



INDEPENDENT AUDITOR'S REPORT

Central Coast Local Health District

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Central Coast Local Health District (the District), which comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, and the 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 entities 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 2015, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

Emphasis of Matter

Without modification to the opinion expressed above, I draw attention to the basis of presenting adjusted budget information detailed in Note 2(ad). The note states that AASB 1055 'Budgetary Reporting' is not applicable to the District. It also states that, unlike the requirement in AASB 1055 'Budgetary Reporting' to present original budget information, the District's financial statements present adjusted budget information.

The Chief Executive's Responsibility for the Financial Statements

The Chief Executive is responsible for preparing 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 financial statements that give a true and fair view and 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 an 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 management, 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 the 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 any 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 other 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 role by the possibility of losing clients or income.

S Bond.

Sally Bond
Director, Financial Audit Services

14 September 2015
SYDNEY



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

- 1) The financial statements of the Central Coast Local Health District for the year ended 30 June 2015 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 2015 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 Central Coast Local Health District; and
- 3) I am not aware of any circumstances which would render any particulars in the accounts to be misleading or inaccurate.

Greg King
Director Finance & Corporate Services

Date: 11/9/15

Matt Hanrahan
Chief Executive

Date: 11/9/15

Central Coast Local Health District
Statement of Comprehensive Income for the year ended 30 June 2015

PARENT								CONSOLIDATION		
Actual	Adjusted Budget Unaudited	Actual				Notes	Actual	Adjusted Budget Unaudited	Actual	
2015 \$000	2015 \$000	2014 \$000					2015 \$000	2015 \$000	2014 \$000	
			Expenses excluding losses							
			Operating Expenses							
----	----	----	Employee Related		3		496,481	492,382	467,247	
472,386	468,337	448,418	Personnel Services		4		----	----	----	
27,141	27,097	28,139	Visiting Medical Officers				27,141	27,097	28,139	
163,707	163,409	156,937	Other Operating Expenses		5		163,707	163,409	156,937	
22,419	22,860	22,142	Depreciation and Amortisation		2(i), 6		22,419	22,860	22,142	
7,122	7,255	6,845	Grants and Subsidies		7		7,122	7,255	6,845	
1	----	5	Finance Costs		8		1	----	5	
692,776	688,958	662,486	Total Expenses excluding losses				716,871	713,003	681,315	
			Revenue							
572,652	573,089	545,156	NSW Ministry of Health Recurrent Allocations		2(d)		572,652	573,089	545,156	
21,905	21,912	12,485	NSW Ministry of Health Capital Allocations		2(d)		21,905	21,912	12,485	
----	----	----	Acceptance by the Crown Entity of Employee Benefits		2(a)(ii), 12		24,095	24,045	18,829	
83,195	78,077	76,278	Sale of Goods and Services		9		83,195	78,077	76,278	
1,025	1,213	736	Investment Revenue		10		1,025	1,213	736	
13,047	12,285	14,048	Grants and Contributions		11		13,047	12,285	14,048	
2,868	2,276	1,309	Other Revenue		13		2,868	2,276	1,309	
694,692	688,852	650,012	Total Revenue				718,787	712,897	668,841	
(402)	(32)	(848)	Gain / (Loss) on Disposal		14		(402)	(32)	(848)	
(195)	(159)	(201)	Other Gains / (Losses)		15		(195)	(159)	(201)	
1,319	(297)	(13,523)	Net Result		31		1,319	(297)	(13,523)	
			Other Comprehensive Income							
			Items that will not be reclassified to net result							
			Net Increase/(Decrease) in Property, Plant &							
2,919	----	10,765	Equipment Revaluation Surplus		22		2,919	----	10,765	
2,919	----	10,765	Total Other Comprehensive Income				2,919	----	10,765	
4,238	(297)	(2,758)	TOTAL COMPREHENSIVE INCOME				4,238	(297)	(2,758)	

The accompanying notes form part of these financial statements.

**Central Coast Local Health District
Statement of Financial Position as at 30 June 2015**

PARENT							CONSOLIDATION		
Actual	Adjusted Budget Unaudited	Actual		Notes	Actual	Adjusted Budget Unaudited	Actual		
2015 \$000	2015 \$000	2014 \$000			2015 \$000	2015 \$000	2014 \$000		
ASSETS									
Current Assets									
17,010	28,551	29,480	Cash and Cash Equivalents	18	17,010	28,551	29,480		
14,235	16,892	16,746	Receivables	19	14,235	16,892	16,746		
4,458	3,782	3,782	Inventories	20	4,458	3,782	3,782		
6,719	-----	-----	Financial Assets at Fair Value	21	6,719	-----	-----		
42,422	49,225	50,008	Total Current Assets		42,422	49,225	50,008		
Non-Current Assets									
Property, Plant & Equipment									
480,996	471,974	471,196	- Land and Buildings	22	480,996	471,974	471,196		
27,456	29,532	29,561	- Plant and Equipment	22	27,456	29,532	29,561		
18,761	23,729	23,729	- Infrastructure Systems	22	18,761	23,729	23,729		
207	326	327	- Leasehold Improvements	22	207	326	327		
527,420	525,561	524,813	Total Property, Plant & Equipment		527,420	525,561	524,813		
527,420	525,561	524,813	Total Non-Current Assets		527,420	525,561	524,813		
569,842	574,786	574,821	Total Assets		569,842	574,786	574,821		
LIABILITIES									
Current Liabilities									
38,435	47,102	48,308	Payables	25	38,435	47,102	48,308		
66,321	63,751	62,674	Provisions	26	66,321	63,751	62,674		
1,993	5,372	5,305	Other	27	1,993	5,372	5,305		
106,749	116,225	116,287	Total Current Liabilities		106,749	116,225	116,287		
Non-Current Liabilities									
670	670	349	Provisions	26	670	670	349		
670	670	349	Total Non-Current Liabilities		670	670	349		
107,419	116,895	116,636	Total Liabilities		107,419	116,895	116,636		
462,423	457,891	458,185	Net Assets		462,423	457,891	458,185		
EQUITY									
36,128	33,210	33,209	Reserves		36,128	33,210	33,209		
426,295	424,681	424,976	Accumulated Funds		426,295	424,681	424,976		
462,423	457,891	458,185	Total Equity		462,423	457,891	458,185		

The accompanying notes form part of these financial statements.

Central Coast Local Health District
Statement of Changes in Equity for the year ended 30 June 2015

PARENT AND CONSOLIDATION	Notes	Accumulated Funds \$000	Asset Revaluation Surplus \$000	Total \$000
Balance at 1 July 2014		424,976	33,209	458,185
Total Equity at 1 July 2014		424,976	33,209	458,185
Net Result for the year		1,319		1,319
Other Comprehensive Income:				
Net Increase/(Decrease) in Property, Plant & Equipment	22	-----	2,919	2,919
Total Other Comprehensive Income		-----	2,919	2,919
Total Comprehensive Income for the year		1,319	2,919	4,238
Balance at 30 June 2015		426,295	36,128	462,423
Balance at 1 July 2013		438,499	22,444	460,943
Total Equity at 1 July 2013		438,499	22,444	460,943
Net Result for the year		(13,523)		(13,523)
Other Comprehensive Income:				
Net Increase/(Decrease) in Property, Plant & Equipment	22	-----	10,765	10,765
Total Other Comprehensive Income		-----	10,765	10,765
Total Comprehensive Income for the year		(13,523)	10,765	(2,758)
Balance at 30 June 2014		424,976	33,209	458,185

The accompanying notes form part of these financial statements.

