



INDEPENDENT AUDITOR'S REPORT

Western Sydney Local Health District

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Western Sydney Local Health District (the District), which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity, statement of cash flows, and service group statements for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the District and the consolidated entity. The consolidated entity comprises the District and the entity it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the District and the consolidated entity, as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion does not extend to the budget information. I have not audited the budget figures disclosed in the statement of comprehensive income, statement of financial position and statement of cash flows.

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

The Chief Executive's Responsibility for the Financial Statements

The Chief Executive is responsible for the preparation of the financial statements that give a true and fair view 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 of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the District or the consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal control
- 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 other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence 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, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



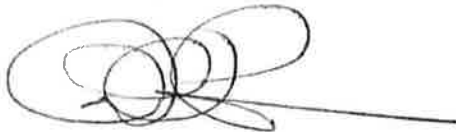
Renee Meimaroglou
Director, Financial Audit Services

20 September 2013

**Western Sydney Local Health District
Certification of the Parent/Consolidated Financial Statements
for the year ended 30 June 2013**

Pursuant to Section 45F of the *Public Finance and Audit Act 1983*:

- 1) The financial statements of the Western Sydney Local Health District for the year ended 30 June 2013 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 Regulations 2010* and the Treasurer's Directions;
 - c) the Financial Reporting Code for NSW General Government Sector Entities.
- 2) The financial statements exhibit a true and fair view of the financial position and the financial performance of the Western Sydney Local Health District, and
- 3) There are no circumstances which would render any particulars in the accounts to be misleading or inaccurate.



Danny O'Connor
Chief Executive
19 September 2013

Western Sydney Local Health District
Statement of Comprehensive Income for the year ended 30 June 2013

PARENT			CONSOLIDATION				
Actual	Budget Unaudited	Actual	Notes	Actual	Budget Unaudited	Actual	
2013 \$000	2013 \$000	2012 \$000		2013 \$000	2013 \$000	2012 \$000	
Expenses excluding losses							
Operating Expenses							
----	----	----	Employee Related	3	900,050	884,384	900,460
877,830	860,021	841,426	Personnel Services	4	----	----	----
34,520	35,227	35,076	Visiting Medical Officers		34,520	35,227	35,076
366,393	344,177	385,497	Other Operating Expenses	5	366,393	344,177	385,497
60,501	60,458	58,679	Depreciation and Amortisation	2(i), 6	60,501	60,458	58,679
63,425	62,859	15,102	Grants and Subsidies	7	63,425	62,859	15,102
460	551	385	Finance Costs	8	460	551	385
700	4,916	4,931	Payments to Affiliated Health Organisations	9	700	4,916	4,931
1,403,829	1,368,209	1,341,096	Total Expenses excluding losses		1,426,049	1,392,572	1,400,130
Revenue							
1,080,307	1,065,086	1,086,708	NSW Ministry of Health Recurrent Allocations	2(d)	1,080,307	1,065,086	1,086,708
55,895	56,623	28,390	NSW Ministry of Health Capital Allocations	2(d)	55,895	56,623	28,390
----	----	----	Acceptance by the Crown Entity of Employee Benefits	2(a)(ii), 13	22,220	24,363	59,034
170,387	156,439	150,805	Sale of Goods and Services	10	170,387	156,439	150,805
5,045	10,895	4,018	Investment Revenue	11	5,045	10,895	4,018
23,982	25,724	21,996	Grants and Contributions	12	23,982	25,724	21,996
13,161	7,600	13,126	Other Revenue	14	13,161	7,600	13,126
1,348,777	1,322,367	1,305,043	Total Revenue		1,370,997	1,346,730	1,364,077
(285)	(472)	(186)	Gain / (Loss) on Disposal	15	(285)	(472)	(186)
(2,406)	(607)	(755)	Other Gains / (Losses)	16	(2,406)	(607)	(755)
(57,743)	(46,921)	(36,994)	Net Result	32	(57,743)	(46,921)	(36,994)
Other Comprehensive Income							
Items that will not be reclassified to net result							
Net Increase/(Decrease) in Property, Plant &							
----	----	33,013	Equipment Asset Revaluation Surplus		----	----	33,013
----	----	33,013	Total Other Comprehensive Income for the year		----	----	33,013
(57,743)	(46,921)	(3,981)	TOTAL COMPREHENSIVE INCOME		(57,743)	(46,921)	(3,981)

The accompanying notes form part of these financial statements.

**Western Sydney Local Health District
Statement of Financial Position as at 30 June 2013**

PARENT								CONSOLIDATION		
Actual	Budget Unaudited	Actual		Notes	Actual	Budget Unaudited	Actual			
2013 \$000	2013 \$000	2012 \$000			2013 \$000	2013 \$000	2012 \$000			
ASSETS										
Current Assets										
69,229	74,646	135,396	Cash and Cash Equivalents	19	69,229	74,646	135,396			
56,834	109,141	81,744	Receivables	20	56,834	109,141	81,744			
8,960	9,872	10,058	Inventories	21	8,960	9,872	10,058			
135,023	193,659	227,198	Total Current Assets		135,023	193,659	227,198			
Non-Current Assets										
3,132	3,848	3,843	Receivables	20	3,132	3,848	3,843			
Property, Plant and Equipment										
896,208	926,902	909,665	- Land and Buildings	22	896,208	926,902	909,665			
72,280	41,934	84,373	- Plant and Equipment	22	72,280	41,934	84,373			
24,884	27,046	26,651	- Infrastructure Systems	22	24,884	27,046	26,651			
993,372	995,882	1,020,689	Total Property, Plant and Equipment		993,372	995,882	1,020,689			
1,130	7,337	7,316	Intangible Assets	23	1,130	7,337	7,316			
997,634	1,007,067	1,031,848	Total Non-Current Assets		997,634	1,007,067	1,031,848			
1,132,657	1,200,726	1,259,046	Total Assets		1,132,657	1,200,726	1,259,046			
LIABILITIES										
Current Liabilities										
76,187	127,823	99,571	Payables	25	76,187	127,823	99,571			
1,661	2,862	3,243	Borrowings	26	1,661	2,862	3,243			
141,600	144,287	144,208	Provisions	27	141,600	144,287	144,208			
1,516	944	943	Other	28	1,516	944	943			
220,964	275,916	247,965	Total Current Liabilities		220,964	275,916	247,965			
Non-Current Liabilities										
5,083	9,592	3,429	Borrowings	26	5,083	9,592	3,429			
820	12	865	Provisions	27	820	12	865			
5,903	9,604	4,294	Total Non-Current Liabilities		5,903	9,604	4,294			
226,867	285,520	252,259	Total Liabilities		226,867	285,520	252,259			
905,790	915,206	1,006,787	Net Assets		905,790	915,206	1,006,787			
EQUITY										
33,013	33,013	33,013	Reserves		33,013	33,013	33,013			
872,777	882,193	973,774	Accumulated Funds		872,777	882,193	973,774			
905,790	915,206	1,006,787	Total Equity		905,790	915,206	1,006,787			

The accompanying notes form part of these financial statements.

Western Sydney Local Health District
Statement of Changes in Equity for the year ended 30 June 2013

PARENT AND CONSOLIDATION	Accumulated Funds	Asset Revaluation Surplus	Total
	\$000	\$000	\$000
Balance at 1 July 2012	973,774	33,013	1,006,787
Total Equity at 1 July 2012	973,774	33,013	1,006,787
Net Result for the year	(57,743)		(57,743)
Total Comprehensive Income for the year	(57,743)		(57,743)
Transactions With Owners In Their Capacity As Owners			
Increase/(Decrease) in Net Assets From Equity Transfers	(43,254)	-----	(43,254)
Balance at 30 June 2013	872,777	33,013	905,790
Balance at 1 July 2011	852,620	-----	852,620
Total Equity at 1 July 2011	852,620	-----	852,620
Net Result for the year	(36,994)		(36,994)
Other Comprehensive Income:			
Net Increase/(Decrease) in Property, Plant & Equipment Available for Sale Financial Assets:	-----	33,013	33,013
-Valuation Gains/(Losses)	-----	-----	-----
Total Other Comprehensive Income	-----	33,013	33,013
Total Comprehensive Income for the year	(36,994)	33,013	(3,981)
Transactions With Owners In Their Capacity As Owners			
Increase/(Decrease) in Net Assets From Equity Transfers	158,148	-----	158,148
Balance at 30 June 2012	973,774	33,013	1,006,787

Notes

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The accompanying notes form part of these financial statements.

