



INDEPENDENT AUDITOR'S REPORT

Southern NSW Local Health District

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Southern NSW 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(ac). 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

**Southern NSW Local Health District
Certification of the Financial Statements
for the year ended 30 June 2015**

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

- 1) The financial statements of the Southern NSW 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); and
 - 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 Southern NSW Local Health District; and
- 3) There are no circumstances which would render any particulars in the financial statements to be misleading or inaccurate.



Maxwell Alexander
Chief Executive
10 September 2015



Nadine de Villa-Le
Director Finance and Corporate Services

Southern NSW 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	2015	2014			2015	2015	2014	
\$000	\$000	\$000			\$000	\$000	\$000	
			Expenses excluding losses					
			Operating Expenses					
			Employee Related	3	206,629	211,284	197,997	
196,171	200,774	188,872	Personnel Services	4	-----	-----	-----	
31,547	32,145	30,878	Visiting Medical Officers		31,547	32,145	30,878	
98,842	91,383	94,809	Other Operating Expenses	5	98,842	91,383	94,809	
9,608	9,988	9,203	Depreciation and Amortisation	2(i), 6	9,608	9,988	9,203	
1,107	1,190	807	Grants and Subsidies	7	1,107	1,190	807	
1	1	13	Finance Costs	8	1	1	13	
337,276	335,481	324,582	Total Expenses excluding losses		347,734	345,991	333,707	
			Revenue					
281,803	282,116	268,738	NSW Ministry of Health Recurrent Allocations	2(d)	281,803	282,116	268,738	
111,241	111,961	44,813	NSW Ministry of Health Capital Allocations	2(d)	111,241	111,961	44,813	
-----	-----	-----	Acceptance by the Crown Entity of Employee Benefits	2(a)(ii), 12	10,458	10,510	9,125	
38,073	37,404	37,916	Sale of Goods and Services	9	38,073	37,404	37,916	
469	303	293	Investment Revenue	10	469	303	293	
8,225	5,470	7,497	Grants and Contributions	11	8,225	5,470	7,497	
2,524	468	791	Other Revenue	13	2,524	468	791	
442,335	437,722	360,048	Total Revenue		452,793	448,232	369,173	
16	-----	-----	Gain / (Loss) on Disposal	14	16	-----	-----	
(50)	(35)	(141)	Other Gains / (Losses)	15	(50)	(35)	(141)	
105,025	102,206	35,325	Net Result	32	105,025	102,206	35,325	
			Other Comprehensive Income					
			Items that will not be reclassified to net result					
			Net Increase/(Decrease) in Property, Plant & Equipment Revaluation Surplus					
-----	-----	-----		21	-----	-----	-----	
-----	-----	-----	Total Other Comprehensive Income		-----	-----	-----	
105,025	102,206	35,325	TOTAL COMPREHENSIVE INCOME		105,025	102,206	35,325	

The accompanying notes form part of these financial statements.

Southern NSW Local Health District
Statement of Financial Position as at 30 June 2015

PARENT			CONSOLIDATION			
Actual	Adjusted Budget Unaudited	Actual		Actual	Adjusted Budget Unaudited	Actual
2015 \$000	2015 \$000	2014 \$000	Notes	2015 \$000	2015 \$000	2014 \$000
ASSETS						
Current Assets						
14,169	11,555	12,241	18	14,169	11,555	12,241
11,145	6,810	7,237	19	11,145	6,810	7,237
714	578	578	20	714	578	578
<u>26,028</u>	<u>18,943</u>	<u>20,056</u>		<u>26,028</u>	<u>18,943</u>	<u>20,056</u>
-----	339	339	22	-----	339	339
<u>26,028</u>	<u>19,282</u>	<u>20,395</u>		<u>26,028</u>	<u>19,282</u>	<u>20,395</u>
Total Current Assets						
Non-Current Assets						
408	386	440	19	408	386	440
Property, Plant & Equipment						
320,891	321,782	219,105	21	320,891	321,782	219,105
10,551	10,656	10,169	21	10,551	10,656	10,169
2,742	2,743	2,925	21	2,742	2,743	2,925
<u>334,184</u>	<u>335,181</u>	<u>232,199</u>		<u>334,184</u>	<u>335,181</u>	<u>232,199</u>
<u>334,592</u>	<u>335,567</u>	<u>232,639</u>		<u>334,592</u>	<u>335,567</u>	<u>232,639</u>
<u>360,620</u>	<u>354,849</u>	<u>253,034</u>		<u>360,620</u>	<u>354,849</u>	<u>253,034</u>
Total Assets						
LIABILITIES						
Current Liabilities						
22,026	20,899	21,619	25	22,026	20,899	21,619
-----	-----	146	26	-----	-----	146
23,725	21,954	21,620	27	23,725	21,954	21,620
348	293	293	28	348	293	293
<u>46,099</u>	<u>43,146</u>	<u>43,678</u>		<u>46,099</u>	<u>43,146</u>	<u>43,678</u>
Total Current Liabilities						
Non-Current Liabilities						
310	310	170	27	310	310	170
<u>310</u>	<u>310</u>	<u>170</u>		<u>310</u>	<u>310</u>	<u>170</u>
Total Non-Current Liabilities						
<u>46,409</u>	<u>43,456</u>	<u>43,848</u>		<u>46,409</u>	<u>43,456</u>	<u>43,848</u>
Total Liabilities						
<u>314,211</u>	<u>311,393</u>	<u>209,186</u>		<u>314,211</u>	<u>311,393</u>	<u>209,186</u>
Net Assets						
EQUITY						
2,084	2,091	2,091		2,084	2,091	2,091
312,127	309,302	207,095		312,127	309,302	207,095
<u>314,211</u>	<u>311,393</u>	<u>209,186</u>		<u>314,211</u>	<u>311,393</u>	<u>209,186</u>
Total Equity						

The accompanying notes form part of these financial statements.