Central Coast Local Health District
Statement of Cash Flows for the year ended 30 June 2015

PARENT			CONSOLIDATION			
Actual	Adjusted Budget Unaudited	Actual	Notes	Actual	Adjusted Budget Unaudited	Actual
2015 \$000	2015 \$000	2014 \$000		2015 \$000	2015 \$000	2014 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
----	----	----		(466,531)	(467,019)	(447,967)
(6,282)	(6,415)	(7,551)		(6,282)	(6,415)	(7,551)
(672,645)	(661,829)	(648,179)		(206,114)	(194,810)	(200,212)
(678,927)	(668,244)	(655,730)		(678,927)	(668,244)	(655,730)
Receipts						
572,652	573,089	545,156		572,652	573,089	545,156
21,905	21,912	12,485		21,905	21,912	12,485
----	----	6,650		----	----	6,650
85,675	79,785	74,728		85,675	79,785	74,728
1,025	1,213	736		1,025	1,213	736
14,058	13,300	14,865		14,058	13,300	14,865
370	1,658	21,495		370	1,658	21,495
695,685	690,957	676,115		695,685	690,957	676,115
16,758	22,713	20,385	31	16,758	22,713	20,385
NET CASH FLOWS FROM OPERATING ACTIVITIES						
CASH FLOWS FROM INVESTING ACTIVITIES						
142	----	107		142	----	107
(22,650)	(23,642)	(12,420)		(22,650)	(23,642)	(12,420)
(6,719)	----	----		(6,719)	----	----
(29,227)	(23,642)	(12,313)		(29,227)	(23,642)	(12,313)
NET CASH FLOWS FROM INVESTING ACTIVITIES						
CASH FLOWS FROM FINANCING ACTIVITIES						
(1)	----	(5)		(1)	----	(5)
NET CASH FLOWS FROM FINANCING ACTIVITIES						
(12,470)	(929)	8,067		(12,470)	(929)	8,067
29,480	29,480	21,413		29,480	29,480	21,413
17,010	28,551	29,480	18	17,010	28,551	29,480
CLOSING CASH AND CASH EQUIVALENTS						

The accompanying notes form part of these financial statements.

Central Coast Local Health District
Service Group Statements
for the year ended 30 June 2015

	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		
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2014
	\$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	12,674	19,871	611	1,689	85,139	71,712	50,325	51,344	205,906	211,075	54,382	39,530	58,483	52,486	7,163	6,326	16,629	18,383					496,481
Visiting Medical Officers	125	778		4	3,600	3,067	2,704	3,212	17,609	18,249	1,535	1,286	742	1,094	3	32	183	1,057					27,141
Other Operating Expenses	5,060	5,818	121	316	35,977	34,261	20,724	15,488	76,805	77,383	6,698	7,126	12,931	11,846	1,571	1,480	3,242	3,797					163,707
Depreciation and Amortisation	494	728	4	18	8,454	3,118	1,269	3,048	11,296	9,943	864	1,294	825	1,795	45	54	521	791					22,142
Grants and Subsidies	2,191	1,749			728	739		5	48			3	2,644	2,887	1,390	1,213	169	201					7,122
Finance Costs			1			2		1	2														1
Total Expenses excluding losses	20,544	28,944	737	2,027	133,898	112,899	75,022	73,098	311,666	316,650	63,479	49,239	75,625	70,108	10,172	9,105	20,744	24,229					716,871
Revenue																							
NSW Ministry of Health Recurrent Allocations **																							
NSW Ministry of Health Capital Allocations **																							
of Employee Benefits and Other Liabilities	540	1,408	35	111	2,939	2,850	1,691	1,963	8,040	15,076	1,483	2,039	1,877	1,534	352	192	102	692					545,156
Sale of Goods and Services	130	162	3	8	13,705	15,721	1,290	481	43,214	50,619	2,724	1,965	14,562	14,678	92	9	70	40					12,485
Investment Revenue	66	7	1	2	283	146	46	12	401	461	59	25	80	139	1	1	28	3					21,905
Grants and Contributions	4,432	2,423	354		1,919	4,686	233	287	1,530	572	1,202	1,058	2,511	1,284	8	(16)	1,816	2,796					24,095
Other Revenue	300	13	1	1	1,436	259	287	22	714	342	307	45	159	247		2	36	6					83,195
Total Revenue	5,468	4,013	394	122	20,282	23,662	3,547	2,765	53,899	67,070	5,775	5,132	19,189	17,882	453	188	2,052	3,537					718,787
Gain / (Loss) on Disposal	(18)	(51)	(1)	(1)	(66)	(110)	(11)	(90)	(497)	(217)	(19)	(33)	(62)	(45)	(1)	(1)	(7)	(20)					(402)
Other Gains / (Losses)	(9)				(32)		(6)		(201)	(105)	(9)		(30)		(1)		(3)						(195)
Net Result	(15,103)	(24,982)	(344)	(1,906)	(113,714)	(89,347)	(71,492)	(70,423)	(258,465)	(249,902)	(57,732)	(44,140)	(56,528)	(52,271)	(9,721)	(8,918)	(18,702)	(20,712)					(13,523)
Other Comprehensive Income																							
Increase/(Decrease) in Revaluation Surplus	64	354	1	9	1,101	1,516	165	1,482	5,492	1,295	112	629	107	873	6	26	68	384					2,919
Total Other Comprehensive Income	64	354	1	9	1,101	1,516	165	1,482	5,492	1,295	112	629	107	873	6	26	68	384					2,919
Total Comprehensive Income	(15,039)	(24,628)	(343)	(1,897)	(112,613)	(87,831)	(71,327)	(68,941)	(252,973)	(248,607)	(57,620)	(43,511)	(56,421)	(51,398)	(9,715)	(8,892)	(18,634)	(20,328)					(2,758)

* The name and purpose of each service group is summarised in Note 17

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

Central Coast Local Health District
Service Group Statements (Continued)
for the year ended 30 June 2015

	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			
	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	
ASSETS																								
Current Assets																								
Cash and Cash Equivalents	487	1,252	19	87	3,177	4,885	1,780	3,163	7,514	13,486	1,506	2,131	1,794	3,034	241	394	492	1,048						
Receivables	22	35		3	2,345	3,451	221	106	8,661	9,487	466	431	2,492	3,222	16	2	12	9						
Inventories	138	140	4	7	980	826	564	373	2,107	1,851	182	172	352	285	43	36	88	92						
Financial Assets at Fair Value	193		7		1,255		703		2,968		595		709		95		194							
Total Current Assets	840	1,427	30	97	7,757	9,162	3,268	3,642	21,250	24,824	2,749	2,734	5,347	6,541	395	432	786	1,149					42,422	
Non-Current Assets																								
Property, Plant and Equipment																								
- Land and Buildings	10,607	15,496	72	372	181,386	66,358	27,226	64,854	213,333	240,386	18,535	27,546	17,697	38,201	959	1,158	11,180	16,825					480,996	
- Plant and Equipment	605	972	5	22	10,354	4,163	1,554	4,069	12,177	15,081	1,058	1,728	1,010	2,397	55	73	638	1,056					27,456	
- Infrastructure Systems	414	780	3	19	7,075	3,342	1,062	3,266	8,321	12,106	723	1,387	690	1,924	37	58	436	847					18,761	
- Leasehold Improvements	5	11	(1)	(1)	78	46	12	45	92	167	8	19	8	27		1	5	12					207	
Total Non-Current Assets	11,631	17,259	79	412	198,893	73,909	29,854	72,234	233,923	267,740	20,324	30,680	19,405	42,549	1,051	1,290	12,259	18,740					527,420	
TOTAL ASSETS	12,471	18,686	109	509	206,650	83,071	33,122	75,876	255,173	292,564	23,073	33,414	24,752	49,090	1,446	1,722	13,045	19,889					569,842	
LIABILITIES																								
Current Liabilities																								
Payables	1,188	1,791	27	96	8,447	10,546	4,866	4,768	18,168	23,642	1,573	2,194	3,036	3,646	369	456	761	1,169					38,435	
Provisions	1,693	2,665	82	227	11,373	9,619	6,723	6,887	28,196	27,619	7,264	5,302	7,812	7,040	957	849	2,221	2,466					66,321	
Other	57	225	3	16	372	879	209	569	880	2,427	176	383	210	546	28	71	58	189					1,993	
Total Current Liabilities	2,938	4,681	112	339	20,192	21,044	11,798	12,224	47,244	53,688	9,013	7,879	11,058	11,232	1,354	1,376	3,040	3,824					106,749	
Non-Current Liabilities																								
Provisions	17	15	1		115	54	68	38	285	154	73	30	79	39	10	5	22	14					670	
Total Non-Current Liabilities	17	15	1		115	54	68	38	285	154	73	30	79	39	10	5	22	14					670	
TOTAL LIABILITIES	2,955	4,696	113	339	20,307	21,098	11,866	12,262	47,529	53,842	9,086	7,909	11,137	11,271	1,364	1,381	3,062	3,838					107,419	
NET ASSETS	9,516	13,990	(4)	170	186,343	61,973	21,256	63,614	207,644	238,722	13,987	25,505	13,615	37,819	82	341	9,983	16,051					462,423	