Western Sydney Local Health District
Statement of Cash Flows for the year ended 30 June 2013

PARENT							CONSOLIDATION		
Actual	Budget Unaudited	Actual					Actual	Budget Unaudited	Actual
2013	2013	2012					2013	2013	2012
\$000	\$000	\$000	Notes	2013	2013	2012	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES									
Payments									
—	—	—	Employee Related	(889,532)	(894,123)	(820,060)			
(72,358)	(76,009)	(20,033)	Grants and Subsidies	(72,358)	(76,009)	(20,033)			
(127)	—	(2)	Finance Costs	(127)	—	(2)			
(1,354,804)	(1,259,739)	(1,264,937)	Other	(465,272)	(365,616)	(444,877)			
<u>(1,427,289)</u>	<u>(1,335,748)</u>	<u>(1,284,972)</u>	Total Payments	<u>(1,427,289)</u>	<u>(1,335,748)</u>	<u>(1,284,972)</u>			
Receipts									
1,080,307	1,065,086	1,086,708	NSW Ministry of Health Recurrent Allocations	1,080,307	1,065,086	1,086,708			
55,895	56,623	28,390	NSW Ministry of Health Capital Allocations	55,895	56,623	28,390			
14,551	14,551	—	Reimbursements from the Crown Entity	14,551	14,551	—			
193,192	200,912	185,375	Sale of Goods and Services	193,192	200,912	185,375			
5,045	10,895	4,018	Interest Received	5,045	10,895	4,018			
27,801	29,544	21,995	Grants and Contributions	27,801	29,544	21,995			
65,807	(17,770)	(7,714)	Other	65,807	(17,770)	(7,714)			
<u>1,442,598</u>	<u>1,359,841</u>	<u>1,318,772</u>	Total Receipts	<u>1,442,598</u>	<u>1,359,841</u>	<u>1,318,772</u>			
<u>15,309</u>	<u>24,093</u>	<u>33,800</u>	NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>15,309</u>	<u>24,093</u>	<u>33,800</u>	32		
CASH FLOWS FROM INVESTING ACTIVITIES									
(61,352)	(70,213)	(40,808)	Purchases of Land and Buildings, Plant and Equipment Infrastructure Systems and Intangibles	(61,352)	(70,213)	(40,808)			
<u>(61,352)</u>	<u>(70,213)</u>	<u>(40,808)</u>	NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(61,352)</u>	<u>(70,213)</u>	<u>(40,808)</u>			
CASH FLOWS FROM FINANCING ACTIVITIES									
858	858	(154)	Proceeds from Borrowings and Advances	858	858	(154)			
(1,120)	4,373	—	Repayment of Borrowings and Advances	(1,120)	4,373	—			
<u>(262)</u>	<u>5,231</u>	<u>(154)</u>	NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>(262)</u>	<u>5,231</u>	<u>(154)</u>			
(46,305)	(40,889)	(7,162)	NET INCREASE / (DECREASE) IN CASH	(46,305)	(40,889)	(7,162)			
135,396	135,396	56,365	Opening Cash and Cash Equivalents	135,396	135,396	56,365			
(19,862)	(19,861)	86,193	Cash Transferred In/(Out) as a Result of Administrative Restructuring	(19,862)	(19,861)	86,193	36		
<u>69,229</u>	<u>74,646</u>	<u>135,396</u>	CLOSING CASH AND CASH EQUIVALENTS	<u>69,229</u>	<u>74,646</u>	<u>135,396</u>	19		

The accompanying notes form part of these financial statements.

Western Sydney Local Health District
Service Group Statements
for the year ended 30 June 2013

DISTRICT EXPENSES AND INCOME	Service Group 1.1 * Primary And Community Based Services		Service Group 1.2 * Aboriginal Health Services		Service Group 1.3 * Outpatient Services		Service Group 2.1 * Emergency Services		Service Group 2.2 * Inpatient/Hospital Services		Service Group 3.1 * Mental Health Services		Service Group 4.1 * Rehabilitation And Extended Care Services		Service Group 5.1 * Population Health Services		Service Group 6.1 * Teaching And Research		Not Attributable		Total			
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Expenses excluding losses																								
Operating Expenses																								
Employee Related	60,663	66,634	2,340	900	115,926	71,136	82,842	408,984	452,933	108,986	113,458	53,193	64,833	33,032	11,706	37,982	36,018	900,050	900,460					
Visiting Medical Officers	728	702	---	---	3,048	737	1,222	26,253	31,147	1,367	702	680	666	839	210	383	386	34,520	35,076					
Other Operating Expenses	17,147	23,901	806	385	72,216	52,428	30,924	178,177	192,749	24,438	14,263	17,587	17,347	12,164	8,481	12,934	48,187	366,393	385,497					
Depreciation and Amortisation	3,927	1,291	36	---	9,059	13,790	1,985	27,857	34,082	5,300	587	3,448	4,342	3,639	587	2,644	1,995	60,501	58,679					
Grants and Subsidies	1,116	1,797	228	---	10,611	76	44	705	14	882	7,189	57	---	114	---	49,688	6,026	63,425	15,102					
Finance Costs	28	---	1	---	63	---	39	220	316	47	23	26	---	17	---	19	---	460	385					
Payments to Affiliated Health Organisations	---	---	---	---	---	---	---	---	---	---	700	4,931	---	---	---	---	---	700	4,931					
Total Expenses excluding losses	83,609	94,325	3,411	1,285	210,963	138,167	115,713	642,296	711,251	141,030	136,222	75,692	92,119	49,705	20,984	103,630	92,612	1,426,049	1,400,130					
Revenue																								
NSW Ministry of Health Recurrent Allocations **																								
NSW Ministry of Health Capital Allocations **																								
Acceptance by the Crown Entity																								
of Employee Benefits and Other Liabilities	1,644	4,369	22	59	1,755	4,684	2,044	11,177	29,695	2,800	7,438	1,622	4,309	289	787	867	2,302	25,220	59,034					
Sale of Goods and Services	801	4,977	---	302	30,533	25,788	5,095	106,879	93,347	2,471	1,357	20,429	19,303	136	1,659	4,243	---	170,387	150,805					
Investment Revenue	8	856	---	---	978	---	112	3,315	1,909	14	28	614	16	1	---	3	1,209	5,045	4,018					
Grants and Contributions	3,734	836	---	---	1,367	572	31	1,135	1,187	475	110	724	1,914	7,456	2,112	9,060	15,265	23,982	21,996					
Other Revenue	985	2,573	5	---	1,344	236	569	6,878	2,823	1,611	39	1,170	551	157	341	432	6,366	13,161	13,126					
Total Revenue	7,182	13,611	27	361	35,977	31,260	7,851	129,184	128,961	7,371	8,972	24,559	26,093	8,039	4,879	14,605	25,142	1,136,202	1,115,098					
Gain / (Loss) on Disposal	(1)	(1)	---	---	(29)	(19)	(6)	(225)	(146)	(3)	(2)	(15)	(10)	---	---	(6)	(4)	(285)	(186)					
Other Gains / (Losses)	(77)	(24)	(7)	(2)	(414)	(130)	(67)	(1,480)	(464)	(22)	(7)	(308)	(97)	(31)	(10)	---	---	(2,406)	(755)					
Net Result	(76,505)	(80,739)	(3,391)	(926)	(175,429)	(107,056)	(107,955)	(514,817)	(582,900)	(133,684)	(127,259)	(51,456)	(66,133)	(41,697)	(16,115)	(89,031)	(67,474)	1,136,202	1,115,098					
Other Comprehensive Income																								
Increase/(Decrease) in Revaluation Surplus																								
Total Other Comprehensive Income	0	2,344	---	---	---	396	---	19,181	19,181	---	9,013	---	825	---	33	---	99	---	33,013	33,013				
Total Comprehensive Income	(76,505)	(78,395)	(3,391)	(926)	(175,429)	(106,660)	(107,955)	(514,817)	(563,719)	(133,684)	(118,246)	(51,456)	(65,308)	(41,697)	(16,082)	(89,031)	(67,375)	1,136,202	1,115,098					

Service Group Statements focus on the key measures of service delivery performance, refer note 2(a).

* The name and purpose of each service group is summarised in Note 18

** Allocations are made on an entity basis and not to individual Service Groups. Consequently, allocations must be included in "Not Attributable" column.

Western Sydney Local Health District
Service Group Statements (Continued)
for the year ended 30 June 2013

DISTRICT ASSETS AND LIABILITIES	Service Group 1.1 * Primary And Community Based Services		Service Group 1.2 * Aboriginal Health Services		Service Group 1.3 * Outpatient Services		Service Group 2.1 * Emergency Services		Service Group 2.2 * Inpatient Hospital Services		Service Group 3.1 * Mental Health Services		Service Group 4.1 * Rehabilitation And Extended Care Services		Service Group 5.1 * Population Health Services		Service Group 6.1 * Teaching And Research		Not Attributable		Total				
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
ASSETS																									
Current Assets																									
Cash and Cash Equivalents	4,059	9,121	10,241	13,361	31,181	68,781	10,943	5,617	10,943	31,181	68,781	13,173	3,675	8,908	2,413	2,029	5,031	8,956							
Receivables	267	2,688	10,185	13,978	35,565	50,600	2,207	1,699	2,207	35,565	50,600	736	6,814	10,463	45	869	1,415								
Inventories	419	624	1,766	1,368	4,358	5,029	724	756	724	4,358	5,029	372	430	453	297	221	316	1,257							
Total Current Assets	4,745	12,443	22,192	26,707	71,124	124,410	13,874	8,072	13,874	71,124	124,410	14,281	10,919	19,824	2,755	3,149	6,762	10,213							
Non-Current Assets																									
Receivables	15	127	8	657	1,960	2,378	104	94	104	1,960	2,378	45	376	492	3	42	78								
Property, Plant and Equipment																									
- Land and Buildings	56,164	20,013	134,790	213,771	414,137	528,514	30,929	67,395	30,929	414,137	528,514	78,508	51,084	67,315	52,428	9,097	39,164	30,929							
- Plant and Equipment	4,691	1,856	10,871	19,828	5,435	2,869	2,869	5,435	2,869	5,435	2,869	844	4,120	6,244	4,228	844	3,159	2,869							
- Infrastructure Systems	1,615	566	3,743	6,263	11,499	15,484	906	1,871	906	11,499	15,484	2,180	1,418	1,972	1,456	267	1,087	907							
Intangible Assets	73	161	170	1,719	523	4,251	249	85	249	523	4,251	99	64	541	66	73	49	249							
Total Non-Current Assets	64,558	22,743	150,135	242,238	461,520	599,645	35,057	74,880	35,057	461,520	599,645	87,164	57,062	76,564	58,181	10,323	43,537	34,954							
TOTAL ASSETS	69,303	35,186	172,327	270,945	532,644	724,055	48,931	82,952	48,931	532,644	724,055	95,432	67,981	96,388	60,936	13,472	50,299	45,167							
LIABILITIES																									
Current Liabilities																									
Payables	3,566	6,173	15,016	13,542	37,050	49,785	7,169	6,430	7,169	37,050	49,785	5,082	3,657	4,481	2,529	2,191	2,689	12,446							
Borrowings	97	218	320	320	748	1,647	262	135	262	748	1,647	164	88	213	58	49	121	215							
Provisions	9,544	10,671	18,238	11,392	64,342	72,538	13,267	12,418	13,267	64,342	72,538	18,170	8,368	10,383	5,197	1,875	5,976	5,768							
Other	89	64	224	93	683	479	76	123	76	683	479	92	80	62	53	14	110	62							
Total Current Liabilities	13,296	17,126	33,724	25,347	102,823	124,449	20,774	19,106	20,774	102,823	124,449	22,544	12,194	15,139	7,837	4,129	8,896	18,491							
Non-Current Liabilities																									
Borrowings	298	231	752	336	2,290	1,742	277	412	277	2,290	1,742	503	334	270	177	51	369	227							
Provisions	55	64	106	68	373	435	80	72	80	373	435	99	109	48	62	30	11	35							
Total Non-Current Liabilities	353	295	858	406	2,663	2,177	357	484	357	2,663	2,177	602	443	318	207	62	404	262							
TOTAL LIABILITIES	13,649	17,421	34,582	25,753	105,486	126,626	21,131	19,590	21,131	105,486	126,626	23,146	12,512	15,427	8,044	4,191	9,300	18,753							
NET ASSETS	55,654	17,765	137,745	245,192	427,158	597,429	27,800	63,362	27,800	427,158	597,429	72,286	55,469	80,961	52,892	9,281	40,999	26,414							