Southern NSW 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		207,095	2,091	209,186
Changes in Accounting Policy		-----	-----	-----
Total Equity at 1 July 2014		207,095	2,091	209,186
Net Result for the year		105,025		105,025
Other Comprehensive Income:				
Net Increase/(Decrease) in Property, Plant & Equipment	21	-----	-----	-----
-Transfers on Disposal		7	(7)	-----
Total Other Comprehensive Income		7	(7)	-----
Total Comprehensive Income for the year		105,032	(7)	105,025
Balance at 30 June 2015		312,127	2,084	314,211
Balance at 1 July 2013		171,770	2,091	173,861
Changes in Accounting Policy		-----	-----	-----
Total Equity at 1 July 2013		171,770	2,091	173,861
Net Result for the year		35,325		35,325
Other Comprehensive Income:				
Net Increase/(Decrease) in Property, Plant & Equipment	21	-----	-----	-----
Total Other Comprehensive Income		-----	-----	-----
Total Comprehensive Income for the year		35,325	-----	35,325
Balance at 30 June 2014		207,095	2,091	209,186

The accompanying notes form part of these financial statements.

Southern NSW Local Health District
Statement of Cash Flows for the year ended 30 June 2015

PARENT			CONSOLIDATION			
Actual	Adjusted Budget Unaudited	Actual		Actual	Adjusted Budget Unaudited	Actual
2015 \$000	2015 \$000	2014 \$000	Notes	2015 \$000	2015 \$000	2014 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
-----	-----	-----				
(1,223)	(1,306)	(890)		(198,182)	(204,962)	(191,857)
(1)	(1)	(13)		(1,223)	(1,306)	(890)
(338,439)	(340,538)	(326,995)		(1)	(1)	(13)
				(140,257)	(135,576)	(135,138)
<u>(339,663)</u>	<u>(341,845)</u>	<u>(327,898)</u>		<u>(339,663)</u>	<u>(341,845)</u>	<u>(327,898)</u>
Receipts						
281,803	282,116	268,738		281,803	282,116	268,738
111,241	111,961	44,813		111,241	111,961	44,813
3,677	3,677	4,125		3,677	3,677	4,125
32,416	37,769	39,008		32,416	37,769	39,008
469	304	293		469	304	293
8,730	5,975	8,387		8,730	5,975	8,387
14,638	12,473	11,258		14,638	12,473	11,258
<u>452,974</u>	<u>454,275</u>	<u>376,622</u>		<u>452,974</u>	<u>454,275</u>	<u>376,622</u>
<u>113,311</u>	<u>112,430</u>	<u>48,724</u>		<u>113,311</u>	<u>112,430</u>	<u>48,724</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES						
			32			
CASH FLOWS FROM INVESTING ACTIVITIES						
409	16	16		409	16	16
(111,646)	(112,986)	(44,048)		(111,646)	(112,986)	(44,048)
<u>(111,237)</u>	<u>(112,970)</u>	<u>(44,032)</u>		<u>(111,237)</u>	<u>(112,970)</u>	<u>(44,032)</u>
CASH FLOWS FROM FINANCING ACTIVITIES						
(146)	(146)	(427)		(146)	(146)	(427)
<u>(146)</u>	<u>(146)</u>	<u>(427)</u>		<u>(146)</u>	<u>(146)</u>	<u>(427)</u>
1,928	(686)	4,265		1,928	(686)	4,265
12,241	12,241	7,976		12,241	12,241	7,976
<u>14,169</u>	<u>11,555</u>	<u>12,241</u>	18	<u>14,169</u>	<u>11,555</u>	<u>12,241</u>

The accompanying notes form part of these financial statements

Southern NSW 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			
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000				
Expenses excluding losses																																												
Operating Expenses																																												
Employee Related	12,100	7,087	566	818	14,992	15,927	28,105	27,499	86,060	81,534	28,875	33,063	33,317	30,410	1,499	246	162	206,629	197,997																									
Visiting Medical Officers	42	35	---	1	405	286	1,043	2,915	22,342	21,286	4,153	4,115	3,562	2,227	1	2	10	31,547	30,878																									
Other Operating Expenses	3,392	2,252	160	194	9,360	10,168	13,539	12,807	49,612	46,182	6,185	9,247	15,205	13,263	786	602	97	98,842	94,809																									
Depreciation and Amortisation	389	301	5	13	448	337	1,529	1,412	5,128	4,631	738	1,261	1,356	1,233	5	7	8	9,608	9,203																									
Grants and Subsidies	---	---	---	---	---	---	---	59	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---					
Finance Costs	---	---	---	---	---	---	---	2	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---				
Total Expenses excluding losses	15,923	9,687	819	1,117	25,211	26,748	44,216	44,694	163,132	153,825	40,595	47,815	53,810	47,426	3,170	2,120	277	347,734	333,707																									
Revenue																																												
NSW Ministry of Health Recurrent Allocations **																																												
NSW Ministry of Health Capital Allocations **																																												
Accompanie by the Crown Entity																																												
of Employee Benefits and Other Liabilities	394	421	20	42	601	771	1,490	1,259	4,760	3,112	1,571	1,473	1,559	1,861	55	173	14	10,458	9,125																									
Sale of Goods and Services	7	41	9	4	3,227	3,172	3,380	932	18,550	19,391	1,779	1,400	11,112	12,962	6	13	3	38,073	37,916																									
Investment Revenue	31	3	---	---	88	24	35	14	238	137	32	18	39	94	5	1	---	469	293																									
Grants and Contributions	382	193	174	1	838	1,178	197	44	2,443	342	215	46	3,912	4,491	2	1,026	175	8,225	7,497																									
Other Revenue	31	12	15	1	326	67	192	43	1,300	366	173	58	482	241	1	4	---	2,524	791																									
Total Revenue	845	670	218	48	5,080	5,212	5,294	2,292	27,291	23,348	3,770	2,995	17,104	19,649	69	1,217	80	452,793	369,173																									
Gain / (Loss) on Disposal	1	---	---	---	---	---	3	---	9	---	1	---	2	---	---	---	---	16	---																									
Other Gains / (Losses)	(2)	(4)	---	---	(4)	(11)	(6)	(19)	(23)	(65)	(6)	(20)	(8)	(20)	(1)	(1)	---	(50)	(141)																									
Net Result	(15,079)	(9,021)	(601)	(1,069)	(20,134)	(21,547)	(38,925)	(42,421)	(135,855)	(130,542)	(36,830)	(44,840)	(36,712)	(27,797)	(3,101)	(904)	(779)	393,044	313,551																									
Total Comprehensive Income	(15,079)	(9,021)	(601)	(1,069)	(20,134)	(21,547)	(38,925)	(42,421)	(135,855)	(130,542)	(36,830)	(44,840)	(36,712)	(27,797)	(3,101)	(904)	(779)	393,044	313,551																									

* 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.