* The name and purpose of each service group is summarised in Note 17

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

1. The Reporting Entity

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

The Central Coast 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 Restricted Assets (as disclosed in notes 16 and 24), which, while containing assets which are restricted for specified uses by the grantor or the donor, are nevertheless controlled by the parent entity.
- * The Central Coast Local Health District Special Purpose Service Entity which was established as a Division of the Central Coast on 1 January 2011 in accordance with the Health Services Act 1997. This Division provides personnel services to enable the Central Coast 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, and like transactions and other events are accounted for using uniform accounting policies.

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 Central Coast is a not-for-profit entity (as profit is not its principal objective).

These consolidated financial statements for the year ended 30 June 2015 have been authorised for issue by the Chief Executive on 11 September 2015.

2. Summary of Significant Accounting Policies

Basis of Preparation

The Central Coast's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015, and the Treasurers' Directions. 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(y).

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

The Secretary of Health, the Chair of Central Coast Local Health District Board and the Chief Executive, through the Service Agreement 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 Central Coast'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 Central Coast 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.

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Other circumstances why the going concern is appropriate include:

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

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

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

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

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.

Statement of Compliance

The financial statements and notes 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

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

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

Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability can be used to approximate the present value of the annual leave liability. On-costs of 16.7% are applied to the value of leave payable at 30 June 2015 (comparable on-costs for 30 June 2014 were 16.5%). The Central Coast has assessed the actuarial advice based on the Central Coast's circumstances and has determined that the effect of discounting is immaterial to annual leave.

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

ii) Long Service Leave and Superannuation

The Central Coast's liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity.

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

Specific on-costs relating to Long Service Leave assumed by the Crown Entity are borne by the Central Coast as shown in Note 26.

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

The superannuation expense for the reporting period is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the 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) Consequential On-Costs

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

iv) Other Provisions

Other provisions exist when the Central Coast 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 Central Coast'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 claims 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.

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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 Central Coast 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 are met in respect of day admitted patients, non admitted patients or patients on discharge. Revenue is recognised when the drugs have been provided to the patient.

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 Central Coast 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 Central Coast 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.

Dividend revenue is recognised in accordance with AASB 118 Revenue, when the Central Coast's right to receive payment is established.

Central Coast Local Health District
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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 Central Coast based on a percentage of receipts generated
- * the residual of the Private Practice Trust Fund at the end of each financial year, such sum being credited for Central Coast use in the advancement of the Central Coast or individuals within it.

Use of Outside Facilities

The Central Coast 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 recognised as revenues when the Central Coast 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 Central Coast as adjusted for approved supplementations mostly for salary agreements and approved enhancement projects.

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

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

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

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f) Interstate Patient Flows

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.

g) Acquisition of Assets

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

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer Note 2(v)).

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

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

Land and buildings which are owned by the Health Administration Corporation or the State and operated/occupied by the Central Coast are deemed to be controlled by the Central Coast and are reflected as such in the financial statements.

h) Capitalisation Thresholds

Individual items of Property, Plant & Equipment 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 Central Coast. Land is not a depreciable asset. All material identifiable components of assets are depreciated over their useful lives.

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

	2015	2014
Buildings	2.5%	2.5%
Electro Medical Equipment		
- Costing less than \$200,000	10.0%	10.0%
- Costing more than or equal to \$200,000	12.5%	12.5%
Computer Equipment	20.0%	20.0%
Infrastructure Systems	2.5%	2.5%
Motor Vehicle Sedans	12.5%	12.5%
Motor Vehicles, Trucks & Vans	20.0%	20.0%
Office Equipment	10.0%	10.0%
Plant and Machinery	10.0%	10.0%
Linen	25.0%	25.0%
Furniture, Fittings and Furnishings	5.0%	5.0%

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“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 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 Fair Value Measurement, AASB 116 Property, Plant and Equipment and AASB 140 Investment Property.

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

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

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer Note 22 and Note 23 for further information regarding fair value.

The Central Coast revalues its Land and Buildings and Infrastructure at minimum every three years by independent valuation. The last revaluation for assets recognised by the Central Coast was completed in the 2014-15 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 an approximation of fair value. The entity has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

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

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

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

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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 revaluation surplus 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, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

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.

o Non-Current Assets (or disposal groups) Held for Sale

The Central Coast has certain non-current assets (or disposal groups) classified as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use.

Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs of disposal. These assets are not depreciated while they are classified as held for sale.

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 Central Coast does not have any property that meets the definition of Investment Property.

n) 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.

o) Leased Assets

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

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

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

p) 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.

q) 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.

r) 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 Central Coast determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

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

Financial assets are classified as 'held for trading' if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on these assets are recognised in the net result for the year.

The T Corp Hour-Glass Investment facilities are designated at fair value through profit or loss using the second leg of the fair value option i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the Central Coast's key management personnel.

The risk management strategy of the Central Coast has been developed consistent with the investment powers granted under the provision of the Public Authorities (Financial Arrangements) Act.

T Corp investments are made in an effort to improve interest returns on cash balances otherwise available whilst also providing secure investments.

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The movement in the fair value of the T Corp Hour-Glass Investment facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

- * Held-to-maturity investments – Non-derivative financial assets with fixed or determinable payments and fixed maturity that the Central Coast has the positive intention and ability to hold to maturity are classified as 'held-to-maturity'.

These investments are measured at amortised cost using the effective interest method. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

- * Available-for-sale investments - Any investments that do not fall into any other category are accounted for as available-for-sale investments and measured at fair value. Gains or losses on available-for-sale investments are recognised in other comprehensive income until disposed or impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is recognised in the net result for the year. However, interest calculated using the effective interest method and dividends are recognised in the net result for the year.

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 Central Coast 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.

s) 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 Central Coast transfers the financial asset:

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

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

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

t) Payables

These amounts represent liabilities for goods and services provided to the Central Coast 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.

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

u) Fair Value Hierarchy

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

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

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

Refer Note 23 and Note 36 for further disclosures regarding fair value measurements of financial and non-financial assets.

v) Equity Transfers

The transfer of net assets between entities is 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 Accounting Interpretation 1038, Contributions by Owners Made to Wholly-Owned Public Sector Entities.

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 Central Coast recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the Central Coast does not recognise that asset.

w) Equity and Reserves

(i) Accumulated Funds

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

(ii) Revaluation Surplus

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

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(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.

x) Trust Funds

The Central Coast receives monies in a trustee capacity for various trusts as set out in Note 29.

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

y) Adjusted Budgeted Amounts

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

z) Service Group Statements Allocation Methodology

Service group definitions are based and allocated on methodology determined by the Independent Hospital Pricing Authority, refer note 17.

Income and expenses are allocated to service groups using statistical data for the twelve months ending 30 June 2014, then adjusted for any material change in service delivery or funding distribution occurring in the 2014-15 financial year.

In respect of assets and liabilities, the Central Coast identifies 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.

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

(i) Effective for the first time in 2014-15

The accounting policies applied in 2014-15 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have impacted in 2014-15 and have been applied for the first time as follows:

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AASB 10 Consolidated Financial Statements, AASB 2011-7, and AASB 2013-8 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 profit entities, the changes have application from 1 July 2014.

