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# LETTER TO THE MINISTER

The Hon. Jillian Skinner MP  
Minister for Health & Minister for Medical Research  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

Dear Minister

In compliance with the terms of the *Annual Reports (Departments) Act 1985*, the *Annual Reports (Departments) Regulation 2010* and the *Public Finance and Audit Act 1983*, I submit the Annual Report and Financial Statements of NSW Health organisations, for the financial year ended 30 June 2013, for presentation to Parliament.

The Financial Statements of these organisations are presented in separate volumes as *Financial Statements of Public Health Organisations under the control of NSW Health 2012-13*.

I am also sending a copy of the report to the Treasurer.

Yours sincerely



Dr Mary Foley  
Director General

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# DIRECTOR GENERAL'S YEAR IN REVIEW

Every story is told in parts that come together to form a whole. An important story, however, delivers something more than the sum of those parts.

As a state-wide integrated healthcare delivery system, NSW Health has an important story to tell in 2012-2013.

Our commitment to continuous improvement and to exceeding healthcare goals, such as those in *NSW 2021: A Plan to Make NSW Number One*, also means this is one story that will continue to develop and grow in partnership with the people and communities of NSW.

## NSW Health: More than the Sum of Its Parts

NSW Health is committed to creating healthy communities and delivering patient-centred care. Our core values – Collaboration, Openness, Respect and Empowerment – reflect this commitment.

NSW Health brings together a number of entities and agencies, including Local Health Districts and Networks and the six Pillars (Agency for Clinical Innovation, Clinical Excellence Commission, Health Education and Training Institute, Cancer Institute NSW, NSW Kids and Families and Bureau of Health Information), NSW Ambulance and the Office for Health and Medical Research. Each organisation brings its own specialist lens to service delivery and is assisting NSW Health to meet its performance targets under the NSW Government's 10-year Plan *NSW 2021: A Plan to Make NSW Number One* ('the Plan').

## Part One: Local achievements, global benefits: Our Local Health Districts

Over the past 12 months, our Local Health Districts and Networks have been building new services, facilities and partnerships as part of their local Strategic, Clinical and Capital plans. The work of each organisation feeds into the greater success of healthcare in NSW. Some highlights include:

- the completion of the \$38.6 million **Cancer Centre at Gosford Hospital**, which is providing state-of-the-art public radiotherapy services as part of an integrated multidisciplinary cancer service for the **Central Coast**
- a **Community Partnership Council** in the **Illawarra**, which is working collaboratively with the community on service delivery improvements
- the **Nepean Centre for Robotic Surgery**, which includes the State's first public surgical robot providing treatment for prostate cancer and performing other complex surgeries
- **Northern Sydney's** new Acute Services Building at Royal North Shore
- **South Eastern Sydney's** work with two Medicare Locals to develop strategic collaboration and joint activities, include the Connecting Care program and the Integrated Diabetes project
- The **200th anniversary of Liverpool Hospital** and the opening of the Ingham Research Centre **within South Western Sydney**
- **RPA's Hospital in the Home** initiative, which is reducing emergency department pressure and increasing early discharge rates, is now being rolled out to Concord and Canterbury **within Sydney Local Health District**
- commencement of works at **Blacktown and Mount Druitt Hospitals** to include a new **Urgent Care Centre** and rehabilitation unit, dental unit and additional imaging capacity **in Western Sydney**
- the **Far West's Intangible Project**, which supports carers of people experiencing a mental illness, won numerous awards and a special judge's award for the Carer Focus winner in the Australian and New Zealand Mental Health Service Achievement Awards
- **Hunter New England's** investment in **telehealth** technology, including the new \$11.2 million Werris Creek Multi-Purpose Service supporting modern, evidence-based models of care.
- **The Mid North Coast's Closing the Gap Committees**, which are leading the way on providing quality clinical outcomes for our Aboriginal and Torres Strait Islander communities. The region achieved the state Close the Gap employment target of 2.6 per cent – up from 1.8 per cent – and is now working towards a regional target of 5 per cent
- **Murrumbidgee's** achievement in **medical and nursing recruitment**, which is at almost 100 per cent, eliminating the need for locums
- **Northern NSW's** \$3.7 million Pottsville **HealthOne**, which is a one-stop-shop of health services with a General Practitioner, Community & Allied Health Services and a Dental Clinic.
- **Southern NSW's** significant improvement in **employee engagement**, which has reached 82 per cent compared with 59 per cent in the previous year, and is the highest of any of its peers within NSW Health
- **Western NSW's** \$7.2 million Dubbo **Mental Health Rehabilitation and Recovery Centre**, which has a strong focus on providing care for Aboriginal and remote communities
- **Sydney Children's Hospitals Network's Kids Cancer Alliance**, which is progressing work on improving the outcomes and quality of life for children with cancer
- **The Justice Health & Forensic Mental Health Network's Injury Management Award** at the 2012 Treasury Managed Funds Awards for Excellence for 'The Power of One – Achieving Better Outcomes in Injury Management'
- **St Vincent's Health Network's** celebration of the one-year anniversary of **Tierney House**, which provides sub-acute medical care for homeless people.

