Justice Health and Forensic Mental Health Network

Financial Statements

for the year ended 30 June 2017

AUDITOR-GENERAL NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

Justice Health and Forensic Mental Health Network

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Justice Health and Forensic Mental Health Network (the Network), which comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Network and the consolidated entity. The consolidated entity comprises the Network and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion the financial statements:

- give a true and fair view of the financial position of the Network and the consolidated entity as at 30 June 2017, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

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

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

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

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

Emphasis of Matter

Without modification to the opinion expressed above, I draw attention to the basis of presenting adjusted budget information detailed in Note 1(ab). The note states that AASB 1055 'Budgetary Reporting' is not applicable to the Network. It also states that, unlike the requirement in AASB 1055 'Budgetary Reporting' to present original budget information, the Network's financial statements present adjusted budget information.

The Chief Executive's Responsibility for the Financial Statements

The Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Chief Executive determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive must assess the ability of the Network and the consolidated entity to continue as a going concern except where operations will be dissolved by an Act of Parliament or otherwise cease. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility 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: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

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

Renee Meimaroglou
Director, Financial Audit Services

7 September 2017
SYDNEY

Justice Health and Forensic Mental Health Network
Certification of the Financial Statements
for the period ended 30 June 2017

We state, pursuant to section 45F of the *Public Finance and Audit Act 1983:*

1) The financial statements of the Justice Health and Forensic Mental Health Network for the period ended 30 June 2017 have been prepared in accordance with:

   a) Australian Accounting Standards (which include Australian Accounting Interpretations);

   b) the requirements of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015 (the Act); and

   c) financial Reporting Directions issued by the Treasurer under the Act.

2) The financial statements exhibit a true and fair view of the financial position and the financial performance of the Justice Health and Forensic Mental Health Network; and

3) We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

G Forrest

Gary Forrest
Chief Executive
6 September 2017

Christopher Puplick
Chair
6 September 2017

Justice Health and Forensic Mental Health Network

Statement of Comprehensive Income for the period ended 30 June 2017

PARENT					CONSOLIDATION		
Actual 2017 $000	Adjusted Budget Unaudited 2017 $000	Actual 2016 $000		Notes	Actual 2017 $000	Adjusted Budget Unaudited 2017 $000	Actual 2016 $000
			Expenses excluding losses				
			Operating Expenses				
-----	-----	-----	Employee Related	2	159,014	156,955	153,784
155,129	153,085	146,728	Personnel Services	3	-----	-----	-----
6,518	7,801	7,529	Visiting Medical Officers		6,518	7,801	7,529
81,803	81,128	37,677	Other Operating Expenses	4	81,803	81,128	37,677
5,157	5,167	4,902	Depreciation and Amortisation	1(l), 5	5,157	5,167	4,902
111	56	109	Grants and Subsidies	6	111	56	109
4,610	4,610	4,981	Finance Costs	1(g), 7	4,610	4,610	4,981
253,328	**251,847**	**201,926**	**Total Expenses excluding losses**		**257,213**	**255,717**	**208,982**
			Revenue				
196,261	196,261	149,454	NSW Ministry of Health Recurrent Allocations	1(h)	196,261	196,261	149,454
1,348	1,348	2,180	NSW Ministry of Health Capital Allocations	1(h)	1,348	1,348	2,180
-----	-----	-----	Acceptance by the Crown Entity of Employee Benefits	1(e)(ii),10	3,885	3,871	7,056
53,901	53,121	10,940	Sale of Goods and Services	1(h), 8	53,901	53,121	10,940
503	8	610	Grants and Contributions	1(h),9	503	8	610
2,255	2,620	4,750	Other Revenue	11	2,255	2,620	4,750
254,268	**253,358**	**167,934**	**Total Revenue**		**258,153**	**257,229**	**174,990**
(65)	-----	**(67)**	**Gain / (Loss) on Disposal**	12	**(65)**	-----	**(67)**
(343)	-----	**(152)**	**Other Gains / (Losses)**	13	**(343)**	-----	**(152)**
532	**1,511**	**(34,211)**	**Net Result**	27	**532**	**1,512**	**(34,211)**
532	**1,511**	**(34,211)**	TOTAL COMPREHENSIVE INCOME		**532**	**1,512**	**(34,211)**

The accompanying notes form part of these financial statements.

Justice Health and Forensic Mental Health Network
Statement of Financial Position as at 30 June 2017

PARENT					CONSOLIDATION		
Actual	Adjusted Budget Unaudited	Actual		Notes	Actual	Adjusted Budget Unaudited	Actual
2017	2017	2016			2017	2017	2016
$000	$000	$000			$000	$000	$000
			ASSETS				
			Current Assets				
841	2,733	683	Cash and Cash Equivalents	14	841	2,733	683
5,611	6,278	6,277	Receivables	15	5,611	6,278	6,277
877	863	1,079	Inventories	16	877	863	1,079
7,329	9,874	8,039			7,329	9,874	8,039
7,329	**9,874**	**8,039**	**Total Current Assets**		**7,329**	**9,874**	**8,039**
			Non-Current Assets				
			Property, Plant & Equipment				
96,592	96,570	98,265	- Land and Buildings	17	96,592	96,570	98,265
6,766	6,823	5,387	- Plant and Equipment	17	6,766	6,823	5,387
4,874	4,585	4,268	- Leasehold Improvements	17	4,874	4,585	4,268
108,232	107,978	107,920	Total Property, Plant & Equipment		108,232	107,978	107,920
2,743	2,619	3,780	Intangible Assets	18	2,743	2,619	3,780
110,975	**110,597**	**111,700**	**Total Non-Current Assets**		**110,975**	**110,597**	**111,700**
118,304	**120,471**	**119,739**	**Total Assets**		**118,304**	**120,471**	**119,739**
			LIABILITIES				
			Current Liabilities				
13,496	16,344	15,945	Payables	20	13,496	16,344	15,945
1,792	1,792	1,620	Borrowings	21	1,792	1,792	1,620
20,536	19,307	18,873	Provisions	22	20,536	19,307	18,873
454	21	21	Other	23	454	21	21
36,278	37,464	36,459	**Total Current Liabilities**		36,278	37,464	36,459
			Non-Current Liabilities				
73,574	73,574	75,366	Borrowings	21	73,574	73,574	75,366
234	234	228	Provisions	22	234	234	228
73,808	**73,808**	**75,594**	**Total Non-Current Liabilities**		**73,808**	**73,808**	**75,594**
110,086	**111,272**	**112,053**	**Total Liabilities**		**110,086**	**111,272**	**112,053**
8,218	**9,199**	**7,686**	**Net Assets**		**8,218**	**9,199**	**7,686**
			EQUITY				
17,985	17,985	17,985	Reserves		17,985	17,985	17,985
(9,767)	(8,786)	(10,299)	Accumulated Funds		(9,767)	(8,786)	(10,299)
8,218	**9,199**	**7,686**	**Total Equity**		**8,218**	**9,199**	**7,686**

The accompanying notes form part of these financial statements.