Following an assessment of the applicable new accounting standards mentioned above in relation to consolidation and joint arrangements, Central Coast management is of the opinion that there will be no material implications for the financial statements.

AASB 1055 and AASB 2013-1, regarding Budgetary Reporting has application from 1 July 2014. This standard is not applicable to Central Coast as individual budgets are not presented in parliament. Refer note 2(y) on how Central Coast derives its adjusted budgetary information.

(ii) Issued but not yet 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, excluding standards not considered applicable or material to NSW Health, have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 9, Financial Instruments, has application from 1 January 2018. The standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.

AASB 15 and AASB 2014-5, Revenue from Contracts with Customers has application from 1 January 2017. We believe this standard will impact on the timing recognition of certain revenues given the core principle of the new standard requires revenue to be recognised when the goods or services are transferred to the customer at the transaction price (as opposed to stage of completion of the transaction). The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

AASB 2010-7, regarding Financial Instruments has mandatory application from 1 July 2015 and comprises 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 2014-3, Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations. This amending standard clarifies the treatment of expensing all acquisition-related costs, and recognition of share in a joint operation according to the contractual arrangements. This standard is applicable from 1 January 2016.

AASB 2014-4, Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation, has application from 1 January 2016. The change will take into account the expected future reductions in the selling price when accounting for useful life.

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AASB 2014-7, Amendments to various Australian Accounting Standards as a result of the changes from AASB 9 (December 2014) and will have application from 1 January 2018. The new AASB 9 includes revised guidance on the classification and measurement of financial assets and supersedes AASB 9 (December 2009) and AASB 9 (December 2010).

AASB 2014-8, Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)] has application from 1 January 2015. This update limits the application of the existing versions of AASB 9 (December 2009) and AASB 9 (December 2010).

AASB 2014-9, Amendments to Australian Accounting Standards – It gives entities the choice of using the Equity Method for their subsidiaries in their separate financial statements [AASB 1, 127 & 128]. It has application from 1 January 2016.

AASB 2014-10, Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & AASB 128]. This has application from 1 January 2016.

AASB 2015-01, Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140]. This application takes place from 1 January 2016.

AASB 2015-02, Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049] require entities to disclose significant accounting policies and other explanatory information in a more detailed manner rather than a summary as previously done. This application takes place from 1 January 2016.

AASB 2015-03, Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality from 1 January 2016. It is expected that the withdrawal of AASB 1031 will not change practice regarding the application of materiality in financial reporting. In particular, amendments would not change the level of disclosure presently specified by other accounting standards.

AASB 2015-5, Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception [AASB 10, AASB 12 & AASB 128], has application from 1 January 2016. This standard is unlikely to have any impact on this entity as the exceptions would be hard to satisfy.

AASB 2015-6, Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049], has application from 1 July 2016. Based on preliminary evaluation, this standard could potentially increase the level of disclosure required for not for profit entities where delegated power exists for senior officers of the entity.

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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		3. Employee Related		
		Employee related expenses comprise the following:		
-----	-----	Salaries and Wages	307,708	290,702
-----	-----	Overtime	15,594	14,057
-----	-----	Penalties	32,271	30,814
-----	-----	Superannuation - Defined Benefit Plans	4,093	4,243
-----	-----	Superannuation - Defined Contribution Plans	36,201	33,404
-----	-----	Long Service Leave	21,399	16,877
-----	-----	Annual Leave	43,254	40,776
-----	-----	Sick Leave and Other Leave	24,692	24,072
-----	-----	Redundancies	1,079	772
-----	-----	Workers' Compensation Insurance	10,051	11,384
-----	-----	Fringe Benefits Tax	139	146
-----	-----		496,481	467,247
		The following additional information is provided:		
-----	-----	Employee Related Expenses Capitalised - Land and Buildings	191	220
		4. Personnel Services		
		Personnel Services comprise the purchase of the following:		
307,708	290,702	Salaries and Wages	-----	-----
15,594	14,057	Overtime	-----	-----
32,271	30,814	Penalties	-----	-----
36,201	33,404	Superannuation - Defined Contribution Plans	-----	-----
1,397	2,291	Long Service Leave	-----	-----
43,254	40,776	Annual Leave	-----	-----
24,692	24,072	Sick Leave and Other Leave	-----	-----
1,079	772	Redundancies	-----	-----
10,051	11,384	Workers' Compensation Insurance	-----	-----
139	146	Fringe Benefits Tax	-----	-----
472,386	448,418		-----	-----
		The following additional information is provided:		
191	220	Personnel Services Expenses Capitalised - Land and Buildings	-----	-----
		5. Other Operating Expenses		
355	243	Advertising	355	243
179	144	Auditor's Remuneration - Audit of Financial Statements	179	144
5,186	4,957	Blood and Blood Products	5,186	4,957
178	31	Consultancies - Other	178	31
19	24	Contractors	19	24
7,483	8,121	Domestic Supplies and Services	7,483	8,121
24,020	24,130	Drug Supplies	24,020	24,130
12,534	12,293	Food Supplies	12,534	12,293
5,043	6,089	Fuel, Light and Power	5,043	6,089
3,701	2,336	Hospital Ambulance Transport Costs	3,701	2,336
6,900	7,453	Information Management Expenses	6,900	7,453
748	744	Insurance	748	744
13,936	11,294	Maintenance (See (b) below)	13,936	11,294
26,365	26,390	Medical and Surgical Supplies	26,365	26,390
1,143	1,295	Motor Vehicle Expenses	1,143	1,295
1,390	1,011	Postal and Telephone Costs	1,390	1,011
1,393	1,304	Printing and Stationery	1,393	1,304
1,163	766	Rates and Charges	1,163	766
1,646	1,536	Rental	1,646	1,536
8,094	8,584	Hosted Services Purchased from Other NSW Health Entities	8,094	8,584
25,823	25,356	Special Service Departments	25,823	25,356
1,674	1,731	Staff Related Costs	1,674	1,731
1,798	1,517	Travel Related Costs	1,798	1,517
12,936	9,588	Other (See (a) below)	12,936	9,588
163,707	156,937		163,707	156,937

Central Coast Local Health District
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		(a) Other Includes:		
235	-----	Contract for Patient Services	235	-----
4,349	3,087	Corporate Support Services	4,349	3,087
309	250	Courier and Freight	309	250
81	55	Isolated Patient Travel and Accommodation Assistance Scheme	81	55
71	55	Legal Services	71	55
311	165	Membership/Professional Fees	311	165
1,192	1,213	Motor Vehicle Operating Lease Expense - Minimum Lease Payments	1,192	1,213
29	17	Other Operating Lease Expense - Minimum Lease Payments	29	17
13	5	Quality Assurance/Accreditation	13	5
573	593	Security Services	573	593
5,773	4,148	Other Miscellaneous	5,773	4,148
12,936	9,588		12,936	9,588
		(b) Reconciliation of Total Maintenance		
4,584	4,364	Maintenance Contracts	4,584	4,364
4,787	4,467	New/Replacement Equipment under \$10,000	4,787	4,467
4,559	2,435	Repairs Maintenance/Non Contract	4,559	2,435
6	28	Other	6	28
13,936	11,294	Maintenance Expense - Contracted Labour and Other (Non-Employee Related in Note 5)	13,936	11,294
2,224	2,153	Employee Related/Personnel Services Maintenance Expense included in Notes 3 and 4	2,224	2,153
16,160	13,447	Total Maintenance Expenses	16,160	13,447

