



## INDEPENDENT AUDITOR'S REPORT

### Health Education and Training Institute

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the Health Education and Training Institute (the Institute), which comprises the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, 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 of the Institute and the consolidated entity. The consolidated entity comprises the Institute and the entity it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Institute's financial position, financial performance and cash flows of the Institute and the consolidated entity.

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 Institute and the consolidated 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 (including Independence Standards)' (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.

## **Chief Executive's Responsibilities for the Financial Statements**

The Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and Treasurer's Directions. The Chief Executive's responsibility also includes such internal control as the Chief Executive 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 Chief Executive is responsible for assessing the ability of the Institute and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## **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/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Institute or the consolidated entity carried out their 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.



Lisa Berwick  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

7 October 2021  
SYDNEY

# Health Education and Training Institute

## Statement by the Accountable Authority

for the year ended 30 June 2021



I state, pursuant to section 7.6(4) of the Government Sector Finance Act 2018 ('the Act'):"

1. The financial statements of the Health Education and Training Institute for the year ended 30 June 2021 have been prepared in accordance with:
  - a. Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
  - b. applicable requirements of the Act, the *Government Sector Finance Regulation 2018*; and
  - c. Treasurer's Directions issued under the Act.
2. The financial statements present fairly the Health Education and Training Institute's financial position as at 30 June 2021 and the financial performance and cash flows for the year then ended; and
3. I am not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

A handwritten signature in black ink that reads 'A. Solman'.

Adjunct Professor Annette Solman

**Chief Executive**

30 September 2021

# Health Education and Training Institute

Statement of Comprehensive Income for the year ended 30 June 2021

		Consolidated	Consolidated	Consolidated	Parent	Parent
		Actual	Budget <sup>1</sup>	Actual	Actual	Actual
		2021	2021	2020	2021	2020
	Notes	\$000	\$000	\$000	\$000	\$000
<b>Continuing operations</b>						
<b>Expenses excluding losses</b>						
Employee related expenses	2	21,500	22,981	23,851	-	-
Personnel services	3	-	-	-	21,373	22,454
Other expenses	4	7,891	9,105	8,313	7,891	8,313
Depreciation and amortisation	5	838	838	545	838	545
Grants and subsidies	6	8,081	9,885	7,616	8,081	7,616
<b>Total expenses excluding losses</b>		<b>38,310</b>	<b>42,809</b>	<b>40,325</b>	<b>38,183</b>	<b>38,928</b>
<b>Revenue</b>						
NSW Ministry of Health recurrent allocations	8	29,044	34,476	30,569	29,044	30,569
NSW Ministry of Health capital allocations	8	77	77	77	77	77
Acceptance by the Crown <sup>2</sup> of employee benefits	12	127	102	1,397	-	-
Sale of goods and services from contracts with customers	9	1,716	2,674	1,615	1,716	1,615
Investment revenue	10	-	-	1	-	1
Grants and other contributions	11	5,504	4,792	5,386	5,504	5,386
Other income	13	505	-	396	505	396
<b>Total revenue</b>		<b>36,973</b>	<b>42,121</b>	<b>39,441</b>	<b>36,846</b>	<b>38,044</b>
<b>Operating result</b>		<b>(1,337)</b>	<b>(688)</b>	<b>(884)</b>	<b>(1,337)</b>	<b>(884)</b>
Gains / (losses) on disposal	14	23	-	3	23	3
Impairment losses on financial assets	17	(5)	-	(37)	(5)	(37)
Other gains / (losses)	15	(81)	-	-	(81)	-
<b>Net result</b>		<b>(1,400)</b>	<b>(688)</b>	<b>(918)</b>	<b>(1,400)</b>	<b>(918)</b>
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(1,400)</b>	<b>(688)</b>	<b>(918)</b>	<b>(1,400)</b>	<b>(918)</b>

<sup>1</sup> Unaudited adjusted budget, see Note 25.

<sup>2</sup> Crown represents "The Crown in right of the State of New South Wales"

The accompanying notes form part of these financial statements.

# Health Education and Training Institute

## Statement of Financial Position as at 30 June 2021

		Consolidated	Consolidated	Consolidated	Parent	Parent
		Actual	Budget <sup>1</sup>	Actual	Actual	Actual
		2021	2021	2020	2021	2020
	Notes	\$000	\$000	\$000	\$000	\$000
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	16	224	212	212	224	212
Receivables	17	823	832	832	823	832
<b>Total current assets</b>		<b>1,047</b>	<b>1,044</b>	<b>1,044</b>	<b>1,047</b>	<b>1,044</b>
<b>Non-current assets</b>						
Property, plant & equipment	18					
- Land and buildings		1	1	14	1	14
- Plant and equipment		494	619	1,033	494	1,033
Total property, plant & equipment		495	620	1,047	495	1,047
Intangible assets	20	460	392	429	460	429
<b>Total non-current assets</b>		<b>955</b>	<b>1,012</b>	<b>1,476</b>	<b>955</b>	<b>1,476</b>
<b>Total assets</b>		<b>2,002</b>	<b>2,056</b>	<b>2,520</b>	<b>2,002</b>	<b>2,520</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Payables	21	2,505	2,248	2,273	2,505	2,273
Contract liabilities	22	555	346	346	555	346
Provisions	23	3,427	3,234	3,009	3,427	3,009
<b>Total current liabilities</b>		<b>6,487</b>	<b>5,828</b>	<b>5,628</b>	<b>6,487</b>	<b>5,628</b>
<b>Non-current liabilities</b>						
Provisions	23	73	73	50	73	50
<b>Total non-current liabilities</b>		<b>73</b>	<b>73</b>	<b>50</b>	<b>73</b>	<b>50</b>
<b>Total liabilities</b>		<b>6,560</b>	<b>5,901</b>	<b>5,678</b>	<b>6,560</b>	<b>5,678</b>
<b>Net assets</b>		<b>(4,558)</b>	<b>(3,845)</b>	<b>(3,158)</b>	<b>(4,558)</b>	<b>(3,158)</b>
<b>EQUITY</b>						
Accumulated funds		(4,558)	(3,845)	(3,158)	(4,558)	(3,158)
<b>Total Equity</b>		<b>(4,558)</b>	<b>(3,845)</b>	<b>(3,158)</b>	<b>(4,558)</b>	<b>(3,158)</b>

<sup>1</sup> Unaudited adjusted budget, see Note 25.

The accompanying notes form part of these financial statements.