Justice Health and Forensic Mental Health Network
Statement of Changes in Equity for the period ended 30 June 2017

PARENT AND CONSOLIDATION	Notes	Accumulated Funds	Revaluation Surplus	Total
		$000	$000	$000
Balance at 1 July 2016		(10,299)	17,985	7,686
Total Equity at 1 July 2016		**(10,299)**	**17,985**	**7,686**
Net Result for the period		532	-----	532
Other Comprehensive Income:				
Total Other Comprehensive Income		-----	-----	-----
Total Comprehensive Income for the period		532	-----	532
Balance at 30 June 2017		**(9,767)**	**17,985**	**8,218**
Balance at 1 July 2015		23,912	17,985	41,897
Total Equity at 1 July 2015		**23,912**	**17,985**	**41,897**
Net Result for the year		(34,211)	-----	(34,211)
Other Comprehensive Income:				
Total Other Comprehensive Income		-----	-----	-----
Total Comprehensive Income for the year		(34,211)	-----	(34,211)
Balance at 30 June 2016		**(10,299)**	**17,985**	**7,686**

The accompanying notes form part of these financial statements.

Justice Health and Forensic Mental Health Network
Statement of Cash Flows for the period ended 30 June 2017

PARENT					CONSOLIDATION		
Actual 2017 $000	Adjusted Budget Unaudited 2017 $000	Actual 2016 $000		Notes	Actual 2017 $000	Adjusted Budget Unaudited 2017 $000	Actual 2016 $000
			CASH FLOWS FROM OPERATING ACTIVITIES				
			Payments				
-----	-----	-----	Employee Related		(156,571)	(154,624)	(149,660)
(125)	(70)	(124)	Grants and Subsidies		(125)	(70)	(124)
(4,610)	(4,610)	(4,981)	Finance Costs		(4,610)	(4,610)	(4,981)
(257,505)	(253,978)	(196,953)	Other		(100,934)	(99,354)	(47,293)
(262,240)	(258,658)	(202,058)	**Total Payments**		(262,240)	(258,658)	(202,058)
			Receipts				
196,261	196,261	149,454	NSW Ministry of Health Recurrent Allocations		196,261	196,261	149,454
1,348	1,348	2,180	NSW Ministry of Health Capital Allocations		1,348	1,348	2,180
2,196	2,196	2,355	Reimbursements from the Crown Entity		2,196	2,196	2,355
52,214	53,316	11,270	Sale of Goods and Services		52,214	53,316	11,270
654	160	652	Grants and Contributions		654	160	652
15,840	13,111	7,820	Other		15,840	13,111	7,820
268,513	266,392	173,731	**Total Receipts**		268,513	266,392	173,731
6,273	**7,734**	**(28,327)**	**NET CASH FLOWS FROM OPERATING ACTIVITIES**	27	**6,273**	**7,734**	**(28,327)**
			CASH FLOWS FROM INVESTING ACTIVITIES				
631	-----	126	Proceeds from Sale of Property, Plant & Equipment and Intangibles		631	-----	126
(5,126)	(4,064)	(4,789)	Purchases of Property, Plant & Equipment and Intangibles		(5,126)	(4,064)	(4,789)
(4,495)	**(4,064)**	**(4,663)**	**NET CASH FLOWS FROM INVESTING ACTIVITIES**		**(4,495)**	**(4,064)**	**(4,663)**
			CASH FLOWS FROM FINANCING ACTIVITIES				
149	149	146	Proceeds from Borrowings and Advances		149	149	146
(1,769)	(1,769)	(1,611)	Repayment of Borrowings and Advances		(1,769)	(1,769)	(1,611)
(1,620)	**(1,620)**	**(1,465)**	**NET CASH FLOWS FROM FINANCING ACTIVITIES**		**(1,620)**	**(1,620)**	**(1,465)**
158	2,050	(34,455)	**NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS**		158	2,050	(34,455)
683	683	35,138	Opening Cash and Cash Equivalents	14	683	683	35,138
841	**2,733**	**683**	**CLOSING CASH AND CASH EQUIVALENTS**	14	**841**	**2,733**	**683**

The accompanying notes form part of these financial statements.

1. Summary of Significant Accounting Policies

a) The Reporting Entity

The Justice Health and Forensic Mental Health Network (the Network) was established under the provisions of the Health Services Act 1997 with effect from 30 March 2012.

The Network, as a reporting entity, comprises all the entities under its control, namely:

* The parent entity, comprises all the operating activities of the Hospital Facilities and the Community Health Centres under its control.
* The Justice Health and Forensic Mental Health Network Special Purpose Service Entity which was established as a Division of the Network on 30 March 2012 in accordance with the Health Services Act 1997. This Division provides personnel services to enable the Network to exercise its functions.

As a consequence the values in the financial statements presented herein consist of the parent entity and the consolidated entity which comprises the parent and special purpose service entity. In the process of preparing the consolidated financial statements consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

It should be noted that the Network's financial statements do not include the cost of external or community based patient care services provided by Local Health District's (LHD) due to the application of the Ministry of Health policy PD2016_024 Health Services Act 1997 – Scale of Fees for Hospital and Other Services. The cost of these services remain in the LHD and are not charged to the Network. The Network also has established Memoranda of Understanding with various Local Health Districts to enable the operation of the Forensic Mental Health Network and improve patient flow.

The Network is a NSW Government entity and is controlled by the NSW Ministry of Health, which is the immediate parent. The reporting entity is also 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 reporting entity is a not-for-profit entity (as profit is not its principal objective).

These consolidated financial statements for the period ended 30 June 2017 have been authorised for issue by the Chief Executive and Chair of the Board on 6 September 2017.

b) Basis of Preparation

The Network's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015 (the Act), and the financial Reporting Directions issued by the Treasurer under the Act. The financial statements comply with the NSW Treasury mandates circular for NSW General Government Sector Entities. Further information on the adjusted budget figures can be found at Note 1(ab).

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

The Secretary of Health, the Chair of Justice Health and Forensic Mental Health Network Board and the Chief Executive, expect to have a signed agreement later in 2017. The agreement will contain details of service and funding levels for the forward financial year. The service agreement sets out the level of financial resources public health services under the Network's control and the source of these funds. By agreement, the service agreement requires local management to control its financial liquidity and in particular meet benchmarks for the payment of creditors. Where the Network fails to meet service agreement performance standards, the Ministry of Health as the state manager can take action in accordance with annual performance framework requirements, including financial support and increased management interaction by the Ministry.