Central Coast Local Health District
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
6. Depreciation and Amortisation				
15,444	15,004	Depreciation - Buildings	15,444	15,004
5,470	5,926	Depreciation - Plant and Equipment	5,470	5,926
1,385	1,336	Depreciation - Infrastructure Systems	1,385	1,336
120	(124)	Amortisation - Leasehold Improvements	120	(124)
<u>22,419</u>	<u>22,142</u>		<u>22,419</u>	<u>22,142</u>
7. Grants and Subsidies				
3,068	2,366	Non-Government Organisations	3,068	2,366
1,160	1,247	Community Packages	1,160	1,247
2,894	3,232	Other Grants	2,894	3,232
<u>7,122</u>	<u>6,845</u>		<u>7,122</u>	<u>6,845</u>
8. Finance Costs				
1	5	Other Interest Charges	1	5
<u>1</u>	<u>5</u>		<u>1</u>	<u>5</u>

Central Coast Local Health District
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
9. Sale of Goods and Services				
(a) Sale of Goods comprise the following:-				
388	471	Pharmacy Sales	388	471
1,289	915	Sale of Prosthesis	1,289	915
207	381	Other	207	381
(b) Rendering of Services comprise the following:-				
		Patient Fees		
31,737	30,092	- Inpatient Fees	31,737	30,092
33	44	- Nursing Home Fees	33	44
670	326	- Non Inpatient Fees	670	326
19,939	19,918	Department of Veterans' Affairs	19,939	19,918
8,598	6,478	Infrastructure Fees - Monthly Facility Charge	8,598	6,478
2,312	2,609	- Annual Charge	2,312	2,609
836	799	Car Parking	836	799
252	99	Clinical Services (excluding Clinical Drug Trials)	252	99
140	126	Commercial Activities	140	126
111	148	Fees for Medical Records	111	148
1	1	Information Retrieval	1	1
10,419	10,507	High Cost Drugs	10,419	10,507
4,828	2,024	Motor Accident Authority Third Party	4,828	2,024
-----	1	Patient Transport Fees	-----	1
73	67	Private Use of Motor Vehicles	73	67
237	237	Salary Packaging Fee	237	237
92	76	Services Provided to Non NSW Health Organisations	92	76
1,033	959	Other	1,033	959
83,195	76,278		83,195	76,278
10. Investment Revenue				
1,019	736	Interest	1,019	736
6	-----	T Corp Hour Glass Investment Facilities Designated at Fair Value through Profit or Loss	6	-----
1,025	736		1,025	736

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
11. Grants and Contributions				
726	723	Clinical Drug Trials	726	723
6,161	6,422	Commonwealth Government Grants	6,161	6,422
1,502	1,405	Industry Contributions/Donations	1,502	1,405
1,261	1,956	NSW Government Grants	1,261	1,956
5	-----	Research Grants	5	-----
3,392	3,542	Other Grants	3,392	3,542
<u>13,047</u>	<u>14,048</u>		<u>13,047</u>	<u>14,048</u>
12. Acceptance by the Crown Entity of Employee Benefits				
The following liabilities and expenses have been assumed by the Crown Entity:				
-----	-----	Superannuation-defined benefit	4,093	4,243
-----	-----	Long Service Leave	20,002	14,586
<u>-----</u>	<u>-----</u>		<u>24,095</u>	<u>18,829</u>
13. Other Revenue				
Other Revenue comprises the following:-				
42	167	Commissions	42	167
82	63	Conference and Training Fees	82	63
-----	36	Insurance Refunds	-----	36
832	865	Lease and Rental Income	832	865
2	8	Sale of Merchandise, Old Wares and Books	2	8
-----	36	Unclaimed Deposits	-----	36
1,910	134	Other	1,910	134
<u>2,868</u>	<u>1,309</u>		<u>2,868</u>	<u>1,309</u>

Central Coast Local Health District
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
14. Gain / (Loss) on Disposal				
4,809	6,865	Property, Plant and Equipment	4,809	6,865
4,265	5,910	Less: Accumulated Depreciation	4,265	5,910
<u>544</u>	<u>955</u>	Written Down Value	<u>544</u>	<u>955</u>
142	107	Less: Proceeds from Disposal	142	107
<u><u>(402)</u></u>	<u><u>(848)</u></u>	Gain/(Loss) on Disposal of Property, Plant and Equipment	<u><u>(402)</u></u>	<u><u>(848)</u></u>
<u><u>(402)</u></u>	<u><u>(848)</u></u>	Total Gain/(Loss) on Disposal	<u><u>(402)</u></u>	<u><u>(848)</u></u>
15. Other Gains / (Losses)				
(195)	(201)	Impairment of Receivables	(195)	(201)
<u><u>(195)</u></u>	<u><u>(201)</u></u>		<u><u>(195)</u></u>	<u><u>(201)</u></u>

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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PARENT & CONSOLIDATION

16. 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 reporting date	3	4,302	23	4,328
Contributions recognised in previous years which were not expended in the current reporting period	29	15,162	334	15,525
Total amount of unexpended contributions as at reporting date	32	19,464	357	19,853

Comment on restricted assets appears in Note 24

17. Service Groups of the Central Coast

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. 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 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.

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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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.

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.

Central Coast Local Health District
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		18. Cash and Cash Equivalents		
17,010	15,345	Cash at Bank and On Hand	17,010	15,345
-----	14,135	Short Term Deposits	-----	14,135
17,010	29,480		17,010	29,480
		For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposits.		
		Cash & cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:		
17,010	29,480	Cash and Cash Equivalents (per Statement of Financial Position)	17,010	29,480
17,010	29,480	Closing Cash and Cash Equivalents (per Statement of Cash Flows)	17,010	29,480

Refer to Note 36 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Central Coast Local Health District
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		19. Receivables		
		Current		
5,587	6,200	Sale of Goods and Services	5,587	6,200
2,532	4,567	Intra Health Receivables	2,532	4,567
3,072	3,047	Goods and Services Tax	3,072	3,047
2,239	2,687	Other Debtors	2,239	2,687
<u>13,430</u>	<u>16,501</u>	Sub Total	<u>13,430</u>	<u>16,501</u>
(86)	(61)	Less Allowance for Impairment	(86)	(61)
13,344	16,440	Sub Total	13,344	16,440
891	306	Prepayments	891	306
<u>14,235</u>	<u>16,746</u>		<u>14,235</u>	<u>16,746</u>
		(a) Movement in the Allowance for Impairment		
		Sale of Goods and Services		
(41)	(72)	Balance at Commencement of Reporting Period	(41)	(72)
198	226	Amounts written off during the period	198	226
-----	2	Amounts recovered during the period	-----	2
(210)	(196)	(Increase)/decrease in Allowance Recognised in the Net Result	(210)	(196)
<u>(53)</u>	<u>(40)</u>	Balance at 30 June	<u>(53)</u>	<u>(40)</u>
		(b) Movement in the Allowance for Impairment		
		Other Debtors		
(20)	(17)	Balance at Commencement of Reporting Period	(20)	(17)
(28)	1	Amounts written off during the period	(28)	1
15	(5)	(Increase)/decrease in Allowance Recognised in the Net Result	15	(5)
<u>(33)</u>	<u>(21)</u>	Balance at 30 June	<u>(33)</u>	<u>(21)</u>
<u>(86)</u>	<u>(61)</u>		<u>(86)</u>	<u>(61)</u>
		The current and non-current sale of goods and services balances above include the following patient fee receivables:		
		(Current and Non-Current) include:		
328	325	Patient Fees - Compensable	328	325
124	215	Patient Fees - Ineligible	124	215
4,622	4,887	Patient Fees - Inpatient & Other	4,622	4,887
<u>5,074</u>	<u>5,427</u>		<u>5,074</u>	<u>5,427</u>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 36.

