

# **Albury Base**

## **Financial Statements**

for the year ended 30 June 2018





## INDEPENDENT AUDITOR'S REPORT

### Albury Base Hospital

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of Albury Base Hospital (the Entity), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Entity as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

#### Basis for Opinion

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

I am independent of the Entity in accordance with the requirements of the:

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

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

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

## **Secretary's Responsibilities for the Financial Statements**

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

In preparing the financial statements, the Secretary is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Entity's operations will cease as a result of an administrative restructure.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Entity carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Dominika Ryan  
Director, Financial Audit Services

24 September 2018  
SYDNEY

**Albury Base Hospital  
Certification of financial statements  
for the year ended 30 June 2018**

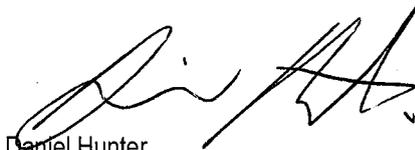
We state, pursuant to Section 45F of the *Public Finance and Audit Act 1983*:

- 1) The financial statements of the Albury Base Hospital for the year ended 30 June 2018 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 Regulation 2015*; and
  - c) the financial reporting directions mandated by the Treasurer.
- 2) The financial statements exhibit a true and fair view of the financial position and the financial performance of the Albury Base Hospital; and
- 3) We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.



Elizabeth Koff  
Secretary, NSW Health

17 September 2018



Daniel Hunter  
Deputy Secretary, Finance and Asset  
Management and Chief Financial Officer,  
NSW Health

17 September 2018

Albury Base Hospital  
Statement of Comprehensive Income for the year ended 30 June 2018

	Notes	Actual 2018 \$'000	Actual 2017 \$'000
Expenses			
Depreciation	2	2,705	2,774
Total expenses		<u>2,705</u>	<u>2,774</u>
Total revenue		<u>-</u>	<u>-</u>
Net result		<u>(2,705)</u>	<u>(2,774)</u>
Total comprehensive loss		<u>(2,705)</u>	<u>(2,774)</u>

The accompanying notes form part of these financial statements.

Albury Base Hospital  
Statement of Financial Position as at 30 June 2018

	Notes	Actual 2018 \$'000	Actual 2017 \$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment			
- Land and buildings	3	61,126	63,793
- Infrastructure systems	3	653	691
Total property, plant and equipment		61,779	64,484
Total non-current assets		61,779	64,484
 Total assets		 61,779	 64,484
 <b>Liabilities</b>			
Total liabilities		-	-
 Net assets		 61,779	 64,484
 <b>Equity</b>			
Reserves		8,811	8,811
Accumulated funds		52,968	55,673
Total equity		61,779	64,484

The accompanying notes form part of these financial statements.

**Albury Base Hospital**  
**Statement of Changes in Equity for the year ended 30 June 2018**

	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance at 1 July 2017	55,673	8,811	64,484
Net result for the year	(2,705)	-	(2,705)
Total comprehensive loss for the year	(2,705)	-	(2,705)
Balance at 30 June 2018	52,968	8,811	61,779
Balance at 1 July 2016	58,447	8,811	67,258
Net result for the year	(2,774)	-	(2,774)
Total comprehensive loss for the year	(2,774)	-	(2,774)
Balance at 30 June 2017	55,673	8,811	64,484

The accompanying notes form part of these financial statements.

Albury Base Hospital  
Statement of Cash Flows for the year ended 30 June 2018

	Actual 2018 \$'000	Actual 2017 \$'000
Net cash flows from operating activities	-	-
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	-	-
Opening cash and cash equivalents	-	-
Closing cash and cash equivalents	-	-

The accompanying notes form part of these financial statements.

**Albury Base Hospital**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2018**

**1. Statement of significant accounting policies**

**a) The reporting entity**

The Albury Base Hospital (ABH) is a reporting entity that is comprised solely of the property, plant and equipment of the hospital facility. The provision of services undertaken at the hospital is governed by a contractual arrangement between Albury Wodonga Health, a Victorian Government Entity and the NSW Ministry of Health, ABH's immediate parent.

