



INDEPENDENT AUDITOR'S REPORT

Albury Wodonga Health NSW Employment Division Special Purpose Service Entity

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Albury Wodonga Health NSW Employment Division Special Purpose Service Entity (the Entity), which comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

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

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

The Secretary's Responsibility for the Financial Statements

The Secretary 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 Secretary 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Secretary, 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 Entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of the internal control
- 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.

SBond.

Sally Bond
Director, Financial Audit Services

30 September 2015
SYDNEY

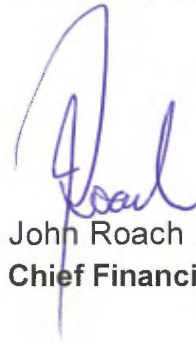
**Albury Wodonga Health NSW Employment Division Special Purpose Service Entity
Certification of the Financial Statements
for the period ended 30 June 2015**

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

- 1) The financial statements of the Albury Wodonga Health NSW Employment Division Special Purpose Service Entity for the year ended 30 June 2015 have been prepared in accordance with:
 - a) Australian Accounting Standards (which include Australian Accounting Interpretations)
 - b) the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulations 2015* and the Treasurer's Directions;
 - c) the Financial Reporting Code for NSW General Government Sector Entities.
- 2) The financial statements exhibit a true and fair view of the financial position and the financial performance of the Albury Wodonga Health NSW Employment Division Special Purpose Service Entity; and
- 3) There are no circumstances which would render any particulars in the accounts to be misleading or inaccurate.



Dr. Mary Foley
Secretary, NSW Health
28 September 2015



John Roach PSM
Chief Financial Officer

Albury Wodonga Health NSW Employment Division Special Purpose Service Entity
Statement of Comprehensive Income for the year ended 30 June 2015

	Notes	Actual	Actual
		2015	2014
		\$000	\$000
Expenses excluding losses			
Operating Expenses			
Employee Related	3	3,365	680
Total Expenses excluding losses		3,365	680
Revenue			
Acceptance by the Crown Entity of Employee Benefits	2(a)(i)	3,149	644
Total Revenue		3,149	644
Net Result		(216)	(36)
TOTAL COMPREHENSIVE INCOME		(216)	(36)

The accompanying notes form part of these financial statements.

Albury Wodonga Health NSW Employment Division Special Purpose Service Entity
Statement of Financial Position as at 30 June 2015

	Notes	Actual 2015 \$000	Actual 2014 \$000
ASSETS			
Current Assets		----	----
Non-Current Assets		----	----
Total Assets		<u>----</u>	<u>----</u>
LIABILITIES			
Current Liabilities			
Provisions	4	902	555
Total Current Liabilities		<u>902</u>	<u>555</u>
Non-Current Liabilities			
Provisions	4	78	29
Total Non-Current Liabilities		<u>78</u>	<u>29</u>
Total Liabilities		<u>980</u>	<u>584</u>
Net Assets		<u>(980)</u>	<u>(584)</u>
EQUITY			
Accumulated Funds		(980)	(584)
Total Equity		<u>(980)</u>	<u>(584)</u>

The accompanying notes form part of these financial statements.

**Albury Wodonga Health NSW Employment Division Special Purpose Service Entity
Statement of Changes in Equity for the year ended 30 June 2015**

	Notes	Accumulated Funds \$000	Total \$000
Balance at 1 July 2014		(584)	(584)
Net Result for the year		(216)	(216)
Total Comprehensive Income for the year		(216)	(216)
Transactions With Owners In Their Capacity As Owners			
Increase/(Decrease) in Net Assets From Equity Transfers	5	(180)	(180)
Balance at 30 June 2015		(980)	(980)
Balance at 1 July 2013			
		(548)	(548)
Total Equity at 1 July 2013			
		(548)	(548)
Net Result for the year		(36)	(36)
Total Comprehensive Income for the year		(36)	(36)
Balance at 30 June 2014			
		(584)	(584)

The accompanying notes form part of these financial statements.