Southern NSW 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	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
ASSETS																							
Current Assets																							
Cash and Cash Equivalents	649	355	33	41	1,027	981	1,802	1,639	6,647	5,643	1,654	1,754	2,193	1,740	129	78	35	10			14,169	12,241	
Receivables	2	8	3	1	945	605	990	178	5,430	3,701	521	267	3,253	2,474	2	2	1				11,145	7,237	
Inventories	24	14	1	1	68	62	98	78	358	282	45	56	110	81	6	4	4	1			714	578	
Non-Current Assets Held for Sale	111	11				12		52		171		46			45						339		
Total Current Assets	675	388	37	43	2,040	1,660	2,890	1,947	12,435	9,797	2,220	2,123	5,556	4,340	137	84	40	11			26,028	20,395	
Non-Current Assets																							
Receivables					35	37	36	11	199	225	19	16	119	150							408	440	
Property, Plant and Equipment																							
- Land and Buildings	12,999	7,159	159	307	14,951	8,013	51,059	33,629	171,274	110,253	24,640	30,033	45,275	29,361	158	158	375	193			320,891	219,105	
- Plant and Equipment	427	332	5	14	492	372	1,679	1,561	5,632	5,117	810	1,394	1,489	1,363	5	7	12	9			10,551	10,169	
- Infrastructure Systems	111	96	1	4	128	107	436	449	1,464	1,472	211	401	387	392	1	2	3	3			2,742	2,925	
Total Non-Current Assets	13,537	7,587	165	325	15,606	8,529	53,210	35,650	178,569	117,067	25,680	31,844	47,270	31,266	164	167	390	205			334,592	232,639	
TOTAL ASSETS	14,212	7,975	202	368	17,646	10,189	56,100	37,597	191,004	126,864	27,900	33,967	52,826	35,606	301	251	430	216			360,620	253,034	
LIABILITIES																							
Current Liabilities																							
Payables	756	513	36	44	2,086	2,319	3,017	2,820	11,056	10,531	1,378	2,109	3,388	3,024	175	137	134	22			22,026	21,619	
Borrowings		4				12		20		67		21		21		1						146	146
Provisions	1,389	774	65	89	1,721	1,739	3,227	3,003	9,880	8,903	3,315	3,610	3,825	3,321	273	164	28	18			23,725	21,620	
Other	16	9	1	1	25	23	44	39	163	135	41	42	54	42	3	2	1				348	293	
Total Current Liabilities	2,161	1,300	102	134	3,832	4,093	6,288	5,982	21,099	19,636	4,734	5,782	7,267	6,408	451	304	163	40			46,099	43,678	
Non-Current Liabilities																							
Provisions	18	6	1	1	22	14	42	24	129	70	43	28	50	26	4	1					310	170	
Total Non-Current Liabilities	18	6	1	1	22	14	42	24	129	70	43	28	50	26	4	1					310	170	
TOTAL LIABILITIES	2,179	1,306	103	135	3,854	4,107	6,330	6,006	21,228	19,706	4,777	5,810	7,317	6,434	455	305	163	40			46,409	43,848	
NET ASSETS	12,033	6,669	99	233	13,792	6,082	49,770	31,591	169,776	107,158	23,123	28,157	45,509	29,172	(154)	(54)	267	176			314,211	209,186	

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

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

1. The Reporting Entity

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

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

- * The parent entity, comprises all the operating activities of the Hospital Facilities and the Community Health Centres under its control. It also encompasses the 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 Southern NSW Local Health District Special Purpose Service Entity which was established as a Division of the District on 1 January 2011 in accordance with the Health Services Act 1997. This Division provides personnel services to enable the District to exercise its functions.

As a consequence the values in the annual financial statements presented herein consist of the parent entity and the consolidated entity which comprises the parent and special purpose service entity. In the process of preparing the consolidated financial statements consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated, 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 District 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 10 September 2015.

2. Summary of Significant Accounting Policies

Basis of Preparation

The District'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(ac).

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

The Secretary of Health, the Chair of Southern NSW 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 District's control and the source of these funds. By agreement, the Service Agreement requires local management to control its financial liquidity and in particular meet benchmarks for the payment of creditors. Where the District fails to meet Service Agreement performance standards, the Ministry of Health as the state manager can take action in accordance with annual performance framework requirements, including financial support and increased management interaction by the Ministry.

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

Property, plant and equipment, 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 District has assessed the actuarial advice based on the District's circumstances and has determined that the effect of discounting is immaterial to annual leave.

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

Southern NSW Local Health District
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ii) Long Service Leave and Superannuation

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

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

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

b) Insurance

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

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.

Southern NSW Local Health District
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Sale of Goods

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

Rendering of Services

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

Patient Fees

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

High Cost Drugs

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

Motor Accident Authority Third Party

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

Department of Veterans' Affairs

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

Investment Revenue

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

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

Debt Forgiveness

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

Southern NSW Local Health District
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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 District 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 District use in the advancement of the District or individuals within it.

Use of Outside Facilities

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

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

Grants and Contributions

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

NSW Ministry of Health Allocations

Payments are made by the NSW Ministry of Health on the basis of the allocation for the District as adjusted for approved supplementations mostly for salary agreements and approved enhancement projects.

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

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

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

- * amount of GST incurred by the District as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of 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.

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.

Southern NSW Local Health District
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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(z)).

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 District are deemed to be controlled by the District and are reflected as such in the financial statements.

h) Capitalisation Thresholds

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

i) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the District. Land is not a depreciable asset. All material 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%

"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.

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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(n).

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 21 and Note 23 for further information regarding fair value.

The District revalues its Land and Buildings and Infrastructure at minimum every three years by independent valuation. The last revaluation for assets recognised by the District was completed in the 30 June 2013 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.

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.

Southern NSW Local Health District
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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.

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

The District 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.

n) Investment Properties

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

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

o) Intangible Assets

The District recognises intangible assets only if it is probable that future economic benefits will flow to the District and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

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

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

Computer software developed or acquired by the District are recognised as intangible assets and are amortised over four years using the straight line method based on the useful life of the asset for both internally developed assets and direct acquisitions.