ABH is also controlled by the State of New South Wales (and is consolidated as part of the NSW Total State Sector Accounts), which is the ultimate parent.

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

The financial statements for the year ended 30 June 2018 have been authorised for issue by the Secretary, NSW Health on 17 September 2018.

**b) Basis of preparation**

The ABH's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*, and financial reporting directions mandated by the Treasurer.

Property, plant and equipment is measured at fair value.

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, which is the entity's presentation and functional currency.

**c) Comparative information**

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

**d) Statement of compliance**

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

**Albury Base Hospital**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2018**

**1. Statement of significant accounting policies (continued)**

**e) Acquisition of property, plant and equipment (PPE)**

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

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

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

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

Land and buildings which are owned by the Health Administration Corporation or the State and used by the ABH are deemed controlled by the ABH and are reflected as such in the financial statements.

**f) Capitalisation thresholds**

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

**g) Depreciation of property, plant and equipment**

Depreciation is provided on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the ABH. Land is not a depreciable asset.

Depreciation rates for each asset class are as follows:

- Buildings	2.5%
- Infrastructure systems	2.5%

Infrastructure systems comprise public facilities and 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.

**Albury Base Hospital**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2018**

**1. Statement of significant accounting policies (continued)**

**h) 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* and AASB 116 *Property, Plant and Equipment*.

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 participant's perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 3 and Note 4 for further information regarding fair value.

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The ABH conducts a comprehensive revaluation of all its assets every three years. The last comprehensive revaluation was completed on 31 December 2016 and was based on an independent assessment.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. To ensure that the carrying amount for each asset does not differ materially from its fair value at reporting date, indices are sourced. The indices reflect an assessment of movements made in the period between revaluations.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as an approximation of fair value. The ABH 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 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 a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, 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.

Albury Base Hospital  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

1. Statement of significant accounting policies (continued)

h) Revaluation of non-current assets (continued)

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

The residual values, useful lives, and methods of depreciation of PPE are reviewed at the end of each financial year.

i) Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

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 entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted (unadjusted) 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).

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

Refer to Note 3 and Note 4 for further disclosures regarding fair value measurements of property, plant and equipment.

j) 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 property, plant and equipment. This accords with ABH's policy on the revaluation of property, plant and equipment as discussed in Note 1h).

Albury Base Hospital  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

1. Statement of significant accounting policies (continued)

k) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2017/18

The accounting policies applied in 2017/18 are consistent with those of the previous financial year. No new or revised Australian Accounting Standards have been applied for the first time that have a material impact on the financial statements.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. ABH has assessed the potential impact of new standards and interpretations issued but not yet effective and they are unlikely to have a material impact on the financial statements of ABH.

Albury Base Hospital  
Notes to and forming part of the Financial Statements  
for the period ended 30 June 2018

	Actual 2018 \$'000	Actual 2017 \$'000
<b>2. Depreciation</b>		
Depreciation - buildings	2,667	2,731
Depreciation - infrastructure systems	38	43
	2,705	2,774
<b>3. Property, plant and equipment</b>		
<b>Land and buildings - fair value</b>		
Gross carrying amount	108,830	108,830
Less: Accumulated depreciation and impairment	47,704	45,037
Net carrying amount	61,126	63,793
<b>Infrastructure systems - fair value</b>		
Gross carrying amount	1,440	1,440
Less: Accumulated depreciation and impairment	787	749
Net carrying amount	653	691
<b>Total property, plant and equipment</b>	<b>61,779</b>	<b>64,484</b>

Albury Base Hospital  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

3. Property, plant and equipment (continued)

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:

2018	Land and Buildings \$'000	Infrastructure Systems \$'000	Total \$'000
Net carrying amount at beginning of year	63,793	691	64,484
Depreciation expense	(2,667)	(38)	(2,705)
Net carrying amount at end of year	<u>61,126</u>	<u>653</u>	<u>61,779</u>
2017	Land and Buildings \$'000	Infrastructure Systems \$'000	Total \$'000
Net carrying amount at beginning of year	66,524	734	67,258
Depreciation expense	(2,731)	(43)	(2,774)
Net carrying amount at end of year	<u>63,793</u>	<u>691</u>	<u>64,484</u>

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 4.