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## Part Two: Expert Support and Guidance for a Better Health System: Our Pillar Organisations

Our six Pillar organisations are an essential part of NSW Health's integrated healthcare delivery system. Key achievements over the last 12 months include:

- new **models of care in stroke** and rehabilitation (Agency for Clinical Innovation)
- rollout of the '**Between the Flags**' program, with the program nominated for Delivering Quality Customer Services in the 2013 Premier's Awards (Clinical Excellence Commission)
- a **Clinicians and Executives Team Leadership Program** established to build leadership skills amongst clinicians and managers, key to embedding our devolved governance model within NSW Health (Health Education and Training Institute)
- establishing a new Pillar, **NSW Kids and Families**, to lead the provision of safe, quality care for children
- an evidence-based approach to support the provision of **high quality surgery for rare cancers** of the oesophagus and pancreas (Cancer Institute NSW)
- ensuring we capture and appropriately respond to feedback on our patients' experience of the health system with a **review of the Patient Survey** for implementation in 2014 (Bureau of Health Information).

## Part Three: Critical partners in healthcare: NSW Ambulance, NSW Health Pathology, HealthShare NSW and Health Infrastructure

Within our integrated health system, the provision of health services to the people of NSW is also supported by the NSW Ambulance, NSW Health Pathology, HealthShare NSW and Health Infrastructure. Key achievements of these organisations in 2012-13 included:

- launching the **Reform Plan for NSW Ambulance** in December 2012, being implemented by Mr Ray Creen ASM, the new Chief Executive Officer of NSW Ambulance
- establishing **NSW Health Pathology** in November 2012 to provide quality, value for money public pathology, forensic and analytical services for the whole of NSW Health, which is already delivering price reductions to Local Health Districts
- HealthShare NSW's research into how to **better meet the needs** of Local Health Districts in the provision of **shared services** (food, linen and hotel services)
- Health Infrastructure's work with the Ministry and Local Health Districts on the planning and delivery of key infrastructure projects, including the delivery of the **new Royal North Shore Hospital**.

## Part Four: Investment in health services and capital works

NSW Health delivered an on-budget performance at the end of 2012-13. The 2012-13 Health budget provided a total \$18.3 billion for investment in public health services, with over \$1 billion invested in capital works. This budget represents a \$940 million, or 5.4 per cent, increase over the 2011-12 budget.

All Local Health Districts and Networks received growth funding to support higher levels of patient activity. In 2012-13 there were:

- 1.7 million acute patient admissions, representing an increase of 3.2 per cent or 54,418 additional acute inpatient episodes
- 2.6 million Emergency Department attendances, representing an increase of three per cent or 77,248 attendances.

Local Health Districts and Networks also received specific enhancements for new services and facilities, including funding for statewide services such as adult and neonatal intensive care beds, and to increase the nursing workforce.