* The name and purpose of each service group is summarised in Note 18
Assets and liabilities that are specific to service groups are allocated accordingly, e.g. Non-Current Assets Held for Sale. Remaining assets and liabilities are apportioned to service groups in accordance with the methodology advised in Note 2(ab), thereby ensuring that the benefit of each asset and the liabilities incurred in the provision of services are duly recognised in each service group.

Western Sydney Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

1. The Reporting Entity

The Western Sydney Local Health District (the District) was established under the provisions of the Health Services Act 1997 with effect from 1 January 2011.

The District 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. It also encompasses the Special Purposes and Trust Funds which, while containing assets which are restricted for specified uses by the grantor or the donor, are nevertheless controlled by the District.
- * The District controls the Western Sydney Local Health District Special Purpose Service Entity which was established as a Division of the Government Service on 1 January 2011 in accordance with the Public Sector Employment and Management Act 2002 and the Health Services Act 1997. This Division provides personnel services to enable the District to exercise its functions.

As a consequence the values in the annual 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.

The reporting entity is a NSW Government entity which is consolidated as part of the NSW Ministry of Health and NSW Total State Sector Accounts. The District is a not-for-profit entity (as profit is not its principal objective).

These consolidated financial statements for the year ended 30 June 2013 have been authorised for issue by the Chief Executive on 19 September 2013.

2. Summary of Significant Accounting Policies

Basis of Preparation

The District's financial statements are general purpose financial statements which have been prepared 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 its regulations, and the Treasurers' Directions. Apart from the basis for the District's budget figures, the financial statements comply with the Financial Reporting Code for NSW General Government Sector Entities. Further information on the budget figures can be found at Note 2(aa).

Notwithstanding the consolidated entity has a working capital deficiency of \$85.9m (2012 deficiency of \$20.8m) and in recognition that a significant portion of current annual leave entitlements are not expected to be settled in the next 12 months, the financial statements of the District have been prepared on a going concern basis.

The Director General of Health, the Chair of Western Sydney Local Health District Board and the Chief Executive, have agreed to service and funding levels for the forward financial year. The service agreement sets out the level of financial resources for public health services under the District'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 District 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 mitigating circumstances why the going concern is appropriate include:

- * Appropriated funds, combined with other revenues earned, are applied to pay debts as and when they become due and payable.
- * The District has the capacity to review timing of subsidy cashflows to ensure that they can pay debts as and when they become due and payable.

Western Sydney Local Health District
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* The District has developed an Efficiency and Improvement Plan (EIP) which identifies revenue improvement and cost saving strategies. Benefits from the EIP are retained by the District 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, investment property, 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.

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

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

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. The comparative period is a twelve month period.

Statement of Compliance

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

Significant accounting policies used in the preparation of these financial statements are as follows:

a) Employee Benefits and Other Provisions

i) Salaries & Wages, Annual Leave, Sick Leave and On-Costs

At the consolidated level of reporting, liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

All Annual Leave employee benefits are reported as "Current" as there is an unconditional right to payment. Current liabilities are then further classified as "Short Term" or "Long Term" based on past trends and known resignations and retirements. Anticipated payments to be made in the next twelve months are reported as "Short Term".

On-costs of 14.9% are applied to the value of leave payable at 30 June 2013, such on-costs being based on actuarial assessment (Comparable on-costs for 30 June 2012 was 17%).

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.

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

ii) Long Service Leave and Superannuation

The District's liability for Long Service Leave and defined benefit superannuation are assumed by the Crown Entity. The District 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 and other liabilities'.

Specific on-costs relating to Long Service Leave assumed by the Crown Entity are borne by the District as shown in Note 27.

Western Sydney Local Health District
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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 12/06) 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 District's liability for the closed superannuation pool schemes (State Authorities Superannuation Scheme and State Superannuation Scheme) is assumed by the Crown Entity.

Any liability attached to Superannuation Guarantee Charge cover is reported in Note 25, 'Payables'.

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 employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

iii) Other Provisions

Other provisions exist when the District 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.

b) Insurance

The District's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government Entities. The expense (premium) is determined by the Fund Manager based on past claim experience.

c) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit general government sector entities.

d) 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 agency 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.

High Cost Drugs

High cost drug revenue is paid by the Commonwealth through Medicare and reflects the recoupment of costs incurred for Section 100 highly specialised drugs, in accordance with the terms of the Commonwealth agreement. The agreement provides for the provision of medicines for the treatment of chronic conditions where specific criteria is 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.

Western Sydney Local Health District
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Motor Accident Authority Third Party

A bulk billing agreement exists in which motor vehicle insurers effect payment directly to NSW Health for the hospital costs for those persons hospitalised or attending for inpatient treatment as a result of motor accidents. The District, recognises the revenue on an accruals basis from the time the patient is treated or admitted into hospital.

Department of Veterans' Affairs

An agreement is in place with the Commonwealth Department of Veterans' Affairs, through which direct funding is provided for the provision of health services to entitled veterans. For inpatient services, revenue is recognised by the District on an accrual basis by reference to patient admissions. Non admitted patients are recognised by the Ministry of Health in the form of a block grant.

Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139, Financial Instruments: Recognition and Measurement.

Rental revenue from operating leases is recognised in accordance with AASB 117, Leases on a straight line basis over the lease term. Dividend revenue is recognised in accordance with AASB 118, Revenue when the District's right to receive payment is established.

Royalty revenue is recognised in accordance with AASB 118, on an accrual basis in accordance with the substance of the relevant agreement.

Debt Forgiveness

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

Use of Hospital Facilities

Specialist doctors with rights of private practice are subject to an infrastructure charge for the use of hospital facilities at rates determined by the NSW Ministry of Health. Charges consist of two components:

- * a monthly charge raised by the Ministry based on a percentage of receipts generated
- * the residue of the Private Practice Trust Fund at the end of each financial year, such sum being credited for District use in the advancement of the District or individuals within it.

Use of Outside Facilities

The District uses a number of facilities owned and maintained by the local authorities in the area to deliver community health services for which no charges are raised by the authorities.

Where material, the cost method of accounting is used for the initial recording of all such services. Cost is determined as the fair value of the services given and is then recognised as revenue with a matching expense.

Grants and Contributions

Grants and contributions are generally recognised as revenues when the District 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 NSW Ministry of Health on the basis of the allocation for the District as adjusted for approved supplementations mostly for salary agreements and approved enhancement projects.

Western Sydney Local Health District
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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.

e) 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 District as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset 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 is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

f) Interstate Patient Flows

From 1 July 2012, interstate patient flows are funded through the state pool, based on activity and consistent with the price determined in the service level agreement. The funding is recognised as recurrent allocation.

In the previous year, the District recognised the value of inflows for acute inpatient treatment provided to residents from other states and territories as revenue in note 10.

g) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the District.

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 (See also assets transferred as a result of an equity transfer Note 2(x)).

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

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 at an asset-specific rate.

Land and buildings which are owned by the Health Administration Corporation or the State and administered by the District are deemed to be controlled by the District and are reflected as such in the financial statements.

h) Capitalisation Thresholds

Individual items of property, plant & equipment and intangibles are capitalised where their cost is \$10,000 or above.

i) 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 District. Land is not a depreciable asset. All material separately identifiable components of assets are depreciated over their shorter useful lives.

Western Sydney Local Health District
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Details of depreciation rates initially applied for major asset categories are as follows:

Buildings	2.5%
Electro Medical Equipment	
- Costing less than \$200,000	10.0%
- Costing more than or equal to \$200,000	12.5%
Computer Equipment	20.0%
Infrastructure Systems	2.5%
Motor Vehicle Sedans	12.5%
Motor Vehicles, Trucks & Vans	20.0%
Office Equipment	10.0%
Plant and Machinery	10.0%
Linen	25.0%
Furniture, Fittings and Furnishings	5.0%

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

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

j) Revaluation of Non-Current Assets

Physical non-current assets are valued in accordance with the NSW Ministry of Health's "Valuation of Physical Non-Current Assets at Fair Value" policy. This policy adopts fair value in accordance with AASB 116, Property, Plant and Equipment and AASB 140, Investment Property.

Investment property is separately discussed at Note 2(m).

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is the depreciated replacement cost.

The District revalues its Land and Buildings and Infrastructure at minimum every three years by independent valuation. The last revaluation for assets assumed by the District was completed in the 2011-12 financial year and was based on an independent assessment.

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 a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

Western Sydney Local Health District
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For other assets, 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.

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

k) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, the District is effectively exempt from AASB 136, Impairment of Assets.

This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are regarded as material. Selling costs are regarded as immaterial.

l) 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.

m) Investment Properties

Investment property is held to earn rentals or for capital appreciation, or both. However, for not-for-profit entities, property held to meet service delivery objectives rather than to earn rental or for capital appreciation does not meet the definition of investment property and is accounted for under AASB 116, Property, Plant and Equipment.