Other circumstances why the going concern assumption is appropriate include:

* Allocated funds, combined with other revenues earned, are applied to pay debts as and when they become due and payable.
* The Network has the capacity to review timing of subsidy cashflows to ensure that debts can be paid when they become due and payable.
* The Network has developed an Efficiency and Improvement Plan (EIP) which identifies revenue improvement and cost saving strategies. Benefits from the EIP are retained by the Network and assist in meeting its overall budget target. The EIP is monitored and evaluated by the Ministry throughout the financial year.

Property, plant and equipment, assets (or disposal groups) held for sale and financial assets at 'fair value through profit and loss' and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

1. Summary of Significant Accounting Policies

c) 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.

d) Statement of Compliance

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

e) Employee Benefits and Other Provisions

i) Salaries & Wages, Annual 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 is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted).

Actuarial advice obtained by NSW Treasury , a controlled entity of the ultimate parent, has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave can be used to approximate the present value of the annual leave liability. On-costs of 17.2% are applied to the value of leave payable at 30 June 2017 (comparable on-costs for 30 June 2016 were 16.7%).The Network has assessed the actuarial advice based on the Network's circumstances and has determined that the effect of discounting is immaterial to annual leave.

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.

ii) Long Service Leave and Superannuation

The Network's liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity , which is a controlled entity of the ultimate parent.

The Network accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee benefits'.

Specific on-costs relating to Long Service Leave assumed by the Crown Entity are borne by the Network as shown in Note 22.

Long Service Leave is measured at present value in accordance with AASB 119, Employee Benefits. This is based on the application of certain factors (specified in NSW Treasury Circular 15/09) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the reporting period is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State 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.

iii) 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.

iv) Other Provisions

Other provisions exist when the Network has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

f) Insurance

The Network's insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self insurance for government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.The TMF is managed by Insurance and Care NSW (iCare), a controlled entity of the ultimate parent.

g) Finance Costs

Finance 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.

1. Summary of Significant Accounting Policies

h) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Sale of Goods

Revenue from the sale of goods is recognised as revenue when the Network transfers the significant risks and rewards of ownership of the assets.

Rendering of Services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

Patient Fees

Patient fees are derived from chargeable inpatients and non-inpatients on the basis of rates specified by the NSW Ministry of Health. Revenue is recognised on an accrual basis when the service has been provided to the patient.

Highly Specialised Drugs

Revenue for highly specialised drugs is paid by the Commonwealth in accordance with the terms of the Commonwealth agreement through Medicare and reflects the recoupment of costs incurred under Section 100 of the National Health Act 1953 for highly specialised drugs. The agreement provides for the provision of medicines for the treatment of chronic conditions where specific criteria are met in respect of day admitted patients, non admitted patients or patients on discharge. Revenue is recognised when the drugs have been provided to the patient.

Debt Forgiveness

Debts are accounted for as extinguished when and only when settlement occurs through repayment or replacement by another liability.

Grants and Contributions

Grants and contributions are recognised as revenues when the Network obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.

NSW Ministry of Health Allocations

Payments are made by the immediate parent on the basis of the allocation for the Network as adjusted for approved supplementations mostly for salary agreements and approved enhancement projects.

This allocation is included in the Statement of Comprehensive Income before arriving at the "Net Result" on the basis that the allocation is earned in return for the health services provided on behalf of the Ministry. Allocations are normally recognised upon the receipt of cash.

i) Accounting for the Goods & Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that the:

* amount of GST incurred by the Network as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
* receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

j) Acquisition of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

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

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

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

1. Summary of Significant Accounting Policies

k) Capitalisation Thresholds

Individual items of Property, Plant & Equipment and Intangibles are capitalised where their cost is $10,000 or above.

l) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Network. Land is not a depreciable asset. All material identifiable components of assets are depreciated over their useful lives.

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

Buildings	2.5%
Plant and Equipment	
- Computer Equipment	20%
- Electro Medical Equipment	
* Costing less than $200,000	10%
* Costing more than or equal to $200,000	12.5%
- Furniture, Fittings and Furnishings	5%
- Motor Vehicle Sedans	12.5%
- Motor Vehicles, Trucks & Vans	20%
- Office Equipment	10%
- Plant and Machinery	10%
- Leased Buildings	10%

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported.

m) Revaluation of Non-Current Assets

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts 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.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer Note 17 and Note 19 for further information regarding fair value.

To ensure that the carrying amount for each asset does not differ materially from its fair value at reporting date, indices are sourced. The indices reflect an assessment of movements made in the period between revaluations.

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

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

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 credited directly to the revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result for the year, except that, to the extent that a credit balance exists in the revaluation surplus in respect of the same class of assets, they are 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.

1. Summary of Significant Accounting Policies

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

n) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

o) Restoration Costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

p) Intangible Assets

The Network recognises intangible assets only if it is probable that future economic benefits will flow to the Network 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. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

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

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Network's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

Computer software developed or acquired by the Network are recognised as intangible assets and are amortised over five years using the straight line method based on the useful life of the asset for both internally developed assets and direct acquisitions. Most computer software is acquired from the Health Administration Corporation, a controlled entity of the parent.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

q) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

r) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and rewards.

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments, at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

s) Inventories

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value.

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

t) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the Net Result when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

u) Impairment of Financial Assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

1. Summary of Significant Accounting Policies

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence, except reversals of impairment losses on an investment in an equity instrument classified as "available for sale", must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

v) De-recognition of Financial Assets and Financial Liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Network transfers the financial asset:

* where substantially all the risks and rewards have been transferred; or
* where the Network has not transferred substantially all the risks and rewards, if the Network has not retained control.

Where the Network has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Network's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

w) Payables

These amounts represent liabilities for goods and services provided to the Network and other amounts. Payables are recognised initially at fair value.

Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Network.

x) Borrowings

Loans are not held for trading or designated at fair value through profit or loss and are recognised at amortised cost using the effective interest rate method. Gains or losses are recognised in the net result for the year on derecognition.

Borrowings include finance lease liabilities. The finance lease liability is determined in accordance with AASB 117, Leases.

y) Fair Value Hierarchy

A number of the Network's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13 Fair Value Measurement, the Network categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

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

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

Refer to Note 19 and Note 30 for further disclosures regarding fair value measurements of financial and non-financial assets.

z) Equity and Reserves

(i) Accumulated Funds

The category "accumulated funds" includes all current and prior period retained funds.

(ii) Revaluation Surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the Network's policy on the revaluation of property, plant and equipment as discussed in Note 1(m).

aa) Trust Funds

The Network receives monies in a trustee capacity for various trusts as set out in Note 25.

As the Network performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the Network's own objectives, these funds are not recognised in the financial statements.

1. Summary of Significant Accounting Policies

ab) Adjusted Budgeted Amounts

NSW Health's budget is shown at a consolidated level when presented in parliament each year (i.e. in the NSW Government Budget Papers). The Network's budget is not presented in parliament, therefore AASB 1055 Budgetary Reporting is not applicable. Unlike the requirement in AASB 1055 'Budgetary Reporting' to present original budget information, the Network's financial statements present adjusted budget information.The adjusted budgeted amounts are drawn from the initial Service Agreements between the Network and the NSW 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 column entries in the financial statements are denoted as "Unaudited".

Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements are explained in Note 29.

ac) Changes in Accounting Policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2016-17

The accounting policies applied in 2016-17 are consistent with those of the previous financial year except as a result of new or revised Australian Accounting Standards that have been applied for the first time as follows:

AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* extends the scope of AASB 124 *Related Party Disclosures* to include application by not-for-profit public sector entities. The application of this standard has resulted in increased disclosures in the financial statements relating to related party transactions and Key Management Personnel compensation.

AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* is applicable to reporting periods beginning on or after 1 July 2016. The Entity early adopted this standard in the financial year ended 30 June 2016, which allows for exemption from making certain Level 3 'Fair Value Measurement' disclosures held primarily for current service potential rather than the generation of future net cash inflows.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The following new Australian Accounting Standards, excluding standards not considered applicable or material to NSW Health, have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 2016-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107* applies to annual periods beginning on or after 1 January 2017. The standard amends AASB 107 *Statement of Cash Flows* to require additional disclosures regarding financing activities in the Statement of Cash Flows. The change is not expected to materially impact the financial statements.

AASB 9 *Financial Instruments* and AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9* are applicable for reporting period on or after 1 January 2018. AASB 9 will replace AASB 139 *Financial Instruments: Recognition and Measurement* and establishes new principles for the financial reporting of financial assets, financial liabilities and hedge accounting. AASB 9 also introduces a forward-looking 'expected credit losses' impairment model, which may significantly impact the timing and amount of impairment recognition.

AASB 16 *Leases* applies to annual periods beginning on or after 1 January 2019. The standard introduces a new approach to lease accounting that requires a lessee to recognise assets and liabilities for the rights and obligations created by leases. The application of this standard will likely have a significant transitional impact as all leases, except short term (<12 months) and low value leases, brought on balance sheet.

AASB 15 *Revenue from Contracts with Customers* (and associated amending standards AASB 2014-5, AASB 2015-8, AASB 2016-3, AASB 2016-7 and AASB 2016-8) applies to annual periods beginning on or after 1 January 2019 for not-for-profit entities. AASB 15 establishes a contract-based five-step analysis of transactions to determine the nature, amount and timing of revenue arising from contracts with customers. This new standard requires revenue to be recognised when control of the goods or services are transferred to the customer at the transaction price. This may impact the timing of recognising certain revenue currently recognised by reference to the stage of completion of the transaction.

AASB 1058 *Income of Not-for-Profit Entities* applies to not-for-profit entities and is effective for annual periods beginning on or after 1 January 2019. This standard requires entities to recognise income where the consideration to acquire an asset, including cash, is significantly less than the fair value principally to enable the entity to further its objectives. Under this standard, the timing of income recognition may be impacted depending on whether there is a liability or other performance obligation associated with the acquired asset, including cash.

AASB 1058 also requires government agencies to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. This is consistent with current practice under AASB 1004 *Contributions* and is not expected to materially impact the financial statements.

PARENT			CONSOLIDATION	
2017 $000	2016 $000		2017 $000	2016 $000
		2. Employee Related		
-----	-----	Salaries and Wages (including annual leave)	141,154	133,292
-----	-----	Superannuation - Defined Benefit Plans	868	857
-----	-----	Superannuation - Defined Contribution Plans	12,135	11,427
-----	-----	Long Service Leave	3,094	6,569
-----	-----	Redundancies	-----	215
-----	-----	Workers' Compensation Insurance	1,746	1,405
-----	-----	Fringe Benefits Tax	17	19
-----	-----		**159,014**	**153,784**
		3. Personnel Services		
141,154	133,292	Salaries and Wages	-----	-----
-----	-----	Superannuation - Defined Benefit Plans	-----	-----
12,135	11,427	Superannuation - Defined Contribution Plans	-----	-----
77	370	Long Service Leave	-----	-----
-----	215	Redundancies	-----	-----
1,746	1,405	Workers' Compensation Insurance	-----	-----
17	19	Fringe Benefits Tax	-----	-----
155,129	**146,728**		-----	-----

Personnel services of Justice Health and Forensic Mental Health Network was provided by its controlled entity, Justice Health and Forensic Mental Health Network Special Purpose Service Entity.

PARENT 2017 $000	PARENT 2016 $000		CONSOLIDATION 2017 $000	CONSOLIDATION 2016 $000
		4. Other Operating Expenses		
170	269	Advertising	170	269
104	101	Auditor's Remuneration - Audit of Financial Statements	104	101
177	84	Consultancies	177	84
171	120	Contractors	171	120
465	382	Domestic Supplies and Services	465	382
57,053	13,434	Drug Supplies	57,053	13,434
557	630	Food Supplies	557	630
56	25	Fuel, Light and Power	56	25
56	38	Hospital Ambulance Transport Costs	56	38
3,087	3,234	Information Management Expenses	3,087	3,234
70	87	Insurance	70	87
1,936	1,721	Maintenance (See 4(b) below)	1,936	1,721
675	586	Medical and Surgical Supplies	675	586
307	283	Motor Vehicle Expenses	307	283
338	348	Postal and Telephone Costs	338	348
903	762	Printing and Stationery	903	762
72	74	Rates and Charges	72	74
1,098	522	Rental	1,098	522
884	1,046	Special Service Departments (Dental, Radiology, Pathology, Allied Health)	884	1,046
1,782	1,832	Staff Related Costs	1,782	1,832
1,339	1,330	Travel Related Costs	1,339	1,330
10,503	10,769	Other (See 4(a) below)	10,503	10,769
81,803	**37,677**		**81,803**	**37,677**

PARENT 2017 $000	PARENT 2016 $000		CONSOLIDATION 2017 $000	CONSOLIDATION 2016 $000
		4. Other Operating Expenses		
		a) Other Includes:		
701	619	Corporate Support Services	701	619
333	273	Courier and Freight	333	273
200	283	Legal Services	200	283
27	21	Membership/Professional Fees	27	21
8,131	8,619	Public Private Partnership Contracted Services	8,131	8,619
61	61	Quality Assurance/Accreditation	61	61
18	18	Security Services	18	18
1,032	875	Other Miscellaneous	1,032	875
10,503	**10,769**		**10,503**	**10,769**
		b) Reconciliation of Total Maintenance		
687	527	Maintenance Contracts	687	527
1,222	1,164	New/Replacement Equipment under $10,000	1,222	1,164
27	30	Repairs Maintenance/Non Contract	27	30
1,936	**1,721**		**1,936**	**1,721**

The increase in Drug Supplies is mainly related to the expanded Hepatitis C Treatment Programme in 2016/17.

Auditor's Remuneration' was paid to The Audit Office of New South Wales, an entity controlled by the ultimate parent.