# Health Education and Training Institute

Statement of Changes in Equity for the year ended 30 June 2021

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## PARENT AND CONSOLIDATION

	Accumulated Funds \$000	Total \$000
Balance at 1 July 2020	(3,158)	(3,158)
Net result for the year	(1,400)	(1,400)
Total other comprehensive income	-	-
Total comprehensive income for the year	(1,400)	(1,400)
Balance at 30 June 2021	(4,558)	(4,558)

	Accumulated Funds \$000	Total \$000
Balance at 1 July 2019	(2,240)	(2,240)
Net result for the year	(918)	(918)
Total other comprehensive income	-	-
Total Comprehensive Income for the Year	(918)	(918)
Balance at 30 June 2020	(3,158)	(3,158)

The accompanying notes form part of these financial statements.

# Health Education and Training Institute

Statement of Cash Flows for the year ended 30 June 2021

	Notes	Consolidated Actual 2021 \$000	Consolidated Budget <sup>1</sup> 2021 \$000	Consolidated Actual 2020 \$000	Parent Actual 2021 \$000	Parent Actual 2020 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee related		(21,143)	(22,834)	(22,758)	-	-
Suppliers for goods and services		(8,304)	(9,602)	(10,355)	(8,304)	(10,355)
Grants and subsidies		(8,666)	(10,470)	(8,333)	(8,666)	(8,333)
Personnel services		-	-	-	(21,143)	(22,758)
<b>Total payments</b>		<b>(38,113)</b>	<b>(42,906)</b>	<b>(41,446)</b>	<b>(38,113)</b>	<b>(41,446)</b>
<b>Receipts</b>						
NSW Ministry of Health recurrent allocations		29,044	34,476	30,570	29,044	30,570
NSW Ministry of Health capital allocations		77	77	77	77	77
Reimbursements from the Crown <sup>2</sup>		148	148	257	148	257
Sale of goods and services		1,732	2,711	2,470	1,732	2,470
Grants and other contributions		5,760	4,907	5,718	5,760	5,718
Other		1,658	963	1,168	1,658	1,168
<b>Total receipts</b>		<b>38,419</b>	<b>43,282</b>	<b>40,260</b>	<b>38,419</b>	<b>40,260</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	24	<b>306</b>	<b>376</b>	<b>(1,186)</b>	<b>306</b>	<b>(1,186)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sale of property, plant and equipment		69	-	10	69	10
Purchases of property, plant and equipment and intangibles		(363)	(376)	(402)	(363)	(402)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(294)</b>	<b>(376)</b>	<b>(392)</b>	<b>(294)</b>	<b>(392)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>						
Opening cash and cash equivalents	16	212	212	1,790	212	1,790
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	16	<b>224</b>	<b>212</b>	<b>212</b>	<b>224</b>	<b>212</b>

<sup>1</sup> Unaudited adjusted budget, see Note 25.

<sup>2</sup> Crown represents "The Crown in right of the State of New South Wales"

The accompanying notes form part of these financial statements.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

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### 1. Statement of Significant Accounting Policies

#### a) Reporting entity

The Health Education and Training Institute (the Institute) was established under the provisions of the Health Services Act 1997 with effect from 2 April 2012.

The Institute is a NSW Government entity and is controlled by the NSW Ministry of Health, which is the immediate parent. The reporting entity 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 reporting entity is a not-for-profit entity (as profit is not its principal objective).

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

- \* The parent entity comprises all the operating activities of the Health Education and Training Institute.
- \* The Health Education and Training Institute Special Purpose Service Entity, which was established as a Division of the Institute on 2 April 2012 in accordance with the Health Services Act 1997. This Division provides personnel services to enable the Institute to exercise its functions.

As a consequence the values in the 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.

These consolidated financial statements for the year ended 30 June 2021 have been authorised for issue by the Chief Executive on 30 September 2021.

#### b) Basis of preparation

The Institute's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- \* applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- \* applicable requirements of the *Government Sector Finance Act 2018* ("the Act"); and
- \* Treasurer's Directions issued under the Act.

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

The Secretary of NSW Health and the Chief Executive have agreed to service and funding levels for the forward financial year. The Statement of Service sets out the level of financial resources for public health services under the Institute's control and the source of these funds. By agreement, the Statement of Service requires local management to control its financial liquidity and in particular meet benchmarks for the payment of creditors. Where the Institute fails to meet Statement of Service performance standards, the NSW 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 NSW Ministry of Health.

Despite the impact of COVID-19, the going concern assumption remains appropriate. Reasons for this include:

- \* Allocated funds, combined with other revenues earned, are adequate to pay debts as and when they become due and payable.
- \* The Institute has the capacity to review the timing of NSW Ministry of Health allocation cash flows to ensure debts can be paid when they become due and payable.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

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### 1. Statement of Significant Accounting Policies

- \* The Institute has developed an Efficiency and Improvement Plan (EIP) which identifies revenue improvement and cost saving strategies. Benefits from the EIP are retained by the Institute and assist in meeting its overall budget target. The EIP is monitored and evaluated by the NSW Ministry of Health throughout the financial year.

The NSW Ministry of Health has agreed unconditionally and irrevocably to provide the Institute with adequate financial support so as to ensure its business continuity.

Property, plant and equipment and certain financial assets and liabilities are measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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

All amounts are rounded to the nearest one thousand dollars (unless otherwise stated) and are expressed in Australian currency, which is the Institute's presentation and functional currency.

#### c) Statement of Compliance

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

#### d) 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 Institute 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.

#### e) Foreign currency translation

Transactions in foreign currencies are recorded using the spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the end of the reporting date.

Differences arising on settlement or translation of monetary items are recognised in net result.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or net results are also recognised in other comprehensive income or net results, respectively).

#### f) 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.

Certain comparative information has been reclassified to ensure consistency with current year presentation and classification.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

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### 1. Statement of Significant Accounting Policies

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

##### (i) Effective for the first time in 2020-21

The accounting policies applied in 2020-21 are consistent with those of the previous financial year except as a result of new or revised Australian Accounting Standards that have been applied for the first time as follows:

- \* The Institute applied AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.
- \* Several other amendments and interpretations apply for the first time in 2020-21, but do not have an impact on the financial statements of the Institute.

##### **AASB 1059 Service Concession Arrangements: Grantors (AASB 1059)**

AASB 1059 is effective for the Institute from 1 July 2020. At the same time NSW Treasury Policy and Guideline Paper TPP 06-8: Accounting for Privately Financed Projects (TPP 06-8) was withdrawn effective from 1 July 2020.

Service Concession Arrangements are contracts between an operator and a grantor, where the operator provides public services related to a service concession asset on behalf of the grantor for a specified period of time and manages at least some of those services.

Where AASB 1059 applies, the grantor recognises the service concession asset when the grantor obtains control of the asset and measures the service concession asset at current replacement cost. At the same time the grantor recognises a corresponding financial liability or unearned revenue liability or a combination of both.