The District does not have any property that meets the definition of Investment Property.

n) Intangible Assets

The District recognises intangible assets only if it is probable that future economic benefits will flow to the District 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 District's intangible assets, the assets are carried at cost less any accumulated amortisation.

Computer software developed or acquired by the District 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.

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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.

o) 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.

p) Leased Assets

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

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 charged to the Statement of Comprehensive Income in the periods in which they are incurred.

q) Inventories

Inventories are stated at the lower of cost and net realisable value, adjusted when applicable, for any loss of service potential. Costs are assigned to individual items of stock mainly on the basis of weighted average costs.

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

r) 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, usually based on the transaction cost or face 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.

s) Investments

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs. The District determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

* Fair value through profit or loss - The District subsequently measures investments classified as 'held for trading' or designated upon initial recognition "at fair value through profit or loss" at fair value.

Purchases or sales of investments under contract that require delivery of the asset within the timeframe established by convention or regulation are recognised on the trade date; i.e. the date the District commits to purchase or sell the asset.

The fair value of investments that are traded at fair value in an active market is determined by reference to quoted current bid prices at the close of business on the Statement of Financial Position date.

Western Sydney Local Health District
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t) 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.

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.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the net result for the year, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously 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.

u) 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 District transfers the financial asset:

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

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

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

v) Payables

These amounts represent liabilities for goods and services provided to the District and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face 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 District.

w) 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.

x) Equity Transfers

The transfer of net assets between entity as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector entities is designated or required by Accounting Standards to be treated as contributions by owners and is recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004, Contributions and Australian Interpretation 1038 ,Contributions by Owners Made to Wholly-Owned Public Sector Entities.

Western Sydney Local Health District
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Transfers arising from an administrative restructure involving not-for-profit entities and for-profit government entities are recognised at the amount at which the asset was recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the agency recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the entity does not recognise that asset.

y) Equity and Reserves

(i) Revaluation Surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the District's policy on the revaluation of property, plant and equipment as discussed in Note 2(j).

(ii) Accumulated Funds

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

(iii) Separate Reserves

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards.

z) Trust Funds

The District receives monies in a trustee capacity for various trusts as set out in Note 30.

As the District performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the District's own objectives, they are not brought to account in the financial statements.

aa) Budgeted Amounts

The budgeted amounts are drawn from the budgets agreed with the NSW Ministry of Health at the beginning of the financial year and with any adjustments for the effects of additional supplementation provided. The budget amounts are not subject to audit review and, accordingly, the relevant column entries in the financial statements are denoted as "Unaudited".

ab) Service Group Statements Allocation Methodology

The Ministry of Health, in conjunction with all health entities, undertook an analysis of service group statements to ensure that the National Health Funding reforms definitions are consistently applied to 2011/12 and 2012/13 financial statements. Using the statistical data for twelve months ending 30 June 2012, new percentages were derived which resulted in variances in several service groups for the 2011/12 comparative year, which have been restated.

The data is then adjusted for any material change in service delivery or funding distribution, occurring in the 2012/13 year. The same methodology is applied to attribute assets and liabilities to each service group.

In respect of assets and liabilities the Ministry requires the District take action to identify those components that can be specifically identified and reported by service groups.

Remaining values are attributed to service groups in accordance with values advised by the NSW Ministry of Health, e.g. depreciation/amortisation charges form the basis of apportioning the values for Intangibles and Property, Plant & Equipment.

ac) New Australian Accounting Standards Issued but not Effective

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

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AASB 9 and AASB 2010-7, Financial Instruments have mandatory application from 1 July 2015 and comprise changes to improve and simplify the approach for classification and measurement of financial assets. The change is not expected to materially impact the financial statements.

AASB 10, Consolidated Financial Statements has mandatory application from 1 July 2013 and provides replacement criteria for the assessment of control in lieu of the provisions of AASB 127. Changes to the reporting of consolidated entities is not expected as a result of this amendment.

AASB 11, Joint Arrangements has mandatory application from 1 July 2013 and defines joint control and the determination of joint control through an assessment of rights and obligations. The Standard is not expected to have any effect within the District.

AASB 12, Disclosure of Interests in Other Entities, has mandatory application from 1 July 2013 and requires disclosure of significant judgements and assumptions made in determining the nature of its interests in another entity or arrangement. It is not expected that the changes will have a material impact.

AASB 13, AASB 2011-8 and AASB 2012-1, Fair Value Measurement have mandatory application from 1 July 2013 and address, inter alia, the assumptions that market participants would use when pricing the asset or liability. Future impact is assessed as minimal.

AASB 119, AASB 2011-10 and AASB 2011-11, regarding employee entitlements, have mandatory application from 1 July 2013 and cover the recognition and measurement of short term and long term employee benefits. Any changes to the 2013/14 financial statements will be dependent on the policy of NSW Treasury.

AASB 127, Separate Financial Statements, has mandatory application from 1 July 2013 and applies in accounting for interests in subsidiaries, joint ventures and associates. Based on current activities, it is assessed as having no future impact on the District.

AASB 128, Investments in Associates and Joint Ventures, has mandatory application from 1 July 2013 and, based on current activities, is assessed as having no impact on the District.

AASB 1053 and AASB 2010-2, Application of Tiers of Australian Accounting Standards, have application from 1 July 2013 and may result in a lessening of reporting requirements, dependent on the policy of NSW Treasury.

AASB 1055, Budgetary Reporting, has application from 1 July 2014. Any changes in future disclosures will be determined by the policies adopted by NSW Treasury for whole of government reporting.

AASB 2010-10 regarding removal of fixed dates for first time adopters, has mandatory application from 1 July 2013 and, based on current activities, is assessed as having no impact on the District.

AASB 2011-2, Trans-Tasman Convergence Project - Reduced Disclosure Requirements, has mandatory application from 1 July 2013 and may result in a lessening of reporting requirements, dependent on the policy of NSW Treasury.

AASB 2011-4, Amendments to Australian Accounting Standards To Remove Individual Key Management Personnel Disclosure Requirements, has application from 1 July 2013 and removes the requirement to individually report the remuneration of Key Management Personnel, recognising that this is more a governance issue.

AASB 2011-6, Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements (AASB 127, AASB 128 and AASB 131), applies from 1 July 2013. The exemption is not expected to have a material impact.

AASB 2011-7, Amendments to Australian Accounting Standards for the consolidation and joint arrangement standards, arise from the issuance of AASB 10, AASB 11, AASB 12, AASB 127, and AASB 128. For not-for-profits, the changes have application from 1 July 2014 but are assessed as having no material effect.

Western Sydney Local Health District
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AASB 2011-10, Amendments to Australian Accounting Standards arising from AASB 119, applicable from 1 July 2013 assessed as having no material impact.

AASB 2011-11, Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements, applicable from 1 July 2013 assessed as having no material impact.

The following changes will depend on the policies determined by NSW Treasury.

AASB 2012-1, Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements. Sets out reduced disclosure requirements as a consequence of the issuance of AASB 13, having application from 1 July 2013.

AASB 2012-2, Amendments to Australian Accounting Standard - Offsetting Financial Assets and Financial Liabilities, has application for reporting periods starting on or after 1 January 2013 and seeks to address some of the offsetting criteria of AASB 7.

AASB 2012-3, Amendments to Australian Accounting Standard - Offsetting Financial Assets and Financial Liabilities, has application from 1 January 2014 and seeks to address inconsistencies identified in applying some of the offsetting criteria of AASB 132.

AASB 2012-4, Amendments to Australian Accounting Standards – Government Loans (Amendments to AASB 1 'First-time Adoption of International Financial Reporting Standards'). Applicable to reporting periods on or after 1 January 2013.

AASB 2012-5 regarding annual improvements 2009 to 2011 cycle. Applicable to reporting periods on or after 1 January 2013.

AASB 2012-7, Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. Applicable to reporting periods on or after 1 July 2013.

AASB 2012-9, Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039. Applicable to reporting periods on or after 1 January 2013.

AASB 2012-10, Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. Applicable to reporting periods on or after 1 January 2013.

AASB 2012-11, Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments, having application from 1 July 2013.

AASB 2013-1, Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements, having application from 1 July 2014.

Western Sydney Local Health District
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2013	2012		2013	2012
\$000	\$000		\$000	\$000
3. Employee Related				
Employee related expenses comprise the following:				
----	----	Salaries and Wages	608,843	570,239
----	----	Overtime	30,958	34,761
----	----	Penalties	58,369	56,428
----	----	Superannuation - Defined Benefit Plans	12,759	13,234
----	----	Superannuation - Defined Contribution Plans	61,805	57,775
----	----	Long Service Leave	9,044	53,462
----	----	Annual Leave	75,412	77,464
----	----	Sick Leave and Other Leave	25,563	25,039
----	----	Redundancies	3,108	1,236
----	----	Workers' Compensation Insurance	13,829	10,822
----	----	Payroll Tax and Fringe Benefits Tax	360	----
-----	-----		900,050	900,460
4. Personnel Services				
Personnel Services comprise the purchase of the following:				
608,843	570,239	Salaries and Wages	----	----
30,958	34,761	Overtime	----	----
58,369	56,428	Penalties	----	----
61,805	57,775	Superannuation - Defined Contribution Plans	----	----
(417)	7,662	Long Service Leave	----	----
75,412	77,464	Annual Leave	----	----
25,563	25,039	Sick Leave and Other Leave	----	----
3,108	1,236	Redundancies	----	----
13,829	10,822	Workers' Compensation Insurance	----	----
360	----	Payroll Tax and Fringe Benefits Tax	----	----
877,830	841,426		-----	-----
5. Other Operating Expenses				
7,071	7,652	Blood and Blood Products	7,071	7,652
121	100	Capital Project Expense	121	100
15,980	14,726	Domestic Supplies and Services	15,980	14,726
59,474	58,355	Drug Supplies	59,474	58,355
22,635	22,395	Food Supplies	22,635	22,395
11,974	9,266	Fuel, Light and Power	11,974	9,266
30,428	83,361	General Expenses (See (b) below)	30,428	83,361
3,773	3,759	Hospital Ambulance Transport Costs	3,773	3,759
19,157	15,028	Information Management Expenses	19,157	15,028
2,301	1,881	Insurance	2,301	1,881
----	2	Interstate Patient Outflows	----	2
Maintenance (See (c) below)				
8,801	9,159	Maintenance Contracts	8,801	9,159
4,988	9,262	New/Replacement Equipment under \$10,000	4,988	9,262
12,432	11,744	Repairs Maintenance/Non Contract	12,432	11,744
(1,121)	(1,174)	Other	(1,121)	(1,174)
70,900	64,527	Medical and Surgical Supplies	70,900	64,527
1,503	1,901	Motor Vehicle Expenses	1,503	1,901
2,892	3,012	Postal and Telephone Costs	2,892	3,012
4,099	3,892	Printing and Stationery	4,099	3,892
2,170	2,547	Rates and Charges	2,170	2,547
2,380	2,311	Rental	2,380	2,311
71,607	50,682	Special Service Departments	71,607	50,682
5,734	5,580	Staff Related Costs	5,734	5,580
888	131	Sundry Operating Expenses (See (a) below)	888	131
6,206	5,398	Travel Related Costs	6,206	5,398
366,393	385,497		366,393	385,497