Albury Base Hospital  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

4. Fair value measurement of non-financial assets

Fair value measurements in the statement of financial position are categorised into the following levels:

a) Fair value hierarchy

2018	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
<b>Property, plant and equipment (Note 3)</b>				
- Land and buildings	-	-	61,126	61,126
- Infrastructure systems	-	-	653	653
	<u>-</u>	<u>-</u>	<u>61,779</u>	<u>61,779</u>

There were no transfers between level 1 and 2 during the year ended 30 June 2018.

2017	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
<b>Property, plant and equipment (Note 3)</b>				
- Land and buildings	-	-	63,793	63,793
- Infrastructure systems	-	-	691	691
	<u>-</u>	<u>-</u>	<u>64,484</u>	<u>64,484</u>

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

**Albury Base Hospital**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2018**

**4. Fair value measurement of non-financial assets (continued)**

**b) Valuation techniques, inputs and processes**

For land, buildings and infrastructure systems the ABH obtains external valuations by independent valuers at least every three years. The last revaluation was performed by Opteon Property Group for the 2016/17 financial year. Opteon Property Group is an independent entity that is not an associated entity of ABH.

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. No adjustments were required for 2017/18.

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 at level 3 based on the following valuation techniques and inputs:

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

Buildings and infrastructure systems 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.

**Albury Base Hospital**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2018**

4. Fair value measurement of non-financial assets (continued)

b) Valuation techniques, inputs and processes (continued)

Level 3 disclosures:

The fair value of buildings 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	Valuation inputs
Land under specialised building(s)	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).
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.
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.
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.

Albury Base Hospital  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

4. Fair value measurement of non-financial assets (continued)

c) Reconciliation of recurring Level 3 fair value measurements

2018	Land and buildings \$'000	Infrastructure systems \$'000	Total Level 3 recurring \$'000
Fair value at 1 July 2017	63,793	691	64,484
Depreciation	(2,667)	(38)	(2,705)
Fair value as at 30 June 2018	<u>61,126</u>	<u>653</u>	<u>61,779</u>
2017	Land and buildings \$'000	Infrastructure systems \$'000	Total Level 3 recurring \$'000
Fair value at 1 July 2016	66,524	734	67,258
Depreciation	(2,731)	(43)	(2,774)
Fair value as at 30 June 2017	<u>63,793</u>	<u>691</u>	<u>64,484</u>

5. Commitments, contingent assets and contingent liabilities

At reporting date, there are no known contingent liabilities, contingent assets or commitments.

**Albury Base Hospital**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2018**

**6. Related party transactions**

**Key management personnel compensation**

Compensation for the Minister for Health is paid by the Legislature and is not reimbursed by the NSW Ministry of Health and its controlled entities. The compensation of the Minister for Health is disclosed in the financial statements of the ultimate parent.

Compensation for the Secretary, NSW Health (the Secretary) is paid by the NSW Ministry of Health and is not reimbursed by ABH. The compensation of the Secretary is disclosed in the financial statements of the immediate parent.

**Transactions with key management personnel and their close family members**

There were no transactions between ABH and key management personnel or their close family members during the reporting year.

**Other related party transactions**

There were no other individually or in aggregate significant related party transactions during the year.  
There were no transactions with the ultimate parent during the year.

**7. Events after the reporting period**

There were no events subsequent to the reporting period requiring disclosure that would require these financial statements to be amended.

