HI receives Ministry of Health capital allocations and grants on behalf of the health entities to carry out the capital project works. All capital project costs incurred are initially recorded as capital work in progress or capital expenses by HI. At the end of the reporting period, all capital costs recognised, and the associated capital allocation or grant revenue are transferred across to the health entities and are reflected in the health entity's financial statements. Health Infrastructure and the Corporation therefore does not reflect those transactions in their annual financial statements. The Statement of Cashflows for the Corporation also does not reflect any cash inflows or outlays for the capital projects managed by Health Infrastructure. During the year, Health Infrastructure incurred \$1,942.67 million (2024: \$1,598.61 million) of capital project costs, which was transferred across to health entities and not reflected in the Statement of Cash Flows.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

21. Receivables

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Current				
Trade receivables from contracts with customers	218,195	169,837	218,195	169,837
Intra health receivables	200,909	541,090	200,909	541,090
Goods and Services Tax	68,704	57,671	68,704	57,671
Other receivables	34,195	24,593	34,195	24,593
Sub total	522,003	793,191	522,003	793,191
Less: Allowance for expected credit losses*				
- Trade receivables from contracts with customers	(76,879)	(67,293)	(76,879)	(67,293)
- Other receivables	(1,372)	(1,279)	(1,372)	(1,279)
Sub total	443,752	724,619	443,752	724,619
Prepayments	136,856	74,715	136,856	74,715
	580,608	799,334	580,608	799,334

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

Trade receivables from contracts with customers				
Balance at the beginning of the year	(67,293)	(61,006)	(67,293)	(61,006)
Amounts written off during the year	16,988	18,928	16,988	18,928
Amounts recovered during the year	-	72	-	72
(Increase) / decrease in allowance recognised in the net result ¹	(26,574)	(25,287)	(26,574)	(25,287)
Balance at the end of the year	(76,879)	(67,293)	(76,879)	(67,293)
Other receivables				
Balance at the beginning of the year	(1,279)	(566)	(1,279)	(566)
Amounts written off during the year	(133)	(556)	(133)	(556)
Amounts recovered during the year	223	65	223	65
(Increase) / decrease in allowance recognised in the net result	(183)	(222)	(183)	(222)
Balance at the end of the year	(1,372)	(1,279)	(1,372)	(1,279)
	(78,251)	(68,572)	(78,251)	(68,572)

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Non-current				
Other receivables	205	205	205	205
Sub total	205	205	205	205
Sub total	205	205	205	205
Prepayments	13,249	17,378	13,249	17,378
	13,454	17,583	13,454	17,583

¹ Includes total impairment loss of \$26.57 million (2024: \$25.29 million) recognised on receivables from contracts with customers.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

21. Receivables (continued)

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

Current and non-current include:

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Patient fees - inpatient & other	13,864	30,434	13,864	30,434
	13,864	30,434	13,864	30,434

Details regarding credit risk of receivables that are neither past due nor impaired, are disclosed in Note 39.

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Current				
Contract receivables (included in Note 21)	419,104	710,927	419,104	710,927
Total contract receivables	419,104	710,927	419,104	710,927

Recognition and Measurement

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

The Corporation holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

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

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

22. Inventories

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Current				
Held-for-distribution				
Drug supplies	-	73,585	-	73,585
Medical and surgical supplies	99,223	126,202	99,223	126,202
Food and hotel supplies	3,171	3,072	3,171	3,072
Other including goods in transit	2,451	3,538	2,451	3,538
Sub total	104,845	206,397	104,845	206,397
Less: Allowance for impairment				
- Drug supplies	-	(6,457)	-	(6,457)
- Medical and surgical supplies	(28,784)	(37,342)	(28,784)	(37,342)
	76,061	162,598	76,061	162,598

In the current year, the Corporation transferred \$44.4 million of drug supplies to the Ministry of Health.

Recognition and Measurement

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

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

Inventories held for distribution are stated at cost and adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount or any loss of operating capacity due to obsolescence. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method.

The Corporation wrote off \$35.3 million (2024: \$333.4 million) of expired drugs, medical and surgical supplies and other inventory. The allowance for impairment was subsequently reduced by \$15.0 million (2024: \$242.0 million), reflecting the reduced inventory levels held by the Corporation. The write-off and the reduction in allowance for impairment expensed under 'Other gains / (losses)' (Note 19) is \$20.3 million (2024: \$91.4 million).

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the Corporation would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete items are disposed of in accordance with instructions issued by the Ministry of Health.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

23. Financial assets at fair value

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Current				
Derivatives	1,587	2,447	1,587	2,447
	1,587	2,447	1,587	2,447
Non-current				
Derivatives	5,686	6,351	5,686	6,351
	5,686	6,351	5,686	6,351

Refer to Note 39 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

Recognition and Measurement

Financial assets at fair value through profit or loss

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

Financial assets are held for trading if acquired for the purpose of selling or repurchasing in the near term. Derivatives are economic hedges classified as fair value through profit or loss unless they are designated as effective hedging instruments.