Western Sydney Local Health District
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PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
888	105	(a) Sundry Operating Expenses comprise :	888	105
-----	26	Contract for Patient Services	-----	26
<u>888</u>	<u>131</u>	Isolated Patient Travel and Accommodation Assistance Scheme	<u>888</u>	<u>131</u>
		(b) General Expenses Include :-		
350	235	Advertising	350	235
199	357	Auditor's Remuneration - External Audit	199	357
802	833	Books, Magazines and Journals	802	833
		Consultancies		
3,172	1,191	- Operating Activities	3,172	1,191
(72)	11	Contractors	(72)	11
7,585	9,138	Corporate Support Services	7,585	9,138
461	461	Courier and Freight	461	461
1,004	1,117	Data Recording and Storage	1,004	1,117
144	703	Legal Services	144	703
1,009	632	Membership/Professional Fees	1,009	632
2,603	2,791	Motor Vehicle Operating Lease Expense - Minimum Lease Payments	2,603	2,791
-----	6	Public Private Partnership	-----	6
4,262	2,771	Other Operating Lease Expense - Minimum Lease Payments	4,262	2,771
82	117	Payroll Services	82	117
50	222	Quality Assurance/Accreditation	50	222
428	819	Security Services	428	819
-----	24,547	Services Purchased from Health Reform Transition Organisations	-----	24,547
175	58	Translator Services	175	58
8,174	37,352	Other	8,174	37,352
<u>30,428</u>	<u>83,361</u>		<u>30,428</u>	<u>83,361</u>
		(c) Reconciliation of Total Maintenance		
25,100	28,991	Maintenance Expense - Contracted Labour and Other (Non-Employee Related), included in Note 5	25,100	28,991
3,997	4,187	Employee Related/Personnel Services Maintenance Expense included in Notes 3 and 4	3,997	4,187
<u>29,097</u>	<u>33,178</u>	Total Maintenance Expenses included in Notes 3, 4 and 5	<u>29,097</u>	<u>33,178</u>

Western Sydney Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
6. Depreciation and Amortisation				
40,001	39,851	Depreciation - Buildings	40,001	39,851
15,954	16,424	Depreciation - Plant and Equipment	15,954	16,424
1,882	1,725	Depreciation - Infrastructure Systems	1,882	1,725
2,664	679	Amortisation - Intangible Assets	2,664	679
60,501	58,679		60,501	58,679
7. Grants and Subsidies				
7,040	10,293	Non-Government Organisations	7,040	10,293
1,057	289	Grants to Research Orgs	1,057	289
191	578	Promotion of Research	191	578
-----	161	Budget Sector Other Grants	-----	161
55,137	3,781	Other Grants	55,137	3,781
63,425	15,102		63,425	15,102
8. Finance Costs				
333	383	Interest on Loans	333	383
127	2	Other Interest Charges	127	2
460	385	Total Finance Costs	460	385
9. Payments to Affiliated Health Organisations				
700	4,931	(a) Recurrent Sourced Lottie Stewart Hospital	700	4,931
700	4,931	Total Payments to Affiliated Health Organisations	700	4,931

Western Sydney Local Health District
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
10. Sale of Goods and Services				
(a) Sale of Goods comprise the following:-				
5,522	4,652	Sale of Prosthesis	5,522	4,652
9,885	9,588	Other	9,885	9,588
554	682	Pharmacy Sales	554	682
(b) Rendering of Services comprise the following:-				
		Patient Fees [see note 2(d)]		
42,620	33,709	- Inpatient Fees	42,620	33,709
1,527	2,425	- Nursing Home Fees	1,527	2,425
3,170	376	- Non Inpatient Fees	3,170	376
11,826	12,212	Department of Veterans' Affairs	11,826	12,212
366	359	Staff-Meals and Accommodation	366	359
19,045	19,175	Infrastructure Fees - Monthly Facility Charge [see note 2(d)]	19,045	19,175
11,541	11,986	- Annual Charge	11,541	11,986
308	331	Cafeteria/Kiosk	308	331
4,501	4,082	Car Parking	4,501	4,082
1,907	1,735	Child Care Fees	1,907	1,735
897	874	Clinical Services (excluding Clinical Drug Trials)	897	874
13,153	4,358	Commercial Activities	13,153	4,358
285	261	Fees for Medical Records	285	261
1	----	Information Retrieval	1	----
22,764	21,175	High Cost Drugs	22,764	21,175
12,297	9,400	Motor Accident Authority Third Party	12,297	9,400
----	2,260	Patient Inflows from Interstate*	----	2,260
117	131	Private Use of Motor Vehicles	117	131
476	395	Salary Packaging Fee	476	395
1,451	----	Hosted services provided to Other LHDs	1,451	----
801	297	Services Provided to Non NSW Health Organisations	801	297
44	----	Shared Corporate Services	44	----
5,329	10,342	Other	5,329	10,342
170,387	150,805		170,387	150,805

*From 1 July 2012, interstate patient flows are paid through the state pool account. As a result, these funds are now recognised through recurrent allocation. Refer note 2(f).

11. Investment Revenue

5,045	4,018	Interest	5,045	4,018
		- Other		
5,045	4,018		5,045	4,018

Western Sydney Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
12. Grants and Contributions				
5,046	4,472	Clinical Drug Trials	5,046	4,472
1,486	1,177	Commonwealth Government Grants	1,486	1,177
1,267	1,350	Industry Contributions/Donations	1,267	1,350
6,966	4,767	Cancer Institute Grants	6,966	4,767
202	2,609	NSW Government Grants	202	2,609
4,600	3,330	Research Grants	4,600	3,330
4,415	4,291	Other Grants	4,415	4,291
23,982	21,996		23,982	21,996
13. Acceptance by the Crown Entity of employee benefits				
The following liabilities and expenses have been assumed by the Crown Entity:				
-----	-----	Superannuation-defined benefit	12,759	13,234
-----	-----	Long Service Leave	9,461	45,800
-----	-----		22,220	59,034
14. Other Revenue				
Other Revenue comprises the following:-				
9	5	Bad Debts Recovered	9	5
353	281	Commissions	353	281
516	665	Conference and Training Fees	516	665
83	4	Discounts	83	4
18	24	Insurance Refunds	18	24
4,447	4,344	Lease and Rental Income	4,447	4,344
101	95	Sale of Merchandise, Old Wares and Books	101	95
315	1,407	Treasury Managed Fund Hindsight Adjustment	315	1,407
7,319	6,301	Other	7,319	6,301
13,161	13,126		13,161	13,126

Western Sydney Local Health District
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2013	2012		2013	2012
\$000	\$000		\$000	\$000
		15. Gain / (Loss) on Disposal		
10,280	921	Property, Plant and Equipment	10,280	921
9,995	735	Less: Accumulated Depreciation	9,995	735
<u>285</u>	<u>186</u>	Written Down Value	<u>285</u>	<u>186</u>
-----	-----	Less: Proceeds from Disposal	-----	-----
		Gain/(Loss) on Disposal of		
<u>(285)</u>	<u>(186)</u>	Property, Plant and Equipment	<u>(285)</u>	<u>(186)</u>
		Total Gain/(Loss) on Disposal	<u>(285)</u>	<u>(186)</u>
<u>(285)</u>	<u>(186)</u>			
		16. Other Gains / (Losses)		
(2,406)	(755)	Impairment of Receivables	(2,406)	(755)
<u>(2,406)</u>	<u>(755)</u>		<u>(2,406)</u>	<u>(755)</u>

Western Sydney Local Health District
Notes to and forming part of the Financial Statements
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PARENT & CONSOLIDATION

17. Conditions on Contributions

	Purchase of Assets	Health Promotion, Education and Research	Other	Total
	\$000	\$000	\$000	\$000
Contributions recognised as revenues during the current reporting period for which expenditure in the manner specified had not occurred as at balance date	1,651	24,941	226	26,818
Contributions recognised in previous years which were not expended in the current reporting period	11,196	36,470	2,204	49,870
Total amount of unexpended contributions as at balance date	12,847	61,411	2,430	76,688

Comment on restricted assets appears in Note 24

Western Sydney Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

18. Service Groups of the District

Service Group 1.1 - Primary and Community Based Services

Service Description: This service group covers the provision of health services to persons attending community health centres or in the home, including health promotion activities, community based women's health, dental, drug and alcohol and HIV/AIDS services. It also covers the provision of grants to non-Government organisations for community health purposes.

