



INDEPENDENT AUDITOR'S REPORT

Central Coast Local Health District

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Central Coast Local Health District (the District), which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and service group statements for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the District and the consolidated entity. The consolidated entity comprises the District and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the District and the consolidated entity, as at 30 June 2013, and of the financial performance and the cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion does not extend to the budget information. I have not audited the budget figures disclosed in the statement of financial position, the statement of comprehensive income and the statement of cash flows.

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

The Chief Executive's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the District or the consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal control
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Sally Bond
Director, Financial Audit Services

20 September 2013
SYDNEY



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

- 1) The financial statements of the Central Coast Local Health District for the year ended 30 June 2013 have been prepared in accordance with:
 - a) Australian Accounting Standards (which include Australian Accounting Interpretations)
 - b) the requirements of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulations 2010 and the Treasurer's Directions;
 - c) the Financial Reporting Code for NSW General Government Sector Entities.
- 2) The financial statements exhibit a true and fair view of the financial position and the financial performance of the Central Coast Local Health District; and
- 3) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Rob Wright
Director Finance & Corporate Services

Date: 16/09/2013

Matt Hanrahan
Chief Executive

Date: 16/09/2013

Central Coast Local Health District
Statement of Comprehensive Income for the year ended 30 June 2013

PARENT			CONSOLIDATION			
Actual	Budget Unaudited	Actual	Notes	Actual	Budget Unaudited	Actual
2013 \$000	2013 \$000	2012 \$000		2013 \$000	2013 \$000	2012 \$000
Expenses excluding losses						
Operating Expenses						
----	----	----				
				3	425,390	421,824
				4	----	----
416,224	412,797	393,604				
27,687	29,301	26,725		27,687	29,301	26,725
155,013	151,389	176,362		5	155,013	151,389
21,743	21,730	20,586		2(i), 6	21,743	21,730
6,699	6,301	6,719		7	6,699	6,301
----	----	61		8	----	61
627,366	621,518	624,057			636,532	630,545
Revenue						
519,014	519,102	484,974		2(d)	519,014	519,102
31,755	39,479	20,110		2(d)	31,755	39,479
----	----	----		2(a)(ii),12	9,166	9,027
74,860	69,382	93,866		9	74,860	69,382
783	1,017	1,077		10	783	1,017
13,171	8,745	15,106		11	13,171	8,745
2,148	1,994	3,269		13	2,148	1,994
641,731	639,719	618,402			650,897	648,746
(902)	(32)	(223)		14	(902)	(32)
1,079	(1,072)	(2,268)		15	1,079	(1,072)
14,542	17,097	(8,146)		29	14,542	17,097
Other Comprehensive Income						
Items that will not be reclassified to net result						
Net Increase/(Decrease) in Property, Plant &						
6,934	----	15,510			6,934	----
6,934	----	15,510			6,934	----
21,476	17,097	7,364			21,476	17,097
TOTAL COMPREHENSIVE INCOME						

The accompanying notes form part of these financial statements.

Central Coast Local Health District
Statement of Financial Position as at 30 June 2013

PARENT							CONSOLIDATION		
Actual	Budget Unaudited	Actual					Actual	Budget Unaudited	Actual
2013	2013	2012					2013	2013	2012
\$000	\$000	\$000					\$000	\$000	\$000
ASSETS									
Current Assets									
21,413	19,895	18,851	Cash and Cash Equivalents	18	21,413	19,895	18,851		
13,017	20,096	19,952	Receivables	19	13,017	20,096	19,952		
3,878	3,871	3,870	Inventories	20	3,878	3,871	3,870		
38,308	43,862	42,673	Total Current Assets		38,308	43,862	42,673		
Non-Current Assets									
Property, Plant and Equipment									
474,650	472,630	457,659	- Land and Buildings	21	474,650	472,630	457,659		
25,500	26,544	23,902	- Plant and Equipment	21	25,500	26,544	23,902		
24,574	25,435	25,435	- Infrastructure Systems	21	24,574	25,435	25,435		
524,724	524,609	506,996	Total Property, Plant and Equipment		524,724	524,609	506,996		
524,724	524,609	506,996	Total Non-Current Assets		524,724	524,609	506,996		
563,032	568,471	549,669	Total Assets		563,032	568,471	549,669		
LIABILITIES									
Current Liabilities									
42,270	53,846	52,204	Payables	23	42,270	53,846	52,204		
56,421	56,440	57,513	Provisions	24	56,421	56,440	57,513		
3,265	5,980	5,913	Other	25	3,265	5,980	5,913		
101,956	116,266	115,630	Total Current Liabilities		101,956	116,266	115,630		
Non-Current Liabilities									
----	103	----	Borrowings		----	103	----		
133	217	285	Provisions	24	133	217	285		
133	320	285	Total Non-Current Liabilities		133	320	285		
102,089	116,586	115,915	Total Liabilities		102,089	116,586	115,915		
460,943	451,885	433,754	Net Assets		460,943	451,885	433,754		
EQUITY									
22,444	----	15,510	Reserves		22,444	----	15,510		
438,499	451,885	418,244	Accumulated Funds		438,499	451,885	418,244		
460,943	451,885	433,754	Total Equity		460,943	451,885	433,754		

The accompanying notes form part of these financial statements.

**Central Coast Local Health District
Statement of Changes in Equity for the year ended 30 June 2013**

PARENT AND CONSOLIDATION	Accumulated Funds	Asset Revaluation Surplus	Total
	\$000	\$000	\$000
	418,244	15,510	433,754
Balance at 1 July 2012			
Total Equity at 1 July 2012	418,244	15,510	433,754
Net Result for the year	14,542		14,542
Other Comprehensive Income:			
Net Increase/(Decrease) in Property, Plant & Equipment	-----	6,934	6,934
Total Other Comprehensive Income	-----	6,934	6,934
Total Comprehensive Income for the year	14,542	6,934	21,476
	5,713	-----	5,713
Transactions With Owners In Their Capacity As Owners			
Increase/(Decrease) in Net Assets From Equity Transfers	33		
Balance at 30 June 2013	438,499	22,444	460,943
Balance at 1 July 2011	435,422	-----	435,422
Total Equity at 1 July 2011	435,422	-----	435,422
Net Result for the year	(8,146)		(8,146)
Other Comprehensive Income:			
Net Increase/(Decrease) in Property, Plant & Equipment	-----	15,510	15,510
Total Other Comprehensive Income	-----	15,510	15,510
Total Comprehensive Income for the year	(8,146)	15,510	7,364
Transactions With Owners In Their Capacity As Owners			
Increase/(Decrease) in Net Assets From Equity Transfers	33	(9,032)	(9,032)
Balance at 30 June 2012	418,244	15,510	433,754

Notes

The accompanying notes form part of these financial statements.

Central Coast Local Health District
Statement of Cash Flows for the year ended 30 June 2013

PARENT			CONSOLIDATION			
Actual	Budget	Actual		Actual	Budget	Actual
2013	2013	2012	Notes	2013	2013	2012
\$000	\$000	\$000		\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
---	---	---		(420,951)	(418,108)	(389,451)
(7,440)	(7,042)	(7,519)	Employee Related	(7,440)	(7,042)	(7,519)
(632,372)	(623,994)	(655,861)	Grants and Subsidies	(211,421)	(205,886)	(266,410)
			Other			
<u>(639,812)</u>	<u>(631,036)</u>	<u>(663,380)</u>	Total Payments	<u>(639,812)</u>	<u>(631,036)</u>	<u>(663,380)</u>
Receipts						
519,014	519,102	484,974	NSW Ministry of Health Recurrent Allocations	519,014	519,102	484,974
31,755	39,479	20,110	NSW Ministry of Health Capital Allocations	31,755	39,479	20,110
5,831	5,831	5,340	Reimbursements from the Crown Entity	5,831	5,831	5,340
82,482	70,635	96,036	Sale of Goods and Services	82,482	70,635	96,036
783	1,017	1,077	Interest Received	783	1,017	1,077
16,782	12,356	16,404	Grants and Contributions	16,782	12,356	16,404
17,836	22,931	28,370	Other	17,836	22,931	28,370
<u>674,483</u>	<u>671,351</u>	<u>652,311</u>	Total Receipts	<u>674,483</u>	<u>671,351</u>	<u>652,311</u>
<u>34,671</u>	<u>40,315</u>	<u>(11,069)</u>	NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>34,671</u>	<u>40,315</u>	<u>(11,069)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
97	96	96	Proceeds from Sale of Land and Buildings, Plant and Equipment and Infrastructure Systems	97	96	96
(32,206)	(39,470)	(21,564)	Purchases of Land and Buildings, Plant and Equipment Infrastructure Systems and Intangibles	(32,206)	(39,470)	(21,564)
<u>(32,109)</u>	<u>(39,374)</u>	<u>(21,468)</u>	NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(32,109)</u>	<u>(39,374)</u>	<u>(21,468)</u>
CASH FLOWS FROM FINANCING ACTIVITIES						
---	103	(912)	Repayment of Borrowings and Advances	---	103	(912)
<u>---</u>	<u>103</u>	<u>(912)</u>	NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>---</u>	<u>103</u>	<u>(912)</u>
2,562	1,044	(33,449)	NET INCREASE / (DECREASE) IN CASH	2,562	1,044	(33,449)
18,851	18,851	17,177	Opening Cash and Cash Equivalents	18,851	18,851	17,177
---	---	35,123	Cash Transferred In/(Out) as a Result of Administrative Restructuring	---	---	35,123
<u>21,413</u>	<u>19,895</u>	<u>18,851</u>	CLOSING CASH AND CASH EQUIVALENTS	<u>21,413</u>	<u>19,895</u>	<u>18,851</u>

The accompanying notes form part of these financial statements.