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

p) 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.

Southern NSW Local Health District
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q) Leased Assets

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

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

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

r) 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.

s) 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.

t) Investments

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

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

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 District's key management personnel.

The risk management strategy of the District 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.

Southern NSW Local Health District
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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 District 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 District commits to purchase or sell the asset.

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

u) Impairment of financial assets

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

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

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

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

v) De-recognition of financial assets and financial liabilities

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

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

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

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

w) Payables

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

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

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

x) Borrowings

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

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

y) Fair Value Hierarchy

A number of the District'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 District 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 District recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

z) 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.

Southern NSW Local Health District
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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 District recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the District does not recognise that asset.

aa) 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 District's policy on the revaluation of property, plant and equipment as discussed in Note 2(j).

(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.

ab) Trust Funds

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

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

ac) 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 District'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 District's financial statements present adjusted budget information. The adjusted budgeted amounts are drawn from the initial Service Agreements between the District 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".

ad) 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.

Southern NSW Local Health District
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In respect of assets and liabilities, the District 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.

ae) 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:

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, District 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 the District as individual budgets are not presented in parliament. Refer note 2(ac) on how the District 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.

Southern NSW Local Health District
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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.

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 Jan 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 Jan 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 has application 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	137,432	132,092
----	----	Overtime	4,661	4,499
----	----	Penalties	11,685	11,135
----	----	Superannuation - Defined Benefit Plans	2,458	2,635
----	----	Superannuation - Defined Contribution Plans	14,739	13,690
----	----	Long Service Leave	8,475	6,882
----	----	Annual Leave	15,775	15,097
----	----	Sick Leave and Other Leave	9,126	8,476
----	----	Redundancies	38	606
----	----	Workers' Compensation Insurance	2,212	2,880
----	----	Fringe Benefits Tax	28	5
-----	-----		206,629	197,997
The following additional information is provided:				
----	----	Employee Related Expenses Capitalised - Land and Buildings	150	204
----	----	Employee Related Expenses Capitalised - Plant and Equipment	84	120
4. Personnel Services				
Personnel Services comprise the purchase of the following:				
137,432	132,092	Salaries and Wages	----	----
4,661	4,499	Overtime	----	----
11,685	11,135	Penalties	----	----
14,739	13,690	Superannuation - Defined Contribution Plans	----	----
475	392	Long Service Leave	----	----
15,775	15,097	Annual Leave	----	----
9,126	8,476	Sick Leave and Other Leave	----	----
38	606	Redundancies	----	----
2,212	2,880	Workers' Compensation Insurance	----	----
28	5	Fringe Benefits Tax	----	----
-----	-----		-----	-----
196,171	188,872		-----	-----
The following additional information is provided:				
150	204	Personnel Services Expenses Capitalised - Land and Buildings	----	----
84	120	Personnel Services Expenses Capitalised - Plant and Equipment	----	----
5. Other Operating Expenses				
149	82	Advertising	149	82
90	90	Auditor's Remuneration - Audit of Financial Statements	90	90
1,210	1,050	Blood and Blood Products	1,210	1,050
----	(2)	Consultancies - Capital Works	----	(2)
459	296	Consultancies - Other	459	296
9,532	8,984	Domestic Supplies and Services	9,532	8,984
6,670	6,387	Drug Supplies	6,670	6,387
7,801	7,625	Food Supplies	7,801	7,625
3,117	3,608	Fuel, Light and Power	3,117	3,608
9,449	8,397	Hospital Ambulance Transport Costs	9,449	8,397
5,462	5,043	Information Management Expenses	5,462	5,043
524	609	Insurance	524	609
6,778	5,822	Maintenance (See (b) below)	6,778	5,822
12,022	10,601	Medical and Surgical Supplies	12,022	10,601
1,062	1,049	Motor Vehicle Expenses	1,062	1,049
941	791	Postal and Telephone Costs	941	791
727	774	Printing and Stationery	727	774
580	474	Rates and Charges	580	474
1,227	1,257	Rental	1,227	1,257
13,643	15,094	Special Service Departments	13,643	15,094
2,971	3,069	Staff Related Costs	2,971	3,069
3,253	2,738	Travel Related Costs	3,253	2,738
11,175	10,971	Other (See (a) below)	11,175	10,971
-----	-----		-----	-----
98,842	94,809		98,842	94,809

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PARENT			CONSOLIDATION	
2015	2014		2015	2014
\$000	\$000		\$000	\$000
		(a) Other Includes:		
837	1,267	Contract for Patient Services	837	1,267
3,636	3,392	Corporate Support Services	3,636	3,392
329	303	Courier and Freight	329	303
1,701	1,678	Isolated Patient Travel and Accommodation Assistance Scheme	1,701	1,678
95	52	Legal Services	95	52
172	127	Membership/Professional Fees	172	127
1,507	1,474	Motor Vehicle Operating Lease Expense - Minimum Lease Payments	1,507	1,474
645	426	Other Operating Lease Expense - Minimum Lease Payments	645	426
8	81	Quality Assurance/Accreditation	8	81
1,353	823	Security Services	1,353	823
892	1,348	Other Miscellaneous	892	1,348
<u>11,175</u>	<u>10,971</u>		<u>11,175</u>	<u>10,971</u>
		(b) Reconciliation of Total Maintenance		
1,829	1,594	Maintenance Contracts	1,829	1,594
2,788	2,002	New/Replacement Equipment under \$10,000	2,788	2,002
2,135	2,215	Repairs Maintenance/Non Contract	2,135	2,215
26	11	Other	26	11
6,778	5,822	Maintenance Expense - Contracted Labour and Other (Non-Employee Related in Note 5)	6,778	5,822
1,076	1,065	Employee Related/Personnel Services Maintenance Expense included in Notes 3 and 4	1,076	1,065
<u>7,854</u>	<u>6,887</u>	Total Maintenance Expenses	<u>7,854</u>	<u>6,887</u>