Objective: This service group contributes to making prevention everybody's business and strengthening primary health and continuing care in the community by working towards a range of intermediate results that include the following:

- improved access to early intervention, assessment, therapy and treatment services for claims in a home or community setting
- reduced rate of avoidable hospital admissions for conditions identified in the State Plan that can be appropriately treated in the community and
- reduced rate of hospitalisation from fall-related injury for people aged 65 years and over.

Service Group 1.2 - Aboriginal Health Services

Service Description: This service group covers the provision of supplementary health services to Aboriginal people, particularly in the areas of health promotion, health education and disease prevention. (Note: This program excludes most services for Aboriginal people provided directly by Local Health Districts and other general health services that are used by all members of the community).

Objective: This service group contributes to ensuring a fair and sustainable health system by working towards a range of intermediate results that include the following:

- the building of regional partnerships for the provision of health services
- raising the health status of Aboriginal people and
- promoting a healthy lifestyle.

Service Group 1.3 - Outpatient Services

Service Description: This service group covers the provision of services provided in outpatient clinics including low level emergency care, diagnostic and pharmacy services and radiotherapy treatment.

Objective: This service group contributes to creating better experiences for people using health services and ensuring a fair and sustainable health system by working towards a range of intermediate results including improving, maintaining or restoring the health of ambulant patients in a hospital setting through diagnosis, therapy, education and treatment services.

Service Group 2.1 - Emergency Services

Service Description: This service group covers the provision of emergency road and air ambulance services and treatment of patients in emergency departments of public hospitals.

Objective: This service group contributes to creating better experiences for people using the health system by working towards a range of intermediate results including reduced risk of premature death or disability by providing timely emergency diagnostic treatment and transport services.

Service Group 2.2 - Inpatient Hospital Services

Service Description: This service group covers the provision of health care to patients admitted to hospitals, including elective surgery and maternity services.

Objective: This service group contributes to creating better experiences for people using the health system by working towards a range of intermediate results that include the following:

- timely treatment of booked surgical patients, resulting in improved clinical outcomes, quality of life and patient satisfaction and
- reduced rate of unplanned and unexpected hospital readmissions.

Western Sydney Local Health District
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Service Group 3.1 - Mental Health Services

Service Description: This service group covers the provision of an integrated and comprehensive network of services by Local Health Districts and community based organisations for people seriously affected by mental illnesses and mental health problems. It also covers the development of preventative programs that meet the needs of specific client groups.

Objective: This service group contributes to strengthening primary health and continuing care in the community by working towards a range of intermediate results that include the following:

- improving the health, wellbeing and social functioning of people with disabling mental disorders and
- reducing the incidence of suicide, mental health problems and mental disorders in the community.

Service Group 4.1 - Rehabilitation and Extended Care Services

Service Description: This service group covers the provision of appropriate health care services for persons with long-term physical and psycho-physical disabilities and for the frail-aged. It also includes the coordination of the Ministry's services for the aged and disabled, with those provided by other agencies and individuals.

Objective: This service group contributes to strengthening primary health and continuing care in the community and creating better experiences for people using the health system by working towards a range of intermediate results including improving or maintaining the wellbeing and independent functioning of people with disabilities or chronic conditions, the frail and terminally ill.

Service Group 5.1 - Population Health Services

Service Description: This service group covers the provision of health services targeted at broad population groups including environmental health protection, food and poisons regulation and monitoring of communicable diseases.

Objective: This service group contributes to making prevention everybody's business by working towards a range of intermediate results that include the following:

- reduced incidence of preventable disease and disability and
- improved access to opportunities and prerequisites for good health.

Service Group 6.1 - Teaching and Research

Service Description: This service group covers the provision of professional training for the needs of the New South Wales health system. It also includes strategic investment in research and development to improve the health and wellbeing of the people of New South Wales.

Objective: This service group contributes to ensuring a fair and sustainable health system by working towards a range of intermediate results that include the following:

- developing the skills and knowledge of the health workforce to support patient care and population health and
- extending knowledge through scientific enquiry and applied research aimed at improving the health and wellbeing of the people of New South Wales.

Western Sydney Local Health District
Notes to and forming part of the Financial Statements
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PARENT		CONSOLIDATION	
2013	2012	2013	2012
\$000	\$000	\$000	\$000
19. Cash and Cash Equivalents			
46,578	63,309	46,578	63,309
22,651	72,087	22,651	72,087
69,229	135,396	69,229	135,396
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:			
69,229	135,396	69,229	135,396
Cash and Cash Equivalents (per Statement of Financial Position)		Cash and Cash Equivalents (per Statement of Financial Position)	
69,229	135,396	69,229	135,396
Closing Cash and Cash Equivalents (per Statement of Cash Flows)		Closing Cash and Cash Equivalents (per Statement of Cash Flows)	

Refer to Note 37 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Western Sydney Local Health District
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
		20. Receivables		
		Current		
17,795	21,494	Sale of Goods and Services	17,795	21,494
10,618	23,112	Intra Health Receivables	10,618	23,112
3,642	3,853	Goods and Services Tax	3,642	3,853
<u>32,201</u>	<u>39,798</u>	Other Debtors	<u>32,201</u>	<u>39,798</u>
64,256	88,257	Sub Total	64,256	88,257
<u>(8,352)</u>	<u>(7,791)</u>	Less Allowance for Impairment	<u>(8,352)</u>	<u>(7,791)</u>
55,904	80,466	Sub Total	55,904	80,466
930	1,278	Prepayments	930	1,278
<u>56,834</u>	<u>81,744</u>		<u>56,834</u>	<u>81,744</u>
		(a) Movement in the Allowance for Impairment		
----	----	Sale of Goods and Services		
(2,132)	----	Balance at Commencement of Reporting Period	(2,132)	----
1,109	(2,132)	Amounts written off during the year	1,109	(2,132)
(2,453)	----	(Increase)/decrease in Allowance Recognised in		
<u>(3,476)</u>	<u>(2,132)</u>	Result for the Year	<u>(2,453)</u>	<u>----</u>
		Balance at 30 June	(3,476)	(2,132)
		(b) Movement in the Allowance for Impairment		
		Other Debtors		
(5,659)	----	Balance at Commencement of Reporting Period	(5,659)	----
736	(5,659)	Amounts written off during the year	736	(5,659)
47	----	(Increase)/decrease in Allowance Recognised in		
<u>(4,876)</u>	<u>(5,659)</u>	Result for the Year	<u>47</u>	<u>----</u>
		Balance at 30 June	(4,876)	(5,659)
<u>(8,352)</u>	<u>(7,791)</u>		<u>(8,352)</u>	<u>(7,791)</u>
		Non-Current		
3,132	3,843	Prepayments	3,132	3,843
<u>3,132</u>	<u>3,843</u>		<u>3,132</u>	<u>3,843</u>
		(c) Patient Fee Receivables		
		(Current and Non-Current) include:		
2,273	1,691	Patient Fees - Compensable	2,273	1,691
5,037	3,435	Patient Fees - Ineligible	5,037	3,435
<u>6,075</u>	<u>5,379</u>	Patient Fees - Other	<u>6,075</u>	<u>5,379</u>
<u>13,385</u>	<u>10,505</u>		<u>13,385</u>	<u>10,505</u>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 37.

Western Sydney Local Health District
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PARENT			CONSOLIDATION	
2013	2012		2013	2012
\$000	\$000		\$000	\$000
21. Inventories - Current - Held for Distribution				
6,702	6,411	Drugs	6,702	6,411
2,226	2,770	Medical and Surgical Supplies	2,226	2,770
32	877	Other Including Goods in Transit	32	877
8,960	10,058		8,960	10,058

Western Sydney Local Health District
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PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
22. Property, Plant and Equipment				
Land and Buildings - Fair Value				
1,954,225	1,975,129	Gross Carrying Amount	1,954,225	1,975,129
<u>1,058,017</u>	<u>1,065,464</u>	Less: Accumulated Depreciation and Impairment	<u>1,058,017</u>	<u>1,065,464</u>
<u>896,208</u>	<u>909,665</u>	Net Carrying Amount	<u>896,208</u>	<u>909,665</u>
Plant and Equipment - Fair Value				
197,773	232,985	Gross Carrying Amount	197,773	232,985
<u>125,493</u>	<u>148,612</u>	Less: Accumulated Depreciation and Impairment	<u>125,493</u>	<u>148,612</u>
<u>72,280</u>	<u>84,373</u>	Net Carrying Amount	<u>72,280</u>	<u>84,373</u>
Infrastructure Systems - Fair Value				
68,329	69,228	Gross Carrying Amount	68,329	69,228
<u>43,445</u>	<u>42,577</u>	Less: Accumulated Depreciation and Impairment	<u>43,445</u>	<u>42,577</u>
<u>24,884</u>	<u>26,651</u>	Net Carrying Amount	<u>24,884</u>	<u>26,651</u>
<u>993,372</u>	<u>1,020,689</u>	Total Property, Plant and Equipment At Net Carrying Amount	<u>993,372</u>	<u>1,020,689</u>

Western Sydney Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT

22. Property, Plant and Equipment - Reconciliation

	Land	Buildings	Work in Progress	Leased Buildings	Plant and Equipment	Infrastructure Systems	Other Leased Assets	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2013								
Net Carrying Amount at Start of Year	271,992	607,323	30,350	----	84,373	26,651	----	1,020,689
Additions	----	324	51,654	----	9,674	26	----	61,678
Reclassifications to Intangibles	----	----	----	----	----	----	----	----
Recognition of Assets Held for Sale	----	----	----	----	----	----	----	----
Disposals	----	----	----	----	(287)	----	----	(287)
Administrative Restructures - Transfers In/(Out)	(19,610)	(3,278)	(511)	----	(10,443)	(15)	----	(33,857)
Net Revaluation Increment Less Revaluation Decrements	----	----	----	----	----	----	----	----
Impairment Losses (Recognised in "Other Gains/Losses")	----	----	----	----	----	----	----	----
Depreciation Expense	----	(40,001)	----	----	(15,954)	(1,882)	----	(57,837)
Reclassifications	----	7,592	(9,627)	----	4,917	104	----	2,986
Net Carrying Amount at End of Year	252,382	571,960	71,866	----	72,280	24,884	----	993,372