Central Coast Local Health District
Service Group Statements
for the year ended 30 June 2013

CCLHD EXPENSES AND INCOME	Service Group 1.1 * Primary And Community Based Services		Service Group 1.2 * Aboriginal Health Services		Service Group 1.3 * Outpatient Services		Service Group 2.1 * Emergency Services		Service Group 2.2 * Inpatient Hospital Services		Service Group 3.1 * Mental Health Services		Service Group 4.1 * Rehabilitation And Extended Care Services		Service Group 5.1 * Population Health Services		Service Group 6.1 * Teaching And Research		Total			
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Expenses excluding losses																						
Operating Expenses																						
Employee Related	25,321	25,323	1,725	1,724	59,417	59,420	43,887	43,870	186,963	186,973	45,783	45,786	45,559	45,562	5,063	5,063	11,692	11,693			425,390	
Visiting Medical Officers	108	104	3	3	3,890	3,755	2,627	2,536	16,407	15,837	1,429	1,379	806	778			2,417	2,333			27,687	
Other Operating Expenses	6,267	7,130	195	221	34,619	39,387	15,152	17,239	76,063	86,539	7,344	8,356	11,960	13,607	884	1,006	2,529	2,877			155,013	
Depreciation and Amortisation	359	340	18	18	3,096	2,931	2,170	2,054	12,042	11,401	1,523	1,442	1,911	1,810	20	19	604	571			21,743	
Grants and Subsidies	2,622	2,630			4	4							2,718	2,726	1,187	1,191	168	168			6,689	
Finance Costs																						
Total Expenses excluding losses	34,677	35,528	1,941	1,967	101,026	105,518	63,816	65,703	291,475	300,777	56,079	56,966	62,954	64,486	7,154	7,273	17,410	17,643			636,532	
Revenue																						
NSW Ministry of Health Recurrent Allocations **																						
NSW Ministry of Health Capital Allocations **																						
Acceptance by the Crown Entity																						
of Employee Benefits and Other Liabilities																						
Sale of Goods and Services	546	1,893	36	129	1,280	4,443	945	3,280	4,029	13,981	987	3,424	982	3,407	109	379	252	874			9,166	
Investment Revenue	15	19	1	(1)	808	1,014	1,894	2,375	51,646	64,758	5,031	6,308	12,636	15,845	37	47	2,792	3,501			74,860	
Grants and Contributions	456	523			5	7	19	26	576	792	7	10	174	239			2	3			783	
Other Revenue	28	42	(1)	1	275	418	243	370	1,173	1,785	156	237	83	126	8	11	183	279			13,171	
Total Revenue	1,045	2,477	36	128	2,386	5,903	3,169	6,130	59,667	83,889	8,248	12,349	18,979	25,471	969	1,372	5,629	7,409	550,769	505,084	650,897	
Gain / (Loss) on Disposal	(23)	(6)	1				(18)	(4)	(901)	(223)	(48)	(12)	118	29	(2)	(2)	(29)	(7)			(902)	
Other Gains / (Losses)									1,079	(2,268)												1,079
Net Result	(33,655)	(33,057)	(1,904)	(1,839)	(93,640)	(99,615)	(60,665)	(59,577)	(231,630)	(219,379)	(47,879)	(44,629)	(43,857)	(38,986)	(6,187)	(5,907)	(11,810)	(10,241)	550,769	505,084	14,542	
Other Comprehensive Income																						
Increase/(Decrease) in Revaluation Surplus	114	256	7	13	987	2,208	692	1,548	3,840	8,590	486	1,086	610	1,364	6	14	192	431			6,934	
Total Other Comprehensive Income	114	256	7	13	987	2,208	692	1,548	3,840	8,590	486	1,086	610	1,364	6	14	192	431			6,934	
Total Comprehensive Income	(33,541)	(32,801)	(1,897)	(1,826)	(92,653)	(97,407)	(59,973)	(58,029)	(227,790)	(210,789)	(47,393)	(43,543)	(43,247)	(37,622)	(6,181)	(5,893)	(11,618)	(9,810)	550,769	505,084	21,476	

Service Group Statements focus on the key measures of service delivery performance, refer note 2ab).

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

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

Central Coast Local Health District
Service Group Statements (Continued)
for the year ended 30 June 2013

CCLHD ASSETS AND LIABILITIES	Service Group 1.1 * Primary And Community Based Services		Service Group 1.2 * Aboriginal Health Services		Service Group 1.3 * Outpatient Services		Service Group 2.1 * Emergency Services		Service Group 2.2 * Inpatient Hospital Services		Service Group 3.1 * Mental Health Services		Service Group 4.1 * Rehabilitation And Extended Care Services		Service Group 5.1 * Population Health Services		Service Group 6.1 * Teaching And Research		Total		
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
ASSETS																					
Current Assets																					
Cash and Cash Equivalents	1,167	1,021	63	58	3,399	3,033	2,147	1,888	9,805	8,645	1,887	1,637	2,118	1,853	241	209	586	507		21,413	18,851
Receivables	3	4	(1)		141	215	329	505	8,960	13,765	875	1,341	2,197	3,368	7	10	486	744		13,017	19,952
Inventories	157	156	5	6	866	864	379	378	1,903	1,899	184	183	299	299	22	22	63	63		3,878	3,870
Total Current Assets	1,327	1,181	67	64	4,406	4,112	2,855	2,771	20,688	24,309	2,946	3,161	4,614	5,520	270	241	1,135	1,314		38,308	42,673
Non-Current Assets																					
Property, Plant and Equipment																					
- Land and Buildings	7,835	7,554	394	380	67,579	65,160	47,370	45,674	262,881	253,471	33,247	32,057	41,728	40,234	440	424	13,176	12,705		474,650	457,659
- Plant and Equipment	421	395	20	20	3,631	3,403	2,545	2,385	14,123	13,238	1,786	1,674	2,242	2,101	24	22	708	664		25,500	23,902
- Infrastructure Systems	406	420	21	21	3,489	3,621	2,452	2,538	13,610	14,087	1,721	1,782	2,160	2,236	23	24	682	706		24,574	25,435
Total Non-Current Assets	8,662	8,369	435	421	74,709	72,184	52,367	50,597	290,614	280,796	36,754	35,513	46,130	44,571	487	470	14,566	14,075		524,724	505,996
TOTAL ASSETS	9,989	9,550	502	485	79,115	76,296	55,222	53,368	311,302	305,105	39,700	38,674	50,744	50,091	757	711	15,701	15,389		563,032	549,669
LIABILITIES																					
Current Liabilities																					
Payables	1,709	2,111	52	64	9,440	11,659	4,132	5,103	20,741	25,616	2,003	2,473	3,261	4,028	241	298	690	852		42,270	52,204
Provisions	3,358	3,423	228	232	7,881	8,033	5,818	5,931	24,798	25,278	6,072	6,190	6,043	6,160	672	685	1,551	1,581		56,421	57,513
Other	178	320	10	18	518	951	327	592	1,495	2,712	288	514	323	581	37	66	89	159		3,265	5,913
Total Current Liabilities	5,245	5,854	290	314	17,839	20,643	10,277	11,626	47,034	53,606	8,363	9,177	9,627	10,769	950	1,049	2,330	2,592		101,956	115,630
Non-Current Liabilities																					
Provisions	8	17		1	19	40	14	29	58	125	14	31	14	31	2	3	4	8		133	285
Total Non-Current Liabilities	8	17		1	19	40	14	29	58	125	14	31	14	31	2	3	4	8		133	285
TOTAL LIABILITIES	5,253	5,871	290	315	17,858	20,683	10,291	11,655	47,092	53,731	8,377	9,208	9,641	10,800	952	1,052	2,334	2,600		102,089	115,915
NET ASSETS	4,736	3,679	212	170	61,257	55,613	44,931	41,713	264,210	251,374	31,323	29,466	41,103	39,291	(193)	(341)	13,367	12,789		460,943	433,754

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

Assets and liabilities that are specific to service groups are allocated accordingly, e.g. Non-Current Assets Held for Sale. Remaining assets and liabilities are apportioned to service groups in accordance with the methodology advised in Note 2(ab), thereby ensuring that the benefit of each asset and the liabilities incurred in the provision of services are duly recognised in each service group.