The Institute has adopted the modified retrospective approach permitted under AASB 1059 by recognising and measuring service concession assets and related liabilities at the date of initial application of 1 July 2019, with any net adjustments to the amounts of assets and liabilities recognised in accumulated funds at that date.

The adoption of AASB 1059 and the withdrawal of TPP 06-8 did not have an impact on the financial statements of the Institute.

##### (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 Institute, has assessed the potential impact of the new standards and interpretations issued but not yet effective and have determined they are unlikely to have a material impact on the financial statements of the Institute.

#### h) Impact of COVID-19 on Financial Reporting for 2020-21

The COVID-19 pandemic has resulted in significant changes in the Institute activity and in the way the services are being delivered. The pandemic has also impacted financial reporting in 2020-21 and increased disclosures are presented in Note 1b) Basis of preparation.

## Health Education and Training Institute

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

#### 2. Employee related expenses

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Salaries and wages (including annual leave and allocated days off)	19,363	20,201	-	-
Superannuation - defined benefit plans	75	82	-	-
Superannuation - defined contribution plans	1,702	1,841	-	-
Long service leave	247	1,414	-	-
Redundancies	(16)	192	-	-
Workers' compensation insurance	121	114	-	-
Fringe benefits tax	8	7	-	-
	<b>21,500</b>	<b>23,851</b>	<b>-</b>	<b>-</b>

Employee related costs of \$Nil (2020: \$Nil) have been capitalised in property, plant and equipment and intangible assets and are therefore excluded from the above.

#### 3. Personnel services

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Salaries and wages (including annual leave and allocated days off)	-	-	19,363	20,201
Superannuation - defined contribution plans	-	-	1,702	1,841
Long service leave	-	-	195	99
Redundancies	-	-	(16)	192
Workers' compensation insurance	-	-	121	114
Fringe benefits tax	-	-	8	7
	<b>-</b>	<b>-</b>	<b>21,373</b>	<b>22,454</b>

Personnel services of Health Education and Training Institute were provided by its controlled entity, Health Education and Training Institute Special Purpose Service Entity.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

### 4. Other expenses

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Advertising	54	132	54	132
Auditor's remuneration - audit of financial statements	53	28	53	28
Consultancies	165	174	165	174
Contractors	819	454	819	454
Domestic supplies and services	19	77	19	77
Food supplies	13	84	13	84
Fuel, light and power	4	23	4	23
Information management expenses	1,633	2,054	1,633	2,054
Insurance	8	8	8	8
Maintenance (see Note 4 (b))	60	49	60	49
Medical and surgical supplies	3	1	3	1
Motor vehicle expenses	36	43	36	43
Postal and telephone costs	106	98	106	98
Printing and stationery	29	67	29	67
Rates and charges	1	7	1	7
Staff related costs	84	131	84	131
Training expenses	1,268	1,610	1,268	1,610
Travel related costs	130	509	130	509
Other (see Note 4 (a))	3,406	2,764	3,406	2,764
	<b>7,891</b>	<b>8,313</b>	<b>7,891</b>	<b>8,313</b>

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

### 4. Other expenses (continued)

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
<b>(a) Other</b>				
Audiovisual	530	243	530	243
Corporate support services	235	258	235	258
Courier and freight	19	3	19	3
Legal services	-	4	-	4
Membership/professional fees	58	50	58	50
Quality assurance / accreditation	8	8	8	8
Expenses relating to short-term leases	1,014	427	1,014	427
Other management services	968	1,134	968	1,134
Other miscellaneous	574	637	574	637
	<b>3,406</b>	<b>2,764</b>	<b>3,406</b>	<b>2,764</b>
<b>(b) Reconciliation of total maintenance</b>				
Maintenance contracts	8	21	8	21
New / replacement equipment under \$10,000	25	26	25	26
Repairs maintenance / non contract	27	2	27	2
Maintenance expense - contracted labour and other (non-employee related) in Note 4	<b>60</b>	<b>49</b>	<b>60</b>	<b>49</b>
	<b>60</b>	<b>49</b>	<b>60</b>	<b>49</b>

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

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### 4. Other expenses (continued)

#### Recognition and Measurement

##### *Maintenance expense*

Day-to-day servicing costs or maintenance are charged as expenses as incurred except where they relate to the replacement or enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

##### *Operating expenses*

Operating expenses generally represent the day-to-day running costs incurred in the normal operations of the Institute. These costs are expensed as incurred. The recognition and measurement policy for non-employee related expenses is detailed in Note 21.

##### *Insurance*

The Institute's insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self-insurance for government entities. The expense / (premium) is determined by the fund manager based on past claims experience. The TMF is managed by Insurance for NSW, a controlled entity of the ultimate parent.

##### *Lease expense*

The Institute recognises the lease payments associated with the following types of leases as an expense on a straight-line

- Leases that meet the definition of short-term, i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

### 5. Depreciation and amortisation

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Depreciation - buildings	13	275	13	275
Depreciation - plant and equipment	707	188	707	188
Amortisation - intangible assets	118	82	118	82
	<b>838</b>	<b>545</b>	<b>838</b>	<b>545</b>

Refer to Note 18 Property, plant and equipment, Note 19 Leases, and Note 20 Intangible assets for recognition and measurement policies on depreciation and amortisation.

### 6. Grants and subsidies

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Non-government organisations	-	4	-	4
Grants paid to entities controlled by the immediate parent	2,494	2,242	2,494	2,242
Leadership program	389	519	389	519
NSW Nursing & Midwifery Education Contract	916	1,053	916	1,053
Scholarships & Sponsorships	3,824	3,420	3,824	3,420
Other grants	458	378	458	378
	<b>8,081</b>	<b>7,616</b>	<b>8,081</b>	<b>7,616</b>

#### Recognition and Measurement

Grants and subsidies expense generally comprise contributions in cash or in kind to various local government authorities and not-for-profit community organisations to support their health-related objectives and activities. The grants and subsidies are expensed on the transfer of the cash or assets. The transferred assets are measured at their fair value.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

### 7. Revenue

#### Recognition and Measurement

Income is recognised in accordance with the requirements of AASB 15 Revenue from Contracts with Customers (AASB 15) or AASB 1058 Income of Not-for-Profit Entities (AASB 1058), dependent on whether there is a contract with a customer defined by AASB 15. Comments regarding the accounting policies for the recognition of income are discussed below.

Under the GSF Act 2018, the Institute's own source revenue (which includes but is not limited to receipts from operating activities and proceeds from the sale of property, plant and equipment) meets the definition of deemed appropriation money under the GSF Act.

Deemed appropriation money is money received directly by the Institute which forms part of the consolidated fund and is not appropriated to the Institute by an Act.