Southern NSW 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
6. Depreciation and Amortisation				
7,403	7,137	Depreciation - Buildings	7,403	7,137
2,022	1,883	Depreciation - Plant and Equipment	2,022	1,883
183	183	Depreciation - Infrastructure Systems	183	183
<u>9,608</u>	<u>9,203</u>		<u>9,608</u>	<u>9,203</u>
7. Grants and Subsidies				
563	-----	Community Packages	563	-----
544	807	Other Grants	544	807
<u>1,107</u>	<u>807</u>		<u>1,107</u>	<u>807</u>
8. Finance Costs				
1	13	Interest on Loans	1	13
<u>1</u>	<u>13</u>		<u>1</u>	<u>13</u>

Southern NSW Local Health District
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2015	2014		2015	2014
\$000	\$000		\$000	\$000
9. Sale of Goods and Services				
(a) Sale of Goods comprise the following:-				
24	20	Pharmacy Sales	24	20
665	623	Sale of Prosthesis	665	623
13	3	Other	13	3
(b) Rendering of Services comprise the following:-				
		Patient Fees		
15,821	15,443	- Inpatient Fees	15,821	15,443
1,130	1,112	- Nursing Home Fees	1,130	1,112
774	358	- Non Inpatient Fees	774	358
7,309	7,738	Department of Veterans' Affairs	7,309	7,738
159	114	Staff-Meals and Accommodation	159	114
3,362	1,952	Clinical Services (excluding Clinical Drug Trials)	3,362	1,952
84	354	Commercial Activities	84	354
21	22	Fees for Medical Records	21	22
14	9	Information Retrieval	14	9
2,613	2,635	High Cost Drugs	2,613	2,635
991	1,573	Motor Accident Authority Third Party	991	1,573
12	8	Patient Transport Fees	12	8
53	52	Private Use of Motor Vehicles	53	52
173	262	Salary Packaging Fee	173	262
2,115	3,126	Hosted Services Provided to Other NSW Health Entities	2,115	3,126
518	327	Services Provided to Non NSW Health Organisations	518	327
2,048	1,947	Multi Purpose Service Centre Fees	2,048	1,947
174	238	Other	174	238
38,073	37,916		38,073	37,916
10. Investment Revenue				
469	293	Interest	469	293
469	293		469	293

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for the year ended 30 June 2015

PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
11. Grants and Contributions				
2,709	2,932	Commonwealth Government Grants	2,709	2,932
812	816	Industry Contributions/Donations	812	816
736	1,052	Cancer Institute Grants	736	1,052
526	696	NSW Government Grants	526	696
2,212	183	Grants from Other NSW Health Entities	2,212	183
1,230	1,818	Other Grants	1,230	1,818
<u>8,225</u>	<u>7,497</u>		<u>8,225</u>	<u>7,497</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	2,458	2,635
-----	-----	Long Service Leave	8,000	6,490
<u>-----</u>	<u>-----</u>		<u>10,458</u>	<u>9,125</u>
13. Other Revenue				
Other Revenue comprises the following:-				
10	29	Commissions	10	29
3	5	Conference and Training Fees	3	5
146	53	Insurance Refunds	146	53
334	344	Lease and Rental Income	334	344
-----	13	Sale of Merchandise, Old Wares and Books	-----	13
1,487	-----	Treasury Managed Fund Hindsight Adjustment	1,487	-----
544	347	Other	544	347
<u>2,524</u>	<u>791</u>		<u>2,524</u>	<u>791</u>

Southern NSW Local Health District
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		14. Gain / (Loss) on Disposal		
1,126	726	Property, Plant and Equipment	1,126	726
1,072	710	Less: Accumulated Depreciation	1,072	710
54	16	Written Down Value	54	16
7	16	Less: Proceeds from Disposal	7	16
(47)	-----	Gain/(Loss) on Disposal of Property, Plant and Equipment	(47)	-----
339	-----	Assets Held for Sale	339	-----
402	-----	Less: Proceeds from Disposal	402	-----
63	-----	Gain/(Loss) on Disposal of Assets Held for Sale	63	-----
16	-----	Total Gain/(Loss) on Disposal	16	-----
		15. Other Gains / (Losses)		
-----	(150)	Property, Plant and Equipment Asset Revaluation Increment/(Decrement)	-----	(150)
(50)	9	Impairment of Receivables	(50)	9
(50)	(141)		(50)	(141)

Southern NSW 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	2	416	959	1,377
Contributions recognised in previous years which were not expended in the current reporting period	29	160	1,602	1,791
Total amount of unexpended contributions as at reporting date	31	576	2,561	3,168

Comment on restricted assets appears in Note 24

17. Service Groups of the District

Service Group 1.1 - Primary and Community Based Services

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

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

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

Service Group 1.2 - Aboriginal Health Services

Service Description: This service group covers the provision of supplementary health services to Aboriginal people, particularly in the areas of health promotion, health education and disease prevention. 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.

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.

Southern NSW Local Health District
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Service Group 3.1 - Mental Health Services

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

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

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

Service Group 4.1 - Rehabilitation and Extended Care Services

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

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

Service Group 5.1 - Population Health Services

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

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

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

Service Group 6.1 - Teaching and Research

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

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

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

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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
18. Cash and Cash Equivalents				
14,169	12,241	Cash at Bank and On Hand	14,169	12,241
14,169	12,241		14,169	12,241
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:				
14,169	12,241	Cash and Cash Equivalents (per Statement of Financial Position)	14,169	12,241
14,169	12,241	Closing Cash and Cash Equivalents (per Statement of Cash Flows)	14,169	12,241