Central Coast Local Health District
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
20. Inventories				
2,483	2,147	Drugs	2,483	2,147
1,975	1,635	Medical and Surgical Supplies	1,975	1,635
4,458	3,782		4,458	3,782
21. Financial Assets at Fair Value				
Current				
6,719	-----	Treasury Corporation - Hour-Glass Investment Facilities	6,719	-----
6,719	-----		6,719	-----
Non Current				
-----	-----	Financial Assets Available for Sale	-----	-----
-----	-----	Treasury Corporation - Hour-Glass Investment Facilities	-----	-----
-----	-----	Shares	-----	-----
-----	-----	Other	-----	-----
-----	-----		-----	-----

Refer to Note 36 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
22. Property, Plant and Equipment				
Land and Buildings - Fair Value				
740,859	699,584	Gross Carrying Amount	740,859	699,584
259,863	228,388	Less: Accumulated Depreciation and Impairment	259,863	228,388
480,996	471,196	Net Carrying Amount	480,996	471,196
Plant and Equipment - Fair Value*				
59,814	60,389	Gross Carrying Amount	59,814	60,389
32,358	30,828	Less: Accumulated Depreciation and Impairment	32,358	30,828
27,456	29,561	Net Carrying Amount	27,456	29,561
Infrastructure Systems - Fair Value				
57,349	55,702	Gross Carrying Amount	57,349	55,702
38,588	31,973	Less: Accumulated Depreciation and Impairment	38,588	31,973
18,761	23,729	Net Carrying Amount	18,761	23,729
Leasehold Improvements - Fair Value*				
2,682	2,682	Gross Carrying Amount	2,682	2,682
2,475	2,355	Less: Accumulated Depreciation and Impairment	2,475	2,355
207	327	Net Carrying Amount	207	327
527,420	524,813	Total Property, Plant and Equipment At Net Carrying Amount	527,420	524,813

* For non-specialised assets with short useful lives, recognition at depreciated historical cost is regarded as an acceptable approximation of fair value, in accordance with Treasury Policy Paper 14-01.

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22. Property, Plant and Equipment - Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	Land	Buildings	Plant and Equipment	Infrastructure Systems	Leasehold Improvements	Total
	\$000	\$000	\$000	\$000	\$000	\$000
2015						
Net Carrying Amount at Start of Year	57,308	413,888	29,561	23,729	327	524,813
Additions	----	18,965	3,686	----	----	22,651
Disposals	----	(58)	(486)	----	----	(544)
Net Revaluation Increment Less Revaluation Decrements Recognised in Reserves	11,733	(5,231)	----	(3,583)	----	2,919
Depreciation Expense	----	(15,444)	(5,470)	(1,385)	(120)	(22,419)
Reclassifications	----	(165)	165	----	----	----
Net Carrying Amount at End of Year	69,041	411,955	27,456	18,761	207	527,420

	Land	Buildings	Plant and Equipment	Infrastructure Systems	Leasehold Improvements	Total
	\$000	\$000	\$000	\$000	\$000	\$000
2014						
Net Carrying Amount at Start of Year	54,579	419,794	25,500	24,574	277	524,724
Additions	----	6,830	5,665	----	(74)	12,421
Disposals	----	----	(955)	----	----	(955)
Net Revaluation Increment Less Revaluation Decrements Recognised in Reserves	2,729	7,545	----	491	----	10,765
Depreciation Expense	----	(15,004)	(5,926)	(1,336)	124	(22,142)
Reclassifications	----	(5,277)	5,277	----	----	----
Net Carrying Amount at End of Year	57,308	413,888	29,561	23,729	327	524,813

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 23.

- (i) Land and Buildings include land owned by the Health Administration Corporation but controlled by the Central Coast [see note 2(g)].

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23. Fair Value Measurement of Non-Financial Assets

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2015.

a) Fair Value Hierarchy

2015	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Property, Plant and Equipment (Note 22)				
- Land and Buildings	-----	37,518	412,271	449,789
- Infrastructure Systems	-----	-----	18,761	18,761
	-----	<u>37,518</u>	<u>431,032</u>	<u>468,550</u>

There were no transfers between level 1 and 2 during the period ended 30 June 2015.

2014	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Property, Plant and Equipment (Note 22)				
- Land and Buildings	-----	49,466	421,730	471,196
- Infrastructure Systems	-----	-----	23,729	23,729
	-----	<u>49,466</u>	<u>445,459</u>	<u>494,925</u>

There were no transfers between level 1 and 2 during the period ended 30 June 2014.

Work in Progress is carried at cost, therefore excluded from figures above and as a result will not agree to to Note 22.

b) Valuation Techniques, Inputs and Processes

For land, buildings and infrastructure systems the Central Coast obtains external valuations by independent valuers every three years. The last revaluation was performed by Liquid Pacific Pty Ltd for the 2014/5 financial year. Liquid Pacific Pty Ltd is a independent entity and is not an employee of the Central Coast.

At the end of each reporting period a fair value assessment is made on any movements since the last revaluation, and a determination as to whether any adjustments need to be made. These adjustments are made by way of application of indices refer, note 22 reconciliation.

In accordance with AASB 13 Fair Value Measurement no assets have been found to have a higher and better use than their current use. Highest and best use takes account of use that is physically possible, legally permissible and financially feasible.

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

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

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

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

For buildings and infrastructure, many assets are of a specialised nature or use, and thus the most appropriate valuation method is depreciated replacement cost. These assets are included as Level 3 as these assets have a high level of unobservable inputs. However, residential properties are valued on a market approach and included in level 2.

Newly Completed Buildings are categorised as level 2, as the initial measurement is recognised at cost and is represented accordingly until subject to revaluation. This is considered appropriate as, once assets are brought into use, there is no longer an identical correlation with the "shelf product".

Non-Current Assets Held for Sale is a non-recurring item that is measured at fair value less cost to sell, which is less than its carrying amount. These assets are categorised as level 2.

Level 3 significant valuation inputs and relationship to fair value:

The valuation of buildings was computed by suitably qualified independent valuers using a methodology known as the depreciated replacement cost valuation technique. The following table highlights the key unobservable (Level 3) inputs assessed during the valuation process, the relationship to the estimated fair value and the sensitivity to changes in unobservable inputs.

Assets	Valuation Technique	Significant Unobservable Inputs	Relationship between unobservable inputs and fair value measurement
Land	Market approach: this valuation method involves comparing the subject property to comparable sale prices in similar location on a rate per square metre basis, adjusted for restrictions specific for the property (e.g. mandated use and/or zoning)	<ul style="list-style-type: none"> ▪ Rate per square metre ▪ Discount rate ▪ Provision for remediation 	The fair value will increase/(decrease) if the estimated: <ul style="list-style-type: none"> ▪ Rate per square metre increases/(decreases) ▪ Discount rate decreases/(increases) ▪ Provision for remediation decreases/(increases)
Specialised Buildings	Depreciated replacement cost approach: this valuation method involves establishing the current replacement cost of the modern equivalent asset for each type of buildings on a rate per square metre basis; depreciated to reflect the building's remaining useful life.	<ul style="list-style-type: none"> ▪ Useful life assessment ▪ Replacement cost per square metre 	The fair value will increase/(decrease) if the estimated: <ul style="list-style-type: none"> ▪ Useful life assessment increases/(decreases) ▪ Replacement cost per square metre increases/(decreases)
Non-Specialised Buildings	Depreciated replacement cost approach: this valuation method involves establishing the current replacement cost of the modern equivalent asset for each type of buildings on a rate per square metre basis; depreciated to reflect the building's remaining useful life.	<ul style="list-style-type: none"> ▪ Useful life assessment ▪ Replacement cost per square metre 	The fair value will increase/(decrease) if the estimated: <ul style="list-style-type: none"> ▪ Useful life assessment increases/(decreases) ▪ Replacement cost per square metre increases/(decreases)
Infrastructure Systems	Depreciated replacement cost approach: this valuation method involves establishing the current replacement cost of the modern equivalent infrastructure asset on a rate per square metre basis; depreciated to reflect the assets remaining useful life.	<ul style="list-style-type: none"> ▪ Useful life assessment ▪ Replacement cost per square metre 	The fair value will increase/(decrease) if the estimated: <ul style="list-style-type: none"> ▪ Useful life assessment increases/(decreases) ▪ Replacement cost per square metre increases/(decreases)

There are no other direct or significant relationships between the unobservable inputs which materially impact fair value.

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT & CONSOLIDATION

23. Fair Value Measurement of Non-Financial Assets

c) Reconciliation of Recurring Level 3 Fair Value Measurements

2015	Land and Buildings \$000	Infrastructure Systems \$000	Total Level 3 Recurring \$000
Fair value as at 1 July 2014	421,730	23,729	445,459
Additions	-----	-----	-----
Revaluation increments/ decrements recognised in other comprehensive income – included in line item 'Net increase / (decrease) in property, plant and equipment revaluation surplus'	5,223	(3,583)	1,640
Transfers from Level 2	182	-----	182
Transfers to Level 2	132	-----	132
Disposals	(58)	-----	(58)
Depreciation	(14,938)	(1,385)	(16,323)
	<hr/>	<hr/>	<hr/>
Fair value as at 30 June 2015	<u>412,271</u>	<u>18,761</u>	<u>431,032</u>

Transfers from Level 2 mainly relate to assets initially recognised at cost (e.g. Work in Progress) which have in the current year, been subject to asset revaluations consistent with the specialised nature/use of the assets.

2014	Land and Buildings \$000	Infrastructure Systems \$000	Total Level 3 Recurring \$000
Fair value as at 1 July 2013	404,989	24,574	429,563
Additions	63	-----	63
Revaluation increments/ decrements recognised in other comprehensive income – included in line item 'Net increase / (decrease) in property, plant and equipment revaluation surplus'	9,183	491	9,674
Transfers from Level 2	22,004	-----	22,004
Depreciation	(14,509)	(1,336)	(15,845)
	<hr/>	<hr/>	<hr/>
Fair value as at 30 June 2014	<u>421,730</u>	<u>23,729</u>	<u>445,459</u>

Transfers from Level 2 mainly relate to assets initially recognised at cost (e.g. Work in Progress) which have in the current year, been subject to asset revaluations consistent with the specialised nature/use of the assets.

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT		CONSOLIDATION	
2015 \$000	2014 \$000	2015 \$000	2014 \$000
24. Restricted Assets			
The Central Coast'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.			
Category			
10,362	10,580	10,362	10,580
556	50	556	50
8,935	7,627	8,935	7,627
19,853	18,257	19,853	18,257

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		25. Payables		
		Current		
-----	-----	Accrued Salaries, Wages and On-Costs	12,315	11,205
-----	-----	Taxation and Payroll Deductions	1,849	2,425
14,164	13,630	Accrued Liability - Purchase of Personnel Services	-----	-----
12,442	15,437	Creditors	12,442	15,437
		Other Creditors		
6,392	8,779	- Intra Health Liability	6,392	8,779
5,437	10,462	- Other	5,437	10,462
<u>38,435</u>	<u>48,308</u>		<u>38,435</u>	<u>48,308</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 36.

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		26. Provisions		
		Current		
-----	-----	Annual Leave - Short Term Benefit	44,937	42,811
-----	-----	Annual Leave - Long Term Benefit	13,684	13,239
-----	-----	Long Service Leave Consequential On-Costs	7,700	6,624
66,321	62,674	Provision for Personnel Services Liability	-----	-----
66,321	62,674	Total Current Provisions	66,321	62,674
		Non-Current		
-----	-----	Long Service Leave Consequential On-Costs	670	349
670	349	Provision for Personnel Services Liability	-----	-----
670	349	Total Non-Current Provisions	670	349
		Aggregate Employee Benefits and Related On-Costs		
-----	-----	Provisions - Current	66,321	62,674
-----	-----	Provisions - Non-Current	670	349
-----	-----	Accrued Salaries, Wages and On-Costs (Note 25)	14,164	13,630
81,155	76,653	Liability - Purchase of Personnel Services	-----	-----
81,155	76,653		81,155	76,653
		27. Other Liabilities		
		Current		
1,993	5,305	Income in Advance	1,993	5,305
1,993	5,305		1,993	5,305

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		28. Commitments for Expenditure		
		(a) Capital Commitments		
		Aggregate capital expenditure for the acquisition of land and buildings, plant and equipment, infrastructure systems and intangible assets, contracted for at balance date and not provided for:		
		Not later than one year	2,341	2,694
2,341	2,694		<u>2,341</u>	<u>2,694</u>
<u>2,341</u>	<u>2,694</u>	Total Capital Expenditure Commitments (Including GST)	<u>2,341</u>	<u>2,694</u>
		Of the commitments reported at 30 June 2015 it is expected that \$1.79 M 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	1,865	1,889
1,865	1,889	Later than one year and not later than five years	1,678	1,370
1,678	1,370		<u>1,678</u>	<u>1,370</u>
<u>3,543</u>	<u>3,259</u>	Total Operating Lease Commitments (Including GST)	<u>3,543</u>	<u>3,259</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. \$5.884 M million as at 30 June 2015 includes input tax credits of \$535 k that are expected to be recoverable from the Australian Taxation Office (2014 \$541 k).		

Central Coast Local Health District
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PARENT AND CONSOLIDATION

29. Trust Funds

The Central Coast holds trust funds of \$211 thousand which are held for the safe keeping of patients' monies, deposits on hired items of equipment and Private Practice Trusts.

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

	Refundable Deposits		Private Practice Trust Funds		Total	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Balance at the beginning of the financial year	60	211	207	774	267	985
Income	2	(122)	20,027	17,759	20,029	17,637
Expenses	(27)	(29)	(20,058)	(18,326)	(20,085)	(18,355)
Balance at the end of the financial year	35	60	176	207	211	267

Central Coast Local Health District
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PARENT AND CONSOLIDATED

30. 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 2009/10 fund year and an interim adjustment for the 2011/12 fund year were not calculated until 2014/15.

As a result, the 2010/11 final and 2012/13 adjustments pertaining to the hospitals and community services now forming part of the Central Coast Local Health District will be paid in 2015/16. It is not possible for the Central Coast Local Health District to reliably quantify the benefit to be received or amount payable.

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
31. Reconciliation of Cash Flows from Operating Activities to Net Result				
16,758	20,385	Net Cash Flows from Operating Activities	16,758	20,385
(22,419)	(22,144)	Depreciation	(22,419)	(22,144)
(195)	(201)	Allowance for Impairment	(195)	(201)
3,312	(2,040)	(Increase)/ Decrease Income in Advance	3,312	(2,040)
(3,968)	(6,470)	(Increase)/ Decrease in Provisions	(3,968)	(6,470)
(2,264)	4,092	Increase / (Decrease) in Prepayments and Other Assets	(2,264)	4,092
10,494	(6,297)	(Increase)/ Decrease in Payables from Operating Activities	10,494	(6,297)
(402)	(848)	Net Gain/ (Loss) on Sale of Property, Plant and Equipment	(402)	(848)
3	----	Assets donated or brought to account for the first time	3	----
<u>1,319</u>	<u>(13,523)</u>	Net Result	<u>1,319</u>	<u>(13,523)</u>
32. Non-Cash Financing and Investing Activities				
3	----	Assets Received by Donation	3	----
<u>3</u>	<u>----</u>		<u>3</u>	<u>----</u>

33. 2014/15 Voluntary Services

It is considered impracticable and immaterial to quantify the monetary value of voluntary services provided to the Central Coast. 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 Relatives
- Community Organisations
- Counselling, Health Education, Transport, Home Help & Patient Activities

34. Unclaimed Monies

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

All money and personal effects of patients which are left in the custody of Central Coast 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 Central Coast.

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.

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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PARENT AND CONSOLIDATION

35. Adjusted Budget Review - Parent and Consolidated

Net Result

The actual Net Result was higher than adjusted budget by \$1.6 million, primarily due to:

A \$2 million favourable result in revenue receipts over budget in Special Purpose & Trust for annual facility charges from the Staff Specialists Private Practice Trusts.

Assets and Liabilities

Assets are unfavourable to budget by \$4.9 million, primarily driven by a decrease in cash held resulting from increased creditor payments in 2014-15 and reducing the overall creditor balances held in liabilities.