#### Movement of Section 4.7 GSF Act - Deemed Appropriations

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Opening balance	212	-	212	-
Add: Appropriations deemed on 1 July 2019	-	1,790	-	1,790
Add: additions of deemed appropriations	9,366	9,623	9,366	9,623
Less: expenditure charged against deemed appropriations	9,354	11,201	9,354	11,201
	<b>224</b>	<b>212</b>	<b>224</b>	<b>212</b>

#### Notes

<sup>1</sup> 'Expenditure' refers to cash payments. The term 'expenditure' has been used for payments for consistency with AASB 1058 Income of Not-for-Profit Entities.

<sup>2</sup> Deemed appropriations is a legal concept under the GSF Act, that does not have a corresponding financial statement line item. Instead, deemed appropriations may come from various sources, such as sale of goods and services, and the corresponding revenue is disclosed in the relevant sections of these items in the financial statements.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

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### 8. NSW Ministry of Health allocations

Payments are made by the immediate parent as per the Statement of Service to the Institute and adjusted for approved supplementations, mostly for salary agreements and approved enhancement projects. The Statement of Service between the immediate parent and the Institute does not contain sufficiently specific enforceable performance obligations as defined by AASB 15 and are therefore recognised upon the receipt of cash, in accordance with AASB 1058.

### 9. Sale of goods and services from contracts with customers

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Private use of motor vehicles	7	14	7	14
Salary packaging fee	1	1	1	1
Commercial activities	1	3	1	3
Fees for conferences and training	63	117	63	117
Higher education course fees	1,267	856	1,267	856
Other	377	624	377	624
	<b>1,716</b>	<b>1,615</b>	<b>1,716</b>	<b>1,615</b>

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

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### 9. Sale of goods and services from contracts with customers (continued)

#### Recognition and Measurement

##### Rendering of services

Revenue from rendering of services is recognised when the Institute satisfies the performance obligation by transferring the promised services.

<b>Type of service</b>	<b>Nature of timing of satisfaction of performance obligations, including significant payment terms</b>	<b>Revenue recognition policies</b>
Education and training services provided to staff, General community, Non-NSW Health entities and Entities controlled by the immediate parent	Various education and training related services are provided to the members of staff, general community, non-NSW health entities and entities controlled by the immediate parent. The performance obligations for these services are typically satisfied by transferring the promised services to its respective customers. The payments are typically due within 30 days after the invoice date.	Revenue is recognised when promised services are delivered. No element of financing is deemed present as the services are made with a short credit term.

Refer to Note 22 for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and when the Institute expects to recognise the unsatisfied portion as revenue.

**Health Education and Training Institute**  
**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2021

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**10. Investment revenue**

	<b>Consolidated</b>	<b>Consolidated</b>	<b>Parent</b>	<b>Parent</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Royalties	-	1	-	1
	-	1	-	1

**Recognition and Measurement**

***Royalties***

Royalties are usually recognised when the underlying performance obligation is satisfied. It is recognised at the estimated amount if the consideration is variable.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

### 11. Grants and other contributions

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
<b>Other grants with sufficiently specific performance obligations</b>				
Cancer Institute grants received from an entity controlled by the immediate parent	75	120	75	120
Commonwealth government grants other	202	1,106	202	1,106
Grants from entities controlled by the ultimate parent	56	39	56	39
Other grants	1,047	418	1,047	418
<b>Grants without specific performance obligations</b>				
Other grants from entities controlled by the immediate parent	4,124	3,703	4,124	3,703
	<b>5,504</b>	<b>5,386</b>	<b>5,504</b>	<b>5,386</b>

#### Recognition and Measurement

##### *Grants and other contributions*

Revenue from grants with sufficiently specific performance obligations are recognised when the Institute satisfies a performance obligation by transferring the promised goods or services. The Institute typically receives grants in respect of health education and training related projects. The Institute uses various methods to recognise revenue over time, depending on the nature and terms and conditions of the grant contract. The payments are typically based on agreed timetable or on achievement of different milestones set up in the contract.

Revenue from these grants is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

Refer to Note 22 for the transaction price allocated to the performance obligations that have not been satisfied at the end of the year and when it is expected to be recognised as revenue.

Income from grants without sufficiently specific performance obligations is recognised when the Institute obtains control over the granted assets (e.g. cash).

##### *Volunteer services*

Receipt of volunteer services is recognised when and only when the fair value of those services can be reliably determined and the services would have been purchased if not donated. Volunteer services recognised are measured at fair value. The Institute receives volunteer services for the below activities:

- Health Education

Receipt of these services, while important, is not recognised because typically such services would not have been purchased if not donated.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

### 12. Acceptance by The Crown in right of the State of New South Wales (Crown) of employee benefits

The following liabilities and / or expenses have been assumed by the Crown:

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Superannuation - defined benefit plans	75	82	-	-
Long service leave provision	52	1,315	-	-
	<b>127</b>	<b>1,397</b>	<b>-</b>	<b>-</b>

### 13. Other income

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Other income comprises the following:				
Bad debts recovered	1	-	1	-
Rental income				
- other rental income	-	5	-	5
Other	504	391	504	391
	<b>505</b>	<b>396</b>	<b>505</b>	<b>396</b>

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

### 14. Gains / (losses) on disposal

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
<b>Gains / (losses) on disposals of:</b>				
<b>Property, plant and equipment</b>				
Written down value of assets disposed	46	7	46	7
Less: proceeds from disposal	69	10	69	10
<b>Total gains / (losses) on disposal</b>	<b>23</b>	<b>3</b>	<b>23</b>	<b>3</b>

### 15. Other gains / (losses)

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Other <sup>1</sup>	(81)	-	(81)	-
	<b>(81)</b>	<b>-</b>	<b>(81)</b>	<b>-</b>

<sup>1</sup>The Institute's North Parramatta Campus was relocated to 1 Reserve Road on 25th June 2021. As a result, the Health-Wide Area Network (HWAN) Contract entered into on 20st July 2020 for a period of 60 months has been terminated. The cancellation of service is recognised as onerous contract as no economic benefit will be received for the remainder of the contract.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

### 16. Cash and cash equivalents

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Cash at bank and on hand	224	212	224	212
	<b>224</b>	<b>212</b>	<b>224</b>	<b>212</b>

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank, cash on hand, short-term deposits with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

Cash and 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:

<b>Cash and cash equivalents (per Statement of Financial Position)</b>	224	212	224	212
<b>Closing cash and cash equivalents (per Statement of Cash Flows)</b>	<b>224</b>	<b>212</b>	<b>224</b>	<b>212</b>

Refer to Note 27 for details regarding credit risk and market risk arising from financial instruments.

Most cash and cash equivalents held by the Institute are restricted assets and are not held for operating and capital expenditure.