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

1. The Reporting Entity

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

The CCLHD as a reporting entity, comprises all the entities under its control, namely;

- * The parent entity, comprises all the operating activities of the Hospital facilities and the Community Health Centres under its control. It also encompasses the Special Purposes and Trust Funds which, while containing assets which are restricted for specified uses by the grantor or the donor, are nevertheless controlled by the CCLHD.
- * The CCLHD controls the Central Coast Local Health District Special Purpose Service Entity which was established as a Division of the Government Service on 1 January 2011 in accordance with the Public Sector Employment and Management Act 2002 and the Health Services Act 1997. This Division provides personnel services to enable the CCLHD to exercise its functions.

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

The reporting entity is a NSW Government entity which is consolidated as part of the NSW Ministry of Health and NSW Total State Sector Accounts. The CCLHD is a not-for-profit entity (as profit is not its principal objective).

These consolidated financial statements for the year ended 30 June 2013 have been authorised for issue by the Chief Executive on 16 September 2013.

2. Summary of Significant Accounting Policies

Basis of Preparation

The CCLHD's financial statements are general purpose financial statements which have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and its regulations, and the Treasurers' Directions. Apart from the basis for the CCLHD's budget figures, the financial statements comply with the Financial Reporting Code for NSW General Government Sector Entities. Further information on the budget figures can be found at Note 2(aa).

Notwithstanding the consolidated entity has a working capital deficiency of \$63.6m (2012 deficiency of \$73.m) and in recognition that a significant portion of current annual leave entitlements are not expected to be settled in the next 12 months, the financial statements of the CCLHD have been prepared on a going concern basis.

The Director General of Health, the Chair of Central Coast Local Health District Board and the Chief Executive, have agreed to service and funding levels for the forward financial year. The service agreement sets out the level of financial resources for public health services under the CCLHD's control and the source of these funds. By agreement, the service agreement requires local management to control its financial liquidity and in particular meet benchmarks for the payment of creditors. Where the CCLHD fails to meet service agreement performance standards, the Ministry of Health as the state manager can take action in accordance with annual performance framework requirements, including financial support and increased management interaction by the Ministry.

Other mitigating circumstances why the going concern is appropriate include:

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

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

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

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

Comparative Information

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

Statement of Compliance

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

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

a) Employee Benefits and Other Provisions

i) Salaries & Wages, Annual Leave, Sick Leave and On-Costs

At the consolidated level of reporting, liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

All Annual Leave employee benefits are reported as "Current" as there is an unconditional right to payment. Current liabilities are then further classified as "Short Term" or "Long Term" based on past trends and known resignations and retirements. Anticipated payments to be made in the next twelve months are reported as "Short Term".

On-costs of 17.8% are applied to the value of leave payable at 30 June 2013, such on-costs being based on actuarial assessment (Comparable on-costs for 30 June 2012 were 17.00%).

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.

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

ii) Long Service Leave and Superannuation

The CCLHD's liability for Long Service Leave and defined benefit superannuation are assumed by the Crown Entity.

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

Specific on-costs relating to Long Service Leave assumed by the Crown Entity are borne by the CCLHD as shown in Note 24.

Long Service Leave is measured at present value in accordance with AASB 119, Employee Benefits. This is based on the application of certain factors (specified in NSW Treasury Circular 12/06) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The CCLHD's liability for the closed superannuation pool schemes (State Authorities Superannuation Scheme and State Superannuation Scheme) is assumed by the Crown Entity.

Any liability attached to Superannuation Guarantee Charge cover is reported in Note 23, 'Payables'.

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

Central Coast Local Health District
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iii) Other Provisions

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

b) Insurance

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

c) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit general government sector entities.

d) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Sale of Goods

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

Rendering of Services

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

Patient Fees

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

High Cost Drugs

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

Motor Accident Authority Third Party

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

Department of Veterans' Affairs

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

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Investment Revenue

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

Rental revenue from operating leases is recognised in accordance with AASB 117, Leases on a straight line basis over the lease term. Dividend revenue is recognised in accordance with AASB 118, Revenue when the CCLHD's right to receive payment is established.

Royalty revenue is recognised in accordance with AASB 118, on an accrual basis in accordance with the substance of the relevant agreement.

Debt Forgiveness

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

Use of Hospital Facilities

Specialist doctors with rights of private practice are subject to an infrastructure charge for the use of hospital facilities at rates determined by the NSW Ministry of Health. Charges consist of two components:

- * a monthly charge raised by the Ministry based on a percentage of receipts generated
- * the residue of the Private Practice Trust Fund at the end of each financial year, such sum being credited for CCLHD use in the advancement of the CCLHD or individuals within it.

Use of Outside Facilities

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

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

Grants and Contributions

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

NSW Ministry of Health Allocations

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

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

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

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

- * the amount of GST incurred by the CCLHD as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset 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 is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

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f) Interstate Patient Flows

From 1 July 2012, interstate patient flows are funded through the state pool, based on activity and consistent with the price determined in the service level agreement. The funding is recognised as recurrent allocation.

In the previous year, the CCLHD recognised the value of inflows for acute inpatient treatment provided to residents from other states and territories as revenue in note 9.

g) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the CCLHD.

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

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

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

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 at an asset-specific rate.

Land and buildings which are owned by the Health Administration Corporation or the State and administered by the CCLHD are deemed to be controlled by the CCLHD and are reflected as such in the financial statements.

h) Capitalisation Thresholds

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

i) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the CCLHD. Land is not a depreciable asset. All material separately identifiable components of assets are depreciated over their shorter useful lives.

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

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

"Infrastructure Systems" means assets that comprise public facilities and which provide essential services and enhance the productive capacity of the economy including roads, bridges, water infrastructure and distribution works, sewerage treatment plants, seawalls and water reticulation systems.

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported.

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j) Revaluation of Non-Current Assets

Physical non-current assets are valued in accordance with the NSW Ministry of Health's "Valuation of Physical Non-Current Assets at Fair Value" policy. This policy adopts fair value in accordance with AASB 116, Property, Plant and Equipment and AASB 140, Investment Property.

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

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is the depreciated replacement cost.

The CCLHD revalues its Land and Buildings and Infrastructure at minimum every three years by independent valuation. The last revaluation for assets assumed by the CCLHD was completed in the 2011/2012 financial year and was based on an independent assessment.

To ensure that the carrying amount for each asset does not differ materially from its fair value at reporting date, indices are sourced. The indices reflect an assessment of movements made in the period between revaluations.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

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

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

Revaluation decrements are recognised immediately as expenses in the net result for the year, except that, to the extent that a credit balance exists in the revaluation surplus in respect of the same class of assets, they are debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

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

k) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, the CCLHD is effectively exempt from AASB 136, Impairment of Assets.

This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are regarded as material. Selling costs are regarded as immaterial.

l) Restoration Costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

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

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

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

n) Investment Properties

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

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

o) Maintenance

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

p) Leased Assets

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

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

Operating lease payments are charged to the Statement of Comprehensive Income in the periods in which they are incurred.

q) Inventories

Inventories are stated at the lower of cost and net realisable value, adjusted when applicable, for any loss of service potential. Costs are assigned to individual items of stock mainly on the basis of weighted average costs.

Obsolete items are disposed of in accordance with instructions issued by the NSW Ministry of Health.

r) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the Net Result when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

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s) Investments

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

* Fair value through profit or loss - The CCLHD subsequently measures investments classified as 'held for trading' or designated upon initial recognition "at fair value through profit or loss" at fair value. Financial assets are classified as 'held for trading' if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on these assets are recognised in the net result for the year.

The Hour-Glass Investment facilities are designated at fair value through profit or loss using the second leg of the fair value option i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the CCLHD's key management personnel.

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

T Corp investments are made in an effort to improve interest returns on cash balances otherwise available whilst also providing secure investments guaranteed by the State market exposures.

The movement in the fair value of the Hour-Glass Investment facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

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

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

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

Purchases or sales of investments under contract that require delivery of the asset within the timeframe established by convention or regulation are recognised on the trade date; i.e. the date the CCLHD commits to purchase or sell the asset.

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

t) Impairment of financial assets

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

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

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

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

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u) De-recognition of financial assets and financial liabilities

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

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

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

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

v) Payables

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

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

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

w) Borrowings

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

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

x) Equity Transfers

The transfer of net assets between entity as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector entities is designated or required by Accounting Standards to be treated as contributions by owners and is recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004, Contributions and Australian Interpretation 1038, Contributions by Owners Made to Wholly-Owned Public Sector Entities.

Transfers arising from an administrative restructure involving not-for-profit entities and for-profit government entities are recognised at the amount at which the asset was recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the agency recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the entity does not recognise that asset.

y) Equity and Reserves

(i) Revaluation Surplus

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

(ii) Accumulated Funds

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

(iii) Separate Reserves

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards.