Albury Wodonga Health NSW Employment Division Special Purpose Service Entity
Statement of Cash Flows for the year ended 30 June 2015

	Actual	Actual
	2015	2014
	\$000	\$000
Net Cash Flows from Operating Activities	-----	-----
Net Cash Flows from Investing Activities	-----	-----
Net Cash Flows from Financing Activities	-----	-----
NET INCREASE / (DECREASE) IN CASH	-----	-----
Opening Cash and Cash Equivalents	-----	-----
CLOSING CASH AND CASH EQUIVALENTS	-----	-----

The accompanying notes form part of these financial statements.

Albury Wodonga Health NSW Employment Division Special Purpose Service Entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

1. The Reporting Entity

The Albury Wodonga Health NSW Employment Division Special Purpose Service Entity (the Division) is a Division of the Government Service, established pursuant to section 116(4) of the Health Services Act 1997.

The creation of the Division enabled the staff primarily employed in connection with the Albury Base Hospital to be transferred from the former Greater Southern Area Health Service (GSAHS) to the new Division. The employees of Albury Base Hospital have been seconded to Albury Wodonga Health. Albury Wodonga Health is a Victorian Government entity appointed to run the Albury Base Hospital as part of the inter governmental agreement. This has resulted in this Division carrying only the long service leave of the NSW staff seconded to Albury Wodonga Health.

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

These financial statements for the year ended 30 June 2015 have been authorised for issue by the Secretary on 28 September 2015.

2. Summary of Significant Accounting Policies

Basis of Preparation

The Division'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 Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2010, and the Treasurers' Directions.

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

The basis of going concern is appropriate for the Division based on the future present value of consequential costs covered by the "Inter Governmental Agreement" 2009-2017 in relation to the integration of health services in Wodonga and Albury" between the State of New South Wales and the State of Victoria.

The Secretary of NSW Ministry of Health and the Secretary of Victorian Department of Health through the inter governmental agreement have agreed to service and funding levels for the forward financial year. If long service leave provisions increase in future years, these on-costs would be borne by future grants payments made by NSW Health to Victoria Health as part of the inter governmental arrangement.

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

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

Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

Statement of Compliance

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

Albury Wodonga Health NSW Employment Division Special Purpose Service Entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

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

a) Employee Benefits

i) Long Service Leave

The Division's liability for Long Service Leave is assumed by the Crown Entity. The Division accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee benefits and other liabilities'.

Specific on-costs relating to Long Service Leave assumed by the Crown Entity are borne by the Division as shown in Note 4.

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.

b) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable.

c) 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 years.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. New Australian Accounting Standards have not been applied when not yet effective. There have been no new Australian Accounting Standards issued which will impact the Division.

Albury Wodonga Health NSW Employment Division Special Purpose Service Entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

	2015 \$000	2014 \$000
3. Employee Related		
Employee related expenses comprise the following:		
Long Service Leave Accepted by the Crown	3,149	644
Long Service Leave On-Costs Borne by Entity	216	36
	3,365	680
	3,365	680
4. Provisions		
Current		
Long Service Leave Consequential On-Costs	902	555
Total Current Provisions	902	555
	902	555
Non-Current		
Long Service Leave Consequential On-Costs	78	29
Total Non-Current Provisions	78	29
	78	29
5 Increase/(Decrease) in Net Assets from Equity Transfers		
Equity transfers effected in the 2013/14 year were:		
Nil equity transfers were effected in 2013/14.		
Equity transfers effected in the 2014/15 year were:		
On 1 July 2014 employees from the Mental Health and General Community Health of Murrumbidgee Local Health District transferred to Albury Wodonga Health (Victoria). The Division is responsible for their long service leave entitlements.		
Assets and Liabilities transferred are as follows:		
Assets		
Nil		
Liabilities		
Long Service Leave Consequential On-Costs	180	---
Increase/(Decrease) in Net Assets From Equity Transfers	180	---
	180	---

Albury Wodonga Health NSW Employment Division Special Purpose Service Entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

6. Commitments, Contingent Liabilities and Assets

The Division is not aware of any significant or material commitments, contingent liabilities or contingent assets in existence at balance date, or which have emerged subsequent to balance date, which would materially impact on the financial position of the Division as shown in the Financial Statements.

7. Events after the Reporting Period

The Division is not aware of any events after the reporting period which will affect the financial statements.

END OF AUDITED FINANCIAL STATEMENTS