Derivative contracts are carried as financial assets when their fair value at the reporting date is positive. Derivative contracts maturing less than 12 months are classified as current and all other contracts as non-current.

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

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

24. Property, plant and equipment

(a) Total property, plant and equipment

PARENT AND CONSOLIDATION

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

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

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 27.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

24. Property, plant and equipment (continued)

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

PARENT AND CONSOLIDATION

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

	Land and Buildings \$000	Plant and Equipment ¹ \$000	Infrastructure Systems \$000	Total \$000
Year ended 30 June 2025				
Net carrying amount at beginning of year	979,762	339,947	23,829	1,343,538
Additions	53,981	111,946	3	165,930
Reclassification from/(to) intangibles	-	102	-	102
Reclassification from/(to) right-of-use assets	56	-	-	56
Reclassification from/(to) assets held for sale	304	-	-	304
Disposals	(910)	(774)	-	(1,684)
Transfers within NSW Health entities through Statement of Comprehensive Income	-	(23)	-	(23)
Net revaluation increments less revaluation decrements	60,784	-	2,843	63,627
Depreciation expense	(30,492)	(70,291)	(1,422)	(102,205)
Reclassifications	(4,514)	(4,152)	8,666	-
Net carrying amount at end of year	1,058,971	376,755	33,919	1,469,645

	Land and Buildings \$000	Plant and Equipment ¹ \$000	Infrastructure Systems \$000	Total \$000
At 30 June 2025 - fair value				
Gross carrying amount	1,562,724	793,699	42,037	2,398,460
Less: accumulated depreciation and impairment	503,753	416,944	8,118	928,815
Net carrying amount	1,058,971	376,755	33,919	1,469,645

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 27.

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

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

24. Property, plant and equipment (continued)

Recognition and Measurement

Acquisition of property, plant and equipment

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

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

Capitalisation thresholds

Property, plant and equipment assets costing more than \$10,000 individually (or forming part of a group costing more than \$100,000) are capitalised.

Intangible assets (except for software) costing more than \$10,000 individually or forming part of a network are capitalised. Software assets costing more than \$50,000 are capitalised.

Depreciation of property, plant and equipment

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Corporation.

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

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

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

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

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

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

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

Right-of-use assets acquired by lessees

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

Further information on leases is contained in Note 25.

24. Property, plant and equipment (continued)

Recognition and Measurement (continued)

Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 21-09) and Treasurer's Direction, 'Valuation of Physical Non-Current Assets at Fair Value' (TD 21-05). TPP 21-09 and TD 21-05 adopt fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and takes into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The Corporation conducts a comprehensive revaluation at least every three years for its land and buildings and infrastructure. Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. The Corporation uses an independent professionally qualified valuer for such interim revaluations.

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

Indices were subsequently obtained from external professionally qualified valuers since the last comprehensive revaluation. Indices obtained indicated a cumulative increase in market prices for land and material increases in construction and labour costs for buildings 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 2024 and 2025.

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

For other assets valued using other valuation techniques, any balances of accumulated depreciation existing at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are recognised in other comprehensive income and credited to revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

25. Leases

(a) Entity as a lessee

The Corporation leases various aeromedical, property, equipment and motor vehicles. Lease contracts are typically made for fixed periods of 1 to 10 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants but leased assets may not be used as security for borrowing purposes. The Corporation does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Corporation and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Potential future cash outflows of \$58.2 million have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extensions and termination options was an increase in recognised lease liabilities and right-of-use assets of \$35.3 million.

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

The Corporation has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new and comprise mainly of small office and medical equipment items.

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

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

25. Leases (continued)

(a) Entity as a lessee (continued)

Right-of-use assets under leases

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

PARENT AND CONSOLIDATION

	Land and Buildings \$000	Plant and Equipment \$000	Total \$000
Balance at 1 July 2024	182,616	255,641	438,257
Additions	8,795	34,001	42,796
Reassessments - increase / (decrease)	6,875	41,211	48,086
Disposals	(2,992)	(571)	(3,563)
Depreciation expense	(34,603)	(57,063)	(91,666)
Reclassifications	(56)	-	(56)
Balance at 30 June 2025	160,635	273,219	433,854

PARENT AND CONSOLIDATION

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

Health Administration Corporation
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

25. Leases (continued)

(a) Entity as a lessee (continued)

Lease liabilities

The following table presents liabilities under leases.

PARENT AND CONSOLIDATION

	2025	2024
	\$000	\$000
Balance at 1 July	448,085	346,759
Additions	42,796	85,773
Interest expenses	20,146	13,065
Payments	(106,006)	(102,551)
Terminations / derecognition	(3,795)	(11,357)
Other adjustments	48,086	116,396
Balance at 30 June	449,312	448,085

Other adjustments include \$42.4 million (2024: \$108.0 million) of lease extensions recognised for aeromedical leases.

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

PARENT AND CONSOLIDATION

	2025	2024
	\$000	\$000
Depreciation expense of right-of-use assets	91,666	91,916
Interest expense on lease liabilities	20,146	13,065
Expenses relating to short-term leases	28,245	24,709
Expenses relating to leases of low-value assets	576	586
(Gains) / losses on disposal	(232)	(227)
Total amount recognised in the statement of comprehensive income	140,401	130,049

The Corporation had total cash outflows for leases of \$134.83 million for the year ended 30 June 2025 (2024: \$127.85 million).