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z) Trust Funds

The CCLHD receives monies in a trustee capacity for various trusts as set out in Note 27.

As the CCLHD performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the CCLHD's own objectives, they are not brought to account in the financial statements.

aa) Budgeted Amounts

The budgeted amounts are drawn from the budgets agreed with the NSW Ministry of Health at the beginning of the financial year and with any adjustments for the effects of additional supplementation provided. The budget amounts are not subject to audit review and, accordingly, the relevant column entries in the financial statements are denoted as "Unaudited".

ab) Service Group Statements Allocation Methodology

The Ministry of Health, in conjunction with all health entities, undertook an analysis of service group statements to ensure that the National Health Funding reforms definitions are consistently applied to 2011/12 and 2012/13 financial statements. Using the statistical data for twelve months ending 30 June 2012, new percentages were derived which resulted in variances in several service groups for the 2011/12 comparative year, which have been restated.

The data is then adjusted for any material change in service delivery or funding distribution, occurring in the 2012/13 year. The same methodology is applied to attribute assets and liabilities to each service group.

In respect of assets and liabilities the Ministry requires the CCLHD take action to identify those components that can be specifically identified and reported by service groups.

Remaining values are attributed to service groups in accordance with values advised by the NSW Ministry of Health, e.g. depreciation/amortisation charges form the basis of apportioning the values for Intangibles and Property, Plant & Equipment.

ac) New Australian Accounting Standards Issued but not Effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. The following new Australian Accounting Standards have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 9 and AASB 2010-7, Financial Instruments have mandatory application from 1 July 2015 and comprise changes to improve and simplify the approach for classification and measurement of financial assets. The change is not expected to materially impact the financial statements.

AASB 10, Consolidated Financial Statements has mandatory application from 1 July 2013 and provides replacement criteria for the assessment of control in lieu of the provisions of AASB 127. Changes to the reporting of consolidated entities is not expected as a result of this amendment.

AASB 11, Joint Arrangements has mandatory application from 1 July 2013 and defines joint control and the determination of joint control through an assessment of rights and obligations. The Standard is not expected to have any effect within the CCLHD.

AASB 12, Disclosure of Interests in Other Entities, has mandatory application from 1 July 2013 and requires disclosure of significant judgements and assumptions made in determining the nature of its interests in another entity or arrangement. It is not expected that the changes will have a material impact.

AASB 13, AASB 2011-8 and AASB 2012-1, Fair Value Measurement have mandatory application from 1 July 2013 and address, inter alia, the assumptions that market participants would use when pricing the asset or liability. Future impact is assessed as minimal.

AASB 119, AASB 2011-10 and AASB 2011-11, regarding employee entitlements, have mandatory application from 1 July 2013 and cover the recognition and measurement of short term and long term employee benefits. Any changes to the 2013/14 financial statements will be dependent on the policy of NSW Treasury.

AASB 127, Separate Financial Statements, has mandatory application from 1 July 2013 and applies in accounting for interests in subsidiaries, joint ventures and associates. Based on current activities, it is assessed as having no future impact on the CCLHD.

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AASB 128, Investments in Associates and Joint Ventures, has mandatory application from 1 July 2013 and, based on current activities, is assessed as having no impact on the CCLHD.

AASB 1053 and AASB 2010-2, Application of Tiers of Australian Accounting Standards, have application from 1 July 2013 and may result in a lessening of reporting requirements, dependent on the policy of NSW Treasury.

AASB 1055, Budgetary Reporting, has application from 1 July 2014. Any changes in future disclosures will be determined by the policies adopted by NSW Treasury for whole of government reporting.

AASB 2010-10 regarding removal of fixed dates for first time adopters, has mandatory application from 1 July 2013 and, based on current activities, is assessed as having no impact on the CCLHD.

AASB 2011-2, Trans-Tasman Convergence Project - Reduced Disclosure Requirements, has mandatory application from 1 July 2013 and may result in a lessening of reporting requirements, dependent on the policy of NSW Treasury.

AASB 2011-4, Amendments to Australian Accounting Standards To Remove Individual Key Management Personnel Disclosure Requirements, has application from 1 July 2013 and removes the requirement to individually report the remuneration of Key Management Personnel, recognising that this is more a governance issue.

AASB 2011-6, Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements (AASB 127, AASB 128 and AASB 131), applies from 1 July 2013. The exemption is not expected to have a material impact.

AASB 2011-7, Amendments to Australian Accounting Standards for the consolidation and joint arrangement standards, arise from the issuance of AASB 10, AASB 11, AASB 12, AASB 127, and AASB 128. For not-for-profits, the changes have application from 1 July 2014 but are assessed as having no material effect.

AASB 2011-10, Amendments to Australian Accounting Standards arising from AASB 119, applicable from 1 July 2013 assessed as having no material impact.

AASB 2011-11, Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements, applicable from 1 July 2013 assessed as having no material impact.

The following changes will depend on the policies determined by NSW Treasury.

AASB 2012-1, Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements. Sets out reduced disclosure requirements as a consequence of the issuance of AASB 13, having application from 1 July 2013.

AASB 2012-2, Amendments to Australian Accounting Standard - Offsetting Financial Assets and Financial Liabilities, has application for reporting periods starting on or after 1 January 2013 and seeks to address some of the offsetting criteria of AASB 7.

AASB 2012-3, Amendments to Australian Accounting Standard - Offsetting Financial Assets and Financial Liabilities, has application from 1 January 2014 and seeks to address inconsistencies identified in applying some of the offsetting criteria of AASB 132.

AASB 2012-4, Amendments to Australian Accounting Standards – Government Loans (Amendments to AASB 1 'First-time Adoption of International Financial Reporting Standards'). Applicable to reporting periods on or after 1 January 2013.

AASB 2012-5 regarding annual improvements 2009 to 2011 cycle applicable to reporting periods on or after 1 January 2013.

AASB 2012-7, Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. Applicable to reporting periods on or after 1 July 2013.

AASB 2012-9, Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039. Applicable to reporting periods on or after 1 January 2013.

AASB 2012-10, Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. Applicable to reporting periods on or after 1 January 2013.

AASB 2012-11, Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments, having application from 1 July 2013.

AASB 2013-1, Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements, having application from 1 July 2014.

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013	2012		2013	2012
\$000	\$000		\$000	\$000
3. Employee Related				
Employee related expenses comprise the following:				
----	----	Salaries and Wages	274,602	262,923
----	----	Overtime	15,620	15,967
----	----	Penalties	28,721	29,124
----	----	Superannuation - Defined Benefit Plans	4,513	4,709
----	----	Superannuation - Defined Contribution Plans	30,140	27,488
----	----	Long Service Leave	3,334	29,945
----	----	Annual Leave	36,000	34,041
----	----	Sick Leave and Other Leave	21,714	14,441
----	----	Redundancies	368	1,106
----	----	Workers' Compensation Insurance	10,378	5,670
-----	-----		425,390	425,414
The following additional information is provided:				
----	----	Employee Related Expenses Capitalised - Land and Buildings	10	----
----	----	Employee Related Expenses Capitalised - Plant and Equipment	----	127
4. Personnel Services				
Personnel Services comprise the purchase of the following:				
274,602	262,923	Salaries and Wages	----	----
15,620	15,967	Overtime	----	----
28,721	29,124	Penalties	----	----
(68)	(11)	Superannuation - Defined Benefit Plans	----	----
30,140	27,488	Superannuation - Defined Contribution Plans	----	----
(1,251)	2,855	Long Service Leave	----	----
36,000	34,041	Annual Leave	----	----
21,714	14,441	Sick Leave and Other Leave	----	----
368	1,106	Redundancies	----	----
10,378	5,670	Workers' Compensation Insurance	----	----
416,224	393,604		-----	-----
The following additional information is provided:				
10	----	Personnel Services Expenses Capitalised - Land and Buildings	----	----
----	127	Personnel Services Expenses Capitalised - Plant and Equipment	----	----
5. Other Operating Expenses				
4,606	4,391	Blood and Blood Products	4,606	4,391
7,004	7,389	Domestic Supplies and Services	7,004	7,389
24,113	24,977	Drug Supplies	24,113	24,977
12,317	12,081	Food Supplies	12,317	12,081
6,055	4,792	Fuel, Light and Power	6,055	4,792
9,196	38,549	General Expenses (See (b) below)	9,196	38,549
2,417	2,877	Hospital Ambulance Transport Costs	2,417	2,877
5,213	2,306	Information Management Expenses	5,213	2,306
1,113	1,251	Insurance	1,113	1,251
Maintenance (See (c) below)				
3,826	3,577	Maintenance Contracts	3,826	3,577
5,488	5,584	New/Replacement Equipment under \$10,000	5,488	5,584
2,670	2,778	Repairs Maintenance/Non Contract	2,670	2,778
5	3	Other	5	3
26,557	24,409	Medical and Surgical Supplies	26,557	24,409
1,194	990	Motor Vehicle Expenses	1,194	990
974	1,493	Postal and Telephone Costs	974	1,493
1,227	1,358	Printing and Stationery	1,227	1,358
937	756	Rates and Charges	937	756
1,482	1,286	Rental	1,482	1,286
9,613	----	Hosted services purchased from Other LHDs	9,613	----
25,899	31,798	Special Service Departments	25,899	31,798
1,537	2,135	Staff Related Costs	1,537	2,135
198	171	Sundry Operating Expenses (See (a) below)	198	171
1,372	1,411	Travel Related Costs	1,372	1,411
155,013	176,362		155,013	176,362