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

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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		19. Receivables		
		Current		
3,964	3,747	Sale of Goods and Services	3,964	3,747
5,311	1,462	Intra Health Receivables	5,311	1,462
1,366	1,339	Goods and Services Tax	1,366	1,339
204	336	Other Debtors	204	336
<u>10,845</u>	<u>6,884</u>	Sub Total	<u>10,845</u>	<u>6,884</u>
(54)	(120)	Less Allowance for Impairment	(54)	(120)
10,791	6,764	Sub Total	10,791	6,764
354	473	Prepayments	354	473
<u>11,145</u>	<u>7,237</u>		<u>11,145</u>	<u>7,237</u>
		(a) Movement in the Allowance for Impairment		
		Sale of Goods and Services		
(109)	-----	Balance at Commencement of Reporting Period	(109)	-----
115	(109)	Amounts written off during the period	115	(109)
(59)	-----	(Increase)/decrease in Allowance Recognised in the Net Result	(59)	-----
<u>(54)</u>	<u>(109)</u>	Balance at 30 June	<u>(54)</u>	<u>(109)</u>
		(b) Movement in the Allowance for Impairment		
		Other Debtors		
(11)	-----	Balance at Commencement of Reporting Period	(11)	-----
2	(11)	Amounts written off during the period	2	(11)
9	-----	(Increase)/decrease in Allowance Recognised in the Net Result	9	-----
<u>-----</u>	<u>(11)</u>	Balance at 30 June	<u>-----</u>	<u>(11)</u>
<u>(54)</u>	<u>(120)</u>		<u>(54)</u>	<u>(120)</u>
		Non-Current		
408	440	Prepayments	408	440
<u>408</u>	<u>440</u>		<u>408</u>	<u>440</u>
		(c) Patient Fee Receivables		
		The current and non-current sale of goods and services balances above include the following patient fee receivables:		
		(Current and Non-Current) include:		
557	199	Patient Fees - Compensable	557	199
92	89	Patient Fees - Ineligible	92	89
2,786	2,259	Patient Fees - Inpatient & Other	2,786	2,259
<u>3,435</u>	<u>2,547</u>		<u>3,435</u>	<u>2,547</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.

Southern NSW Local Health District
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
20. Inventories				
671	530	Drugs	671	530
<u>43</u>	<u>48</u>	Engineering Supplies	<u>43</u>	<u>48</u>
<u>714</u>	<u>578</u>		<u>714</u>	<u>578</u>

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PARENT			CONSOLIDATION	
2015	2014		2015	2014
\$000	\$000		\$000	\$000
21. Property, Plant and Equipment				
Land and Buildings - Fair Value				
496,591	387,402	Gross Carrying Amount	496,591	387,402
175,700	168,297	Less: Accumulated Depreciation and Impairment	175,700	168,297
<u>320,891</u>	<u>219,105</u>	Net Carrying Amount	<u>320,891</u>	<u>219,105</u>
Plant and Equipment - Fair Value*				
23,580	22,249	Gross Carrying Amount	23,580	22,249
13,029	12,080	Less: Accumulated Depreciation and Impairment	13,029	12,080
<u>10,551</u>	<u>10,169</u>	Net Carrying Amount	<u>10,551</u>	<u>10,169</u>
Infrastructure Systems - Fair Value				
5,938	5,938	Gross Carrying Amount	5,938	5,938
3,196	3,013	Less: Accumulated Depreciation and Impairment	3,196	3,013
<u>2,742</u>	<u>2,925</u>	Net Carrying Amount	<u>2,742</u>	<u>2,925</u>
<u>334,184</u>	<u>232,199</u>	Total Property, Plant and Equipment At Net Carrying Amount	<u>334,184</u>	<u>232,199</u>

* 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.

PARENT & CONSOLIDATION

21. 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	Total
	\$000	\$000	\$000	\$000	\$000
2015					
Net Carrying Amount at Start of Year	15,910	203,195	10,169	2,925	232,199
Additions	----	109,189	2,458	----	111,647
Recognition of Assets Held for Sale	----	----	----	----	----
Disposals	----	----	(54)	----	(54)
Net Revaluation Increment Less Revaluation Decrements Recognised in Reserves	----	----	----	----	----
Depreciation Expense	----	(7,403)	(2,022)	(183)	(9,608)
Reclassifications	----	----	----	----	----
Net Carrying Amount at End of Year	15,910	304,981	10,551	2,742	334,184

	Land	Buildings	Plant and Equipment	Infrastructure Systems	Total
	\$000	\$000	\$000	\$000	\$000
2014					
Net Carrying Amount at Start of Year	16,110	168,340	10,300	3,108	197,858
Additions	150	42,131	1,768	----	44,049
Recognition of Assets Held for Sale	(200)	(139)	----	----	(339)
Disposals	----	----	(16)	----	(16)
Net Revaluation Increment Less Revaluation Decrements Recognised in Reserves	(150)	----	----	----	(150)
Depreciation Expense	----	(7,137)	(1,883)	(183)	(9,203)
Reclassifications	----	----	----	----	----
Net Carrying Amount at End of Year	15,910	203,195	10,169	2,925	232,199

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 District [see note 2(g)].
- (ii) Indices provided by Opteon Property Group were not applied as immaterial.

Southern NSW Local Health District
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2015	2014		2015	2014
\$000	\$000		\$000	\$000
22. Non-Current Assets (or Disposal Groups) Held for Sale				
Assets Held for Sale				
-----	339	Land and Buildings	-----	339
-----	339		-----	339
=====	=====		=====	=====

The non-current assets held for sale constitute assets that are surplus to requirements and are actively marketed within a sale program which has been initiated and is expected to locate a buyer and complete the sale in the next twelve months.

Non-Current Assets (or Disposal Groups) Held for Sale included Land and Buildings, 79 Auburn Street Goulburn \$0.339M

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PARENT & CONSOLIDATION

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

a) Fair Value Hierarchy

2015	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Property, Plant and Equipment (Note 21)				
- Land and Buildings	----	658	140,200	140,858
- Infrastructure Systems	----	----	2,742	2,742
Non-Current Assets (or Disposal Groups) Held for Sale (Note 22)				
	----	----	----	----
	-----	658	142,942	143,600

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 21)				
- Land and Buildings	----	71,799	147,306	219,105
- Infrastructure Systems	----	----	2,925	2,925
Non-Current Assets (or Disposal Groups) Held for Sale (Note 22)				
	----	339	----	339
	-----	72,138	150,231	222,369

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 the 2015 figures above and as a result will not agree to Note 21.

b) Valuation Techniques, Inputs and Processes

For land, buildings and infrastructure systems the District obtains external valuations by independent valuers every three years. The last revaluation was performed by Opteon Property Group for the 2012/13 financial year. Opteon Property Group is an independent entity and is not an employee of the District.

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 21 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:

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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.

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

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

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.