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

25. Leases (continued)

(a) Entity as a lessee (continued)

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

The Corporation entered into a number of leases, with lease terms ranging from 1 to 99 years with various organisations, including local councils and health charities for the use of various ambulance stations and helipads across the state. These contracts generally specify lease payments of \$Nil or negligible amounts per annum, and the leased premises are used by the Corporation to provide ambulance services and access to helipads.

These leased assets account for a small portion of similar assets used by the Corporation for the purposes of providing health services. Therefore, these lease arrangements do not have a significant impact on the Corporation's operations.

Recognition and Measurement

The Corporation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Corporation recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

i. Right-of-use assets

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Useful lives
Buildings	1 to 22 years
Plant and equipment	1 to 4 years
Motor vehicles and other equipment	1 to 6 years
Aeromedical	1 to 15 years

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

25. Leases (continued)

(a) Entity as a lessee (continued)

ii. Lease liabilities

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for real estate leases, the incremental borrowing rate is used. The Corporation does not borrow funds in the market. Instead they receive an allocation of the appropriations from the Crown and where the Crown needs additional funding, Treasury Corporation (TCorp) goes to the market to obtain these funds. As a result, the Corporation is using TCorp rates as their incremental borrowing rates. These rates are published by NSW Treasury on a regular basis.

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

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

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

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

(b) Entity as a lessor

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

Recognition and Measurement

Lessor for operating leases

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Comprehensive Income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

26. Intangible assets

PARENT AND CONSOLIDATION

	Software \$000	Total \$000
At 1 July 2023		
Cost (gross carrying amount)	1,389,521	1,389,521
Less: accumulated amortisation and impairment	700,645	700,645
Net carrying amount	688,876	688,876

	Software \$000	Total \$000
Year ended 30 June 2024		
Net carrying amount at beginning of year	688,876	688,876
Additions - acquired separately	360,316	360,316
Reclassifications from plant and equipment	1,455	1,455
Disposals	(2,113)	(2,113)
Amortisation (recognised in depreciation and amortisation)	(104,678)	(104,678)
Net carrying amount at end of year	943,856	943,856

	Software \$000	Total \$000
At 1 July 2024		
Cost (gross carrying amount)	1,709,316	1,709,316
Less: accumulated amortisation and impairment	765,460	765,460
Net carrying amount	943,856	943,856

	Software \$000	Total \$000
Year ended 30 June 2025		
Net carrying amount at beginning of year	943,856	943,856
Additions - acquired separately	191,424	191,424
Reclassifications from/(to) plant and equipment	(102)	(102)
Disposals	(3,043)	(3,043)
Amortisation (recognised in depreciation and amortisation)	(101,322)	(101,322)
Net carrying amount at end of year	1,030,813	1,030,813

	Software \$000	Total \$000
At 30 June 2025		
Cost (gross carrying amount)	1,884,646	1,884,646
Less: accumulated amortisation and impairment	853,833	853,833
Net carrying amount	1,030,813	1,030,813

Disposals relate to obsolete software assets written off during the year.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

26. Intangible assets (continued)

Recognition and Measurement

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

The Corporation's intangible assets are amortised using the straight-line method over a period of 4 to 20 years.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The Corporation recognises intangible assets only if it is probable that future economic benefits will flow to the Corporation and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Corporation's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

Health Administration Corporation

Notes to and forming part of the Financial Statements
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27. Fair value measurement of non-financial assets

PARENT AND CONSOLIDATION

Fair value measurement and hierarchy

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under *AASB 13 Fair Value Measurement*, the Corporation categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

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

(a) Fair value hierarchy

2025	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total Fair Value \$000
Property, plant and equipment (Note 24)				
- Land and buildings	-	297,744	761,227	1,058,971
- Infrastructure systems	-	-	33,919	33,919
	-	297,744	795,146	1,092,890

There were no transfers between level 1 and 2 during the year ended 30 June 2025.

The above figures include leasehold improvements, work in progress and newly completed assets which are carried at cost. Cost for such assets are regarded as an approximation of fair value.

2024	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total Fair Value \$000
Property, plant and equipment (Note 24)				
- Land and buildings	-	259,909	719,853	979,762
- Infrastructure systems	-	-	23,829	23,829
Non-current assets held for sale (Note)	-	304	-	304
	-	260,213	743,682	1,003,895

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

The above figures include leasehold improvements, work in progress and newly completed assets which are carried at cost. Cost for such assets are regarded as an approximation of fair value.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

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

(b) Valuation techniques, inputs and processes

For land, buildings and infrastructure systems the Corporation obtains external valuations by independent valuers at least every three years. The valuer used by each administrative division is an independent entity and is not an associated entity of the Corporation. The last revaluation was performed for the 2022-23 financial year.

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

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

- For land, the valuation by the valuer is made on a market approach, comparing similar assets (not identical) and observable inputs. The most significant input is price per square metre.