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
118	135	(a) Sundry Operating Expenses comprise :	118	135
80	36	Contract for Patient Services	80	36
<u>198</u>	<u>171</u>	Isolated Patient Travel and Accommodation Assistance Scheme	<u>198</u>	<u>171</u>
		(b) General Expenses include :-		
269	256	Advertising	269	256
251	120	Auditor's Remuneration - External Audit	251	120
170	150	Books, Magazines and Journals	170	150
		Consultancies		
70	5	- Operating Activities	70	5
3,515	855	Corporate Support Services	3,515	855
254	365	Courier and Freight	254	365
142	137	Data Recording and Storage	142	137
139	158	Legal Services	139	158
182	129	Membership/Professional Fees	182	129
1,256	1,483	Motor Vehicle Operating Lease Expense - Minimum Lease Payments	1,256	1,483
(9)	93	Other Operating Lease Expense - Minimum Lease Payments	(9)	93
3	3	Payroll Services	3	3
2	117	Quality Assurance/Accreditation	2	117
560	421	Security Services	560	421
(37)	31,428	Services Purchased from Health Reform Transition Organisations	(37)	31,428
161	145	Translator Services	161	145
<u>2,268</u>	<u>2,684</u>	Other	<u>2,268</u>	<u>2,684</u>
<u>9,196</u>	<u>38,549</u>		<u>9,196</u>	<u>38,549</u>
		(c) Reconciliation of Total Maintenance		
11,989	11,942	Maintenance Expense - Contracted Labour and Other (Non-Employee Related), included in Note 5	11,989	11,942
<u>2,091</u>	<u>1,737</u>	Employee Related/Personnel Services Maintenance Expense included in Notes 3 and 4	<u>2,091</u>	<u>1,737</u>
<u>14,080</u>	<u>13,679</u>	Total Maintenance Expenses included in Notes 3, 4 and 5	<u>14,080</u>	<u>13,679</u>

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
6. Depreciation and Amortisation				
14,342	14,349	Depreciation - Buildings	14,342	14,349
408	647	Amortisation - Leased Buildings	408	647
5,657	4,251	Depreciation - Plant and Equipment	5,657	4,251
1,336	1,339	Depreciation - Infrastructure Systems	1,336	1,339
21,743	20,586		21,743	20,586
7. Grants and Subsidies				
2,279	2,172	Non-Government Organisations	2,279	2,172
1,050	1,056	Community Aged Care Packages	1,050	1,056
3	-----	Promotion of Research	3	-----
3,367	3,491	Other Grants	3,367	3,491
6,699	6,719		6,699	6,719
8. Finance Costs				
-----	61	Interest on Loans	-----	61
-----	61	Total Finance Costs	-----	61

Central Coast Local Health District
Service Group Statements (Continued)
for the year ended 30 June 2013

CLLHD ASSETS AND LIABILITIES	Service Group 1.1 * Primary And Community Based Services		Service Group 1.2 * Aboriginal Health Services		Service Group 1.3 * Outpatient Services		Service Group 2.1 * Emergency Services		Service Group 2.2 * Inpatient Hospital Services		Service Group 3.1 * Mental Health Services		Service Group 4.1 * Rehabilitation And Extended Care Services		Service Group 5.1 * Population Health Services		Service Group 6.1 * Teaching And Research		Total			
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
ASSETS																						
Current Assets																						
Cash and Cash Equivalents	1,167	1,021	63	58	3,399	3,033	2,147	1,888	9,805	8,645	1,887	1,637	2,118	1,853	241	209	586	507			21,413	18,851
Receivables	3	4	(1)		141	215	329	505	8,960	13,765	875	1,341	2,197	3,368	7	10	486	744			13,017	19,952
Inventories	157	156	5	6	866	864	379	378	1,903	1,899	184	183	299	299	22	22	63	63			3,878	3,870
Total Current Assets	1,327	1,181	67	64	4,406	4,112	2,855	2,771	20,668	24,309	2,946	3,161	4,614	5,520	270	241	1,135	1,314			38,308	42,673
Non-Current Assets																						
Property, Plant and Equipment	7,835	7,554	394	380	67,579	65,160	47,370	45,674	262,881	253,471	33,247	32,057	41,728	40,234	440	424	13,176	12,705			474,650	457,659
- Land and Buildings	421	395	20	20	3,631	3,403	2,545	2,385	14,123	13,238	1,786	1,674	2,242	2,101	24	22	708	664			25,500	23,902
- Plant and Equipment	406	420	21	21	3,499	3,621	2,452	2,538	13,610	14,087	1,721	1,782	2,160	2,236	23	24	682	706			24,574	25,435
- Infrastructure Systems	8,662	8,369	435	421	74,709	72,184	52,367	50,597	290,614	280,796	36,754	35,513	46,130	44,571	487	470	14,566	14,075			524,724	505,996
Total Non-Current Assets	9,989	9,550	502	485	79,115	76,296	55,222	53,368	311,302	305,105	39,700	38,674	50,744	50,091	757	711	15,701	15,389			563,032	549,669
TOTAL ASSETS																						
LIABILITIES																						
Current Liabilities																						
Payables	1,709	2,111	52	64	9,440	11,659	4,132	5,103	20,741	25,616	2,003	2,473	3,261	4,028	241	298	690	852			42,270	52,204
Provisions	3,358	3,423	228	232	7,881	8,033	5,818	5,931	24,798	25,278	6,072	6,190	6,043	6,160	672	685	1,551	1,581			56,421	57,513
Other	178	320	10	18	518	951	327	592	1,495	2,712	288	514	323	581	37	66	89	159			3,265	5,913
Total Current Liabilities	5,245	5,854	290	314	17,839	20,643	10,277	11,626	47,034	53,606	8,363	9,177	9,627	10,769	950	1,049	2,330	2,592			101,956	115,630
Non-Current Liabilities																						
Provisions	8	17		1	19	40	14	29	58	125	14	31	14	31	2	3	4	8			133	285
Total Non-Current Liabilities	8	17		1	19	40	14	29	58	125	14	31	14	31	2	3	4	8			133	285
TOTAL LIABILITIES	5,253	5,871	290	315	17,858	20,683	10,291	11,655	47,092	53,731	8,377	9,208	9,641	10,800	952	1,052	2,334	2,600			102,089	115,915
NET ASSETS	4,736	3,679	212	170	61,257	55,613	44,931	41,713	264,210	251,374	31,323	29,466	41,103	39,291	(195)	(341)	13,367	12,789			460,943	433,754

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

Assets and liabilities that are specific to service groups are allocated accordingly, e.g. Non-Current Assets Held for Sale. Remaining assets and liabilities are apportioned to service groups in accordance with the methodology advised in Note 2(ab), thereby ensuring that the benefit of each asset and the liabilities incurred in the provision of services are duly recognised in each service group.

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
11. Grants and Contributions				
1,035	839	Clinical Drug Trials	1,035	839
6,684	4,331	Commonwealth Government Grants	6,684	4,331
1,381	1,987	Industry Contributions/Donations	1,381	1,987
(26)	454	Cancer Institute Grants	(26)	454
1,305	4,174	NSW Government Grants	1,305	4,174
2,792	3,321	Other Grants	2,792	3,321
13,171	15,106		13,171	15,106
 12. Acceptance by the Crown Entity of employee benefits				
The following liabilities and expenses have been assumed by the Crown Entity:				
-----	-----	Superannuation-defined benefit	4,581	4,720
-----	-----	Long Service Leave	4,585	27,090
-----	-----		9,166	31,810
 13. Other Revenue				
Other Revenue comprises the following:-				
1	5	Bad Debts Recovered	1	5
64	74	Commissions	64	74
9	3	Conference and Training Fees	9	3
687	606	Lease and Rental Income	687	606
950	-----	Property not Previously Recognised	950	-----
34	-----	Sale of Merchandise, Old Wares and Books	34	-----
2	2,221	Treasury Managed Fund Hindsight Adjustment	2	2,221
87	-----	Unclaimed Deposits	87	-----
314	360	Other	314	360
2,148	3,269		2,148	3,269