HealthShare NSW, a controlled entity of the immediate parent makes all payments to employees and most payments to suppliers of goods and services and grants and subsidies on behalf of the Institute. These payments are reported as expenses and operating cash outflows in the financial statements of the Institute.

HealthShare NSW receives payments directly from the NSW Ministry of Health on behalf of the Institute to fund these payments. These payments are reported as revenue (NSW Ministry of Health recurrent allocations) and operating cash inflows in the financial statements of the Institute when HealthShare NSW makes these payments on behalf of the Institute.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

### 17. Receivables

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
<b>Current</b>				
Trade receivables from contracts with customers	391	477	391	477
Intra health receivables	140	134	140	134
Goods and Services Tax	173	86	173	86
Other receivables	30	47	30	47
<b>Sub total</b>	<b>734</b>	<b>744</b>	<b>734</b>	<b>744</b>
<i>Less: Allowance for expected credit losses*</i>				
- Other receivables	(29)	(29)	(29)	(29)
<b>Sub total</b>	<b>705</b>	<b>715</b>	<b>705</b>	<b>715</b>
Prepayments	118	117	118	117
	<b>823</b>	<b>832</b>	<b>823</b>	<b>832</b>

#### \* Movement in the allowance for expected credit losses

	Consolidated	Parent
<b>Other receivables</b>		
Balance at the beginning of the year	(29)	-
Amounts written off during the year	5	8
(Increase) / decrease in allowance recognised in the net result	(5)	(37)
<b>Balance at the end of the year</b>	<b>(29)</b>	<b>(29)</b>
	<b>(29)</b>	<b>(29)</b>

**Health Education and Training Institute**  
**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2021

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**17. Receivables (continued)**

Details regarding credit risk of receivables that are neither past due nor impaired, are disclosed in Note 27.

	<b>Consolidated</b>	<b>Consolidated</b>	<b>Parent</b>	<b>Parent</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Contract receivables (included in Note 17)	532	611	532	611
<b>Total contract receivables</b>	<b>532</b>	<b>611</b>	<b>532</b>	<b>611</b>

**Recognition and Measurement**

All 'regular way' purchases or sales of receivables are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of receivables that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

**Subsequent measurement**

The Institute holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

**Impairment**

The Institute recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Institute expects to receive, discounted at the original effective interest rate.

For trade receivables, the Institute applies a simplified approach in calculating ECLs. The Institute recognises a loss allowance based on lifetime ECLs at each reporting date. The Institute has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward looking factors specific to the receivable.

# Health Education and Training Institute

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2021

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## 18. Property, plant and equipment

### (a) Total property, plant and equipment

#### PARENT AND CONSOLIDATION

	Land and Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Total \$000
<b>At 1 July 2019 - fair value</b>			
Gross carrying amount	859	2,465	3,324
Less: accumulated depreciation and impairment	570	1,351	1,921
<b>Net carrying amount</b>	<b>289</b>	<b>1,114</b>	<b>1,403</b>

	Land and Buildings \$000	Plant and Equipment \$000	Total \$000
<b>Year ended 30 June 2020</b>			
Net carrying amount at beginning of year	289	1,114	1,403
Additions	-	114	114
Disposals	-	(7)	(7)
Depreciation expense	(275)	(188)	(463)
<b>Net carrying amount at end of year</b>	<b>14</b>	<b>1,033</b>	<b>1,047</b>

<sup>1</sup> 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.

# Health Education and Training Institute

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2021

## 18. Property, plant and equipment (continued)

### (a) Total property, plant and equipment (continued)

#### PARENT AND CONSOLIDATION

	Land and Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Total \$000
<b>At 1 July 2020 - fair value</b>			
Gross carrying amount	859	2,553	3,412
Less: accumulated depreciation and impairment	845	1,520	2,365
<b>Net carrying amount</b>	<b>14</b>	<b>1,033</b>	<b>1,047</b>

	Land and Buildings \$000	Plant and Equipment \$000	Total \$000
<b>Year ended 30 June 2021</b>			
Net carrying amount at beginning of year	14	1,033	1,047
Additions	-	214	214
Disposals	-	(46)	(46)
Depreciation expense	(13)	(707)	(720)
<b>Net carrying amount at end of year</b>	<b>1</b>	<b>494</b>	<b>495</b>

	Land and Buildings \$000	Plant and Equipment <sup>1</sup> \$000	Total \$000
<b>At 30 June 2021 - fair value</b>			
Gross carrying amount	20	2,618	2,638
Less: accumulated depreciation and impairment	19	2,124	2,143
<b>Net carrying amount</b>	<b>1</b>	<b>494</b>	<b>495</b>

<sup>1</sup> 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.

### (b) Property, plant and equipment held and used by the Institute

#### PARENT AND CONSOLIDATION

The Institute has no property, plant and equipment where it is the lessor under operating leases. All property, plant and equipment balances are for items held and used by the Institute.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

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### 18. Property, plant and equipment (continued)

#### Recognition and Measurement

##### *Acquisition of property, plant and equipment*

Property, plant and equipment 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.

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

##### *Capitalisation thresholds*

Property, plant and equipment and intangible assets costing \$10,000 and above individually (or forming part of a network costing more than \$10,000) are capitalised.

##### *Major inspection costs*

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

##### *Restoration costs*

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

##### *Depreciation of property, plant and equipment*

Except for certain non-depreciable assets, depreciation is provided for 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 Institute.

All material identifiable components of assets are depreciated separately over their useful life.

Land is not a depreciable asset. Certain heritage assets including original artworks and collections and heritage buildings may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognise depreciation for these assets is reviewed annually.

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

	<b>Useful lives</b>
Buildings - leasehold improvements	3-10 years
Plant and equipment	4-20 years

'Plant and equipment' comprises, among others, medical, computer and office equipment, motor vehicles, furniture and fittings and MSC (a mobile simulation centre used for training purposes).

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

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The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period and adjusted if appropriate.

Further information on leases is contained in Note 19.

### 18. Property, plant and equipment (continued)

#### ***Revaluation of property, plant and equipment***

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.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as an approximation of fair value. The Institute has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

#### ***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.

The Institute assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Institute estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

#### ***Derecognition of property, plant and equipment***

Property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are included in the consolidated Statement of Comprehensive Income.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

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### 19. Leases

#### Entity as a lessee

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

The Institute has elected to recognise payments for short-term leases and low value leases as expenses on a straight line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new.