All commercial and non-restricted land is included in level 2 as these land valuations have a high level of observable inputs although these lands are not identical.

The majority of the restricted land has been classified as level 3 as, although observable inputs have been used, a significant level of professional judgement is required to adjust inputs in determining the land valuations. Certain parcels of land have zoning restrictions, for example hospital grounds, and values are adjusted accordingly.

- For buildings and infrastructure, many assets are of a specialised nature or use, including some modified residential properties and thus the most appropriate valuation method is depreciated replacement cost. These assets are included as level 3 as these assets have a high level of unobservable inputs. However, some residential properties are valued on a market approach and included in level 2.
- Non-current assets held for sale is a non-recurring item that is measured at the lower of its fair value less cost to sell or its carrying amount. These assets are categorised as level 2.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

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

(c) Reconciliation of recurring Level 3 fair value measurements

PARENT AND CONSOLIDATION

	Land and Buildings	Infrastructure Systems	Total Level 3 Recurring
2025	\$000	\$000	\$000
Fair value as at 1 July 2024	719,853	23,829	743,682
Additions	28,349	3	28,352
Revaluation increments / (decrements) recognised in other comprehensive income – included in line item 'Changes in revaluation surplus of property, plant and equipment' (Note 24)	48,057	2,843	50,900
Disposals	(910)	-	(910)
Depreciation expense	(29,988)	(1,422)	(31,410)
Reclassifications	(4,134)	8,666	4,532
Fair value as at 30 June 2025	761,227	33,919	795,146

There were no transfers between level 2 or 3 during the year ended 30 June 2025.

	Land and Buildings	Infrastructure Systems	Total Level 3 Recurring
2024	\$000	\$000	\$000
Fair value as at 1 July 2023	621,337	21,243	642,580
Additions	99,252	-	99,252
Revaluation increments / (decrements) recognised in other comprehensive income – included in line item 'Changes in revaluation surplus of property, plant and equipment' (Note 24)	23,326	1,119	24,445
Disposals	(88)	-	(88)
Depreciation expense	(19,113)	(844)	(19,957)
Reclassifications	(4,861)	2,311	(2,550)
Fair value as at 30 June 2024	719,853	23,829	743,682

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

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

28. Restricted assets

PARENT AND CONSOLIDATION

The Corporation's financial statements include cash and cash equivalents, the use of which is restricted for stipulated purposes and / or by externally imposed conditions, e.g. donor requirements. The assets are only available for application in accordance with the terms of the donor restrictions.

Category	2025 \$000	2024 \$000
Community welfare	284	327
Facility improvements	284,796	331,915
Patient welfare	266	260
Private practice disbursements (No.2 Accounts)	116,338	111,776
Public contributions	20,392	18,277
Clinical trials	1,511	1,305
Research	6,783	7,632
Staff welfare	18,666	17,610
Training and education including conferences	519	452
Other	(2,074)	7,875
	447,481	497,429

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' privacy and dignity.
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.
Other	Includes unallocated monies and outstanding settlements. Outstanding settlements refers to expenses and revenue processed in the respective restricted asset cost centres, however awaiting cash settlements to take place. The majority of it relates to private practice fund transfers from trust (No.1 Accounts) to restricted funds (No.2 Accounts), awaiting physical settlement/transfer of cash between those bank accounts.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

29. Payables

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Current				
Accrued salaries, wages and on-costs	117,213	89,945	-	-
Salaries and wages deductions	106,184	108,516	-	-
Payroll and fringe benefits tax	77	31	-	-
Accrued liability - purchase of personnel services	-	-	223,474	198,492
Creditors	198,749	231,310	198,749	231,310
Other creditors				
- Capital works	188,352	213,132	188,352	213,132
- Payables to entities controlled by the immediate parent	2,780	61,131	2,780	61,131
- Other	3,288	2,948	3,288	2,948
	616,643	707,013	616,643	707,013
Non-current				
Other creditors				
- Capital works	72,185	106,396	72,185	106,396
	72,185	106,396	72,185	106,396

The entire non-current payables relate to the purchase of EPIC software license for the Single Digital Patient Record program, which is payable over 5 years. Amounts payable after 12 months has been included as non-current payable.

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 39.

Recognition and Measurement

Payables represent liabilities for goods and services provided to the Corporation and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

30. Contract liabilities

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Current				
Contract liabilities	4,409	2,578	4,409	2,578
	4,409	2,578	4,409	2,578

Recognition and Measurement

Contract liabilities relate to consideration received in advance from customers.