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
		14. Gain / (Loss) on Disposal		
6,527	6,387	Property, Plant and Equipment	6,527	6,387
<u>5,528</u>	<u>6,068</u>	Less: Accumulated Depreciation	<u>5,528</u>	<u>6,068</u>
999	319	Written Down Value	999	319
97	96	Less: Proceeds from Disposal	97	96
<u>(902)</u>	<u>(223)</u>	Gain/(Loss) on Disposal of Property, Plant and Equipment	<u>(902)</u>	<u>(223)</u>
<u>(902)</u>	<u>(223)</u>	Total Gain/(Loss) on Disposal	<u>(902)</u>	<u>(223)</u>
		15. Other Gains / (Losses)		
1,222	(1,222)	Property, Plant and Equipment	1,222	(1,222)
<u>(143)</u>	<u>(1,046)</u>	Asset Revaluation Increment/Decrement	<u>(143)</u>	<u>(1,046)</u>
<u>1,079</u>	<u>(2,268)</u>	Impairment of Receivables	<u>1,079</u>	<u>(2,268)</u>

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT & CONSOLIDATION

16. Conditions on Contributions

	Purchase of Assets	Health Promotion, Education and Research	Other	Total
	\$000	\$000	\$000	\$000
Contributions recognised as revenues during the current reporting period for which expenditure in the manner specified had not occurred as at balance date	3	4,821	19	4,843
Contributions recognised in previous years which were not expended in the current reporting period	28	11,261	306	11,595
Total amount of unexpended contributions as at balance date	31	16,082	325	16,438

Comment on restricted assets appears in Note 22

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

17. Service Groups of the CCLHD

Service Group 1.1 - Primary and Community Based Services

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

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

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

Service Group 1.2 - Aboriginal Health Services

Service Description: This service group covers the provision of supplementary health services to Aboriginal people, particularly in the areas of health promotion, health education and disease prevention. (Note: This program excludes most services for Aboriginal people provided directly by Local Health Districts and other general health services that are used by all members of the community).

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

- the building of regional partnerships for the provision of health services
- raising the health status of Aboriginal people and
- promoting a healthy lifestyle.

Service Group 1.3 - Outpatient Services

Service Description: This service group covers the provision of services provided in outpatient clinics including low level emergency care, diagnostic and pharmacy services and radiotherapy treatment.

Objective: This service group contributes to creating better experiences for people using health services and ensuring a fair and sustainable health system by working towards a range of intermediate results including improving, maintaining or restoring the health of ambulant patients in a hospital setting through diagnosis, therapy, education and treatment services.

Service Group 2.1 - Emergency Services

Service Description: This service group covers the provision of emergency road and air ambulance services and treatment of patients in emergency departments of public hospitals.

Objective: This service group contributes to creating better experiences for people using the health system by working towards a range of intermediate results including reduced risk of premature death or disability by providing timely emergency diagnostic treatment and transport services.

Service Group 2.2 - Inpatient Hospital Services

Service Description: This service group covers the provision of health care to patients admitted to hospitals, including elective surgery and maternity services.

Objective: This service group contributes to creating better experiences for people using the health system by working towards a range of intermediate results that include the following:

- timely treatment of booked surgical patients, resulting in improved clinical outcomes, quality of life and patient satisfaction and
- reduced rate of unplanned and unexpected hospital readmissions.

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

Service Group 3.1 - Mental Health Services

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

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

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

Service Group 4.1 - Rehabilitation and Extended Care Services

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

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

Service Group 5.1 - Population Health Services

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

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

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

Service Group 6.1 - Teaching and Research

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

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

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

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
18. Cash and Cash Equivalents				
7,679	13,537	Cash at Bank and On Hand	7,679	13,537
<u>13,734</u>	<u>5,314</u>	Short Term Deposits	<u>13,734</u>	<u>5,314</u>
<u>21,413</u>	<u>18,851</u>		<u>21,413</u>	<u>18,851</u>
Cash & cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:				
<u>21,413</u>	<u>18,851</u>	Cash and Cash Equivalents (per Statement of Financial Position)	<u>21,413</u>	<u>18,851</u>
<u>21,413</u>	<u>18,851</u>	Closing Cash and Cash Equivalents (per Statement of Cash Flows)	<u>21,413</u>	<u>18,851</u>

Refer to Note 34 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
		19. Receivables		
		Current		
5,022	4,521	Sale of Goods and Services	5,022	4,521
3,478	12,059	Intra Health Receivables	3,478	12,059
2,813	2,429	Goods and Services Tax	2,813	2,429
1,680	1,010	Other Debtors	1,680	1,010
<u>12,993</u>	<u>20,019</u>	Sub Total	<u>12,993</u>	<u>20,019</u>
(89)	(197)	Less Allowance for Impairment	(89)	(197)
<u>12,904</u>	<u>19,822</u>	Sub Total	<u>12,904</u>	<u>19,822</u>
113	130	Prepayments	113	130
<u>13,017</u>	<u>19,952</u>		<u>13,017</u>	<u>19,952</u>
		(a) Movement in the Allowance for Impairment		
		Sale of Goods and Services		
(197)	----	Balance at Commencement of Reporting Period	(197)	----
233	793	Amounts written off during the year	233	793
18	6	Amounts recovered during the year	18	6
----	78	Administrative Restructures - Transfers (In)/out	----	78
(127)	(1,074)	(Increase)/decrease in Allowance Recognised in	(127)	(1,074)
(73)	(197)	Result for the Year	(73)	(197)
		Balance at 30 June		
		(b) Movement in the Allowance for Impairment		
		Other Debtors		
----	----	Balance at Commencement of Reporting Period	----	----
----	(57)	Amounts written off during the year	----	(57)
----	----	Amounts recovered during the year	----	----
----	29	Administrative Restructures - Transfers (In)/out	----	29
(16)	28	(Increase)/decrease in Allowance Recognised in	(16)	28
(16)	----	Result for the Year	(16)	----
		Balance at 30 June		
<u>(89)</u>	<u>(197)</u>		<u>(89)</u>	<u>(197)</u>
		(c) Patient Fee Receivables		
		(Current and Non-Current) include:		
270	455	Patient Fees - Compensable	270	455
207	77	Patient Fees - Ineligible	207	77
3,645	3,018	Patient Fees - Other	3,645	3,018
<u>4,122</u>	<u>3,550</u>		<u>4,122</u>	<u>3,550</u>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 34.

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
20. Inventories - Current - Held for Distribution				
2,251	2,116	Drugs	2,251	2,116
1,627	1,545	Medical and Surgical Supplies	1,627	1,545
-----	209	Other Including Goods in Transit	-----	209
<u>3,878</u>	<u>3,870</u>		<u>3,878</u>	<u>3,870</u>

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
21. Property, Plant and Equipment				
Land and Buildings - Fair Value				
686,329	650,977	Gross Carrying Amount	686,329	650,977
<u>211,679</u>	<u>193,318</u>	Less: Accumulated Depreciation and Impairment	<u>211,679</u>	<u>193,318</u>
<u>474,650</u>	<u>457,659</u>	Net Carrying Amount	<u>474,650</u>	<u>457,659</u>
Plant and Equipment - Fair Value				
56,313	54,317	Gross Carrying Amount	56,313	54,317
<u>30,813</u>	<u>30,415</u>	Less: Accumulated Depreciation and Impairment	<u>30,813</u>	<u>30,415</u>
<u>25,500</u>	<u>23,902</u>	Net Carrying Amount	<u>25,500</u>	<u>23,902</u>
Infrastructure Systems - Fair Value				
54,610	53,572	Gross Carrying Amount	54,610	53,572
<u>30,036</u>	<u>28,137</u>	Less: Accumulated Depreciation and Impairment	<u>30,036</u>	<u>28,137</u>
<u>24,574</u>	<u>25,435</u>	Net Carrying Amount	<u>24,574</u>	<u>25,435</u>
<u>524,724</u>	<u>506,996</u>	Total Property, Plant and Equipment At Net Carrying Amount	<u>524,724</u>	<u>506,996</u>

Central Coast Local Health District
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PARENT & CONSOLIDATION

21. Property, Plant and Equipment - Reconciliation

	Land	Buildings	Work in Progress	Leased Buildings	Plant and Equipment	Infrastructure Systems	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2013							
Net Carrying Amount at Start of Year	53,629	382,373	20,988	669	23,902	25,435	506,996
Additions	950	19	24,702	16	6,520	----	32,207
Reclassifications to Intangibles	----	----	----	----	----	----	----
Recognition of Assets Held for Sale	----	----	----	----	----	----	----
Disposals	----	----	----	----	(999)	----	(999)
Administrative Restructures - Transfers In/(Out)	----	----	----	----	114	(7)	107
Net Revaluation Increment Less							
Revaluation Decrements Recognised in Reserves	----	7,647	----	----	----	509	8,156
Impairment Losses (Recognised in "Other Gains/Losses")	----	----	----	----	----	----	----
Depreciation Expense	----	(14,342)	----	(408)	(5,657)	(1,336)	(21,743)
Reclassifications	----	1,542	(3,135)	----	1,620	(27)	----
Net Carrying Amount at End of Year	54,579	377,239	42,555	277	25,500	24,574	524,724