	Land	Buildings	Work in Progress	Leased Buildings	Plant and Equipment	Infrastructure Systems	Other Leased Assets	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2012								
Net Carrying Amount at Start of Year	244,003	606,612	27,157	----	58,685	22,625	----	959,082
Additions	----	744	22,117	----	17,104	54	----	40,019
Reclassifications to Intangibles	----	----	----	----	----	----	----	----
Recognition of Assets Held for Sale	----	----	----	----	----	----	----	----
Disposals	----	----	----	----	(186)	----	----	(186)
Administrative Restructures - Transfers In/(Out)	19,610	2,263	2,015	----	25,193	16	----	49,097
Net Revaluation Increment Less Revaluation Decrements	8,379	16,618	----	----	----	5,678	----	30,675
Impairment Losses (Recognised in "Other Gains/Losses")	----	----	----	----	----	----	----	----
Depreciation Expense	----	(39,851)	----	----	(16,424)	(1,725)	----	(58,000)
Reclassifications	----	20,937	(20,939)	----	1	3	----	2
Net Carrying Amount at End of Year	271,992	607,323	30,350	----	84,373	26,651	----	1,020,689

- (i) Land and Buildings include land owned by the Health Administration Corporation but controlled by the District [see note 2(g)].
- (ii) Land and Buildings were valued in the 2011/12 financial year by AON Valuation Services in accordance with note 2(j). AON Valuation Services is not an employee of the District.

Western Sydney Local Health District
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PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
		23. Intangible Assets		
		Software		
28,280	10,300	Cost (Gross Carrying Amount)	28,280	10,300
<u>27,150</u>	<u>2,984</u>	Less Accumulated Amortisation and Impairment	<u>27,150</u>	<u>2,984</u>
<u>1,130</u>	<u>7,316</u>	Net Carrying Amount	<u>1,130</u>	<u>7,316</u>
<u>1,130</u>	<u>7,316</u>	Total Intangible Assets at Net Carrying Amount	<u>1,130</u>	<u>7,316</u>

Western Sydney Local Health District
Notes to and forming part of the Financial Statements
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PARENT

23. Intangibles - Reconciliation

	Software \$000
2013	
Net Carrying Amount at Start of Year	7,316
Additions from Internal Development or Acquired Separately	21
Reclassification from Plant & Equipment	(2,987)
Disposal	----
Assets Held for Sale	----
Impairment Losses	----
Amortisation (Recognised in Depreciation and Amortisation)	(2,664)
Other Movements (SPECIFY)	(556)
Net Carrying Amount at End of Year	1,130

	Software \$000
2012	
Net Carrying Amount at Start of Reporting Period	----
Additions from Internal Development or Acquired Separately	----
Reclassification From Plant & Equipment	----
Disposal	----
Assets Held for Sale	----
Impairment Losses	----
Amortisation (Recognised in Depreciation and Amortisation)	(386)
Other Movements (SPECIFY)	7,702
Net Carrying Amount at End of Year	7,316

Western Sydney Local Health District
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	PARENT	CONSOLIDATION		
	2013	2013	2012	2012
	\$000	\$000	\$000	\$000
24. Restricted Assets				
<p>The District's financial statements include the following assets which are restricted by externally imposed conditions, eg. donor requirements. The assets are only available for application in accordance with the terms of the donor restrictions.</p>				
Category				
	39,786	39,786	86,329	86,329
Specific Purposes				
	6,492	6,492	6,668	6,668
Research Grants				
	28,536	28,536	42,308	42,308
Private Practice Funds				
	1,874	1,874	2,311	2,311
Other				
	<u>76,688</u>	<u>76,688</u>	<u>137,616</u>	<u>137,616</u>

Western Sydney Local Health District
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for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013	2012		2013	2012
\$000	\$000		\$000	\$000
		25. Payables		
		Current		
-----	-----	Accrued Salaries, Wages and On-Costs	18,456	15,939
-----	-----	Taxation and Payroll Deductions	6,311	6,068
24,767	22,007	Accrued Liability - Purchase of Personnel Services	-----	-----
31,828	38,780	Creditors	31,828	38,780
		Other Creditors		
11,296	14,434	- Intra Health Liability	11,296	14,434
8,296	24,350	- Other	8,296	24,350
<u>76,187</u>	<u>99,571</u>		<u>76,187</u>	<u>99,571</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 37.

		26. Borrowings		
		Current		
1,661	3,243	Other Loans and Deposits	1,661	3,243
<u>1,661</u>	<u>3,243</u>		<u>1,661</u>	<u>3,243</u>
		Non-Current		
5,083	3,429	Other Loans and Deposits	5,083	3,429
<u>5,083</u>	<u>3,429</u>		<u>5,083</u>	<u>3,429</u>

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

Other loans still to be extinguished represent monies to be repaid to the HealthShare, NSW Ministry of Health and Treasury.

Final Repayment is scheduled for 30 June 2020

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 37.

Western Sydney Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
27. Provisions				
----	----	Annual Leave - Short Term Benefit	90,433	61,431
----	----	Annual Leave - Long Term Benefit	35,588	66,311
----	----	Long Service Leave - Long Term Benefit	----	22
----	----	Long Service Leave On-Costs	15,579	16,444
141,600	144,208	Provision for Personnel Services Liability	----	----
<u>141,600</u>	<u>144,208</u>	Total Current Provisions	<u>141,600</u>	<u>144,208</u>
Non-Current Employee Benefits and Related On-Costs				
----	----	Long Service Leave On-Costs	820	865
820	865	Provision for Personnel Services Liability	----	----
<u>820</u>	<u>865</u>	Total Non-Current Provisions	<u>820</u>	<u>865</u>
Aggregate Employee Benefits and Related On-Costs				
----	----	Provisions - Current	141,600	144,208
----	----	Provisions - Non-Current	820	865
----	----	Accrued Salaries, Wages and On-Costs (Note 25)	24,767	22,007
167,187	167,080	Liability - Purchase of Personnel Services	----	----
<u>167,187</u>	<u>167,080</u>		<u>167,187</u>	<u>167,080</u>

Western Sydney Local Health District
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
28. Other Liabilities				
		Current		
1,516	943	Income in Advance	1,516	943
<u>1,516</u>	<u>943</u>		<u>1,516</u>	<u>943</u>

Income was received from Cancer Institute NSW which is for projects that will be undertaken in the 2013/14 financial year.

Western Sydney Local Health District
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
		29. Commitments for Expenditure		
		(a) Capital Commitments		
		Aggregate capital expenditure for the acquisition of land and buildings, plant and equipment, infrastructure and intangible assets, contracted for at balance date and not provided for:		
		Not later than one year	73,877	9,376
73,877	9,376	Later than one year and not later than five years	109,705	3,989
109,705	3,989	Later than five years	-----	-----
-----	-----			
<u>183,582</u>	<u>13,365</u>	Total Capital Expenditure Commitments (Including GST)	<u>183,582</u>	<u>13,365</u>

Of the commitments reported at 30 June 2013 it is expected that \$8.25M will be met from locally generated moneys.

(b) **Operating Lease Commitments**

Future non-cancellable operating lease rentals not provided for and payable:

		Not later than one year	6,902	4,801
6,902	4,801	Later than one year and not later than five years	20,076	16,532
20,076	16,532	Later than five years	14,295	15,136
14,295	15,136			
<u>41,273</u>	<u>36,469</u>	Total Operating Lease Commitments (Including GST)	<u>41,273</u>	<u>36,469</u>

The operating lease commitments above are for motor vehicles, information technology, equipment including personal computers, medical equipment and other equipment.

(c) **Contingent Asset Related to Commitments for Expenditure**

The total of 'Commitments for Expenditure' above, i.e. \$224.855M million as at 30 June 2013 includes input tax credits of \$20.441M that are expected to be recoverable from the Australian Taxation Office (2012 \$4.53M).

Western Sydney Local Health District
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PARENT AND CONSOLIDATION

30. Trust Funds

The District holds trust fund monies of \$21.7 million which are used for the safe keeping of patients' monies, deposits on hired items of equipment and Private Practice Trusts. These monies are excluded from the financial statements as the District cannot use them for the achievement of its objectives. The following is a summary of the transactions in the trust account.

	2013 \$000	2012 \$000	2013 \$000	2012 \$000	2013 \$000	2012 \$000	Total
	Refundable Deposits		Private Practice Trust Funds				
Cash Balance at the beginning of the financial year	98	130	28,920	8,251	29,018	8,381	
Receipts	844	-----	63,558	52,526	64,402	52,526	
Expenditure	(600)	(32)	(71,136)	(31,857)	(71,736)	(31,889)	
Cash Balance at the end of the financial year	342	98	21,342	28,920	21,684	29,018	

Western Sydney Local Health District
Notes to and forming part of the Financial Statements
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PARENT AND CONSOLIDATED

31. Contingent Liabilities and Assets

a) Workers Compensation Hindsight Adjustment

Treasury Managed Fund normally calculates hindsight premiums each year. However, in regard to workers compensation the final hindsight adjustment for the 2006/07 fund year and an interim adjustment for the 2008/09 fund year were not calculated until 2012/13.

As a result, the 2007/08 final and 2009/10 pertaining to the hospitals and community services now forming part of the District will be paid in 2013/14. It is not possible for the District to reliably quantify the benefit to be received or amount payable.

b) Affiliated Health Organisations

Based on the definition of control in Australian Accounting Standard AASB127, Consolidated and Separate Financial Statements, Affiliated Health Organisations listed in Schedule 3 of the Health Services Act, 1997 are only recognised in the District's consolidated financial statements to the extent of cash payments made.

However, it is accepted that a contingent liability exists which may be realised in the event of cessation of health service activities by any Affiliated Health Organisation. In this event the determination of assets and liabilities would be dependent on any contractual relationship which may exist or be formulated between the administering bodies of the organisation and the District and the Ministry.