Liabilities are favourable to budget by \$9.5 million, resulting from payments made to creditors reducing the value of creditors balances held as well as the reduction in Income in Advance balances held for Motor Accident Authority (MAA) patient revenue which have now been recognised as revenue earned.

Cash Flows

Total Cash Flow is \$11.5 million unfavourable to budget as at 30 June 2015.

This movement is a result of increased cash payments to creditors resulting in a reduced creditor balance at 30 June 2015. The District also implemented a new investment policy in 2014-15 commencing the use of TCorp based Medium and Long Term investments facilities. \$6.7 million is now held as Financial Assets at Fair Value instead of Cash.

Movements in the level of the NSW Ministry of Health Recurrent Allocation that have occurred since the time of the initial allocation on 17 June 2014 are as follows:

	\$000
Initial Allocation, 1 July 2014	561,465
Special Projects:	
* National Partnerships on Treating More Public Dental Patients	2,046
* Nurse Midwife Strategy Reserve	521
* Other	1,124
Other Allocations:	
* Acute Admitted Elective Surgery & Emergency	3,000
* PAYG Tax Budget Adjustment 2014-15	2,300
* Integrated Care Project adjustment for 2014-15	(1,929)
* Additional Elective Surgery Activity	3,000
* Voluntary Redundancy Reimbursement	745
* Other	380
Balance as per Statement of Comprehensive Income	572,652

Central Coast Local Health District
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36. Financial Instruments

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

The Central Coast's main risks arising from financial instruments are outlined below, together with the Central Coast'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 Central Coast, 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 regular basis.

(a) Financial Instrument Categories

PARENT AND CONSOLIDATION		Carrying Amount 2015 \$000	Carrying Amount 2014 \$000
Class:	Category		
Financial Assets			
Cash and Cash Equivalents (note 18)	N/A	17,010	29,480
Receivables (note 19)*	Loans and receivables (at amortised cost)	10,272	13,393
Financial Assets at Fair Value (note 21)	At fair value through profit or loss (designated as such upon initial recognition)	6,719	-----
Total Financial Assets		<u>34,001</u>	<u>42,873</u>
Financial Liabilities			
Payables (note 25)**	Financial liabilities measured at amortised cost	36,586	45,883
Total Financial Liabilities		<u>36,586</u>	<u>45,883</u>

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)

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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(b) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Central Coast. 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 Central Coast, including cash, receivables and authority deposits. No collateral is held by the Central Coast. The Central Coast has not granted any financial guarantees.

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

Cash

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances at rates of approximately 3.20% in 2014/15 compared to 3.48% in the previous year.

The TCorp Hour-Glass cash facility is discussed in paragraph (d) below.

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 Central Coast 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 Central Coast 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 (2015: \$2.4M; 2014: \$2.1M) and not more than 3 months past due (2015: \$241k; 2014: \$876k) are not considered impaired. Together these represent 92% 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 Central Coast'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.

2015	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
	\$000	\$000	\$000
<3 months overdue	241	241	-----
3 months - 6 months overdue	125	125	-----
> 6 months overdue	86	-----	86
2014			
<3 months overdue	876	876	-----
3 months - 6 months overdue	169	169	-----
> 6 months overdue	62	-----	62

Notes

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

Central Coast Local Health District
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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.

Authority Deposits

The Central Coast has placed funds on deposit with TCorp, which has been rated 'AAA' by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed 'at call' or for a fixed term. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits can vary. The weighted average interest rate was 6.85% (2014 - 2.94%) on a weighted average balance during the year of \$8,534,121 (2014 - \$13,951,853). None of these assets are past due or impaired.

(c) Liquidity Risk

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

The Central Coast 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 Central Coast has exposure to liquidity risk. However, the risk is minimised by the service agreement with the NSW Ministry of Health, as the annual service agreement requires local management to control its financial liquidity and in particular meet benchmarks for the payment of creditors. Where the Central Coast 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 Central Coast's financial liabilities together with the interest rate exposure.

Central Coast 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	Non - Interest Bearing < 1 Yr
	\$000	\$000	\$000
2015			
Payables:			
- Accrued Salaries Wages, On-Costs and Payroll Deductions		12,315	12,315
- Creditors		24,271	24,271
		36,586	36,586
2014			
Payables:			
- Accrued Salaries Wages, On-Costs and Payroll Deductions		11,205	11,205
- Creditors		34,678	34,678
		45,883	45,883

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 Central Coast 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.

Central Coast Local Health District
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(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Central Coast's exposures to market risk are primarily through interest rate risk on the Central Coast's borrowings and other price risks associated with the movement in the unit price of the Hour-Glass Investment facilities. The Central Coast 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 Central Coast 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 2014. The analysis assumes that all other variables remain constant.

Interest rate risk

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

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

Both NSW Treasury and NSW Ministry of Health loans are set at fixed rates and therefore are generally not affected by fluctuations in market rates. The Central Coast 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 (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

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

	Carrying Amount \$000	-1% Net Result	Equity	Profit	+1% Equity
2015					
Financial Assets					
Cash and Cash Equivalents	17,010	(170)	(170)	170	170
Receivables	10,272	-----	-----	-----	-----
Financial Assets at Fair Value	6,719	(67)	(67)	67	67
Financial Liabilities					
Payables	36,586	-----	-----	-----	-----
2014					
Financial Assets					
Cash and Cash Equivalents	29,480	(295)	(295)	295	295
Receivables	13,393	-----	-----	-----	-----
Financial Liabilities					
Payables	45,883	-----	-----	-----	-----

Central Coast Local Health District
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Other price risk - TCorp Hour-Glass Investment facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour-Glass Investment Facilities, which are held for strategic rather than trading purposes. The Central Coast has no direct equity investments. The Central Coast holds units in the following Hour-Glass investment trusts:

Facility	Investment Sectors	Investment Horizon	2015 \$000	2014 \$000
Cash facility	Cash and money market instruments	Up to 1.5 years	-----	14,135
Strategic cash facility	Cash and money market instruments	1.5 years to 3 years	-----	-----
Medium term growth facility	Cash, money market instruments, Australian and International bonds, listed property and Australian shares	3 years to 7 years	4,239	-----
Long-term growth facility	Cash, money market instruments, Australian and International bonds, listed property and Australian shares	7 years and over	2,480	-----

The unit price of each facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp as trustee for each of the above facilities is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risk of each facility in accordance with a mandate agreed by the parties. TCorp has also leveraged off internal expertise to manage certain fixed income assets for the Hour-Glass facilities. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits the Central Coast's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

Central Coast Local Health District
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NSW TCorp provides sensitivity analysis information for each of the Investment facilities, using historically based volatility information collected over a ten year period, quoted at two standard deviations (ie 95% probability). The TCorp Hour-Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity).

A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour-Glass Statement).

	Change in unit price	Impact on profit/loss	
		2015 \$000	2014 \$000
Hour-Glass Investment - Cash facility	+/- 1%	-----	141
Hour-Glass Investment - Medium-term growth facility	+/- 6%	258	-----
Hour-Glass Investment - Long-term growth facility	+/- 15%	382	-----

(e) Fair Value Measurement

(i) Fair value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value.

The amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short term nature of many of the financial instruments.

The fair value of Financial Instruments held at 30 June 2015 did not differ from carrying amount.

Central Coast Local Health District
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(ii) Fair Value recognised in the Statement of Financial Position

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2015 Total \$'000
TCorp Hour-Glass Invt.Facility	-----	6,842	-----	6,842
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2014 Total \$'000
TCorp Hour-Glass Invt.Facility	-----	14,135	-----	14,135

(The table above only includes financial assets as no financial liabilities were measured at fair value in the Statement of Financial Position.)

There were no transfers between level 1 and 2 during the period ended 30 June 2015.

As discussed, the value of the Hour-Glass Investments is based on the Central Coast's share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass facilities are valued using 'redemption' pricing.

37. Events after the Reporting Period

There are no events after the reporting period that require amendment to the financial statements.

END OF AUDITED FINANCIAL STATEMENTS