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

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Revenue recognised that was included in the contract liability balance at the beginning of the year	2,277	2,020	2,277	2,020
Transaction price allocated to the remaining performance obligations from contracts with customers	7,014	3,394	7,014	3,394

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

Specific revenue class	2026 \$000	2027 \$000	2028 \$000	≥ 2029 \$000	Total \$000
Sales of goods and services from contracts with customers	1,637	-	-	-	1,637
Grants and other contributions	4,518	779	80	-	5,377
	6,155	779	80	-	7,014

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

31. Borrowings

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Current				
Derivatives	471	679	471	679
Advances repayable	184,722	281,233	184,722	281,233
Lease liabilities (see Note 25)	81,559	79,889	81,559	79,889
	266,752	361,801	266,752	361,801
Non-current				
Derivatives	2,382	37	2,382	37
Advance repayable	539	642	539	642
Lease liabilities (see Note 25)	367,753	368,196	367,753	368,196
	370,674	368,875	370,674	368,875

Details regarding liquidity risk, including a maturity analysis of the above borrowings are disclosed in Note 39.

Recognition and Measurement

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

Advances repayable includes \$184.6 million (2024: \$281.1 million) of amounts owed to the Ministry of Health.

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

Financial liabilities at amortised cost

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

Borrowings are classified as current liabilities unless the Corporation has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Refer to Note 39(b) for derecognition policy.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

31. Borrowings (continued)

Recognition and Measurement (continued)

Changes in liabilities arising from financing activities

PARENT AND CONSOLIDATION

	Derivatives \$000	Other loans and deposits \$000	Leases \$000	Total liabilities from financing activities \$000
1 July 2023	624	203,877	346,759	551,260
Cash flows	(1,198)	77,998	(89,486)	(12,686)
New leases	-	-	85,773	85,773
Lease terminations	-	-	(11,357)	(11,357)
Lease reassessments	-	-	116,396	116,396
Non-cash changes other	1,290	-	-	1,290
30 June 2024	716	281,875	448,085	730,676
1 July 2024	716	281,875	448,085	730,676
Cash flows	(165)	(96,614)	(85,860)	(182,639)
New leases	-	-	42,796	42,796
Lease terminations	-	-	(3,795)	(3,795)
Lease reassessments	-	-	48,086	48,086
Non-cash changes other	2,302	-	-	2,302
30 June 2025	2,853	185,261	449,312	637,426

Cash flows from derivatives in the above table will not reconcile to the Statement of Cash Flows as the Statement of Cash Flows presents a net cash movement of financial assets and liabilities.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

32. Provisions

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Current				
Employee benefits and related on-costs				
Annual leave				
-Obligations expected to be settled within 12 months	272,245	241,884	-	-
-Obligations expected to be settled after 12 months	136,812	127,760	-	-
Long service leave consequential on-costs				
-Obligations expected to be settled within 12 months	7,068	6,331	-	-
-Obligations expected to be settled after 12 months	66,528	64,068	-	-
Parental leave				
-Obligations expected to be settled within 12 months	17,940	15,790	-	-
Provision for other employee benefits	12,813	11,406	-	-
Provision for personnel services liability	-	-	513,406	467,239
	513,406	467,239	513,406	467,239
Other Provisions				
Restoration costs	478	59	478	59
Other	29,193	3,979	29,193	3,979
	29,671	4,038	29,671	4,038
Total current provisions	543,077	471,277	543,077	471,277
Non-current				
Employee benefits and related on-costs				
Long service leave consequential on-costs	8,159	7,806	-	-
Provision for personnel services liability	-	-	8,159	7,806
	8,159	7,806	8,159	7,806
Other Provisions				
Restoration costs	15,680	14,463	15,680	14,463
	15,680	14,463	15,680	14,463
Total non-current provisions	23,839	22,269	23,839	22,269
Aggregate employee benefits and related on-costs				
Provisions - current	513,406	467,239	-	-
Provisions - non-current	8,159	7,806	-	-
Accrued salaries, wages and on-costs and salaries and wages deductions (Note 29)	223,393	198,461	-	-
Liability - purchase of personnel services	-	-	744,958	673,506
	744,958	673,506	744,958	673,506

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

32. Provisions (continued)

Movements in provisions (other than employee benefits)

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

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Restoration costs				
Carrying amount at beginning of period	14,522	11,179	14,522	11,179
- Additional provisions recognised	1,739	3,343	1,739	3,343
- Amounts used	(103)	-	(103)	-
Carrying amount at end of period	16,158	14,522	16,158	14,522

The majority of 'restoration costs' represent the expected cost to restore a leased asset at the end of the lease term. Lease end dates vary across the Corporation's lease portfolio and therefore the timing of the payments to restore the leased asset at the end of the term will vary. The majority of the 'restoration cost' provision is as per the lease contracts.

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Other				
Carrying amount at beginning of period	3,979	18,370	3,979	18,370
- Additional provisions recognised	25,697	-	25,697	-
- Amounts used	(483)	(14,391)	(483)	(14,391)
Carrying amount at end of period	29,193	3,979	29,193	3,979

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

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).

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

32. Provisions (continued)

Recognition and Measurement (continued)

Employee benefits and other provisions (continued)

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

Actuarial advice obtained by NSW Treasury, a controlled entity of the ultimate parent, has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave can be used to approximate the present value of the annual leave liability. On-costs from 19.50% to 33.10% are applied to the value of leave payable at 30 June 2025 (comparable on-costs for 30 June 2024 were from 19.10% to 34.63%). The Corporation has assessed the actuarial advice based on the Corporation's circumstances to the annual leave, ADO and parental leave and has determined that the effect of discounting is immaterial. All annual leave, ADO and parental leave are classified as a current liability even where the Corporation does not expect to settle the liability within 12 months as the Corporation does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

Long service leave and superannuation

The Corporation's liability for long service leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by The Crown in right of the State of New South Wales. The Corporation accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown of employee benefits'.