Hospital Ambulance Transport Costs' were paid to Health Administration Corporation, which is an entity controlled by the immediate parent.

The majority of 'Information Management Expenses' were paid to Health Administration Corporation, an entity controlled by the immediate parent.

The majority of 'Corporate Support Services' and some of 'Food Supplies', were paid to Health Administration Corporation, an entity controlled by the immediate parent.

Some of 'Special Service Departments' expenses were paid to the Health Administration Corporation, an entity controlled by the immediate parent.

Some 'Legal expenses' were paid to the Crown Solicitors Office, an entity controlled by the ultimate parent.

PARENT 2017 $000	PARENT 2016 $000		CONSOLIDATION 2017 $000	CONSOLIDATION 2016 $000
		5. Depreciation and Amortisation		
2,560	2,550	Depreciation - Buildings	2,560	2,550
685	622	Depreciation - Plant and Equipment	685	622
704	559	Amortisation - Leasehold Improvements	704	559
1,208	1,171	Amortisation - Intangible Assets	1,208	1,171
5,157	**4,902**		**5,157**	**4,902**
		6. Grants and Subsidies		
79	79	Grants paid to entities controlled by the immediate parent	79	79
32	30	Other Grants	32	30
111	**109**		**111**	**109**
		7. Finance Costs		
4,610	4,981	Public Private Partnership Lease Interest Charges	4,610	4,981
4,610	**4,981**		**4,610**	**4,981**

PARENT			CONSOLIDATION	
2017 $000	2016 $000		2017 $000	2016 $000
		8. Sale of Goods and Services		
		Patient Fees		
2,309	2,369	- Nursing Home Fees	2,309	2,369
75	75	Cafeteria/Kiosk	75	75
1	-----	Car Parking	1	-----
74	60	Information Retrieval	74	60
51,170	8,168	Highly Specialised Drugs	51,170	8,168
49	88	Private Use of Motor Vehicles	49	88
134	-----	Shared Corporate Services	134	-----
89	180	Other	89	180
53,901	**10,940**		**53,901**	**10,940**

The majority of 'Shared Corporate Services' revenue was earned from entities controlled by the immediate parent.

PARENT 2017 $000	PARENT 2016 $000		CONSOLIDATION 2017 $000	CONSOLIDATION 2016 $000
		9. Grants and Contributions		
86	-----	Cancer Institute Grants	86	-----
18	-----	Grants received from entities controlled by the ultimate parent	18	-----
241	422	Grants received from entities controlled by the immediate parent	241	422
158	188	Other Grants	158	188
503	**610**		**503**	**610**

The majority of grants that were received from entities controlled by the ultimate and immediate parent were received from Health Education & Training Institute.

10. Acceptance by the Crown Entity of Employee Benefits

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

PARENT 2017 $000	PARENT 2016 $000		CONSOLIDATION 2017 $000	CONSOLIDATION 2016 $000
-----	-----	Superannuation-defined benefit	868	857
-----	-----	Long Service Leave	3,017	6,199
-----	-----		**3,885**	**7,056**

11. Other Revenue

Other Revenue comprises the following:-

PARENT 2017 $000	PARENT 2016 $000		CONSOLIDATION 2017 $000	CONSOLIDATION 2016 $000
1	1	Commissions	1	1
554	394	Conference and Training Fees	554	394
-----	14	Discounts received	-----	14
-----	38	Insurance Refunds	-----	38
2	-----	Sponsorship	2	-----
1,072	3,822	Treasury Managed Fund Hindsight Adjustment	1,072	3,822
626	481	Other	626	481
2,255	**4,750**		**2,255**	**4,750**

PARENT 2017 $000	PARENT 2016 $000		CONSOLIDATION 2017 $000	CONSOLIDATION 2016 $000
		12. Gain / (Loss) on Disposal		
1,177	756	Property, Plant and Equipment	1,177	756
(481)	(563)	Accumulated Depreciation	(481)	(563)
696	**193**	**Written Down Value**	**696**	**193**
631	126	Proceeds from Disposal	631	126
(65)	**(67)**	**Gain/(Loss) on Disposal of Property, Plant and Equipment**	**(65)**	**(67)**
(65)	**(67)**	**Total Gain/(Loss) on Disposal**	**(65)**	**(67)**
		13. Other Gains / (Losses)		
(343)	(152)	Impairment of Receivables	(343)	(152)
(343)	**(152)**		**(343)**	**(152)**

PARENT			CONSOLIDATION	
2017 $000	**2016 $000**		**2017 $000**	**2016 $000**
		14. Cash and Cash Equivalents		
841	683	Cash at Bank and On Hand	841	683
841	**683**		**841**	**683**
		For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposits.		
		Cash & cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:		
841	683	Cash and Cash Equivalents (per Statement of Financial Position)	841	683
841	**683**	Closing Cash and Cash Equivalents (per Statement of Cash Flows)	**841**	**683**

Refer to Note 30 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

PARENT 2017 $000	PARENT 2016 $000	15. Receivables	CONSOLIDATION 2017 $000	CONSOLIDATION 2016 $000
		Current		
1,444	1,163	Sale of Goods and Services	1,444	1,163
1,529	217	Intra Health Receivables	1,529	217
1,612	1,294	Goods and Services Tax	1,612	1,294
1,343	3,714	Other Debtors	1,343	3,714
5,928	6,388	**Sub Total**	5,928	6,388
(848)	(648)	Less Allowance for Impairment	(848)	(648)
5,080	5,740	**Sub Total**	5,080	5,740
531	537	Prepayments	531	537
5,611	**6,277**		**5,611**	**6,277**

Intra Health Receivables' include amounts receivable from entities controlled by the immediate parent. The majority of the balance at reporting date was receivable from the NSW Ministry of Health.

PARENT 2017 $000	PARENT 2016 $000		CONSOLIDATION 2017 $000	CONSOLIDATION 2016 $000
		a) Movement in the Allowance for Impairment		
		Sale of Goods and Services		
(648)	(667)	Balance at Commencement of Reporting Period	(648)	(667)
143	171	Amounts written off during the period	143	171
(343)	(152)	(Increase)/decrease in Allowance Recognised in the Net Result	(343)	(152)
(848)	(648)	Balance at 30 June	(848)	(648)
		b)		
		The current and non-current sale of goods and services balances above include the following patient fee receivables:		
1,071	736	Patient Fees - Inpatient & Other	1,071	736
1,071	**736**		**1,071**	**736**

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 30.