There was significant infrastructure investment across NSW Health in 2012-13 including:

- Tamworth Hospital Stage Two redevelopment
- Blacktown Mount Druitt Hospital Stage one expansion
- South East Regional Hospital Bega
- Hornsby Ku-ring-gai Hospital Stage one Redevelopment
- Wagga Wagga Hospital redevelopment
- New England/North West Regional Cancer Centre
- Dubbo Base Hospital redevelopment Stages One and Two
- Multipurpose Service at Gulgong
- Parkes and Forbes redevelopment and upgrade
- Royal Prince Alfred Hospital, Missenden Mental Health Unit
- Cessnock Hospital ED upgrade
- Planning for new Ambulance stations at Albury, Bega and Wagga Wagga

Significant steps have also been taken in developing partnerships with the private and not-for-profit sectors. Public private partnership arrangements are a feature of the new Northern Beaches Hospital, which is at an advanced stage of planning, and The Chris O'Brien Lifehouse, which opened in November 2013, providing world-class cancer services.

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## Part Five: Focusing on a Healthy Future: Governance, Planning and Policy

Excellent governance is critical to best practice in service delivery. NSW Health's governance, planning and policy highlights for 2012-2013 include:

- meeting our goals under *NSW 2021: A Plan to Make NSW Number One*. For example, by targeting and **helping stabilise overweight and obesity** through our NSW Healthy Children's Initiative 2013-2017 and the Healthy Worker Initiative 2013-2017 (Goal 11)
- implementing the NSW Tobacco Strategy 2012-17 to **reduce smoking and decrease associated chronic diseases**. The rate of smoking has declined since 2002 in both Aboriginal and non-Aboriginal adults aged 16 years and over (Goal 11)
- amending the *Smoke-free Environment Act 2000* to **reduce exposure to second hand smoke** in a range of public places (Goal 11)
- launching a range of evidence-based public education programs to **reduce smoking and risky drinking**, including two programs targeting people whose alcohol consumption poses a lifetime risk to health (Goal 11)
- continuing to promote the benefits of **timely and complete immunisation** (Goal 11)
- continuing to work towards significantly **minimising the Aboriginal infant mortality rate** (Goal 11)
- **meeting waiting time targets** for booked surgery in all categories and qualifying for the National Elective Surgery Targets (NEST) payment under the National Health Reform Agreement with the Federal Government (Goal 12)
- improving our NEAT performance on **Emergency Department waiting times**, with the aim of achieving on-target performance for calendar year 2013 (Goal 12)
- releasing plans to promote **healthy people and healthy communities**; including: the NSW Aboriginal Health Plan 2013-23, the NSW HIV Strategy 2012-15 and the NSW Health Framework for Women's Health 2013 (Goal 12)
- extending the **Activity Based Funding (ABF)** model to cover sub-acute, mental health and outpatient services (Goal 12)
- improving the structure of the ABF Service Agreement between the Ministry and Local Health Districts and Networks on the provision of services, funding levels, strategic priorities and performance (Goal 12)
- establishing **NSW Kids and Families** as the fifth Pillar within our governance framework, to lead the provision of safe, quality care for children (Goal 12)
- founding the **NSW Mental Health Commission**, which is developing a Mental Health Strategic Plan for NSW and taking over a number of strategic and policy functions previously undertaken by the Ministry (Goal 12)
- establishing the **Cancer Institute NSW** as our sixth Pillar and NSW Pathology as a state-wide network of services (Goal 12).

Other achievements in governance, policy and planning during 2012-2013 include:

- an additional **\$35 million** over four years has been made available to support the provision of **community based palliative care** services in partnership with the private and not-for-profit sector
- the **Strategic Review of the Ambulance Service** of New South Wales, which produced the Reform Plan for NSW Ambulance and the Reform Plan for Aeromedical (Rotary Wing) Retrieval Services in NSW
- an additional **\$39.1 million** in new funding over three years to improve the **State's helicopter retrieval services**, including enhanced operating hours and staffing arrangements
- an additional **\$28 million** over four years to increase travel and accommodation subsidy rates and introduce new distance criteria to help people in **rural and remote areas** access **specialist medical treatments**
- the **NSW Pain Management Plan 2012-2016**, which provides additional funds of **\$26 million** over four years allocated to support service improvement, particularly in rural areas
- implementation of the **Increasing Organ Donation** in NSW: Government Plan 2012
- progressing the NSW Government's response to the NSW Health & Medical Research Strategic Review 2012, including establishing a **Medical Devices Fund** in support of NSW Health's translational research focus
- embedding the Ministry's **Whole of Hospital Program**, which has been instrumental in improving our patients' journey through the NSW hospital system and reducing waiting times for care. Twenty one hospitals from metropolitan and rural settings are participating in the program to date.

## Part Six: Award-winning service and care

At its heart, health is about people. As we look back on 2012-2013, it is important to recognise the people within NSW Health who work hard every day – in clinical settings, support services and voluntary roles – to make life better, more comfortable and more fulfilling for patients and communities across NSW. Your work is invaluable and your contribution is greatly appreciated.

We saw official recognition of our staff's hard work and achievements over the past 12 months at the annual Innovation Symposium and Health Awards, an information exchange on practical ideas and initiatives that meet the different needs of NSW communities.

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In 2012, the category winners at the NSW Health Awards were:

- *Keeping People Healthy to Avoid Unnecessary Hospitalisation* awarded to **South Eastern Sydney** Local Health District for **Active Play at Playgroup: Addressing Child Obesity in 0-5 Year Olds**
- *Improving Access to Timely Quality Health Care* awarded to **Sydney** Local Health District for **Preventing the Next Osteoporotic Fracture**
- *Empowering Patients and the Minister for Health and Minister for Medical Research's Award for Excellence* awarded to **Northern NSW** Local Health District for **Advance Care Planning (ACP)** in the Ballina Renal Service
- *Improving Primary Health Care in the Community and the Director General's Innovation Award* awarded to **Hunter New England** Local Health District for **Resi-DENTAL Care Program**
- *Collaboration – Working as a Team* awarded to **South Eastern Sydney** Local Health District and **Northern Sydney** Local Health District for **Tiny Infant + Mighty Nutrition = Healthy Beginning**
- *Building the Health Workforce* awarded to **South Western Sydney** Local Health District for **A Stitch in Time – Nurses Suturing Post Neurosurgical Drain Removal**
- *Volunteer Service of the Year Award* to the Agency for Clinical Innovation for S.H.A.R.E (Sharing Hope, Acceptance, Resilience and Experience) A **Burns Peer Support Program**
- *Harry Collins Award for Achievement in Reducing Healthcare Associated Infections* awarded to **Northern Sydney** Local Health District for **Antibiotic Stewardship...it's as EASY as eASY**
- *Clinical Excellence Commission Award for Improvement in Patient Safety* awarded to **South Western Sydney** Local Health District for **Waterlow Wednesday – Preventing Pressure Injuries**
- *Cancer Services Award for Excellence in the Provision of Cancer Services* awarded to **Illawarra Shoalhaven** Local Health District for **Medication Incident Reduction at Illawarra Cancer Care Centre**
- *Health Education and Training Institute Award for Excellence in Health Education & Training* awarded to **Hunter New England** Local Health District for **Enhancing Clinical Capacity of HNE Pharmacy Services**
- *The Minister for Mental Health Award for Excellence in the Provision of Mental Health Services* awarded to **Nepean Blue Mountains** Local Health District for **PECC Inspirations**.

In 2012, thirteen Health projects were finalists in the Premier's Public Sector Awards, with three category winners:

- *Delivering Quality Customer Service* awarded to **Sydney** Local Health District for the **Preventing the Next Osteoporotic Fracture** program
- *Improving Performance and Accountability* awarded to **HealthShare NSW** for the **Transformation and Innovation – Enhancing the Lives of People with Disability** program
- *Premier's Partnership Award* – awarded to CREATE Team, **Northern Sydney** Local Health District and MARS Inc for the **Cornucopia Project**

NSW Health appreciates there are challenges ahead in delivering healthcare services in a rapidly changing world. We are, however, committed to working together – across agencies, government and communities – to continually improve healthcare outcomes for the people of NSW.



Dr Mary Foley  
Director General

# HIGHLIGHTS



**\$37 million**

invested in the Medical Research Support Program.



**4,446**

NSW adults participated in the Get Healthy Information and Coaching Service (Get Healthy). Those completing the six month coaching program lose on average 3.9kg and 5cm off their waist circumference and maintain these improvements for at least six months.



**16,750**

patients cared for at home through the Hospital in the Home program.



**216,000**

planned surgical cases performed 4,140 more than last year.



**65%**

reduction in calls (three months post interventions) from patients identified as frequent callers through the Frequent User Management program implemented by NSW Ambulance.



**34,919**

people enrolled in the Chronic Disease Management Program including 3,288 Aboriginal people.





**1.7  
million**

inpatient episodes,  
54,418 more than  
last year.



**47,500**

Record number of  
nurses and midwives.



**\$1.76  
billion**

invested in capital works  
including \$620 million for  
the Royal North Shore Public  
Private Partnership and over  
\$1.1 billion to improve  
infrastructure at a range  
of hospitals and health  
services including mental  
health services.



**2.6  
million**

emergency  
department attendances,  
77,248 more than  
last year.



**1,000 kg**

lost by 22 teams across  
NSW that participated in  
the Knockout Health  
Challenge, a community-  
based program that  
supports Aboriginal  
people to reduce  
their risk factors for  
chronic disease.



The NSW Minister  
for Health launched  
the Paediatric Sepsis  
Program, Sepsis Kills.  
The median time  
to antibiotic administration  
has reduced from four  
hours two years ago,  
to within the  
recommended one hour.

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## ABOUT NSW HEALTH

We work to provide the people of NSW with the best possible health care that not only meets today's health needs but also responds to the health needs of the future.

NSW Health employs around 105,000 staff. The scope of work undertaken across the state ranges from acute hospital care to policy development, health promotion and community health initiatives.

The NSW Ministry of Health supports the NSW Minister for Health and Minister for Medical Research, as well as the Minister for Mental Health and Minister for Healthy Lifestyles to perform their executive and statutory functions.

These functions include promoting, protecting, developing, maintaining and improving the health and wellbeing of the people of NSW, while considering the needs of the state and the finances and resources available.

The corporate governance framework distributes authority and accountability through the health system.

At the end of the 2012-13 financial year, NSW Health comprised:

- Minister for Health, Minister for Medical Research
- Minister for Mental Health, Minister for Healthy Lifestyles
- Director General
- Ministry of Health
- Local Health Districts (LHDs)
- Justice Health & Forensic Mental Health Network
- Sydney Children's Hospitals Network
- Health Infrastructure
- Health Protection NSW
- HealthShare NSW
- NSW Ambulance
- NSW Health Pathology
- Agency for Clinical Innovation (ACI)
- Bureau of Health Information (BHI)
- Cancer Institute NSW\*
- Clinical Excellence Commission (CEC)
- Health Education and Training Institute (HETI)
- NSW Kids and Families

\*The Cancer Institute was deemed to be a Board governed statutory health corporation ('pillar') under legislative amendments in 2012-13.

In addition, St Vincent's Health Network has been recognised as a Network for the purpose of the National Health Reform Agreement.

## Health Portfolio Ministers

The Hon. Jillian Skinner MP continued in the role of Minister for Health and Minister for Medical Research during the reporting year.

The Hon. Kevin Humphries MP continued in the role of Minister for Mental Health and Minister for Healthy Lifestyles during the reporting year.

## HOW WE PERFORM

### A day in the life...

The NSW public health system is world-class. It is the biggest public health system in Australia with more than 220 public hospitals and around 105,000 dedicated staff who make up the health workforce.

### On a typical day in NSW\*

- 17,000** people spend the night in a public hospital
- 6,500** people are seen by our emergency departments (EDs)
- 5,600** people are admitted to a public hospital
- 1,000** patients have their surgery (emergency or planned) performed in our public hospitals
- 200** babies are born
- 100** patients have their cataracts removed
- 32** patients have their gallbladder removed
- 25** patients have their appendix removed
- 20** patients have their hip replaced
- 18** patients have their knee replaced.

\*As at July 2013, Monday to Friday when most planned surgery is performed.

## How NSW Health compares

Health reports from the COAG Reform Council show NSW is performing well against national and state comparisons in a range of areas including smoking rates, National Elective Surgery Targets (NEST), and emergency department waiting times.

### 2012 performance against National Elective Surgery Targets, by jurisdiction

NSW performed well compared to other Australian states and territories against the National Elective Surgery Targets, achieving seven of the nine targets and partially achieving an eighth.

Urgency categories→	NEST Part 1 Seen within clinically recommended times			NEST Part 2 Average overdue waiting time			Longest-waiting 10% of overdue patients seen by December 2012		
	1	2	3	1	2	3	1	2	3
NSW	■	■	■	■	■	■	■	■	■
Victoria	■	■	■	■	■	■	■	■	■
Queensland	■	■	■	■	■	■	■	■	■
Western Australia	■	■	■	■	■	■	■	■	■
South Australia	■	■	■	■	■	■	■	■	■
Tasmania	■	■	■	■	■	■	■	■	■
ACT	■	■	■	■	■	■	■	■	■
Northern Territory	■	■	■	■	■	■	■	■	■

Key		
■	■	■
Achieved target	Partially achieved target	Did not reach previous year's target or baseline

Source: National Partnership Agreement on Improving Public Hospital Services: Performance Report for 2012, 31 May 2013, COAG Reform Council page 6.

### Smoking rates by State and Territory, 2007-08 to 2011-12

The national adult daily smoking rate has fallen from 19.1 per cent in 2007-08 to 16.5 per cent in 2011-12. NSW demonstrated one of the lowest smoking rates nationally at 14.8 per cent (down from 19 per cent in 2007-08).



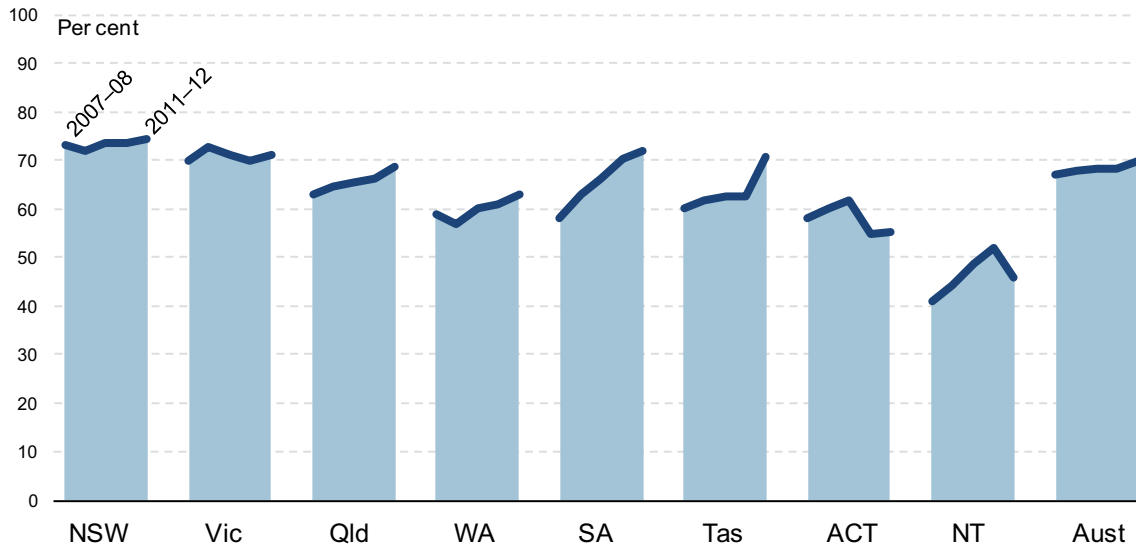
Notes:

1. Data for the Northern Territory are not comparable over time.

Source: Healthcare 2011/12: Comparing performance across Australia, 30 April 2013, COAG Reform Council page 32.

## Proportion of emergency department patients treated within national benchmarks, all triage categories

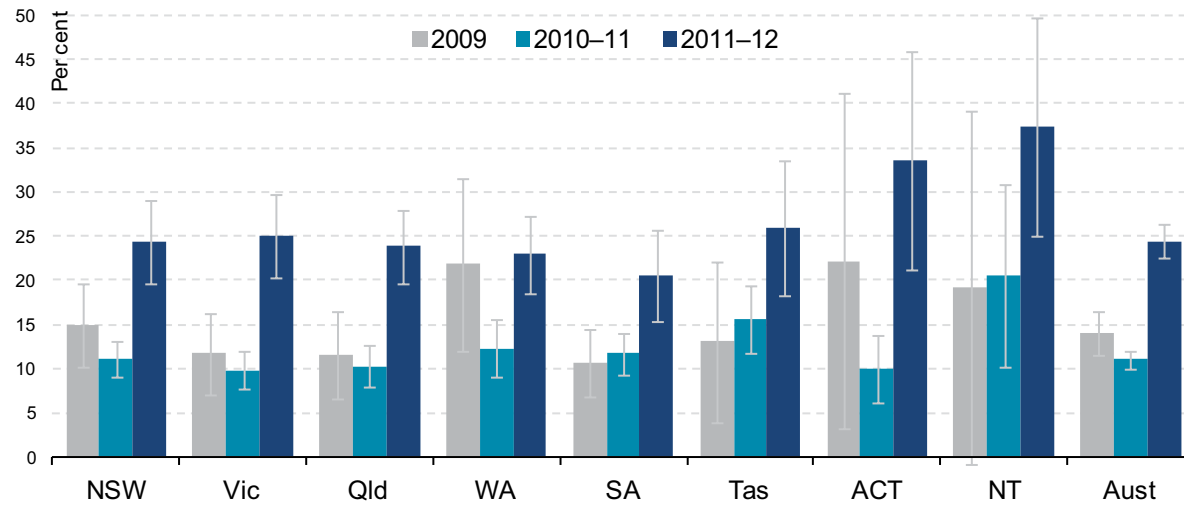
More emergency department patients were treated within national benchmarks in 2011-12, with NSW having the highest proportion of patients seen within benchmarks (74 per cent).



Source: Healthcare 2011/12: Comparing performance across Australia, 30 April 2013, COAG Reform Council page 46.

## The proportion (of people) waiting 24 hours or longer for an 'urgent' appointment with a GP

GP waiting times have increased significantly since 2010-11, with almost 25 per cent of people in NSW now waiting 24 hours or longer for an 'urgent' appointment with a GP.



Source: Healthcare 2011/12: Comparing performance across Australia 2011-12, 30 April 2013, COAG Reform Council page 43.

# FINANCIAL HIGHLIGHTS

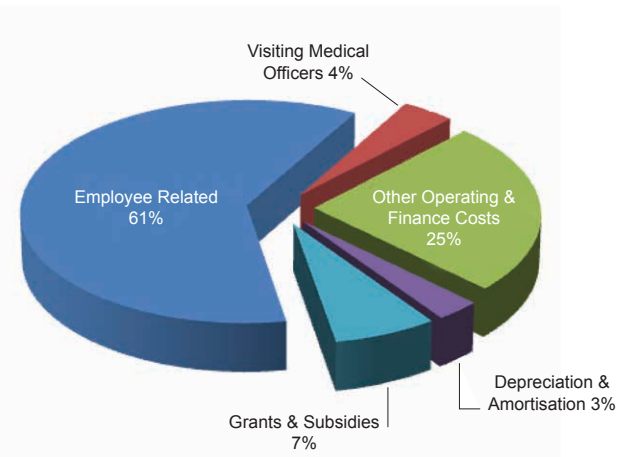
On a Net Cost of Services basis, NSW Health's 2012-13 result was \$42 million favourable against an adjusted budget as agreed with NSW Treasury. This result was determined after excluding the full actual impact derived from the Long Service Leave actuarial result for 2012-13. NSW Health's full year capital expenditure for 2012-13 was \$1.76 billion, comprising \$620 million once-off accounting recognition of the Royal North Shore Public Private Partnership (PPP) and \$1,137 million for works in progress and completed works. The total represents 14% of the Property, Plant, Equipment and Intangibles asset base. This was \$32.8 million less than the budgeted expenditure. Based on the combined operating and asset results above, NSW Health has been assessed by NSW Treasury as achieving its overall budget responsibilities in 2012-13.