Specific on-costs relating to long service leave assumed by The Crown in right of the State of New South Wales are borne by the Corporation.

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using the long-term Commonwealth Government bond rate at the reporting date.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and Aware Super) is calculated as a percentage of the employee's salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employee's superannuation contributions.

Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of workers' compensation insurance premiums and fringe benefits tax.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

33. Commitments

(a) Capital commitments

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

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Not later than one year	84,740	95,052	84,740	95,052
Later than one year and not later than five years	919	3,113	919	3,113
Total (including GST)	85,659	98,165	85,659	98,165

Input tax receivable related to commitments for expenditure

The total 'Capital expenditure commitments' of \$85.66 million as at 30 June 2025 includes input tax credits of \$7.79 million that are expected to be recoverable from the Australian Taxation Office (2024: \$8.92 million).

34. Contingent liabilities and contingent assets

PARENT AND CONSOLIDATION

(a) Contingent liabilities

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

(b) Contingent assets

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

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

35. Adjusted budget review

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

PARENT AND CONSOLIDATION

Net result

The actual net result (deficit of \$143.42 million) was lower than adjusted budget (deficit of \$177.13 million) by \$33.71 million.

This was primarily due to higher recurrent allocations funding and sales of goods and services revenue offset by increased operating and employee related expenses.

Assets and liabilities

Net assets (\$2.39 billion) were higher than the adjusted budget (\$2.29 billion) by \$97.33 million.

This was primarily due to an increase in property, plant and equipment combined with lower receivables, payables and borrowings.

Cash flows

The actual net cash flows from operating activities (\$472.09 million) were higher compared to the adjusted budget (\$378.46 million) by \$93.63 million.

This was primarily due to higher supplier payments for goods and services offset by a higher recurrent allocation and sales.

The actual net cash flows from investing activities (\$413.83 million) were lower compared to the adjusted budget (\$427.77 million) by \$13.94 million.

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

The actual net cash flows from financing activities (\$177.74 million) were higher compared to the adjusted budget (\$87.25 million) by \$90.50 million.

This was primarily due to higher repayment of advances to the Ministry of Health.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

36. 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 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Net cash used on operating activities	472,089	458,394	472,089	458,394
Depreciation and amortisation expense	(295,193)	(275,073)	(295,193)	(275,073)
Allowance for impairment	(47,034)	(116,953)	(47,034)	(116,953)
Effects of exchange rate changes	448	198	448	198
(Increase) / decrease in other liabilities	(47)	6,577	(47)	6,577
(Increase) / decrease in provisions	(73,372)	(51,191)	(73,372)	(51,191)
Increase / (decrease) in inventory	(66,641)	(37,207)	(66,641)	(37,207)
Increase / (decrease) in prepayments and other assets	(235,118)	41,490	(235,118)	41,490
(Increase) / decrease in payables	103,835	(80,401)	103,835	(80,401)
(Increase) / decrease in contract liabilities	(1,830)	(558)	(1,830)	(558)
Increase / (decrease) in financial instruments at fair value	1,067	77	1,067	77
Net gain / (loss) on sale of property, plant and equipment	(3,283)	(4,193)	(3,283)	(4,193)
Net gain / (loss) on disposal of right-of-use assets	232	227	232	227
Assets donated or brought to account (Note 37)	(10)	(1,826)	(10)	(1,826)
Other	1,436	959	1,436	959
Net result	(143,421)	(59,480)	(143,421)	(59,480)

37. Non-cash financing and investing activities

	Consolidated 2025 \$000	Consolidated 2024 \$000	Parent 2025 \$000	Parent 2024 \$000
Assets donated or brought to account	(10)	(1,826)	(10)	(1,826)
Property, plant and equipment acquired by a lease	42,796	85,773	42,796	85,773
	42,786	83,947	42,786	83,947

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

38. Trust funds

PARENT AND CONSOLIDATION

The Corporation holds trust funds of \$41.16 million (2024: \$10.50 million) which are held for the safe keeping of patients' monies, deposits on hired items of equipment and Private Patient Trusts.