Western Sydney Local Health District
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	2013	2012	CONSOLIDATION
	\$000	\$000	
PARENT			
	15,309	33,800	
	(60,501)	(58,678)	
	(2,406)	755	
	(573)	(273)	
	(1,903)	(18,228)	
	(23,135)	(41,565)	
	15,751	47,381	
	(285)	(186)	
	(57,743)	(36,994)	
	15,309	33,800	
	(60,501)	(58,678)	
	(2,406)	755	
	(573)	(273)	
	(1,903)	(18,228)	
	(23,135)	(41,565)	
	15,751	47,381	
	(285)	(186)	
	(57,743)	(36,994)	

32. Reconciliation of Cash Flows from Operating Activities to Net Result

Net Cash Flows from Operating Activities			
Depreciation			
Allowance for Impairment			
(Increase)/ Decrease Income in Advance			
(Increase)/ Decrease in Provisions			
Increase / (Decrease) in Prepayments and Other Assets			
(Increase)/ Decrease in Creditors			
Net Gain/ (Loss) on Sale of Property, Plant and Equipment			

33. 2012/13 Voluntary Services

It is considered impracticable to quantify the monetary value of voluntary services provided to the District. Services provided include:

- Chaplaincies and Pastoral Care - Patient & Family Support
- Pink Ladies/Hospital Auxiliaries - Patient Services, Fund Raising
- Patient Support Groups - Practical Support to Patients and Relative
- Community Organisations - Counselling, Health Education, Transport, Home Help & Patient Activities

Western Sydney Local Health District
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PARENT AND CONSOLIDATED

34. Unclaimed Moneys

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 District 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 District.

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

35. Budget Review - Parent and Consolidated

Net Result

The actual Net Result was lower than budget by \$11 million, primarily due to higher than projected inpatient activity and Emergency activity and an increased bad debts write off relating to patient fees.

Assets and Liabilities

The Net Asset result is relatively consistent with budget.

Cash Flows

The variance in the Net Cash Flows from Operating Activities reflects the impact of the additional patient activity including Emergency Department activity during the financial year.

The variance in the Net Cash Flows from Investment Activities reflects the timing of the capital works in progress recognised throughout the year.

The variance in the Net Cash Flows from Financing Activities reflects the loan movements from the capital works program over the reporting period.

Movements in the level of the NSW Ministry of Health Recurrent Allocation that have occurred since the time of the initial allocation on 24 June 2012 are as follows:

	\$000
Initial Allocation, 24 June 2012	1,045,782
Special Projects	
- HVSS Surgical cases	1,002
- Nurse Strategy	1,326
- National Specialty Centres - Pancreas Transplants	3,435
- National Partnership Agreement Treating More Dental Patients	3,019
Others	
- NSW Pathology Redistribution	16,227
- Devolution of Services between Local Health Districts	(5,705)
Balance as per Statement of Comprehensive Income	1,065,086

Western Sydney Local Health District
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36. Increase/(Decrease) in Net Assets from Equity Transfers

Equity transfers effected in the 2011/12 year were:

An increase in net assets totalling \$158.683M relating to the District's assumption of responsibilities upon dissolution of the Health Reform Transitional Organisation; Transfer of net assets totalling \$0.035M to NSW Health Pathology; Transfer of net assets totalling \$0.5M to Nepean Blue Mountains Local Health District.

Equity transfers effected in the 2012/13 year were:

Transfer of net assets totalling \$46.953M to NSW Health Pathology; Transfer of net assets totalling \$5.138M to Nepean Blue Mountains Local Health District; Transfer of net liabilities totalling \$6.544M to Sydney Local Health District; Transfer of net liabilities totalling \$2.293M to the 'Crown Entity'

	2013	2012
	\$000	\$000
Equity transfers effected comprised:		
NSW Health Pathology	46,953	-35
Nepean Blue Mountains Local Health District	5,138	-500
Sydney Local Health District	-6,544	
Crown Entity - Transfer of Long Service Leave On-costs	-2,293	
Health Reform Transitional Organisation		158,683
	43,254	158,148

Assets and Liabilities transferred are as follows:

	2013	2012
	\$000	\$000
Assets		
Cash & Cash Equivalents	19,861	86,193
Receivables	553	117,311
Inventory	143	57
Land & Buildings	22,888	22,503
Plant & Equipment	10,129	25,193
Infrastructure Assets	15	16
Intangible Assets	525	7,701
Work in Progress	511	2015
Liabilities		
Creditors & Accruals	-6,817	-86,114
Employee Provisions	-4,554	-12,923
Reserves		-3,804
Increase/(Decrease) in Net Assets From Equity Transfers	43,254	158,148

Western Sydney Local Health District
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37. Financial Instruments

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

The District's main risks arising from financial instruments are outlined below, together with the District'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 risk faced by the District, to set risk limits and controls and monitor risks. Compliance with policies is reviewed by the Audit & Risk Management Committee and the internal auditors on a continuous basis.

(a) Financial Instrument Categories

PARENT AND CONSOLIDATION		Carrying Amount 2013 \$000	Carrying Amount 2012 \$000
Class:	Category		
Financial Assets			
Cash and Cash Equivalents (note 19)	N/A	69,229	135,396
Receivables (note 20)*	Loans and receivables (at amortised cost)	52,262	76,613
Total Financial Assets		121,491	212,009
Financial Liabilities			
Borrowings (note 26)	Financial liabilities	6,744	6,672
Payables (note 25)**	measured at	69,876	93,503
Other (note 28)	amortised cost	----	----
Total Financial Liabilities		76,620	100,175

Notes

*Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)

**Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

(b) Credit Risk

Credit risk arises when there is the possibility of the District's debtors defaulting on their contractual obligations, resulting in a financial loss to the District. 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 District, including cash, receivables and authority deposits. No collateral is held by the District. The District has not granted any financial guarantees.

Credit risk associated with the District's financial assets, other than receivables, is managed

Western Sydney Local Health District
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through the selection of counterparties and establishment of minimum credit rating standards.

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 3.25% in 2012/13 compared to 4.28% 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 District 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 District 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 (2013:\$13.086M; 2012: \$22.524M) and not more than 3 months past due (2013: \$3.8M; 2012:\$5.109M) are not considered impaired and together these represent 61.8% of the total trade debtors. In addition Patient Fees Compensables are frequently not settled within 6 months of the date of the service provision due to the length of time it takes to settle legal claims. Most of the District's debtors are Health Insurance Companies or Compensation Insurers settling claims in respect of inpatient treatments.

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.

2013	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
	\$000	\$000	\$000
<3 months overdue	16,886	16,886	-
3 months - 6 months overdue	2,393	2,089	304
> 6 months overdue	8,048	-	8,048
2012			
<3 months overdue	27,634	27,634	-
3 months - 6 months overdue	5,086	5,086	-
> 6 months overdue	11,215	3,424	7,791

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 AASB 7 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 District will be unable to meet its payment obligations when they fall due. The District 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.

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The District 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 District has exposure to liquidity risk.

However, the risk is minimised by the service agreement, 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 District 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 2).

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.

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

Western Sydney Local Health District
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Maturity Analysis and interest rate exposure of financial liabilities

	Interest Rate Exposure				Maturity Dates		
	Weighted Average Effective Int. Rate	Nominal Amount ¹	Fixed Interest Rate	Non - Interest Bearing	< 1 Yr	1-5 Yr	> 5Yr
	%	\$000	\$000	\$000	\$000	\$000	\$000
2013							
Payables:							
- Accrued Salaries Wages, On-Costs and Payroll Deductions		18,456	----	18,456	18,456	----	----
- Creditors		51,420	----	51,420	51,420	----	----
Borrowings:							
- Loans and Deposits		6,744	6,744	----	1,661	3,999	1,084
		<u>76,620</u>	<u>6,744</u>	<u>69,876</u>	<u>71,537</u>	<u>3,999</u>	<u>1,084</u>
2012							
Payables:							
- Accrued Salaries Wages, On-Costs and Payroll Deductions		15,939	----	15,939	15,939	----	----
- Creditors		77,564	----	77,564	77,564	----	----
Borrowings:							
- Loans and Deposits		6,672	6,569	103	3,243	3,227	202
		<u>100,175</u>	<u>6,569</u>	<u>93,606</u>	<u>96,746</u>	<u>3,227</u>	<u>202</u>

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 District 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.

Western Sydney Local Health District
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d) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The District's exposures to market risk are primarily through interest rate risk on the District's borrowings and other price risks associated with the movement in the unit price of the Hour-Glass Investment facilities. The District has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit 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 District 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 2012. The analysis assumes that all other variables remain constant.

Interest rate risk

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

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

Both Treasury and NSW Ministry of Health loans are set at fixed rates and therefore are generally not affected by fluctuations in market rates. The District 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 profit or loss or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The District's exposure to interest rate risk is set out below.

	Carrying Amount \$'000	-1%		+1%	
		Profit	Equity	Profit	Equity
2013					
Financial Assets					
Cash and Cash Equivalents	69,229	(692)	(692)	692	692
Receivables	52,262	----	----	----	----
Financial Liabilities					
Payables	69,876	----	----	----	----
Borrowings	6,744	(67)	(67)	67	67
2012					
Financial Assets					
Cash and Cash Equivalents	135,396	(1,354)	(1,354)	1,354	1,354
Receivables	76,613	----	----	----	----
Financial Liabilities					
Payables	93,503	----	----	----	----
Borrowings	6,672	(67)	(67)	67	67

(e) Fair Value compared to Carrying Amount

Financial instruments are generally recognised at cost.

Note 38 Events after the Reporting Period

Lottie Stewart Hospital, which is a Health Organisation affiliated to the District (Note 31 b)), is scheduled for closure in August 2013.

The health services previously provided through this hospital will be transferred to facilities within the District and also to St Joseph's Hospital Auburn.

END OF AUDITED FINANCIAL STATEMENTS