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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	147,306	2,925	150,231
Depreciation	(7,106)	(183)	(7,289)
Other - Impairment	-----	-----	-----
Fair value as at 30 June 2015	<u><u>140,200</u></u>	<u><u>2,742</u></u>	<u><u>142,942</u></u>
2014	Land and Buildings \$000	Infrastructure Systems \$000	Total Level 3 Recurring \$000
Fair value as at 1 July 2013	154,413	3,108	157,521
Additions	150	-----	150
Depreciation	(7,106)	(183)	(7,289)
Other - Impairment	(150)	-----	(150)
Fair value as at 30 June 2014	<u><u>147,306</u></u>	<u><u>2,925</u></u>	<u><u>150,231</u></u>

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PARENT		CONSOLIDATION	
2015 \$000	2014 \$000	2015 \$000	2014 \$000
24. Restricted Assets			
<p>The District's financial statements include the following assets which are restricted by externally imposed conditions, eg. donor requirements. The assets are only available for application in accordance with the terms of the donor restrictions.</p>			
Category			
2,584	1,865	2,584	1,865
	Specific Purposes		
3	---- Other	3	----
69	67 Education	69	67
512	899 Frontline Health Services	512	899
<hr/> 3,168 <hr/>	<hr/> 2,831 <hr/>	<hr/> 3,168 <hr/>	<hr/> 2,831 <hr/>

Southern NSW Local Health District
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		25. Payables		
		Current		
-----	-----	Accrued Salaries, Wages and On-Costs	5,374	4,858
-----	-----	Taxation and Payroll Deductions	277	918
5,651	5,776	Accrued Liability - Purchase of Personnel Services	-----	-----
8,992	9,294	Creditors	8,992	9,294
		Other Creditors		
121	183	- Capital Works	121	183
4,399	3,737	- Intra Health Liability	4,399	3,737
2,863	2,629	- Other	2,863	2,629
<u>22,026</u>	<u>21,619</u>		<u>22,026</u>	<u>21,619</u>

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

		26. Borrowings		
		Current		
-----	146	Other Loans and Deposits	-----	146
-----	<u>146</u>		-----	<u>146</u>

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

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

Southern NSW Local Health District
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
27. Provisions				
Current				
----	----	Annual Leave - Short Term Benefit	15,520	13,819
----	----	Annual Leave - Long Term Benefit	4,639	4,570
----	----	Long Service Leave Consequential On-Costs	3,566	3,231
23,725	21,620	Provision for Personnel Services Liability	----	----
23,725	21,620	Total Current Provisions	23,725	21,620
Non-Current				
----	----	Long Service Leave Consequential On-Costs	310	170
310	170	Provision for Personnel Services Liability	----	----
310	170	Total Non-Current Provisions	310	170
Aggregate Employee Benefits and Related On-Costs				
----	----	Provisions - Current	23,725	21,620
----	----	Provisions - Non-Current	310	170
----	----	Accrued Salaries, Wages and On-Costs (Note 25)	5,651	5,776
29,686	27,566	Liability - Purchase of Personnel Services	----	----
29,686	27,566		29,686	27,566
28. Other Liabilities				
Current				
348	293	Income in Advance	348	293
348	293		348	293

The District has received the following income prior to the services/activity being provided/achieved:-

15/16 Clinical Innovation Program \$0.100M (ACI), Transitional Aged Care (MoH) \$0.165M, Motor Accident Authority (MoH) \$0.074M and Patient Fees \$0.009M

Southern NSW Local Health District
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		29. 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	22,179	93,758
22,179	93,758	Later than one year and not later than five years	112	30,774
112	30,774		22,291	124,532
<u>22,291</u>	<u>124,532</u>	Total Capital Expenditure Commitments (Including GST)	<u>22,291</u>	<u>124,532</u>
		Of the commitments reported at 30 June 2015 it is expected that nil 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	2,118	2,082
2,118	2,082	Later than one year and not later than five years	2,243	1,822
2,243	1,822		4,361	3,904
<u>4,361</u>	<u>3,904</u>	Total Operating Lease Commitments (Including GST)	<u>4,361</u>	<u>3,904</u>
		The operating lease commitments above are for motor vehicles, information technology, equipment including personal computers, medical equipment and other equipment.		

Southern NSW Local Health District
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PARENT AND CONSOLIDATION

30. Trust Funds

The District holds trust funds of \$208 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 District cannot use them for the achievement of its objectives. The following is a summary of the transactions in the trust account.

	Patient Trust		Refundable Deposits		Private Practice Trust Funds		Total	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Balance at the beginning of the financial year	599	634	12	4	214	110	825	748
Income	58	94	8	8	392	1,113	458	1,215
Expenses	(469)	(129)	----	----	(606)	(1,009)	(1,075)	(1,138)
Balance at the end of the financial year	188	599	20	12	----	214	208	825

PARENT AND CONSOLIDATED

31. Contingent Liabilities and Assets

a) Workers Compensation Hindsight Adjustment

Treasury Managed Fund normally calculates hindsight premiums each year. However, in regard to workers compensation the final hindsight adjustment for the 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 District will be paid in 2015/16. It is not possible for the District to reliably quantify the benefit to be received or amount payable.

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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
32. Reconciliation of Cash Flows from Operating Activities to Net Result				
113,311	48,724	Net Cash Flows from Operating Activities	113,311	48,724
(9,608)	(9,203)	Depreciation	(9,608)	(9,203)
(50)	9	Allowance for Impairment	(50)	9
(54)	954	(Increase)/ Decrease Income in Advance	(54)	954
(2,244)	(1,250)	(Increase)/ Decrease in Provisions	(2,244)	(1,250)
4,294	(3,698)	Increase / (Decrease) in Prepayments and Other Assets	4,294	(3,698)
(640)	(61)	(Increase)/ Decrease in Payables from Operating Activities	(640)	(61)
----	(150)	Revaluation of Property, Plant & Equipment recognised in "Other gains/(losses)"	----	(150)
16	----	Net Gain/ (Loss) on Sale of Property, Plant and Equipment	16	----
105,025	35,325	Net Result	105,025	35,325

33. 2014/15 Voluntary Services

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

- Chaplaincies and Pastoral Care
- Patient & Family Support
- Pink Ladies/Hospital Auxiliaries
- Patient Services, Fund Raising
- Patient Support Groups
- Practical Support to Patients and 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 District by any patient who is discharged or dies in the hospital and which are not claimed by the person lawfully entitled thereto within a period of twelve months are recognised as the property of District.