The following amounts were recognised in the Statement of Comprehensive Income during the period in respect of leases where the Institute is the lessee:

#### PARENT AND CONSOLIDATION

	2021	2020
	\$000	\$000
Expenses relating to short-term leases	1,014	427
Expenses relating to leases of low-value assets	-	-
<b>Total amount recognised in the statement of comprehensive income</b>	<b>1,014</b>	<b>427</b>

The Institute had total cash outflows for leases of \$1.01 million for the year ended 30 June 2021 (2020: \$0.43 million).

#### Recognition and Measurement

The Institute assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Institute applies the short-term lease recognition exemption to its short-term leases of buildings, offices and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

### 20. Intangible assets

#### PARENT AND CONSOLIDATION

	Total \$000
<b>At 1 July 2019</b>	
Cost (gross carrying amount)	1,369
Less: accumulated amortisation and impairment	1,146
<b>Net carrying amount</b>	<b>223</b>

	Total \$000
<b>Year ended 30 June 2020</b>	
Net carrying amount at beginning of year	223
Additions - acquired separately	288
Amortisation (recognised in depreciation and amortisation)	(82)
<b>Net carrying amount at end of year</b>	<b>429</b>

	Total \$000
<b>At 1 July 2020</b>	
Cost (gross carrying amount)	1,657
Less: accumulated amortisation and impairment	1,228
<b>Net carrying amount</b>	<b>429</b>

	Total \$000
<b>Year ended 30 June 2021</b>	
Net carrying amount at beginning of year	429
Additions - acquired separately	149
Amortisation (recognised in depreciation and amortisation)	(118)
<b>Net carrying amount at end of year</b>	<b>460</b>

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

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### 20. Intangible assets (continued)

#### PARENT AND CONSOLIDATION

	<b>Total \$000</b>
<b>At 30 June 2021</b>	
Cost (gross carrying amount)	1,806
Less: accumulated amortisation and impairment	1,346
<b>Net carrying amount</b>	<b>460</b>

#### Recognition and Measurement

The Institute recognises intangible assets only if it is probable that future economic benefits will flow to the Institute 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. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Institute's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

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.

The Institute's intangible assets are amortised using the straight-line method over a period of five years.

Computer software developed or acquired by the Institute are recognised as intangible assets. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

### 21. Payables

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
<b>Current</b>				
Accrued salaries, wages and on-costs	546	474	-	-
Salaries and wages deductions	8	1	-	-
Payroll and fringe benefits tax	8	8	-	-
Accrued liability - purchase of personnel services	-	-	562	483
Creditors	411	549	411	549
Other creditors				
- Payables to entities controlled by the immediate parent	435	337	435	337
- Other	1,097	904	1,097	904
	<b>2,505</b>	<b>2,273</b>	<b>2,505</b>	<b>2,273</b>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 27.

#### Recognition and Measurement

Payables represent liabilities for goods and services provided to the Institute and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

### 22. Contract liabilities

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
<b>Current</b>				
Contract liabilities	555	346	555	346
	<b>555</b>	<b>346</b>	<b>555</b>	<b>346</b>

#### Recognition and Measurement

Contract liabilities relate to consideration received in advance from customers. The balance of the contract liabilities at the 30 June 2021 was impacted by the timing of payments received for grants and other contributions. The satisfaction of the specific performance obligations within the contract had not been met at the 30 June 2021. Revenue from the contract liabilities will be recognised when the specific performance obligations have been met.

The contract liability balance has significantly increased during the year because of the timing of payments received.

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Revenue recognised that was included in the contract liability balance at the beginning of the year	246	149	246	149
Transaction price allocated to the remaining performance obligations from contracts with customers	3,138	-	3,138	-

The transaction price allocated to the remaining performance obligations relates to the following revenue classes and is expected to be recognised as follows:

Specific revenue class	2022 \$'000	2023 \$'000	2024 \$'000	≥ 2025 \$'000
Sales of goods and services from contracts with customers	423	-	-	-
Grants and other contributions	1,510	1,071	134	-
	<b>1,933</b>	<b>1,071</b>	<b>134</b>	<b>-</b>

## Health Education and Training Institute

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

#### 23. Provisions

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
<b>Current</b>				
<b>Employee benefits and related on-costs</b>				
Annual leave - obligations expected to be settled within 12 months	1,952	1,839	-	-
Annual leave - obligations expected to be settled after 12 months	511	466	-	-
Long service leave consequential on-costs - obligations expected to be settled within 12 months	36	32	-	-
Long service leave consequential on-costs - obligations expected to be settled after 12 months	706	539	-	-
Provision for other employee benefits	104	118	-	-
Provision for personnel services liability	-	-	3,309	2,994
	<b>3,309</b>	<b>2,994</b>	<b>3,309</b>	<b>2,994</b>
<b>Other Provisions</b>				
Make good provision	37	15	37	15
Other	81	-	81	-
	<b>118</b>	<b>15</b>	<b>118</b>	<b>15</b>
<b>Total current provisions</b>	<b>3,427</b>	<b>3,009</b>	<b>3,427</b>	<b>3,009</b>
<b>Non-current</b>				
<b>Employee benefits and related on-costs</b>				
Long service leave consequential on-costs	73	50	-	-
Provision for personnel services liability	-	-	73	50
<b>Total non-current provisions</b>	<b>73</b>	<b>50</b>	<b>73</b>	<b>50</b>
<b>Aggregate employee benefits and related on-costs</b>				
Provisions - current	3,309	2,994	-	-
Provisions - non-current	73	50	-	-
Accrued salaries, wages and on-costs and salaries and wages deductions (Note 21)	554	475	-	-
Liability - purchase of personnel services	-	-	3,936	3,519
	<b>3,936</b>	<b>3,519</b>	<b>3,936</b>	<b>3,519</b>

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

### 23. Provisions (continued)

#### Movements in provisions (other than employee benefits)

Movements in other provisions during the financial year, other than employee benefits, are set out below:

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
<b>Make good provisions</b>				
Carrying amount at beginning of period	15	-	15	-
- Additional provisions recognised	22	15	22	15
- Amounts used	-	-	-	-
<b>Carrying amount at end of period</b>	<b>37</b>	<b>15</b>	<b>37</b>	<b>15</b>

#### Recognition and Measurement

##### *Employee benefits and other provisions*

##### *Salaries and wages, annual leave, sick leave, allocated days off (ADO) 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 and ADO are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As such, they are required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted).

Actuarial advice obtained by NSW Treasury, a controlled entity of the ultimate parent, has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave can be used to approximate the present value of the annual leave liability. On-costs of 18% are applied to the value of leave payable at 30 June 2021 (comparable on-costs for 30 June 2020 were 16.3%). The Institute has assessed the actuarial advice based on the Institute's circumstances to both the annual leave and ADO and has determined that the effect of discounting is immaterial. All annual leave and ADO are classified as a current liability even where the Institute does not expect to settle the liability within 12 months as the Institute does not have an unconditional right to defer settlement.