	Land	Buildings	Work in Progress	Leased Buildings	Plant and Equipment	Infrastructure Systems	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2012							
Net Carrying Amount at Start of Year	51,798	399,822	2,702	448	16,416	11,294	482,480
Additions	----	----	17,947	74	3,391	(15)	21,397
Reclassifications to Intangibles	----	----	----	----	----	----	----
Recognition of Assets Held for Sale	----	----	----	----	----	----	----
Disposals	----	----	----	----	(319)	----	(319)
Administrative Restructures - Transfers In/(Out)	----	189	608	----	8,932	7	9,736
Net Revaluation Increment Less							
Revaluation Decrements Recognised in Reserves	3,053	(3,053)	----	----	----	15,510	15,510
Impairment Losses (Recognised in "Other Gains/Losses")	(1,222)	----	----	----	----	----	(1,222)
Depreciation Expense	----	(14,349)	----	(647)	(4,251)	(1,339)	(20,586)
Reclassifications	----	(236)	(269)	794	(267)	(22)	----
Net Carrying Amount at End of Year	53,629	382,373	20,988	669	23,902	25,435	506,996

- (i) Land and Buildings include land owned by the Health Administration Corporation but controlled by the CCLHD [see note 2(g)].
- (ii) Land and Buildings were valued in the 2011/2012 financial year by Corporeal Pty Ltd in accordance with note 2(j). Corporeal Pty Ltd is not an employee of the CCLHD.
- (iii) In accordance with the fair value requirements of AASB 116 the land, buildings and infrastructure assets have had a factor applied in relation to the movement in the market and variation in the building and infrastructure costs. The adjustment has been performed on a gross basis in accordance with note 2 (j). This factor gives consideration to the valuation of Physical Non-Current Assets at Fair Value. The following table details the indices applied to Non Current Assets as determined by Corporeal Pty Ltd :

Year	Land	Buildings	Infrastructure
2012/13	0%	2%	2%

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PARENT

CONSOLIDATION

2013
\$000

2012
\$000

2013
\$000

2012
\$000

22. Restricted Assets

The CCLHD's financial statements include the following assets which are restricted by externally imposed conditions, eg. donor requirements. The assets are only available for application in accordance with the terms of the donor restrictions.

Category

10,466	9,027	Specific Purposes	10,466	9,027
51	51	Research Grants	51	51
5,921	4,891	Private Practice Funds	5,921	4,891
<u>16,438</u>	<u>13,969</u>		<u>16,438</u>	<u>13,969</u>

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PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
		23. Payables		
		Current		
-----	-----	Accrued Salaries, Wages and On-Costs	10,028	10,960
-----	-----	Taxation and Payroll Deductions	2,051	2,152
12,079	13,112	Accrued Liability - Purchase of Personnel Services	-----	-----
12,338	14,364	Creditors	12,338	14,364
		Other Creditors		
9,792	14,286	- Intra Health Liability	9,792	14,286
8,061	10,442	- Other	8,061	10,442
42,270	52,204		42,270	52,204
			42,270	52,204

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 34.

Central Coast Local Health District
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PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
24. Provisions				
-----	-----	Annual Leave - Short Term Benefit	40,709	34,657
-----	-----	Annual Leave - Long Term Benefit	11,163	15,858
-----	-----	Long Service Leave On-Costs	4,549	6,998
56,421	57,513	Provision for Personnel Services Liability	-----	-----
<u>56,421</u>	<u>57,513</u>	Total Current Provisions	<u>56,421</u>	<u>57,513</u>
Non-Current Employee Benefits and Related On-Costs				
-----	-----	Long Service Leave On-Costs	133	285
133	285	Provision for Personnel Services Liability	-----	-----
<u>133</u>	<u>285</u>	Total Non-Current Provisions	<u>133</u>	<u>285</u>
Aggregate Employee Benefits and Related On-Costs				
-----	-----	Provisions - Current	56,421	57,513
-----	-----	Provisions - Non-Current	133	285
-----	-----	Accrued Salaries, Wages and On-Costs (Note 23)	12,079	13,112
68,633	70,910	Liability - Purchase of Personnel Services	-----	-----
<u>68,633</u>	<u>70,910</u>		<u>68,633</u>	<u>70,910</u>

Central Coast Local Health District
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PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
25. Other Liabilities				
		Current		
3,265	5,913	Income in Advance	3,265	5,913
3,265	5,913		3,265	5,913

Central Coast Local Health District
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PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
		26. Commitments for Expenditure		
		(a) Capital Commitments		
		Aggregate capital expenditure for the acquisition of land and buildings, plant and equipment, infrastructure and intangible assets, contracted for at balance date and not provided for:		
		Not later than one year	843	15,104
843	15,104		843	15,104
843	15,104	Total Capital Expenditure Commitments (Including GST)	843	15,104
		Of the commitments reported at 30 June 2013 it is expected that \$367K will be met from locally generated moneys.		
		(b) Operating Lease Commitments		
		Future non-cancellable operating lease rentals not provided for and payable:		
		Not later than one year	2,130	1,619
2,130	1,619	Later than one year and not later than five years	1,734	1,404
1,734	1,404		3,864	3,023
3,864	3,023	Total Operating Lease Commitments (Including GST)	3,864	3,023
		The operating lease commitments above are for motor vehicles and property leases.		
		(c) Contingent Asset Related to Commitments for Expenditure		
		The total of 'Commitments for Expenditure' above, i.e. \$4.707 million as at 30 June 2013 includes input tax credits of \$428K that are expected to be recoverable from the Australian Taxation Office (2012 \$1.647M).		

Central Coast Local Health District
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PARENT AND CONSOLIDATION

27. Trust Funds

The CCLHD holds trust fund moneys of \$985 thousand which are used for the safe keeping of patients' monies, deposits on hired items of equipment and Private Practice Trusts. These monies are excluded from the financial statements as the CCLHD cannot use them for the achievement of its objectives. The following is a summary of the transactions in the trust account.

	Patient Trust		Refundable Deposits		Private Practice Trust Funds		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash Balance at the beginning of the financial year	----	----	211	47	122	337	333	384
Receipts	----	----	37	255	14,626	10,824	14,663	11,079
Expenditure	----	----	(37)	(91)	(13,974)	(11,039)	(14,011)	(11,130)
Cash Balance at the end of the financial year	----	----	211	211	774	122	985	333

Central Coast Local Health District
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PARENT AND CONSOLIDATED

28. Contingent Liabilities and Assets

a) Workers Compensation Hindsight Adjustment

Treasury Managed Fund normally calculates hindsight premiums each year. However, in regard to workers compensation the final hindsight adjustment for the 2006/07 fund year and an interim adjustment for the 2008/09 fund year were not calculated until 2012/13.

As a result, the 2007/08 final and 2009/10 pertaining to the hospitals and community services now forming part of the CCLHD will be paid in 2013/14. It is not possible for the CCLHD to reliably quantify the benefit to be received or amount payable.

Central Coast Local Health District
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PARENT

2013
\$000

2012
\$000

CONSOLIDATION

29. Reconciliation of Cash Flows from Operating Activities to Net Result

34,671	(11,069)	34,671	(11,069)
(21,743)	(20,587)	(21,743)	(20,587)
(143)	1,046	(143)	1,046
4,393	(1,511)	4,393	(1,511)
(2,303)	(7,392)	(2,303)	(7,392)
(6,255)	(1,040)	(6,255)	(1,040)
5,603	33,852	5,603	33,852
1,222	(1,222)	1,222	(1,222)
(903)	(223)	(903)	(223)
14,542	(8,146)	14,542	(8,146)

30. 2012/13 Voluntary Services

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

- . Chaplaincies and Pastoral Care - Patient & Family Support
- . Pink Ladies/Hospital Auxiliaries - Patient Services, Fund Raising
- . Patient Support Groups - Practical Support to Patients and Relative
- . Community Organisations - Counselling, Health Education, Transport, Home Help & Patient Activities

Central Coast Local Health District
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PARENT AND CONSOLIDATED

31. Unclaimed Moneys

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

All money and personal effects of patients which are left in the custody of CCLHD by any patient who is discharged or dies in the hospital and which are not claimed by the person lawfully entitled thereto within a period of twelve months are recognised as the property of CCLHD.

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

32. Budget Review - Parent and Consolidated

Net Result

The actual Net Result was lower than budget by \$2.6 million resulting in an unfavourability.

The unfavourability resulted from reduced capital revenue payments that were not required due to the delay in progression of some capital works projects, the payments were \$7.7 million less than budgeted.

This unfavourability was offset by a \$2.6 million favourability in the Special Purpose & Trust net result, a \$1.2 million gain in the Land & Building indice based valuation recognised in the Income Statement and a \$1 million favourable recognition of a parcel of land at Lake Haven.