PARENT			CONSOLIDATION	
2017	**2016**		**2017**	**2016**
\$000	**\$000**		**\$000**	**\$000**
		16. Inventories		
877	1,079	Drugs	877	1,079
877	**1,079**		**877**	**1,079**

PARENT 2017 $000	PARENT 2016 $000		CONSOLIDATION 2017 $000	CONSOLIDATION 2016 $000
		17. Property, Plant and Equipment		
		Land and Buildings - Fair Value		
118,274	117,388	Gross Carrying Amount	118,274	117,388
(21,682)	(19,123)	Less: Accumulated Depreciation and Impairment	(21,682)	(19,123)
96,592	**98,265**	Net Carrying Amount	**96,592**	**98,265**
		Plant and Equipment - Fair Value*		
10,303	8,720	Gross Carrying Amount	10,303	8,720
(3,537)	(3,333)	Less: Accumulated Depreciation and Impairment	(3,537)	(3,333)
6,766	**5,387**	Net Carrying Amount	**6,766**	**5,387**
		Leasehold Improvements - Fair Value*		
8,475	7,165	Gross Carrying Amount	8,475	7,165
(3,601)	(2,897)	Less: Accumulated Depreciation and Impairment	(3,601)	(2,897)
4,874	**4,268**	Net Carrying Amount	**4,874**	**4,268**
108,232	**107,920**	**Total Property, Plant and Equipment At Net Carrying Amount**	**108,232**	**107,920**

* 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 14-01.

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17. Property, Plant and Equipment - Reconciliation

A reconciliation of the carrying amount for each class of property, plant and equipment is set out below:

	Land $000	Buildings $000	Plant and Equipment $000	Leasehold Improvements $000	Total $000
2017					
Net carrying amount at start of period	15,225	83,040	5,387	4,268	**107,920**
Additions	-----	887	2,897	1,310	**5,094**
Reclassifications to Intangibles	-----	-----	(137)	-----	**(137)**
Disposals	-----	-----	(696)	-----	**(696)**
Depreciation Expense	-----	(2,560)	(685)	(704)	**(3,949)**
Net carrying amount at end of period	**15,225**	**81,367**	**6,766**	**4,874**	**108,232**

	Land $000	Buildings $000	Plant and Equipment $000	Leasehold Improvements $000	Total $000
2016					
Net carrying amount at start of year	15,225	85,414	3,414	3,436	**107,489**
Additions	-----	176	2,792	1,502	**4,470**
Reclassifications to Intangibles	-----	-----	(254)	-----	**(254)**
Disposals	-----	-----	(193)	-----	**(193)**
Transfers within NSW Health Entities through Statement of Comprehensive Income	-----	-----	139	-----	**139**
Depreciation Expense	-----	(2,550)	(622)	(559)	**(3,731)**
Reclassifications	-----	-----	111	(111)	**-----**
Net carrying amount at end of year	**15,225**	**83,040**	**5,387**	**4,268**	**107,920**

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 19.

(i) Land and Buildings include land owned by the Health Administration Corporation but controlled by the Network [see note 1(j)].

(ii) Indices provided by CBRE were not applied as as they were deemed immaterial.

The following table details the indices applied to Land and Buildings as determined by CBRE :

Year	Land	Buildings
2015/16	1%	2%
2016/17	3%	3%

18. Intangible Assets

PARENT 2017 $000	PARENT 2016 $000		CONSOLIDATION 2017 $000	CONSOLIDATION 2016 $000
		Intangibles		
6,180	6,009	Cost (Gross Carrying Amount)	6,180	6,009
(3,437)	(2,229)	Less Accumulated Amortisation and Impairment	(3,437)	(2,229)
2,743	**3,780**	**Net Carrying Amount**	**2,743**	**3,780**
2,743	**3,780**	**Total Intangible Assets at Net Carrying Amount**	**2,743**	**3,780**

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18. Intangible Assets - Reconciliation

	Intangibles $000	Total $000
2017		
Net carrying amount at start of period	3,780	3,780
Additions (From Internal Development or Acquired Separately)	34	34
Reclassifications from Plant & Equipment	137	137
Amortisation (Recognised in Depreciation and Amortisation)	(1,208)	(1,208)
Net carrying amount at end of period	**2,743**	**2,743**

	Intangibles $000	Total $000
2016		
Net carrying amount at start of year	4,518	4,518
Additions (From Internal Development or Acquired Separately)	179	179
Reclassifications from Plant & Equipment	254	254
Amortisation (Recognised in Depreciation and Amortisation)	(1,171)	(1,171)
Net carrying amount at end of year	**3,780**	**3,780**

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19. Fair Value Measurement of Non-Financial Assets

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels.

a) Fair Value Hierarchy

2017	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Property, Plant and Equipment (Note 17)				
- Land and Buildings	-----	-----	96,592	96,592
	-----	-----	**96,592**	**96,592**

There were no transfers between level 1 and 2 during the period ended 30 June 2017.

2016	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Property, Plant and Equipment (Note 17)				
- Land and Buildings	-----	-----	98,265	98,265
	-----	-----	**98,265**	**98,265**

There were no transfers between level 1 and 2 during the period ended 30 June 2016.

b) Valuation Techniques, Inputs and Processes

For land, buildings and infrastructure systems the Network obtains external valuations by independent valuers at least every three years. The last revaluation was performed by CBRE for the FY2015/16 financial year. CBRE is an independent entity and is not an associated entity of the Network.

At the end of each reporting period a fair value assessment is made on any movements since the last revaluation, and a determination as to whether any adjustments need to be made. These adjustments are made by way of application of indices refer, note 17 reconcilation.

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 valuers is made on a market approach, comparing similar assets (not identical) and observable inputs. The most significant input is price per square metre.

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

For buildings and infrastructure, many assets are of a specialised nature or use, 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.

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19. Fair Value Measurement of Non-Financial Assets

c) Reconciliation of Recurring Level 3 Fair Value Measurements

2017	Land and Buildings $000	Total Level 3 Recurring $000
Fair value as at 1 July 2016	98,265	98,265
Additions	887	887
Depreciation	(2,560)	(2,560)
Fair value as at 30 June 2017	**96,592**	**96,592**

There were no transfers between Level 1 or 2 during the periods.

2016	Land and Buildings $000	Total Level 3 Recurring $000
Fair value as at 1 July 2015	100,639	100,639
Additions	176	176
Depreciation	(2,550)	(2,550)
Fair value as at 30 June 2016	**98,265**	**98,265**

There were no transfers between Level 1 or 2 during the periods.

PARENT 2017 $000	PARENT 2016 $000		CONSOLIDATION 2017 $000	CONSOLIDATION 2016 $000
		20. Payables		
		Current		
-----	-----	Accrued Salaries, Wages and On-Costs	1,743	1,320
-----	-----	Taxation and Payroll Deductions	239	1,553
1,982	2,873	Accrued Liability - Purchase of Personnel Services	-----	-----
4,591	4,096	Creditors	4,591	4,096
		Other Creditors		
620	467	- Payables to entities controlled by the immediate parent	620	467
6,303	8,509	- Other	6,303	8,509
13,496	**15,945**		**13,496**	**15,945**

Creditors include some amounts owing to entities controlled by the ultimate parent.