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.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

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### 23. Provisions (continued)

#### Recognition and Measurement (continued)

##### *Long service leave and superannuation*

The Institute's liability for long service leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by The Crown in right of the State of New South Wales. The Institute 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 in right of the State of New South Wales are borne by the Institute.

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 the long-term Commonwealth Government bond rate at the reporting date.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and Aware Super) is calculated as a percentage of the employee's salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employee's superannuation contributions.

##### *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.

##### *Other provisions*

Other provisions are recognised when: the Institute 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. When the Institute expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

Any provisions for restructuring are recognised only when the Institute has a detailed formal plan, and the Institute has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

### 24. Reconciliation of cash flows from operating activities to net result

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income as follows:

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Net cash used on operating activities	306	(1,186)	306	(1,186)
Depreciation and amortisation expense	(838)	(545)	(838)	(545)
Allowance for impairment	(5)	(37)	(5)	(37)
(Increase) / decrease in unearned revenue	-	91	-	91
Decrease / (increase) in provisions	(442)	(4)	(442)	(4)
Increase / (decrease) in prepayments and other assets	6	(855)	6	(855)
Decrease / (increase) in payables	(241)	1,751	(241)	1,751
Decrease / (increase) in contract liabilities	(209)	(136)	(209)	(136)
Net gain / (loss) on sale of property, plant and equipment	23	3	23	3
<b>Net result</b>	<b>(1,400)</b>	<b>(918)</b>	<b>(1,400)</b>	<b>(918)</b>

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

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### 25. Adjusted budget review

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 Institute'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 Institute's financial statements present adjusted budget information. The adjusted budgeted amounts are drawn from the initial Service Agreements between the Institute 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 budget entries in the financial statements are unaudited.

#### PARENT AND CONSOLIDATION

##### Net result

The actual Net Result was lower than adjusted budget by \$712 thousand, primarily due to:

	<b>\$000</b>
Lower than budgeted NSW Ministry of Health recurrent allocations	5,432
Lower than budgeted employee related expenses due to unfilled vacant positions	(1,481)
Lower operating expenses driven by major changes from face-to-face to virtual learning platform due to COVID19	(1,214)
Lower than budgeted grants payment for Rural Generalist Medical and General Practitioner Procedural Training Programs	(1,804)
Higher than budgeted Mental Health education and workshop revenue, leadership and other intra-health training revenue offset by revenue shortfall in Medical programs and AMHOCN due to COVID19	(259)
Other budget variances	38
	<hr/> <b>712</b> <hr/>

**Health Education and Training Institute**  
**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2021

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**25. Adjusted budget review (continued)**

Movements in the level of the NSW Ministry of Health Recurrent Allocation that have occurred since the time of the initial allocation on 3 July 2020 and 11 November 2020 are as follows:

	<b>\$000</b>
Initial allocation	31,276
Budget Retraction - Relocation to 1RR	(806)
Intra Health Budget - Relocation to 1RR	992
Diagnostic Imaging Medical Physicist (DIMP) Training Costs July – November 2020	107
Nurse and Midwifery Strategy Reserve	2,700
Palliative Care Online Courses	250
Implementation and evaluation of the Orthotics and Prosthetics Technician training pathway	95
Metropolitan Access Scholarship Program	200
Nurse and Midwifery Strategy Reserve	137
National Rural Generalist Pathway	243
First 2000 Days modules	90
Re No 2001CM134	43
Health Share Corporate Library Staff 2020-21	257
NSW Rural Generalist Medical and General Practitioner Procedural Training Program	(112)
Nurse and Midwifery Strategy Reserve	122
2020-21 Hospital Skills Program Education Support Funding	155
NSW Rural Generalist Medical and General Practitioner Procedural Training Program	(2,372)
Nurse and Midwifery Strategy Reserve	316
WPTD to HETI for Aboriginal Allied Health Cadetships FY21	184
HETI Scholarship Contracts	327
HETI Postgraduate Scholarships	200
Medical Specialty Training Network Funding	72
<b>Balance as per Statement of Comprehensive Income</b>	<b>34,476</b>

**26 Equity**

***Accumulated funds***

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

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

### 27. Financial instruments

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

The Institute's main risks arising from financial instruments are outlined below, together with the Institute'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 risks faced by the Institute, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

#### (a) Financial instrument categories

##### PARENT AND CONSOLIDATION

Class	Category	Carrying Amount	Carrying Amount
		2021	2020
		\$000	\$000
<b>Financial assets</b>			
Cash and cash equivalents (Note 16)	Amortised cost	224	212
Receivables (Note 17) <sup>1</sup>	Amortised cost	532	629
<b>Total financial assets</b>		<b>756</b>	<b>841</b>
<b>Financial liabilities</b>			
Payables (Note 21) <sup>2</sup>	Financial liabilities measured at amortised cost	2,497	2,265
Other liabilities (Note )	Financial liabilities measured at amortised cost	-	-
<b>Total financial liabilities</b>		<b>2,497</b>	<b>2,265</b>

##### Notes

<sup>1</sup> Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7 Financial Instruments: Disclosures).

<sup>2</sup> Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7 Financial Instruments: Disclosures).

The Institute determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

#### (b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the entity transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement and either:

- The Institute has transferred substantially all the risks and rewards of the asset; or
- The Institute has neither transferred nor retained substantially all the risks and rewards for the asset, but has transferred control.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

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### 27. Financial instruments (continued)

#### (b) Derecognition of financial assets and financial liabilities (continued)

When the Institute has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Institute has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Institute's continuing involvement in the asset. In that case, the Institute also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

#### (c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### (d) Financial risk

##### i. 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 Institute. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses).

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

Credit risk associated with the Institute'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.

The Institute considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Institute may also consider a financial asset to be in default when internal or external information indicates that the Institute is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Institute.

##### Cash and cash equivalents

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 0.00% (Restricted Funds Bank balance: 0.95%) in 2020-21 compared to 0.00% (Restricted Funds Bank balance: 1.10%) in the previous year.

##### Accounting policy for impairment of trade receivables and other financial assets

##### Receivables - trade receivables, other receivables and contract assets

Collectability of trade receivables, other receivables and contract assets is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The Institute applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, other receivables and contract assets.

To measure the expected credit losses, trade receivables, other receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

### 27. Financial instruments (continued)

#### (d) Financial risk (continued)

##### i. Credit risk (continued)

#### Accounting policy for impairment of trade receivables and other financial assets (continued)

#### Receivables - trade receivables, other receivables and contract assets (continued)

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Institute has identified relevant factors, and accordingly has adjusted the historical loss rates based on expected changes in these factors.