The Ministry of Health's Statement of Comprehensive Income reports a net result of \$275 million favourable compared to the initial budget result of \$349 million. Information detailing the reasons for this variance is contained in the 2012-13 audited financial statements (Note 37).

## Expenses

The following chart provides a breakdown of Health's expenses by major categories:

Expenses by category for the year 2012-13



As a provider of patient based health services, almost 65 per cent or \$10.9 billion of costs incurred during 2012-13 are labour related and include employee salary costs and contracted Visiting Medical Officers costs. Significant costs in 2012-13 within the Other Operating and Finance Costs include over \$1.4 billion in drug, medical and surgical supplies and \$450 million in maintenance related expenses.

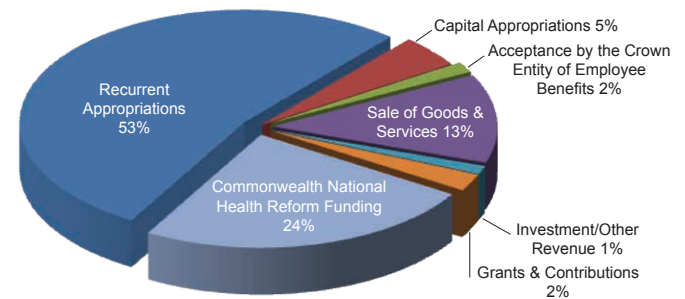
Grants and subsidies to third parties for the provision of public health related services were over \$1.2 billion in 2012-13, including subsidies of more than \$569 million of operating grants being paid to Affiliated Health Organisations.

## Revenue

Following the introduction of the National Health Reform Agreement, the Commonwealth Special Purpose Payment for NSW is received as grant revenue (\$4.25 billion) by NSW Health.

NSW Treasury introduced a change in the treatment and recognition of government appropriations and Crown accepted liabilities for the 2012-13 financial statements for Budget sector agencies. This change requires NSW Health to recognise \$14.1 billion of government contributions comprising recurrent allocations, capital allocations and Crown acceptance of employee benefits as revenue to NSW Health. The reporting format used in preparing the 2012-13 Statement of Comprehensive Income is consistent with the reporting format adopted by NSW Treasury when preparing the 2013-14 State Budget papers.

Revenue by category for the year 2012-13



Own source revenues retained by NSW Health reporting entities during 2012-13 comprised user revenue largely from private and compensable patient fees. These are included in Sale of Goods and Services in the chart above and Note 8 of the 2012-13 audited financial statements provides further detail about this category of revenue. Key items include recovery of patient fees from private health funds for privately insured patients (\$656 million), Department of Veterans' Affairs for the provision of services to entitled veterans (\$373 million), recoup of costs from the Commonwealth through Medicare for highly specialised drugs (\$217 million) and compensable payments received from motor vehicle insurers for the hospital costs of persons hospitalised or receiving treatment as a result of motor vehicle accidents (\$131 million).

## Net assets

Health's net assets as at 30 June 2013 are \$10.6 billion. This is made up of total assets of \$14.7 billion partly offset by total liabilities of \$4.1 billion. The net assets are represented by accumulated funds of \$7.6 billion and an asset revaluation reserve of \$3.0 billion.

The audited financial statements for the Ministry of Health are provided in this report. Audited financial statements have also been prepared in respect of each of the reporting entities controlled by the Ministry. These statements have been included in a separate volume of the 2012-13 Annual Report.