The majority of 'Payables to entities controlled by the immediate parent' relate to balances payable to the Health Administration Corporation, an entity controlled by the immediate parent.

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 30.

PARENT 2017 $000	PARENT 2016 $000		CONSOLIDATION 2017 $000	CONSOLIDATION 2016 $000
		21. Borrowings		
		Current		
1,792	1,620	Public Private Partnership	1,792	1,620
1,792	**1,620**		**1,792**	**1,620**
		Non-Current		
73,574	75,366	Public Private Partnership	73,574	75,366
73,574	**75,366**		**73,574**	**75,366**

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

Final Repayment of loan is scheduled for 30 June 2034.

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings are disclosed in Note 30.

PARENT 2017 $000	PARENT 2016 $000		CONSOLIDATION 2017 $000	CONSOLIDATION 2016 $000
		21. Borrowings		
		a) Finance Leases Commitments		
		Minimum lease payments in relation to finance leases are payable as follows:		
9,794	9,794	Not later than one year	9,794	9,794
39,177	39,177	Later than one year and not later than five years	39,177	39,177
115,948	125,743	Later than five years	115,948	125,743
164,919	174,714	**Minimum Lease Payments**	164,919	174,714
89,553	97,728	Less: Future Finance Charges	89,553	97,728
75,366	76,986	**Present Value of Minimum Lease Payments**	75,366	76,986
		The present value of finance lease payments is as follows:		
1,792	1,620	Not later than one year	1,792	1,620
9,284	8,392	Later than one year and not later than five years	9,284	8,392
64,290	66,974	Later than five years	64,290	66,974
75,366	76,986	**Present Value of Minimum Lease Payments Classified as:**	75,366	76,986
1,792	1,620	Current (Note 21)	1,792	1,620
73,574	75,366	Non-Current (Note 21)	73,574	75,366
75,366	76,986		75,366	76,986

The finance lease commitments above are for the Forensic Hospital and support buildings at the Long Bay complex, Malabar.

PARENT 2017 $000	PARENT 2016 $000		CONSOLIDATION 2017 $000	CONSOLIDATION 2016 $000
		22. Provisions		
		Current		
-----	-----	Annual Leave - Short Term Benefit	14,267	13,792
-----	-----	Annual Leave - Long Term Benefit	3,281	2,459
-----	-----	Long Service Leave Consequential On-Costs	2,693	2,622
20,241	18,873	Provision for Personnel Services Liability	-----	-----
295	-----	Other	295	-----
20,536	**18,873**		**20,536**	**18,873**
		Non-Current		
-----	-----	Long Service Leave Consequential On-Costs	234	228
234	228	Provision for Personnel Services Liability	-----	-----
234	**228**		**234**	**228**
		Aggregate Employee Benefits and Related On-Costs		
-----	-----	Provisions - Current	20,241	18,873
-----	-----	Provisions - Non-Current	234	228
-----	-----	Accrued Salaries, Wages and On-Costs (Note 20)	1,982	2,873
22,752	21,974	Liability - Purchase of Personnel Services	-----	-----
22,752	**21,974**		**22,457**	**21,974**

PARENT 2017 $000	PARENT 2016 $000		CONSOLIDATION 2017 $000	CONSOLIDATION 2016 $000
		23. Other Liabilities		
		Current		
454	21	Income in Advance	454	21
454	**21**		**454**	**21**

The majority of income in advance balance is made up of amounts received in advance from eHealth, which is an entity control controlled by the ultimate parent.

PARENT 2017 $000	PARENT 2016 $000		CONSOLIDATION 2017 $000	CONSOLIDATION 2016 $000
		24. Commitments for Expenditure		
		a) **Operating Lease Commitments** Future non-cancellable operating lease rentals not provided for and payable:		
789	1,053	Not later than one year	789	1,053
2,475	3,649	Later than one year and not later than five years	2,475	3,649
3,264	4,702	**Total Operating Lease Commitments (Including GST)**	3,264	4,702

The operating lease commitments above are leased properties.

b) **Contingent Asset Related to Commitments for Expenditure**
The total 'Capital Expenditure Commitments' and 'Operating Lease Commitments' of $3.2 million as at 30 June 2017 includes input tax credits of $0.3 million that are expected to be recoverable from the Australian Taxation Office (2016 $0.4 million).

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25. Trust Funds

The Network holds trust funds of $868,000 which are held for the safe keeping of patients' monies.

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

	Patient Trust		Refundable Deposits		Total	
	2017 $000	2016 $000	2017 $000	2016 $000	2017 $000	2016 $000
Balance at the beginning of the financial period	722	1,043	54	27	776	1,070
Revenue	1,757	1,913	16	27	1,773	1,940
Expenses	(1,654)	(2,234)	(27)	-----	(1,681)	(2,234)
Balance at the end of the financial period	825	722	43	54	868	776

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26. Contingent Liabilities and Assets

The liability to pay PPP Solutions for the development of the Forensic Hospital and supporting buildings at the Long Bay Complex, Malabar is based on a financing arrangement involving non-indexable availability charges and interest rate adjustments. Other service fees are to be indexed in accordance with inflation and wages escalation. The estimated value of the contingent liability associated with indexation and interest rate adjustment is unable to be fully determined because of uncertain future events. Any fluctuation between fixed interest payable & variable interest rebate is recognised in the statement of comprehensive income at reporting date.

PARENT			CONSOLIDATION	
2017 $000	2016 $000		2017 $000	2016 $000
		27. Reconciliation of Cash Flows from Operating Activities to Net Result		
6,273	(28,327)	Net Cash Flows from Operating Activities	6,273	(28,327)
(5,157)	(4,902)	Depreciation and Amortisation	(5,157)	(4,902)
(343)	(152)	Allowance for Impairment	(343)	(152)
(430)	40	(Increase)/ Decrease Income in Advance	(430)	40
(1,668)	(741)	(Increase)/ Decrease in Provisions	(1,668)	(741)
(422)	2,955	Increase / (Decrease) in Prepayments and Other Assets	(422)	2,955
2,344	(3,017)	(Increase)/ Decrease in Payables from Operating Activities	2,344	(3,017)
(65)	(67)	Net Gain/ (Loss) on Sale of Property, Plant and Equipment	(65)	(67)
532	**(34,211)**	**Net Result**	**532**	**(34,211)**

28. Unclaimed Monies

Unclaimed salaries and wages are paid to the credit of the NSW Treasury in accordance with the provisions of the *Industrial Relations Act.1996.*

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

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

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29 Adjusted Budget Amount - Parent and Consolidated

Movements in the level of the NSW Ministry of Health Recurrent Allocation that have occurred since the time of the initial allocation on 1 July 2016 are as follows:

	$000
Initial Allocation, 1 July 2016	189,108
Subsequent supplementations - Special Projects	960
Subsequent supplementations - General Funding (Cash adjustment for approved Locally Funded projects)	6,150
Subsequent supplementations - Other General Funding	43
Balance as per Statement of Comprehensive Income	196,261

Adjusted Budget Review - Parent and Consolidated

Net Result
Actual Net Result was unfavourable to budget by $1.0 million, due to increased Employee Related expenses of $2.0 million to meet the service demands from growing prisoner population; partially offset by lower Visiting Medical Officers expenses and grant received from Health Education and Training Institute.