Trade receivables, other receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

The loss allowance for trade receivables, other receivables and contract assets as at 30 June 2021 and 30 June 2020 was determined as follows:

#### PARENT AND CONSOLIDATION

	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>30 June 2021</b>						
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	93.55%	6.89%
Estimated total gross carrying amount <sup>1</sup>	370	-	-	20	31	421
Expected credit loss	-	-	-	-	29	29
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>30 June 2020</b>						
Expected credit loss rate	0.46%	0.00%	0.00%	0.00%	87.10%	5.53%
Estimated total gross carrying amount <sup>1</sup>	438	55	-	-	31	524
Expected credit loss	2	-	-	-	27	29

#### Notes

<sup>1</sup> The analysis excludes statutory receivables and prepayments as these are not within the scope of AASB7 Financial Instruments: Disclosures. Therefore the 'total' will not reconcile to the receivables total in Note 17.

The Institute is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2021 and 30 June 2020.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

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### 27. Financial instruments (continued)

#### (d) Financial risk (continued)

##### ii. Liquidity risk

Liquidity risk is the risk that the Institute will be unable to meet its payment obligations when they fall due. The Institute 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 the use of overdrafts, loans and other advances.

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

During the current and prior year, there were no defaults of loans payable. No assets have been pledged as collateral. The Institute's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The Institute 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 Institute 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 1).

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. For all suppliers, that has a correctly rendered invoice, that has a matched purchase order and where goods have been received, an immediate payment is made irrespective of current contract payment terms.

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 affected 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.

**Health Education and Training Institute**  
**Notes to and forming part of the Financial Statements**  
for the year ended 30 June 2021

**27. Financial instruments (continued)**

**(d) Financial risk (continued)**

**ii. Liquidity risk (continued)**

**PARENT AND CONSOLIDATION**

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

*Maturity Analysis and interest rate exposure of financial liabilities*

	EIR <sup>3</sup> %	Nominal Amount <sup>1</sup> \$000	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$000	Variable Interest Rate \$000	Non - Interest Bearing \$000	< 1 Yr \$000	1-5 Yr \$000	> 5Yr \$000
<b>2021</b>								
Payables:								
- Creditors <sup>2</sup>		2,497	-	-	2,497	2,497	-	-
		<b>2,497</b>	-	-	<b>2,497</b>	<b>2,497</b>	-	-
<b>2020</b>								
Payables:								
- Creditors <sup>2</sup>		2,265	-	-	2,265	2,265	-	-
		<b>2,265</b>	-	-	<b>2,265</b>	<b>2,265</b>	-	-

**Notes:**

<sup>1</sup> The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Institute 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.

<sup>2</sup> Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments: Disclosures).

<sup>3</sup> Weighted Average Effective Interest Rate (EIR).

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

### 27. Financial instruments (continued)

#### iii. 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 Institute's exposures to market risk are primarily through interest rate risk on the Institute's borrowings and other price risks associated with the movement in the Hour Glass Investment Facilities. The Institute has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on net result 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 Institute 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 as for 2020. The analysis assumes that all other variables remain constant.

#### *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the Institute's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily through NSW TCorp. The Institute does not account for any fixed rate financial instruments at fair value through profit or loss or at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect the carrying value or interest paid/earned. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official Reserve Bank of Australia 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.

However, the Institute 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 following table demonstrates the sensitivity to a reasonably possible change in interest rates:

#### **PARENT AND CONSOLIDATION**

	2021		2020	
	\$000		\$000	
	-1%	1%	-1%	1%
Net result	(2)	2	(2)	2
Equity	(2)	2	(2)	2

#### (e) Fair value measurement

##### **Fair value compared to carrying amount**

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.

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

Therefore the fair value of the financial instruments does not differ from the carrying amount.

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

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### 28. Related party disclosures

#### PARENT AND CONSOLIDATION

##### (a) Key management personnel compensation

During the financial year, Health Education and Training Institute obtained key management personnel services from the immediate parent and incurred \$378 thousand (2020: \$370 thousand) for these services.

The Institute's key management personnel is its chief executive (or acting chief executive) during the year.

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. Accordingly no such amounts are included in the key management personnel compensation disclosures above.

Remuneration for the Secretary and Deputy Secretaries are paid by the NSW Ministry of Health and is not reimbursed by the health entities. Accordingly no such amounts are included in the key management personnel compensation disclosures above.

##### (b) Transactions with key management personnel and their close family members

There were no transactions with key management personnel and their close family members (2020: \$Nil).

##### (c) Transactions with the ultimate parent

There were no transactions with the ultimate parent during the financial period (2020: \$Nil).

##### (d) Transactions the Institute had with government related entities during the financial year

During the financial year and comparative year, the Institute entered into the various transactions with other entities consolidated as part of the NSW Ministry of Health (the immediate parent) and the NSW Total State Sector (the ultimate parent) within the normal course of business.

*The following operating expenses were incurred with entities controlled by the immediate parent:*

- Health Administration Corporation (includes Ambulance Service of NSW, eHealth NSW, Health Infrastructure, Health System Support Group, HealthShare NSW and NSW Health Pathology) provides shared services for the majority of information management services and corporate support services
- Short-term leases for office buildings and spaces
- Staff related costs in relation to seconded staff and some executive salaries
- Various grants and subsidies towards health education and training programs and projects

# Health Education and Training Institute

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

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### 28. Related party disclosures

#### (d) Transactions the Institute had with government related entities during the financial year (continued)

*The following operating expenses were incurred with entities controlled by the ultimate parent:*

- Audit of the statutory financial statements
- Training Fees paid to TAFE NSW
- Utilities, including electricity, gas and water expenses
- Insurance costs
- Rental costs for Property NSW leased properties

*The following revenues were earned from entities controlled by the immediate parent:*

- Revenue from recurrent and capital allocations
- Grants and contributions towards education and training programs
- Revenue in respect of development of eLearning modules and delivery of training services

*The following revenues were earned from entities controlled by the ultimate parent:*

- Grants and other contributions towards education and training projects
- Revenue from acceptance of long service leave liabilities and defined benefit superannuation

*Assets and liabilities as follows:*

- Receivables and payables in respect of the above noted related party revenue and expense transactions

### 29. Events after the reporting period

On 28 June 2021, the NSW Government put in place Public Health (COVID-19 Temporary Movement and Gathering Restrictions) Order 2021 under the Public Health Act 2010 to contain the spread of COVID-19 and to prioritise the health and safety of the community. The Public Health Order 2021 placed various restrictions on Greater Sydney and impacted the way the Institute operates since reporting date. Management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of COVID-19 on the Institute after reporting date.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the Institute.

**END OF AUDITED FINANCIAL STATEMENTS**