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

2025	Cash balance at the beginning of the financial year	Add: receipts	Less: expenditure	Cash balance at the end of the financial year
Category	\$000	\$000	\$000	\$000
Private Patient Trust Funds	(971)	222,487	(222,502)	(986)
Third Party Funds	1,297	82,854	(65,843)	18,308
Other	10,177	13,661	-	23,838
Total trust funds	10,503	319,002	(288,345)	41,160

2024	Cash balance at the beginning of the financial year	Add: receipts	Less: expenditure	Cash balance at the end of the financial year
Category	\$000	\$000	\$000	\$000
Private Patient Trust Funds	(1,203)	206,256	(206,024)	(971)
Third Party Funds	3,701	87,220	(89,624)	1,297
Other	521	9,656	-	10,177
Total trust funds	3,019	303,132	(295,648)	10,503

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

Category	Purpose
Private Patient Trust Funds	The revenue derived from private patient and other billable services provided by Staff Specialists.
Third Party Funds	A sum of money held in trust on behalf of external parties, e.g. external foundations, volunteer groups and auxiliaries.
Other	Includes unallocated monies and outstanding settlements. Outstanding settlements refers to expenses and revenue processed in the respective trust fund cost centres, however awaiting cash settlements to take place. The majority of it relates to private practice fund transfers from trust (No.1 Accounts) to restricted funds (No.2 Accounts), awaiting physical settlement/transfer of cash between those bank accounts.

Health Administration Corporation

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

39. Financial instruments

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

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

The Secretary, NSW Health has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Corporation, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

(a) Financial instrument categories

PARENT AND CONSOLIDATION

Class	Category	Carrying Amount 2025 \$000	Carrying Amount 2024 \$000
Financial assets			
Cash and cash equivalents (Note 20)	Amortised cost	674,967	794,000
Receivables (Note 21) ¹	Amortised cost	375,252	667,153
Financial assets at fair value (Note 23)	Fair value through profit or loss - mandatory classification	7,273	8,798
Total financial assets		1,057,492	1,469,951
Financial liabilities			
Borrowings (Note 31)	Financial liabilities measured at amortised cost	634,573	729,960
Borrowings Fair Value	Fair value through profit or loss - mandatory classification	2,853	716
Payables (Note 29) ²	Financial liabilities measured at amortised cost	688,751	813,378
Other liabilities	Financial liabilities measured at amortised cost	784	-
Total financial liabilities		1,326,961	1,544,054

Notes

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

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

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

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

39. Financial instruments (continued)

(b) Derecognition of financial assets and financial liabilities

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

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

When the Corporation has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Corporation has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Corporation's continuing involvement in the asset. In that case, the Corporation also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Corporation has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Corporation could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) Financial risk

i. Credit risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Corporation. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses).

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

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

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

39. Financial instruments (continued)

(d) Financial risk (continued)

i. Credit risk (continued)

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

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

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

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Corporation has identified relevant factors, and accordingly has adjusted the historical loss rates based on expected changes in these factors.

Trade receivables, other receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

39. Financial instruments (continued)

(d) Financial risk (continued)

i. Credit risk (continued)

Accounting policy for impairment of trade receivables and other financial assets

Receivables - trade receivables, other receivables and contract assets

The loss allowance for trade receivables, other receivables and contract assets as at 30 June 2025 and 30 June 2024 was determined as follows:

PARENT AND CONSOLIDATION

30 June 2025	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	4.38%	9.28%	24.89%	41.46%	62.32%	30.98%
Estimated total gross carrying amount ¹	112,984	17,613	7,868	6,817	107,313	252,595
Expected credit loss	4,949	1,634	1,958	2,827	66,883	78,251

30 June 2024	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	6.77%	9.28%	19.15%	24.84%	59.77%	35.23%
Estimated total gross carrying amount ¹	59,700	16,331	10,749	10,047	97,808	194,635
Expected credit loss	4,043	1,515	2,058	2,496	58,460	68,572

Notes

¹ The analysis excludes statutory receivables and prepayments as these are not within the scope of *AASB 7 Financial Instruments: Disclosures*. Therefore the 'total' will not reconcile to the receivables total in Note 21.

The Corporation is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2025 and 30 June 2024.

ii. Liquidity risk

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

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

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

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

39. Financial instruments (continued)

(d) Financial risk (continued)

ii. Liquidity Risk (continued)

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

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. For all suppliers, that has a correctly rendered invoice, a matched purchase order and where goods have been received, a 30 day payment term is applied.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

39. Financial instruments (continued)

(d) Financial risk (continued)

ii. Liquidity risk (continued)

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

Maturity Analysis and interest rate exposure of financial liabilities

	EIR ³ %	Nominal Amount ¹ \$000	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$000	Variable Interest Rate \$000	Non - Interest Bearing \$000	< 1 Yr \$000	1-5 Yr \$000	> 5Yr \$000
2025								
Payables:								
- Creditors ²		692,698	-	-	692,698	616,566	76,132	-
Borrowings:								
- Other loans and deposits		185,302	680	-	184,622	184,735	454	113
- Lease liabilities	4.72	524,945	524,945	-	-	101,989	299,985	122,971
		1,402,945	525,625	-	877,320	903,290	376,571	123,084
2024								
Payables:								
- Creditors ²		813,378	-	-	821,181	706,982	114,199	-
Borrowings:								
- Other loans and deposits		281,929	794	-	281,135	281,248	454	227
- Lease liabilities	4.32	521,876	521,876	-	-	97,652	280,639	143,585
		1,617,183	522,670	-	1,102,316	1,085,882	395,292	143,812

Notes:

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

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

³ Weighted Average Effective Interest Rate (EIR).