End of audited financial statements



**Albury Wodonga  
Health Specialty  
Purpose Service  
Entity**

**Financial Statements**  
for the year ended 30 June 2018





## INDEPENDENT AUDITOR'S REPORT

### Albury Wodonga Health NSW Employment Division

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of Albury Wodonga Health NSW Employment Division (the Division), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Division as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

#### Basis for Opinion

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

I am independent of the Division in accordance with the requirements of the:

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

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

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

## **Secretary's Responsibilities for the Financial Statements**

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

In preparing the financial statements, the Secretary is responsible for assessing the Division's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Division's operations will cease as a result of an administrative restructure.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Division carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Dominika Ryan  
Director, Financial Audit Services

24 September 2018  
SYDNEY

**Albury Wodonga Health NSW Employment Division**  
**Certification of financial statements**  
**for the year ended 30 June 2018**

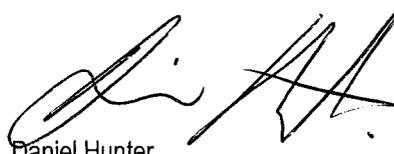
We state, pursuant to Section 45F of the *Public Finance and Audit Act 1983*:

- 1) The financial statements of Albury Wodonga Health NSW Employment Division (the Division) for the year ended 30 June 2018 have been prepared in accordance with:
  - a) Australian Accounting Standards (which include Australian Accounting Interpretations);
  - b) the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*; and
  - c) the financial reporting directions mandated by the Treasurer.
- 2) The financial statements exhibit a true and fair view of the financial position and the financial performance of the Division; and
- 3) We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.



Elizabeth Koff  
Secretary, NSW Health

17 September 2018



Daniel Hunter  
Deputy Secretary, Finance and Asset  
Management and Chief Financial Officer,  
NSW Health

17 September 2018

Albury Wodonga Health NSW Employment Division  
Statement of Comprehensive Income for the year ended 30 June 2018

	Notes	Actual 2018 \$'000	Actual 2017 \$'000
<b>Expenses</b>			
Employee related expenses	2	2,354	1,097
<b>Total expenses</b>		<b>2,354</b>	<b>1,097</b>
<b>Revenue</b>			
Acceptance by the Crown Entity of employee benefits and other liabilities	3	2,115	1,081
<b>Total revenue</b>		<b>2,115</b>	<b>1,081</b>
<b>Net result</b>		<b>(239)</b>	<b>(16)</b>
<b>Total comprehensive loss</b>		<b>(239)</b>	<b>(16)</b>

The accompanying notes form part of these financial statements.

Albury Wodonga Health NSW Employment Division  
Statement of Financial Position as at 30 June 2018

	Notes	Actual 2018 \$'000	Actual 2017 \$'000
<b>Assets</b>			
Current assets		-	-
Non-current assets		-	-
		<hr/>	<hr/>
Total assets		<hr/> -	<hr/> -
<b>Liabilities</b>			
<b>Current liabilities</b>			
Provisions	4	1,202	982
Total current liabilities		<hr/> 1,202	<hr/> 982
<b>Non-current liabilities</b>			
Provisions	4	104	85
Total non-current liabilities		<hr/> 104	<hr/> 85
Total liabilities		<hr/> 1,306	<hr/> 1,067
Net liabilities		<hr/> (1,306)	<hr/> (1,067)
<b>Equity</b>			
Accumulated deficit		<hr/> (1,306)	<hr/> (1,067)
Total equity		<hr/> (1,306)	<hr/> (1,067)

The accompanying notes form part of these financial statements.

Albury Wodonga Health NSW Employment Division  
Statement of Changes in Equity for the year ended 30 June 2018

	Accumulated Deficit \$'000	Total \$'000
Balance at 1 July 2017	(1,067)	(1,067)
Net result for the year	(239)	(239)
Total comprehensive loss for the year	(239)	(239)
Balance at 30 June 2018	(1,306)	(1,306)
Balance at 1 July 2016	(1,051)	(1,051)
Net result for the year	(16)	(16)
Total comprehensive loss for the year	(16)	(16)
Balance at 30 June 2017	(1,067)	(1,067)

The accompanying notes form part of these financial statements.