Assets and Liabilities

Assets are unfavourable to budget by \$5.4 million, primarily driven by a lower than budgeted debtors position at 30 June 2013.

Liabilities are favourable to budget by \$14.3 million, resulting from a lower than budgeted Payables position as at 30 June 2013.

Cash Flows

Total Cash Flow is \$1.5 million favourable to budget as at 30 June 2013.

This movement is resulting from an increase in overall cash receipts of \$3.1 million over budget offset by an increase in overall cash payments on \$8.8 million.

Movements in the level of the NSW Ministry of Health Recurrent Allocation that have occurred since receipt of the initial allocation for 2012-13 are as follows:

	\$000
Initial Allocation, 1 July 2012	516,335
Transfer from Health Reform Transition Organisation to Holding Entity	(696)
Transfer to Northern Sydney from Holding Entity	(6,930)
Transfer High Cost Drug budgets between CCLHD and NSLHD	(580)
Split of three Mental Health cost centres	(833)
Special Projects	1,964
Redundancies	222
Other	9,620
Balance as per Statement of Comprehensive Income	519,102

Central Coast Local Health District
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33. Increase/(Decrease) in Net Assets from Equity Transfers

Equity transfers effected in the 2011/12 year were:

An decrease in net assets of \$9M relating to the District's assumption of responsibilities upon dissolution of Health Reform Transitional Organisation on 31st of May 2012.

Equity transfers effected in the 2012/13 year were:

An increase in net assets of \$6M relating to the District's assumption of responsibilities upon dissolution of Health Reform Transitional Organisation on 31st of May 2012.

	2013	2012
	\$000	\$000
Equity transfers effected comprised:		
Northern Sydney Local Health District	4,682	14,227
NSW Treasury - Recreation Leave	907	----
NSW Treasury - LSL Consequential Factor	124	----
Health Reform Transitional	----	(23,259)
	5,713	(9,032)
Assets and Liabilities transferred are as follows:		
	2013	2012
	\$000	\$000
Assets		
Current Assets		
Cash and Cash Equivalents	----	35,123
Receivables	(1,744)	(7,632)
Inventories	----	207
Total Current Assets	(1,744)	27,698
Non-Current Assets		
Property, Plant and Equipment		
- Land and Buildings	----	797
- Plant and Equipment	114	8,932
- Infrastructure Systems	(7)	7
Total Property, Plant and Equipment	107	9,736
Total Non-Current Assets	107	9,736
Total Assets	(1,637)	37,434
Liabilities		
Current Liabilities		
Payables	5,547	(37,702)
Borrowings	----	(338)
Provisions	3,464	(7,320)
Other	(1,745)	(509)
Total Current Liabilities	7,266	(45,869)
Non-Current Liabilities		
Borrowings	----	(513)
Provisions	84	(84)
Total Non-Current Liabilities	84	(597)
Total Liabilities	7,350	(46,465)
Increase/(Decrease) in Net Assets From Equity Transfers	5,713	(9,032)

Central Coast Local Health District
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34. Financial Instruments

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

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

The Chief Executive has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risk faced by the CCLHD, to set risk limits and controls and monitor risks. Compliance with policies is reviewed by the Audit & Risk Management Committee and the internal auditors on a continuous basis.

(a) Financial Instrument Categories

PARENT AND CONSOLIDATION		Carrying Amount 2013 \$000	Carrying Amount 2012 \$000
Class:	Category		
Financial Assets			
Cash and Cash Equivalents (note 18)	N/A	21,413	18,851
Receivables (note 19)*	Loans and receivables (at amortised cost)	10,091	17,393
Total Financial Assets		31,504	36,244
Financial Liabilities			
Payables (note 23)**	Financial liabilities measured at amortised cost	40,219	50,052
Total Financial Liabilities		40,219	50,052

Notes

*Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)

**Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

(b) Credit Risk

Credit risk arises when there is the possibility of the CCLHD's debtors defaulting on their contractual obligations, resulting in a financial loss to the CCLHD. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

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

Credit risk associated with the CCLHD'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.

Central Coast Local Health District
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Cash

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances at rates of approximately 3.26% in 2012/13 compared to 4.25% in the previous year.

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

Receivables - trade debtors

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

The CCLHD is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2013:\$4.7M; 2012: \$8.1M) and not more than 3 months past due (2013: \$988K; 2012:\$968K) are not considered impaired and together these represent 94% of the total trade debtors. In addition Patient Fees Compensables are frequently not settled within 6 months of the date of the service provision due to the length of time it takes to settle legal claims. Most of the CCLHD's debtors are Health Insurance Companies or Compensation Insurers settling claims in respect of inpatient treatments.

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

2013	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
	\$000	\$000	\$000
<3 months overdue	988	988	----
3 months - 6 months overdue	245	245	----
> 6 months overdue	89	89	----
2012			
<3 months overdue	968	986	----
3 months - 6 months overdue	98	98	----
> 6 months overdue	187	187	----

Notes

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

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

Authority Deposits

The CCLHD has placed funds on deposit with TCorp, which has been rated 'AAA' by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed "at call" or for a fixed term. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits can vary. The deposits at balance date were earning an average interest rate of 2.57% (2012 - 4.08%), while over the year the weighted average interest rate was 3.67% (2012 - 4.87%) on a weighted average balance during the year of \$12,286,852 (2012 - \$5,202,635). None of these assets are past due or impaired.

Central Coast Local Health District
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(c) Liquidity Risk

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

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

During the current and prior years, there were no defaults of loans payable. No assets have been pledged as collateral. The CCLHD has exposure to liquidity risk.

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

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

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

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

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

Central Coast Local Health District
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Maturity Analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate	Interest Rate Exposure			Maturity Dates		
		Nominal Amount ¹	Fixed Interest Rate	Variable Interest Rate	Non - Interest Bearing	< 1 Yr	1-5 Yr
	%	\$000	\$000	\$000	\$000	\$000	\$000
2013							
Payables:							
- Accrued Salaries Wages, On-Costs and Payroll Deductions		10,028	-----	-----	10,028	-----	-----
- Creditors		30,191	-----	-----	30,191	-----	-----
		40,219	-----	-----	40,219	-----	-----
2012							
Payables:							
- Accrued Salaries Wages, On-Costs and Payroll Deductions		10,960	-----	-----	10,960	-----	-----
- Creditors		39,092	-----	-----	39,092	-----	-----
		50,052	-----	-----	50,052	-----	-----

Notes:

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

Central Coast Local Health District
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d) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The CCLHD's exposures to market risk are primarily through interest rate risk on the CCLHD's borrowings and other price risks associated with the movement in the unit price of the Hour-Glass Investment facilities. The CCLHD has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the CCLHD operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position date. The analysis is performed on the same basis for 2012. The analysis assumes that all other variables remain constant.

Interest rate risk

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

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

Both Treasury and NSW Ministry of Health loans are set at fixed rates and therefore are generally not affected by fluctuations in market rates. The CCLHD does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect profit or loss or equity. A reasonably possible change of +/-1% is used consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The CCLHD's exposure to interest rate risk is set out below.

	Carrying Amount \$'000	-1% Profit	-1% Equity	+1% Profit	+1% Equity
2013					
Financial Assets					
Cash and Cash Equivalents	21,413	(214)	(214)	214	214
Receivables	10,091	----	----	----	----
Financial Liabilities					
Payables	40,219	----	----	----	----
2012					
Financial Assets					
Cash and Cash Equivalents	18,851	(189)	(189)	189	189
Receivables	17,393	----	----	----	----
Financial Liabilities					
Payables	50,052	----	----	----	----

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Other price risk - TCorp Hour-Glass facilities

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

Facility	Investment Sectors	Investment Horizon	2013 \$'000	2012 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years	13,734	5,314

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

NSW TCorp is trustee for each of the above facilities and is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risk of each facility in accordance with a mandate agreed by the parties. However, TCorp, acts as manager for part of the Cash and Strategic Cash Facilities and also manages the Australian Bond portfolio. A significant portion of the administration of the facilities is outsourced to an external custodian.

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

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

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

	Change in unit price	Impact on profit/loss	
		2013 \$'000	2012 \$'000
Hour-Glass Investment - Cash facility	+/-1%	137	53

(e) Fair Value compared to Carrying Amount

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. As discussed, the value of the Hour-Glass Investments is based on the CCLHD's share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass facilities are valued using 'redemption' pricing.

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 does not differ from the carrying amount.

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(f) Fair Value recognised in the Statement of Financial Position

The CCLHD uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

Level 1 - derived from quoted prices in active markets for identical assets/liabilities.

Level 2- derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 - derived from valuation techniques that include inputs for the asset/liability not based on observable market data (unobservable inputs).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2013 Total \$'000
TCorp Hour-Glass Invt.Facility	-----	13,734	-----	13,734

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

There were no transfers between level 1 and 2 during the period ended 30 June 2013.

Note 35 Events after the Reporting Period

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

END OF AUDITED FINANCIAL STATEMENTS