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

39. Financial instruments (continued)

(d) Financial risk (continued)

ii. Liquidity risk (continued)

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

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

	Fair Values \$000	Maturity Dates		
		< 1 Yr \$000	1-5 Yr \$000	> 5Yr \$000
2025				
Financial assets:				
- Derivatives - inflows	7,273	22,065	43,996	11,533
- Derivatives - outflows		(20,423)	(38,899)	(10,046)
	7,273	1,642	5,097	1,487
Financial liabilities:				
- Derivatives - inflows	(2,853)	27,612	98,564	-
- Derivatives - outflows		(28,012)	(100,553)	-
	(2,853)	(400)	(1,989)	-
	Fair Values \$000	< 1 Yr \$000	1-5 Yr \$000	> 5Yr \$000
2024				
Financial assets:				
- Derivatives - inflows	8,798	58,837	39,483	20,110
- Derivatives - outflows		(56,153)	(34,749)	(17,685)
	8,798	2,684	4,734	2,425
Financial liabilities:				
- Derivatives - inflows	(716)	26,238	31,743	-
- Derivatives - outflows		(26,828)	(31,648)	-
	(716)	(590)	95	-

Notes:

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

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

39. Financial instruments (continued)

(d) Financial risk (continued)

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation's exposures to market risk are primarily through interest rate risk and foreign currency risk.

The effect on net result and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Corporation operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position date. The analysis is performed on the same basis as for 2024. The analysis assumes that all other variables remain constant.

Interest Rate Risk

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

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

The Corporation does not account for any fixed rate financial instruments at fair value through profit or loss or at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect the carrying value or interest paid/earned. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official Reserve Bank of Australia interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

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

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

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	2025 \$000		2024 \$000	
	-1%	1%	-1%	1%
Net result	(6,750)	6,750	(7,940)	7,940
Equity	(6,750)	6,750	(7,940)	7,940

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

39. 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 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 the Corporation to make foreign currency payments on behalf of the health entities. Further, the Corporation, 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 the Corporation and recognised in the Corporation's financial statements. The forward foreign exchange derivative contracts are economic hedges which enables the Corporation to exchange a fixed amount of foreign currency for fixed AUD amount at a specified future settlement date, ensuring cash flow certainty.

As at 30 June 2025, the Corporation has outstanding forward foreign exchange contracts entered with TCorp to hedge foreign currency risks.

A sensitivity analysis has been disclosed for the cash held in foreign currency bank account and outstanding derivative contracts at year end. A sensitivity of 10% movement in the exchange rates has been selected for use in the sensitivity analysis at the reporting date, as this is considered reasonable, based on the current Australian dollar level and the historical volatility of the Australian dollar against the US currency. Based on the value of the Australian dollar at the reporting date as compared with the currencies below, adverse or favourable movements in the foreign exchange rates would result in an increase or decrease in the Australian dollar fair value respectively.

PARENT AND CONSOLIDATION

2025	+10%		-10%	
	Net result		Equity	
	\$000	\$000	\$000	\$000
Denominated US Dollars	860	(78)	(78)	96
Derivatives	4,420	(17,163)	(17,163)	20,977
2024	+10%		-10%	
	Net result		Equity	
	\$000	\$000	\$000	\$000
Denominated US Dollars	4,662	(424)	(424)	518
Derivatives	8,082	(14,609)	(14,609)	17,856

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

39. 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. Management assessed that cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their fair values, largely due to the short-term maturities of these instruments.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Corporation categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

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

	Level 1 \$000	Level 2 \$000	Level 3 \$000	2025 Total \$000
Financial assets at fair value				
Derivatives	-	7,273	-	7,273
Financial liabilities at fair value				
Derivatives	-	2,853	-	2,853
	Level 1 \$000	Level 2 \$000	Level 3 \$000	2024 Total \$000
Financial assets at fair value				
Derivatives	-	8,798	-	8,798
Financial liabilities at fair value				
Derivatives	-	716	-	716

There were no transfers between level 1, 2 or 3 during the year ended 30 June 2024 and 30 June 2025.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

40. Related party disclosures

PARENT AND CONSOLIDATION

(a) Key management personnel compensation

During the financial year, Health Administration Corporation obtained key management personnel services from the immediate parent and incurred \$2.69 million (2024: \$2.30 million) for these services.

Compensation for the Minister for Health is paid by the Legislature and is not reimbursed by the Ministry of Health and its controlled entities. Accordingly no such amounts are included in 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 (2024: \$Nil).

(c) Transactions with the ultimate parent

There were no transactions with the ultimate parent during the financial period (2024: \$Nil).

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

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

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

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

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

40. Related party disclosures (continued)

(d) Transactions the Corporation 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 and Development NSW (PDNSW) properties and maintenance costs
- Various grants and subsidies towards research and other projects
- Respiratory Fit Testing costs
- Debt collection fees
- Public safety network user fees
- Public works advisory management fees
- Radio tower licence fees
- Car parking fees.

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

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

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

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

Assets and liabilities as follows:

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

Other transactions as follows:

- Manage and oversee major capital projects for health entities.

Health Administration Corporation

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

41. 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