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

Southern NSW Local Health District
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PARENT AND CONSOLIDATION

35. Adjusted Budget Review - Parent and Consolidated

The variance between the NSW Ministry of Health Recurrent Allocations and adjusted budget of \$0.312M is the result of money being withheld from the District for unrecruited positions. No adjustment to the Districts budget was received.

Net Result

The actual Net Result was higher than adjusted budget by \$3 million, primarily due to:

	Favourability
	\$000
Employee Related	4,655
Visiting Medical Officers	598
Grants and Contributions Revenue	2,755
User Charges Revenue	623
Treasury Managed Fund Hindsight Adjustment	1,487

The budget surplus of the above items was offset by the following *unfavourabilities*:

	Unfavourability
	\$000
Medical and Surgical Supplies	1,506
Prosthetics	1,205
NSW Ambulance Costs	1,609
Travel Costs	1,270
Security Costs	805
Repairs, Maintenance and Renewals	204
Patient Fee Revenue	2,067

Assets and Liabilities

Total Assets were above budget by \$5.771M largely due to Receivables and Cash and Cash Equivalents being higher than budgeted. Total liabilities were higher than budget by \$2.953M as a result of an increase in the Provisions and Payables during the year.

Cash Flows

Net Cash Flows from Operating Activities were \$0.881M favourable to budget. Payments for Other Goods and Services exceeded budget by \$4.681M offset by Employee Related payments falling below budget by \$6.780M. Capital Payments and Recurrent Allocation received from Ministry of Health and Sale of Goods and Services fell short of budget by \$0.720M, \$0.313M and \$5.353M respectively, with receipts from Grants and Contributions exceeding budget by \$2.755M.

Purchases of Land and Buildings, Plant and Equipment and Infrastructure Systems fell below budget by \$1.340M, resulting in closing Cash and Equivalents exceeding budget by \$2.614M.

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

	\$000
Initial Allocation	275,689
Projects	
National Partnerships	1,030
Other	
Voluntary Redundancies	36
Rural Doctors	479
Nursing	1,284
IPTAAS	890
Mental Health	182
TMF Adjustment	(145)
Other Adjustments	2,670
Balance as per Statement of Comprehensive Income	282,115

Southern NSW Local Health District
Notes to and forming part of the Financial Statements
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36. Financial Instruments

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

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

The Chief Executive has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risk faced by the District, to set risk limits and controls and monitor risks. Compliance with policies is reviewed by the Audit & Risk Management Committee and the internal auditors on a 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	14,169	12,241
Receivables (note 19)*	Loans and receivables (at amortised cost)	9,425	5,425
Total Financial Assets		23,594	17,666
Financial Liabilities			
Borrowings (note 26)	Financial liabilities	----	146
Payables (note 25)**	measured at amortised cost	21,749	20,701
Total Financial Liabilities		21,749	20,847

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)

Southern NSW Local Health District
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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 District. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

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

Credit risk associated with the District's financial assets, other than receivables, is managed 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 3.10% in 2014/15 compared to 3.35% in the previous year.

Receivables - trade debtors

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

The District is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2015:\$4.369M; 2014: \$1.998M) and not more than 3 months past due (2015: \$0.297M; 2014:\$0.427M) are not considered impaired. Together these represent 91% of the total trade debtors. In addition Patient Fees Compensables are frequently not settled within 6 months of the date of the service provision due to the length of time it takes to settle legal claims. Most of the District's debtors are Health Insurance Companies or Compensation Insurers settling claims in respect of inpatient treatments.

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

2015	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
	\$000	\$000	\$000
<3 months overdue	306	297	9
3 months - 6 months overdue	349	345	4
> 6 months overdue	100	59	41
2014			
<3 months overdue	429	427	2
3 months - 6 months overdue	183	179	4
> 6 months overdue	209	95	114

Notes

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

2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivables total recognised in the statement of financial position.

(c) Liquidity Risk

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

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

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

The District has exposure to liquidity risk. However, the risk is minimised by the service agreement 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 District fails to meet service agreement performance standards, the Ministry as the state manager can take action in accordance with annual performance framework requirements, including providing financial support and increased management interaction (refer Note 2).

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

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

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

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

Southern NSW Local Health District
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Maturity Analysis and interest rate exposure of financial liabilities

	Interest Rate Exposure				Maturity Dates			
	Weighted Average Effective Int. Rate	Nominal Amount ¹	Fixed Interest Rate	Variable Interest Rate	Non - Interest Bearing	< 1 Yr	1-5 Yr	> 5Yr
		\$000	\$000	\$000	\$000	\$000	\$000	\$000
2015								
Payables:								
- Accrued Salaries Wages, On-Costs and Payroll Deductions		5,374	----	----	5,374	5,374	----	----
- Creditors		16,375	----	----	16,375	16,375	----	----
Borrowings:								
- Loans and Deposits		----	----	----	----	----	----	----
		<u>21,749</u>	----	----	<u>21,749</u>	<u>21,749</u>	----	----
2014								
Payables:								
- Accrued Salaries Wages, On-Costs and Payroll Deductions		4,858	----	----	4,858	4,858	----	----
- Creditors		15,843	----	----	15,843	15,843	----	----
Borrowings:								
- Loans and Deposits	3.09%	148	146	----	----	148	----	----
		<u>20,849</u>	<u>146</u>	----	<u>20,701</u>	<u>20,849</u>	----	----

Notes:

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

Southern NSW 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 District's exposures to market risk are primarily through interest rate risk on the District's borrowings and other price risks associated with the movement in the unit price of the Hour-Glass Investment facilities. The District has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the District operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position date. The analysis is performed on the same basis for 2014. The analysis assumes that all other variables remain constant.

Interest rate risk

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

However, the District 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 District does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect profit or loss or equity.

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

Southern NSW Local Health District
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The District'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	14,169	(142)	(142)	142	142
Receivables	9,425	----	----	----	----
Financial Liabilities					
Payables	21,749	----	----	----	----
Borrowings	----	----	----	----	----
2014					
Financial Assets					
Cash and Cash Equivalents	12,241	(122)	(122)	122	122
Receivables	5,425	----	----	----	----
Financial Liabilities					
Payables	20,701	----	----	----	----
Borrowings	146	1	1	(1)	(1)

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