Albury Wodonga Health NSW Employment Division  
Statement of Cash Flows for the year ended 30 June 2018

	Actual 2018 \$'000	Actual 2017 \$'000
Net cash flows from operating activities	-	-
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	-	-
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**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2018**

**1. Statement of significant accounting policies**

**a) Reporting entity**

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

The Division is a NSW Government entity and is controlled by the NSW Ministry of Health, which is the immediate parent. The Division is also controlled by the State of New South Wales (and is consolidated as part of the NSW Total State Sector Accounts), which is the ultimate parent. The Division is a not-for-profit entity (as profit is not its principal objective).

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 Division. The employees of the Division have been seconded to Albury Wodonga Health, a Victorian Government entity appointed to run the Albury Base Hospital as part of an inter governmental agreement. This has resulted in this Division carrying only the long service leave of the NSW staff seconded to Albury Wodonga Health.

These financial statements for the year ended 30 June 2018 have been authorised for issue by the Secretary, NSW Health on 17 September 2018.

**b) 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 requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*, and financial reporting directions mandated by the Treasurer.

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 which is the Division's presentation and functional currency.

A letter of support has been issued by the NSW Ministry of Health to the Division to ensure that sufficient funding will be made available to enable the Division to pay its liabilities as and when they fall due.

**c) Comparative Information**

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

**Albury Wodonga Health NSW Employment Division**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2018**

**1. Summary of significant accounting policies (continued)**

**d) Statement of Compliance**

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

**e) Provisions**

**(i) Long Service Leave**

The Division's liability for long service leave is assumed by the Crown Entity, which is an entity controlled by the ultimate parent. 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'.

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

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.

**f) Income recognition**

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

**g) Changes in accounting policy, including new or revised Australian Accounting Standards**

**(i) Effective for the first time in 2017/18**

The accounting policies applied in 2017/18 are consistent with those of the previous financial year. No new or revised Australian Accounting Standards have been applied for the first time that have a material impact on the financial statements.

**(ii) Issued but not yet effective**

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The Division has assessed the potential impact of new standards and interpretations issued but not yet effective and they are unlikely to have a material impact on the financial statements of the Division.

Albury Wodonga Health NSW Employment Division  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

	Actual 2018 \$'000	Actual 2017 \$'000
<b>2. Employee related expenses</b>		
Long service leave assumed by the Crown Entity, an entity controlled by the ultimate parent	2,115	1,081
Long service leave on-costs recognised by Division	239	16
	2,354	1,097
<b>3. Acceptance by the Crown Entity of employee benefits and other liabilities</b>		
The following liabilities and / or expenses have been assumed by the Crown Entity:		
Long service leave	2,115	1,081
Total current provisions	2,115	1,081
<b>4. Provisions</b>		
<b>Current</b>		
Long service leave consequential on-costs	1,202	982
Total current provisions	1,202	982
<b>Non-current</b>		
Long service leave consequential on-costs	104	85
Total non-current provisions	104	85
<b>5. Commitments, contingent liabilities and assets</b>		
At reporting date there are no known contingent liabilities, contingent assets or commitments.		

**Albury Wodonga Health NSW Employment Division**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2018**

**6. Related party transactions**

**Key management personnel compensation**

Compensation for the Minister for Health is paid by the Legislature and is not reimbursed by the NSW Ministry of Health and its controlled entities. The compensation of the Minister for Health is disclosed in the financial statements of the ultimate parent.

Compensation for the Secretary, NSW Health (the Secretary) is paid by the NSW Ministry of Health and is not reimbursed by the Division. The compensation of the Secretary is disclosed in the financial statements of the immediate parent.

**Transactions with key management personnel and their close family members**

There were no transactions between the Division and key management personnel or their close family members during the reporting period.

**Other related party transactions**

There were no other individually or in aggregate significant related party transactions during the year.  
There were no transactions with the ultimate parent during the year.

**7. Events after the reporting period**

There were no events subsequent to the reporting period requiring disclosure that would require these financial statements to be amended.

**End of audited financial statements**