Future Funding
It should be noted that the continued growth in prisoner population over the past 24 months of 12% has posted significant amount of pressure on the Network's operational and resourcing requirements. The Network will continue to work with the Ministry of Health to ensure sufficient level of funding is available to address this growth in service demand, to ensure adequacy of clinical quality and patient safety.

Assets and Liabilities
Actual Net Assets for the year were lower than budget by $1.0 million largely due to unfavourability in Net Result. The $34 million reduction in 2015/16 Recurrent Allocations as a result of new cash management arrangements for unrestricted cash assets as required by the NSW Treasury Circular TC15-01 Cash Management - Expanding the Scope of the Treasury Banking System implemented from 1 July 2015, is the main reason for negative Accumulated Funds of $10 million.

Cash Flows
Actual net cash flows from the operating activities were unfavourable to budget by $1.5 million mainly due to higher Employee Related expenses for the year.

30. Financial Instruments

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

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

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

(a) Financial Instrument Categories

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Financial Assets Class:	**Category**	**Carrying Amount 2017 $000**	**Carrying Amount 2016 $000**
Cash and Cash Equivalents (note 14)	N/A	841	683
Receivables (note 15)*	Loans and receivables (at amortised cost)	3,468	4,446
		4,309	5,129

30. Financial Instruments

Financial Liabilities

Borrowings (note 21)	Financial liabilities measured at amortised cost	75,366	76,986
Payables (note 20)**		11,514	13,072
		86,880	90,058

Notes
* Excludes statutory receivables and prepayments (i.e. not within scope of AASB7 Financial Instruments Disclosures)
**Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). In addition Accrued Salaries, Wages and On-Costs are have been excluded as not within the scope of AASB7. Prior year comparatives have been restated as a result.

(b) Credit Risk

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

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

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

Cash

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances at rates of approximately 2.35% in 2016/17 compared to 2.81% in the previous year.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the NSW Ministry of Health Accounting Manual for Public Health Organisations and Fee Procedures Manual are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the Network will not be able to collect all amounts due. This evidence includes past experience and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Network is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2017: $1.6M ; 2016: $0.9M) and not more than 3 months past due (2017: $0.1M ; 2016: $0.1M) are not considered impaired.

Financial assets that are past due or impaired could be either 'Sales of Goods and Services' or 'Other Debtors' in the 'Receivables' category of the Statement of Financial Position. Patient Fees Ineligibles represent the majority of financial assets that are past due or impaired.

30. Financial Instruments

	Total [1,2]	Past due but not impaired [1,2]	Considered impaired [1,2]
2017	**$000**	**$000**	**$000**
<3 months overdue	170	106	64
3 months - 6 months overdue	96	5	91
> 6 months overdue	747	54	693
2016			
<3 months overdue	137	106	31
3 months - 6 months overdue	47	-----	47
> 6 months overdue	570	-----	570

Notes

1 Each column in the table reports "gross receivables".

2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 Financial Instruments Disclosures and excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivables total recognised in the statement of financial position.

(c) Liquidity Risk

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

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

During the current and prior years, there were no defaults of loans payable. No assets have been pledged as collateral.

The Network has exposure to liquidity risk. However, the risk is minimised by the service agreement with the NSW Ministry of Health, as the annual service agreement requires local management to control its financial liquidity and in particular meet benchmarks for the payment of creditors. Where the Network fails to meet service agreement performance standards, the Ministry 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).

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

30. Financial Instruments

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

Maturity Analysis and interest rate exposure of financial liabilities

	Interest Rate Exposure				Maturity Dates		
	Nominal Amount [1]	Fixed Interest Rate	Variable Interest Rate	Non - Interest Bearing	< 1 Yr	1-5 Yr	> 5Yr
2017	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Payables:							
- Creditors	11,514	-----	-----	11,514	11,514	-----	-----
Borrowings:							
- Public Private Partnership	164,919	-----	164,919	-----	9,794	39,177	115,948
	176,433	-----	164,919	11,514	21,308	39,177	115,948
2016							
Payables:							
- Creditors	13,072	-----	-----	13,072	13,072	-----	-----
Borrowings:							
- Public Private Partnership	174,714	-----	174,714	-----	9,794	39,177	125,743
	187,786	-----	174,714	13,072	22,866	39,177	125,743

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 Network can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

2 Accrued Salaries Wages, On-Costs and Payroll Deductions have been excluded from payables as not within the scope of AASB7 Financial Instruments: Disclosures. Prior year comparatives have been restated as a result.

30. Financial Instruments

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Network's exposures to market risk are primarily through interest rate risk on the Network's borrowings. The Network has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on net result and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Network operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position date. The analysis is performed on the same basis for 2016. The analysis assumes that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk arises primarily through the Network's interest bearing liabilities.

However, the Network is not permitted to borrow external to the NSW Ministry of Health (except energy loans which are negotiated through NSW Treasury).

Both NSW Treasury and NSW Ministry of Health loans are set at fixed rates and therefore are generally not affected by fluctuations in market rates. The Network does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect net result or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates (based on official RBA 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.

The Network's exposure to interest rate risk is set out below.

	Carrying Amount	-1%		+1%	
		Net Result	Equity	Net Result	Equity
2017	**$000**	**$000**	**$000**	**$000**	**$000**
Financial Assets					
Cash and Cash Equivalents	841	(8)	(8)	8	8
Receivables	3,468	-----	-----	-----	-----
Financial Liabilities					
Payables*	11,514	-----	-----	-----	-----
Borrowings	75,366	754	754	(754)	(754)
2016					
Financial Assets					
Cash and Cash Equivalents	683	(7)	(7)	7	7
Receivables	4,446	-----	-----	-----	-----
Financial Liabilities					
Payables*	13,072	-----	-----	-----	-----
Borrowings	76,986	770	770	(770)	(770)

*Accrued Salaries Wages, On-Costs and Payroll Deductions have been excluded from payables as not within the scope of AASB7 Financial Instruments Disclosures. Prior year comparatives have been restated as a result.

31. Related Party Transactions

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Key management personnel compensation is as follows:

	2017 $000
Short-term employee benefits	447
Post-employment benefits	42
Other long-term benefits	9
Termination benefits	-
	497

During the financial year, Justice Health and Forensic Mental Health Network obtained key management personnel services from the immediate parent and incurred $305,000 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.

There were no transactions with the ultimate parent during the financial year.

32. Events After the Reporting Period

There has not been any matters arising subsequent to balance date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENTS