INDEPENDENT AUDITOR'S REPORT

Health Education and Training Institute

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Health Education and Training Institute (the Institute), which comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and service group statements for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Institute and the consolidated entity. The consolidated entity comprises the Institute 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 Institute and the consolidated entity as at 30 June 2015, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Emphasis of Matter

Without modification to the opinion expressed above, I draw attention to the basis of presenting adjusted budget information detailed in Note 2(u). The note states that AASB 1055 'Budgetary Reporting' is not applicable to the Institute. It also states that, unlike the requirement in AASB 1055 'Budgetary Reporting' to present original budget information, the Institute's financial statements present adjusted budget information.

Chief Executive's Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute’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 Institute’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

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

Weini Liao
Director, Financial Audit Services

21 September 2015
SYDNEY

Health Education and Training Institute
Certification of the Financial Statements
for the year ended 30 June 2015

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

1) The financial statements of the Health Education and Training Institute for the year ended 30 June 2015 have been prepared in accordance with:

   a) Australian Accounting Standards (which include Australian Accounting Interpretations)

   b) the requirements of the *Public Finance and Audit Act 1983* , the *Public Finance and Audit Regulations 2015* and the Treasurer's Directions;

   c) the Financial Reporting Code for NSW General Government Sector Entities.

2) The financial statements exhibit a true and fair view of the financial position and the financial performance of the Health Education and Training Institute; and

3) There are no circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

A Solman

Adjunct Professor Annette Solman
Chief Executive
21 September 2015

Health Education and Training Institute
Statement of Comprehensive Income for the year ended 30 June 2015

PARENT					CONSOLIDATION		
Actual	**Adjusted Budget Unaudited**	**Actual**		**Notes**	**Actual**	**Adjusted Budget Unaudited**	**Actual**
2015	**2015**	**2014**			**2015**	**2015**	**2014**
$000	**$000**	**$000**			**$000**	**$000**	**$000**
			Expenses excluding losses				
			Operating Expenses				
-----	-----	-----	Employee Related	3	17,345	20,197	15,362
16,102	18,940	14,530	Personnel Services	4	-----	-----	-----
11,761	12,017	12,819	Other Operating Expenses	5	11,761	12,017	12,819
623	630	577	Depreciation and Amortisation	2(h), 6	623	630	577
10,267	10,935	12,582	Grants and Subsidies	7	10,267	10,935	12,582
38,753	**42,522**	**40,508**	**Total Expenses excluding losses**		**39,996**	**43,779**	**41,340**
			Revenue				
35,110	35,110	29,202	NSW Ministry of Health Recurrent Allocations	2(d)	35,110	35,110	29,202
77	77	77	NSW Ministry of Health Capital Allocations	2(d)	77	77	77
-----	-----	-----	Acceptance by the Crown Entity of Employee Benefits	2(a)(ii),11	1,243	1,257	832
5,198	4,818	3,324	Sale of Goods and Services	8	5,198	4,818	3,324
215	15	400	Investment Revenue	9	215	15	400
2,892	1,853	4,401	Grants and Contributions	10	2,892	1,853	4,401
36	20	80	Other Revenue	12	36	20	80
43,528	**41,893**	**37,484**	**Total Revenue**		**44,771**	**43,150**	**38,316**
(9)	**-----**	**-----**	**Gain / (Loss) on Disposal**	13	**(9)**	**-----**	**-----**
-----	**-----**	**(93)**	**Other Gains / (Losses)**	14	**-----**	**-----**	**(93)**
4,766	**(629)**	**(3,117)**	**Net Result**	27	**4,766**	**(629)**	**(3,117)**
-----	**-----**	**-----**	**Total Other Comprehensive Income**		**-----**	**-----**	**-----**
4,766	**(629)**	**(3,117)**	**TOTAL COMPREHENSIVE INCOME**		**4,766**	**(629)**	**(3,117)**

The accompanying notes form part of these financial statements.

Health Education and Training Institute
Statement of Financial Position as at 30 June 2015

PARENT					CONSOLIDATION		
Actual	**Adjusted Budget Unaudited**	**Actual**		**Notes**	**Actual**	**Adjusted Budget Unaudited**	**Actual**
2015 $000	**2015 $000**	**2014 $000**			**2015 $000**	**2015 $000**	**2014 $000**
			ASSETS				
			Current Assets				
9,632	7,240	7,363	Cash and Cash Equivalents	16	9,632	7,240	7,363
847	899	899	Receivables	17	847	899	899
10,479	**8,139**	**8,262**	**Total Current Assets**		**10,479**	**8,139**	**8,262**
			Non-Current Assets				
			Property, Plant & Equipment				
812	596	1,148	- Plant and Equipment	18	812	596	1,148
352	366	243	- Leasehold Improvements	18	352	366	243
1,164	962	1,391	Total Property, Plant & Equipment		1,164	962	1,391
492	728	728	Intangible Assets	20	492	728	728
1,656	**1,690**	**2,119**	**Total Non-Current Assets**		**1,656**	**1,690**	**2,119**
12,135	**9,829**	**10,381**	**Total Assets**		**12,135**	**9,829**	**10,381**
			LIABILITIES				
			Current Liabilities				
3,731	6,354	6,355	Payables	22	3,731	6,354	6,355
1,616	1,496	1,430	Provisions	23	1,616	1,496	1,430
926	1,511	1,511	Other	24	926	1,511	1,511
6,273	9,361	9,296	**Total Current Liabilities**		6,273	9,361	9,296
			Non-Current Liabilities				
18	18	7	Provisions	23	18	18	7
18	**18**	**7**	**Total Non-Current Liabilities**		**18**	**18**	**7**
6,291	**9,379**	**9,303**	**Total Liabilities**		**6,291**	**9,379**	**9,303**
5,844	**450**	**1,078**	**Net Assets**		**5,844**	**450**	**1,078**
			EQUITY				
5,844	450	1,078	Accumulated Funds		5,844	450	1,078
5,844	**450**	**1,078**	**Total Equity**		**5,844**	**450**	**1,078**

The accompanying notes form part of these financial statements.

Health Education and Training Institute
Statement of Changes in Equity for the year ended 30 June 2015

PARENT AND CONSOLIDATION	**Notes**	**Accumulated Funds $000**	**Total $000**
Balance at 1 July 2014		1,078	1,078
Total Equity at 1 July 2014		**1,078**	**1,078**
Net Result for the year		4,766	4,766
Total Other Comprehensive Income		-----	-----
Total Comprehensive Income for the year		4,766	4,766
Transactions With Owners In Their Capacity As Owners			
Increase/(Decrease) in Net Assets From Equity Transfers	29	-----	-----
Balance at 30 June 2015		**5,844**	**5,844**
Balance at 1 July 2013		3,785	3,785
Total Equity at 1 July 2013		**3,785**	**3,785**
Net Result for the year		(3,117)	(3,117)
Total Other Comprehensive Income		-----	-----
Total Comprehensive Income for the year		(3,117)	(3,117)
Transactions With Owners In Their Capacity As Owners			
Increase/(Decrease) in Net Assets From Equity Transfers	29	410	410
Balance at 30 June 2014		**1,078**	**1,078**

The accompanying notes form part of these financial statements.

Health Education and Training Institute
Statement of Cash Flows for the year ended 30 June 2015

PARENT					CONSOLIDATION		
Actual 2015 $000	Adjusted Budget Unaudited 2015 $000	Actual 2014 $000		Notes	Actual 2015 $000	Adjusted Budget Unaudited 2015 $000	Actual 2014 $000
			CASH FLOWS FROM OPERATING ACTIVITIES				
			Payments				
-----	-----	-----	Employee Related		(16,356)	(19,372)	(14,316)
(11,105)	(11,774)	(13,542)	Grants and Subsidies		(11,105)	(11,774)	(13,542)
(31,584)	(32,302)	(25,840)	Other		(15,228)	(12,930)	(11,524)
(42,689)	(44,076)	(39,382)	**Total Payments**		(42,689)	(44,076)	(39,382)
			Receipts				
35,110	35,110	29,202	NSW Ministry of Health Recurrent Allocations		35,110	35,110	29,202
77	77	77	NSW Ministry of Health Capital Allocations		77	77	77
354	354	132	Reimbursements from the Crown Entity		354	354	132
4,919	4,834	2,717	Sale of Goods and Services		4,919	4,834	2,717
215	15	399	Interest Received		215	15	399
2,901	1,863	4,401	Grants and Contributions		2,901	1,863	4,401
1,551	1,900	3,809	Other		1,551	1,900	3,809
45,127	44,153	40,737	**Total Receipts**		45,127	44,153	40,737
2,438	**77**	**1,355**	**NET CASH FLOWS FROM OPERATING ACTIVITIES**	27	**2,438**	**77**	**1,355**
			CASH FLOWS FROM INVESTING ACTIVITIES				
24	-----	-----	Proceeds from Sale of Property, Plant & Equipment and Intangibles		24	-----	-----
(193)	(200)	(35)	Purchases of Property, Plant & Equipment and Intangibles		(193)	(200)	(35)
(169)	**(200)**	**(35)**	**NET CASH FLOWS FROM INVESTING ACTIVITIES**		**(169)**	**(200)**	**(35)**
-----	**-----**	**-----**	**NET CASH FLOWS FROM FINANCING ACTIVITIES**		**-----**	**-----**	**-----**
2,269	(123)	1,320	**NET INCREASE / (DECREASE) IN CASH**		2,269	(123)	1,320
7,363	7,363	5,633	Opening Cash and Cash Equivalents		7,363	7,363	5,633
-----	-----	410	Cash Transferred In/(Out) as a Result of Administrative Restructuring	29	-----	-----	410
9,632	**7,240**	**7,363**	**CLOSING CASH AND CASH EQUIVALENTS**	16	**9,632**	**7,240**	**7,363**

The accompanying notes form part of these financial statements.

Health Education and Training Institute
Service Group Statements
for the year ended 30 June 2015

	Service Group 6.1 * Teaching And Research		Not Attributable		Total	
	2015	2014	2015	2014	2015	2014
	$000	$000	$000	$000	$000	$000
Expenses excluding losses						
Operating Expenses						
Employee Related	17,345	15,362	-----	-----	17,345	15,362
Other Operating Expenses	11,761	12,819	-----	-----	11,761	12,819
Depreciation and Amortisation	623	577	-----	-----	623	577
Grants and Subsidies	10,267	12,582	-----	-----	10,267	12,582
Total Expenses excluding losses	**39,996**	**41,340**	**-----**	**-----**	**39,996**	**41,340**
Revenue						
NSW Ministry of Health Recurrent Allocations **			35,110	29,202	35,110	29,202
NSW Ministry of Health Capital Allocations **			77	77	77	77
Acceptance by the Crown Entity						
of Employee Benefits and Other Liabilities	1,243	832	-----	-----	1,243	832
Sale of Goods and Services	5,198	3,324	-----	-----	5,198	3,324
Investment Revenue	215	400	-----	-----	215	400
Grants and Contributions	2,892	4,401	-----	-----	2,892	4,401
Other Revenue	36	80	-----	-----	36	80
Total Revenue	**9,584**	**9,037**	**35,187**	**29,279**	**44,771**	**38,316**
Gain / (Loss) on Disposal	(9)	-----	-----	-----	(9)	-----
Other Gains / (Losses)	-----	(93)	-----	-----	-----	(93)
Net Result	**(30,421)**	**(32,396)**	**35,187**	**29,279**	**4,766**	**(3,117)**
Total Other Comprehensive Income	-----	-----	-----	-----	-----	-----
Total Comprehensive Income	**(30,421)**	**(32,396)**	**35,187**	**29,279**	**4,766**	**(3,117)**

* The name and purpose of each service group is summarised in Note 15

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

Health Education and Training Institute
Service Group Statements (Continued)
for the year ended 30 June 2015

	Service Group 6.1 * Teaching And Research		Not Attributable		Total	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
ASSETS						
Current Assets						
Cash and Cash Equivalents	9,632	7,363	-----	-----	9,632	7,363
Receivables	847	899	-----	-----	847	899
Total Current Assets	**10,479**	**8,262**	**-----**	**-----**	**10,479**	**8,262**
Non-Current Assets						
Property, Plant and Equipment						
- Plant and Equipment	812	1,148	-----	-----	812	1,148
- Leasehold Improvements	352	243	-----	-----	352	243
Intangible Assets	492	728	-----	-----	492	728
Total Non-Current Assets	**1,656**	**2,119**	**-----**	**-----**	**1,656**	**2,119**
TOTAL ASSETS	**12,135**	**10,381**	**-----**	**-----**	**12,135**	**10,381**
LIABILITIES						
Current Liabilities						
Payables	3,731	6,355	-----	-----	3,731	6,355
Provisions	1,616	1,430	-----	-----	1,616	1,430
Other	926	1,511	-----	-----	926	1,511
Total Current Liabilities	**6,273**	**9,296**	**-----**	**-----**	**6,273**	**9,296**
Non-Current Liabilities						
Provisions	18	7	-----	-----	18	7
Total Non-Current Liabilities	**18**	**7**	**-----**	**-----**	**18**	**7**
TOTAL LIABILITIES	**6,291**	**9,303**	**-----**	**-----**	**6,291**	**9,303**
NET ASSETS	**5,844**	**1,078**	**-----**	**-----**	**5,844**	**1,078**

* The name and purpose of each service group is summarised in Note 15

1. The Reporting Entity

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

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

* The parent entity, comprises all the operating activities of the Health Education and Training Institute

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

As a consequence the values in the annual financial statements presented herein consist of the parent entity and the consolidated entity which comprises the parent and special purpose service entity. In the process of preparing the consolidated financial statements consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

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

These consolidated financial statements for the year ended 30 June 2015 have been authorised for issue by the Chief Executive on 21 September 2015.

2. Summary of Significant Accounting Policies

Basis of Preparation

The Institute's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015, and the Treasurer's Directions. The financial statements comply with the Financial Reporting Code for NSW General Government Sector Entities. Further information on the budget figures can be found at Note 2(u).

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

The Secretary 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 Institute'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 Institute 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:

* Allocated funds, combined with other revenues earned, are applied to pay debts as and when they become due and payable.

* The Institute has the capacity to review timing of subsidy cashflows to ensure that they can pay debts as and when they become due and payable.

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

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

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

Comparative Information

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

Statement of Compliance

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

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

a) Employee Benefits and Other Provisions

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

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability can be used to approximate the present value of the annual leave liability. On-costs of 15.3% are applied to the value of leave payable at 30 June 2015 (comparable on-costs for 30 June 2014 were 15.1%).The Institute has assessed the actuarial advice based on the Institute's circumstances and has determined that the effect of discounting is immaterial to annual leave.

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

ii) Long Service Leave and Superannuation

The Institute's liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity.

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

Long Service Leave is measured at present value in accordance with AASB 119, Employee Benefits. This is based on the application of certain factors (specified in NSW Treasury Circular 15/09) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

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

iii) Consequential On-Costs

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

iv) Other Provisions

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

b) Insurance

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

c) Finance Costs

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

d) Income Recognition

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

Sale of Goods

Revenue from the sale of goods is recognised as revenue when the Institute 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).

Investment Revenue

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

Debt Forgiveness

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

Grants and Contributions

Grants and contributions are recognised as revenues when the Institute 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 Institute 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:

* amount of GST incurred by the Institute as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
* receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

f) Acquisition of Assets

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

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

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 over the period of credit.

g) Capitalisation Thresholds

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

h) 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 Institute. 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:

	2015	**2014**
Buildings	2.5%	2.5%
Computer Equipment	20.0%	20.0%
Leasehold Improvements	20.0%	20.0%
Motor Vehicle Sedans	12.5%	12.5%
Motor Vehicles, Trucks & Vans	20.0%	20.0%
Office Equipment	10.0%	10.0%
Plant and Machinery	10.0%	10.0%
Furniture, Fittings and Furnishings	5.0%	5.0%

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

i) Revaluation of Non-Current Assets

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 Fair Value Measurement, AASB 116 Property, Plant and Equipment and AASB 140 Investment Property.

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

j) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

k) 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.

l) Intangible Assets

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

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

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

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

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

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

m) 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.

n) 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.

o) 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.

p) 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 Institute transfers the financial asset:

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

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

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

q) Payables

These amounts represent liabilities for goods and services provided to the Institute 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 Institute.

r) Fair Value Hierarchy

A number of the Institute's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs.

For non-specialised assets with short useful lives, AASB 13 allows recognition at depreciated historical cost as an acceptable surrogate for fair value as differences are considered immaterial. Thus the values for Plant & Equipment and Leasehold Improvements are not required to be reported under the fair value hierarchy.

s) Equity Transfers

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

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

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.

t) Equity and Reserves

(i) Accumulated Funds

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

u) Adjusted Budgeted Amounts

NSW Health's budget is shown at a consolidated level when presented in parliament each year (i.e. in the NSW Government Budget Papers). The Institute's budget is not presented in parliament, therefore AASB 1055 Budgetary Reporting is not applicable. Unlike the requirement in AASB 1055 ‘Budgetary Reporting’ to present original budget information, the Institute's financial statements present adjusted budget information.The adjusted budgeted amounts are drawn from the initial Service Agreements between the Institute and the NSW Ministry of Health at the beginning of the financial year, as well as any adjustments for the effects of additional supplementation provided in accordance with delegations to derive a final budget at year end (i.e adjusted budget). The budget amounts are not subject to audit and, accordingly, the relevant column entries in the financial statements are denoted as "Unaudited".

v) Service Group Statements Allocation Methodology

All Health Education and Training Institute activities relate to the Service Group 'Teaching and Research'. 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.

w) Changes in Accounting Policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2014-15

The accounting policies applied in 2014-15 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have impacted in 2014-15 and have been applied for the first time as follows:

AASB 10 Consolidated Financial Statements, AASB 2011-7, and AASB 2013-8 Amendments to Australian Accounting Standards for the consolidation and joint arrangement standards, arise from the issuance of AASB 10, AASB 11, AASB 12, AASB 127, and AASB 128. For not for profit entities, the changes have application from 1 July 2014.

Following an assessment of the applicable new accounting standards mentioned above in relation to consolidation and joint arrangements, Institute management is of the opinion that there will be no material implications for the financial statements.

AASB 1055 and AASB 2013-1, regarding Budgetary Reporting has application from 1 July 2014. This standard is not applicable to Institute as individual budgets are not presented in parliament. Refer note 2(u) on how Institute derives its adjusted budgetary information.

(ii) Issued but not yet effective

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

AASB 9, Financial Instruments, has application from 1 January 2018. The standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.

AASB 15 and AASB 2014-5, Revenue from Contracts with Customers has application from 1 January 2017. We believe this standard will impact on the timing recognition of certain revenues given the core principle of the new standard requires revenue to be recognised when the goods or services are transferred to the customer at the transaction price (as opposed to stage of completion of the transaction). The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

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

AASB 2014-3, Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations. This amending standard clarifies the treatment of expensing all acquisition-related costs, and recognition of share in a joint operation according to the contractual arrangements. This standard is applicable from 1 January 2016.

AASB 2014-4, Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation, has application from 1 January 2016. The change will take into account the expected future reductions in the selling price when accounting for useful life.

AASB 2014-7, Amendments to various Australian Accounting Standards as a result of the changes from AASB 9 (December 2014) and will have application from 1 Jan 2018. The new AASB 9 includes revised guidance on the classification and measurement of financial assets and supersedes AASB 9 (December 2009) and AASB 9 (December 2010).

AASB 2014-8, Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)] has application from 1 Jan 2015. This update limits the application of the existing versions of AASB 9 (December 2009) and AASB 9 (December 2010).

AASB 2014-9, Amendments to Australian Accounting Standards – It gives entities the choice of using the Equity Method for their subsidiaries in their separate financial statements [AASB 1, 127 & 128]. It has application from 1 January 2016.

AASB 2014-10, Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & AASB 128]. This has application from 1 January 2016.

AASB 2015-01, Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140]. This has application from 1 January 2016.

AASB 2015-02, Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049] require entities to disclose significant accounting policies and other explanatory information in a more detailed manner rather than a summary as previously done. This application takes place from 1 January 2016.

AASB 2015-03, Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality from 1 July 2015. It is expected that the withdrawal of AASB 1031 will not change practice regarding the application of materiality in financial reporting. In particular, amendments would not change the level of disclosure presently specified by other accounting standards.

AASB 2015-5, Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception [AASB 10, AASB 12 & AASB 128], has application from 1 January 2016. This standard is unlikely to have any impact on this entity as the exceptions would be hard to satisfy.

AASB 2015-6, Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049], has application from 1 July 2016. Based on preliminary evaluation, this standard could potentially increase the level of disclosure required for not for profit entities where delegated power exists for senior officers of the entity.

PARENT			CONSOLIDATION	
2015 $000	**2014 $000**		**2015 $000**	**2014 $000**
		3. Employee Related		
		Employee related expenses comprise the following:		
-----	-----	Salaries and Wages	12,473	11,836
-----	-----	Overtime	1	-----
-----	-----	Penalties	5	2
-----	-----	Superannuation - Defined Benefit Plans	57	75
-----	-----	Superannuation - Defined Contribution Plans	1,148	955
-----	-----	Long Service Leave	1,262	816
-----	-----	Annual Leave	1,157	1,029
-----	-----	Sick Leave and Other Leave	909	589
-----	-----	Redundancies	286	-----
-----	-----	Workers' Compensation Insurance	47	60
-----	**-----**		**17,345**	**15,362**
		4. Personnel Services		
		Personnel Services comprise the purchase of the following:		
12,473	11,836	Salaries and Wages	-----	-----
1	-----	Overtime	-----	-----
5	2	Penalties	-----	-----
-----	-----	Superannuation - Defined Benefit Plans	-----	-----
1,148	955	Superannuation - Defined Contribution Plans	-----	-----
76	59	Long Service Leave	-----	-----
1,157	1,029	Annual Leave	-----	-----
909	589	Sick Leave and Other Leave	-----	-----
286	-----	Redundancies	-----	-----
47	60	Workers' Compensation Insurance	-----	-----
16,102	**14,530**		**-----**	**-----**
		5. Other Operating Expenses		
822	841	Advertising	822	841
60	19	Auditor's Remuneration - Audit of Financial Statements	60	19
771	2,022	Consultancies - Other	771	2,022
53	50	Domestic Supplies and Services	53	50
133	98	Food Supplies	133	98
834	630	Information Management Expenses	834	630
9	11	Insurance	9	11
189	918	Maintenance (See (b) below)	189	918
78	96	Motor Vehicle Expenses	78	96
65	110	Postal and Telephone Costs	65	110
320	651	Printing and Stationery	320	651
488	588	Rental	488	588
3,006	2,288	Staff Related Costs	3,006	2,288
2,484	2,184	Training Expenses	2,484	2,184
924	987	Travel Related Costs	924	987
1,525	1,326	Other (See (a) below)	1,525	1,326
11,761	**12,819**		**11,761**	**12,819**

PARENT			CONSOLIDATION	
2015 $000	2014 $000		2015 $000	2014 $000
		(a) Other Includes:		
210	256	Corporate Support Services	210	256
12	23	Courier and Freight	12	23
60	5	Legal Services	60	5
88	117	Membership/Professional Fees	88	117
30	3	Quality Assurance/Accreditation	30	3
1	3	Security Services	1	3
1,124	919	Other Miscellaneous	1,124	919
1,525	**1,326**		**1,525**	**1,326**
		(b) Reconciliation of Total Maintenance		
28	431	Maintenance Contracts	28	431
149	435	New/Replacement Equipment under $10,000	149	435
11	52	Repairs Maintenance/Non Contract	11	52
1	-----	Other	1	-----
189	918	Maintenance Expense - Contracted Labour and Other (Non-Employee Related in Note 5)	189	918
189	**918**	Total Maintenance Expenses	**189**	**918**

6. Depreciation and Amortisation

PARENT 2015 $000	PARENT 2014 $000		CONSOLIDATION 2015 $000	CONSOLIDATION 2014 $000
289	272	Depreciation - Plant and Equipment	289	272
98	69	Amortisation - Leasehold Improvements	98	69
236	236	Amortisation - Intangible Assets	236	236
623	**577**		**623**	**577**

7. Grants and Subsidies

PARENT 2015 $000	PARENT 2014 $000		CONSOLIDATION 2015 $000	CONSOLIDATION 2014 $000
386	309	Emergency Medicine Training Program	386	309
913	561	Leadership Program	913	561
752	3,838	GP Procedural & Rural Generalist Training Programs	752	3,838
761	358	Allied Health Workplace Learning Grants	761	358
3,283	4,317	Scholarships and Sponsorships	3,283	4,317
3,486	2,579	Grant Payments to Other NSW Health Entities	3,486	2,579
686	620	Other Grants	686	620
10,267	**12,582**		**10,267**	**12,582**

PARENT			CONSOLIDATION	
2015 $000	2014 $000		2015 $000	2014 $000
		8. Sale of Goods and Services		
381	360	Conference and Training Fees	381	360
50	6	Commercial Activities	50	6
1,635	758	NSW Institute of Psychiatry Agreement	1,635	758
220	189	Medical Accreditation Program	220	189
2,403	1,969	District HETI Operational Model	2,403	1,969
508	42	Other	508	42
5,198	**3,324**		**5,198**	**3,324**
		9. Investment Revenue		
215	400	Interest	215	400
215	**400**		**215**	**400**

PARENT 2015 $000	PARENT 2014 $000		CONSOLIDATION 2015 $000	CONSOLIDATION 2014 $000
		10. Grants and Contributions		
337	103	Commonwealth Government Grants	337	103
2,367	4,015	Health Workforce Agreement	2,367	4,015
120	112	Cancer Institute Grants	120	112
4	-----	NSW Government Grants	4	-----
-----	75	Grants from Other NSW Health Entities	-----	75
64	96	Other Grants	64	96
2,892	**4,401**		**2,892**	**4,401**
		11. Acceptance by the Crown Entity of Employee Benefits		
		The following liabilities and expenses have been assumed by the Crown Entity:		
-----	-----	Superannuation-defined benefit	57	75
-----	-----	Long Service Leave	1,186	757
-----	**-----**		**1,243**	**832**
		12. Other Revenue		
		Other Revenue comprises the following:-		
3	2	Sale of Merchandise, Old Wares and Books	3	2
2	9	Sponsorship Income	2	9
11	15	Unclaimed Deposits	11	15
20	54	Other	20	54
36	**80**		**36**	**80**

PARENT 2015 $000	PARENT 2014 $000		CONSOLIDATION 2015 $000	CONSOLIDATION 2014 $000
		13. Gain / (Loss) on Disposal		
51	-----	Property, Plant and Equipment	51	-----
18	-----	Less: Accumulated Depreciation	18	-----
33	**-----**	**Written Down Value**	**33**	**-----**
24	-----	Less: Proceeds from Disposal	24	-----
(9)	**-----**	**Gain/(Loss) on Disposal of Property, Plant and Equipment**	**(9)**	**-----**
-----	**-----**	**Gain/(Loss) on Disposal of Financial Assets at Fair Value**	**-----**	**-----**
-----	**-----**	**Gain/(Loss) on Disposal of Intangible Assets**	**-----**	**-----**
-----	**-----**	**Gain/(Loss) on Disposal of Assets Held for Sale**	**-----**	**-----**
(9)	**-----**	**Total Gain/(Loss) on Disposal**	**(9)**	**-----**
		14. Other Gains / (Losses)		
-----	(93)	Impairment of Receivables	-----	(93)
-----	**(93)**		**-----**	**(93)**

15. Service Groups of the Institute

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.

PARENT 2015 $000	PARENT 2014 $000		CONSOLIDATION 2015 $000	CONSOLIDATION 2014 $000
		16. Cash and Cash Equivalents		
9,632	7,363	Cash at Bank and On Hand	9,632	7,363
9,632	**7,363**		**9,632**	**7,363**

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposits.

Cash & cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

PARENT 2015 $000	PARENT 2014 $000		CONSOLIDATION 2015 $000	CONSOLIDATION 2014 $000
9,632	7,363	Cash and Cash Equivalents (per Statement of Financial Position)	9,632	7,363
9,632	**7,363**	Closing Cash and Cash Equivalents (per Statement of Cash Flows)	**9,632**	**7,363**

Refer to Note 30 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

17. Receivables

PARENT 2015 $000	PARENT 2014 $000		CONSOLIDATION 2015 $000	CONSOLIDATION 2014 $000
		Current		
266	281	Sale of Goods and Services	266	281
276	132	Intra Health Receivables	276	132
305	483	Goods and Services Tax	305	483
-----	3	Other Debtors	-----	3
847	899	**Sub Total**	847	899
-----	-----	Less Allowance for Impairment	-----	-----
847	899	**Sub Total**	847	899
-----	-----	Prepayments	-----	-----
847	**899**		**847**	**899**

(a) Movement in the Allowance for Impairment

PARENT 2015 $000	PARENT 2014 $000	Other Debtors	CONSOLIDATION 2015 $000	CONSOLIDATION 2014 $000
-----	-----	Balance at Commencement of Reporting Period	-----	-----
-----	93	Amounts written off during the period	-----	93
-----	-----	Amounts recovered during the period	-----	-----
-----	-----	Administrative Restructures - Transfers (In)/out	-----	-----
-----	(93)	(Increase)/decrease in Allowance Recognised in the Net Result	-----	(93)
-----	-----	Balance at 30 June	-----	-----
-----	**-----**		**-----**	**-----**

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 30.

PARENT 2015 $000	PARENT 2014 $000		CONSOLIDATION 2015 $000	CONSOLIDATION 2014 $000
		18. Property, Plant and Equipment		
		Plant and Equipment - Fair Value*		
1,671	1,745	Gross Carrying Amount	1,671	1,745
859	597	Less: Accumulated Depreciation and Impairment	859	597
812	**1,148**	Net Carrying Amount	**812**	**1,148**
		Leasehold Improvements - Fair Value*		
580	365	Gross Carrying Amount	580	365
228	122	Less: Accumulated Depreciation and Impairment	228	122
352	**243**	Net Carrying Amount	**352**	**243**
1,164	**1,391**	**Total Property, Plant and Equipment At Net Carrying Amount**	**1,164**	**1,391**

* For non-specialised assets with short useful lives, recognition at depreciated historical cost is regarded as an acceptable approximation of fair value, in accordance with Treasury Policy Paper 14-01.

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19. Property, Plant and Equipment - Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	Plant and Equipment $000	Leasehold Improvements $000	Total $000
2015			
Net Carrying Amount at Start of Year	1,148	243	**1,391**
Additions	29	164	**193**
Disposals	(33)	-----	**(33)**
Depreciation Expense	(289)	(98)	**(387)**
Reclassifications	(43)	43	**-----**
Net Carrying Amount at End of Year	**812**	**352**	**1,164**

	Plant and Equipment $000	Leasehold Improvements $000	Total $000
2014			
Net Carrying Amount at Start of Year	1,384	313	**1,697**
Additions	37	(1)	**36**
Depreciation Expense	(272)	(69)	**(341)**
Reclassifications	(1)	-----	**(1)**
Net Carrying Amount at End of Year	**1,148**	**243**	**1,391**

PARENT 2015 $000	PARENT 2014 $000	20. Intangible Assets	CONSOLIDATION 2015 $000	CONSOLIDATION 2014 $000
		Intangibles		
1,180	1,180	Cost (Gross Carrying Amount)	1,180	1,180
688	452	Less Accumulated Amortisation and Impairment	688	452
492	**728**	**Net Carrying Amount**	**492**	**728**
492	**728**	**Total Intangible Assets at Net Carrying Amount**	**492**	**728**

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21. Intangibles - Reconciliation

	Intangibles $000
2015	
Net Carrying Amount at Start of Year	**728**
Amortisation (Recognised in Depreciation and Amortisation)	**(236)**
Net Carrying Amount at End of Year	**492**

	Intangibles $000
2014	
Net Carrying Amount at Start of Year	**964**
Amortisation (Recognised in Depreciation and Amortisation)	**(236)**
Net Carrying Amount at End of Year	**728**

PARENT 2015 $000	PARENT 2014 $000		CONSOLIDATION 2015 $000	CONSOLIDATION 2014 $000
		22. Payables		
		Current		
-----	-----	Accrued Salaries, Wages and On-Costs	507	460
-----	-----	Taxation and Payroll Deductions	19	11
526	471	Accrued Liability - Purchase of Personnel Services	-----	-----
536	901	Creditors	536	901
		Other Creditors		
2,000	2,012	- Intra Health Liability	2,000	2,012
669	2,971	- Other	669	2,971
-----	-----	- Goods and Services Tax	-----	-----
3,731	**6,355**		**3,731**	**6,355**

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 30.

PARENT 2015 $000	PARENT 2014 $000		CONSOLIDATION 2015 $000	CONSOLIDATION 2014 $000
		23. Provisions		
		Current		
-----	-----	Annual Leave - Short Term Benefit	910	550
-----	-----	Annual Leave - Long Term Benefit	504	744
-----	-----	Long Service Leave Consequential On-Costs	202	136
1,616	1,430	Provision for Personnel Services Liability	-----	-----
1,616	**1,430**	**Total Current Provisions**	**1,616**	**1,430**
		Non-Current		
-----	-----	Long Service Leave Consequential On-Costs	18	7
18	7	Provision for Personnel Services Liability	-----	-----
18	**7**	**Total Non-Current Provisions**	**18**	**7**
		Aggregate Employee Benefits and Related On-Costs		
-----	-----	Provisions - Current	1,616	1,430
-----	-----	Provisions - Non-Current	18	7
-----	-----	Accrued Salaries, Wages and On-Costs (Note 22)	526	471
2,160	1,908	Liability - Purchase of Personnel Services	-----	-----
2,160	**1,908**		**2,160**	**1,908**
		24. Other Liabilities		
		Current		
926	1,471	Income in Advance	926	1,471
-----	40	Refundable Internship Application Fees	-----	40
926	**1,511**		**926**	**1,511**

PARENT			CONSOLIDATION	
2015 $000	2014 $000	**25. Commitments for Expenditure**	2015 $000	2014 $000
		Future non-cancellable operating lease rentals not provided for and payable:		
-----	-----	**Total Operating Lease Commitments (Including GST)**	-----	-----

The Institute has entered into cancellable building leases with the Ministry of Health for Buildings 7, 12 and 13 at Gladesville Hospital.

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26. Contingent Liabilities and Assets

Workers Compensation Hindsight Adjustment

Treasury Managed Fund normally calculates hindsight premiums each year. However, in regard to workers compensation the final hindsight adjustment for the 2009/10 fund year and an interim adjustment for the 2011/12 fund year were not calculated until 2014/15.

As a result, the 2010/11 final and 2012/13 adjustments pertaining to the Institute will be paid in 2015/16. It is not possible for the Institute to reliably quantify the benefit to be received or amount payable.

PARENT			CONSOLIDATION	
2015 $000	2014 $000		2015 $000	2014 $000
		27. Reconciliation of Cash Flows from Operating Activities to Net Result		
2,438	1,355	Net Cash Flows from Operating Activities	2,438	1,355
(623)	(577)	Depreciation	(623)	(577)
-----	(93)	Allowance for Impairment	-----	(93)
545	(1,096)	(Increase)/ Decrease Income in Advance	545	(1,096)
(197)	(452)	(Increase)/ Decrease in Provisions	(197)	(452)
(43)	(247)	Increase / (Decrease) in Prepayments and Other Assets	(43)	(247)
2,655	(2,007)	(Increase)/ Decrease in Payables from Operating Activities	2,655	(2,007)
(9)	-----	Net Gain/ (Loss) on Sale of Property, Plant and Equipment	(9)	-----
4,766	**(3,117)**	**Net Result**	**4,766**	**(3,117)**

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28. Adjusted Budget Review - Parent and Consolidated

Net Result

The actual Net Result was higher than adjusted budget by $5 million, primarily due to:

Expense favourabilities achieved in the Rural Generalist / General Practitioner Procedural Training Programs (RG/GPPTPs) ($2.5m); Leadership Program ($0.7m); and transition of the NSW Institute of Psychiatry ($0.5m). There was also additional revenues received from the in-year extension of the Health Workforce Australia (HWA) Agreement from January 2015 to June 2015 ($1.3m).

Movements in the level of the NSW Ministry of Health Recurrent Allocation that have occurred since the time of the initial allocation on 1 September 2014 are as follows:

	$000
2014/15 Initial Allocation	29,243
2014/15 Enhancements:-	
*Nursing & Midwifery Scholarships	2,120
*People Management Skills Program (PMSP)	1,888
*Financial Management Education Program (FMEP)	1,079
*Training and Support Unit for Aboriginal Mothers, Babies and Children (TSU)	1,000
*ClinConnect Program	228
*End of Life education resources	174
*Clinical Coding Workforce Enhancement Project (CCWEP)	164
*NSW Health Registered Training Organisation (RTO)	136
*Australian College of Nursing Contract	127
*AHMAC funding for the National Data Manager for 2015 intern recruitment	50
*Development of eLearning module:- Smoking cessation for Aboriginal pregnant women and mothers	40
*Australian & New Zealand Medical Education & Training Forum 2014	30
*Radiation Oncology Graduate Workforce	17
*Superannuation Budget Adjustment	(73)
*Rural Generalist / General Practitioner Procedural Training Programs' (RG/GPPTPs) Adjustment	(1,113)
Balance as per Statement of Comprehensive Income	35,110

29. Increase/(Decrease) in Net Assets from Equity Transfers

Equity transfers effected in the 2013/14 year were:
An increase in net assets of $0.410 million relating to an equity transfer of the NSW Health Registered Training Organisation (RTO) from Sydney Local Health District.

Equity transfers effected in the 2014/15 year were:
Nil equity transfers were effected in 2014/15.

Equity transfers effected comprised:	**2015 $000**	**2014 $000**
NSW Health Registered Training Organisation (RTO) equity transferred from Sydney Local Health District on 26 June 2014	-----	410
	-----	**410**

Assets and Liabilities transferred are as follows:

	2015 $000	**2014 $000**
Assets		
NSW Health RTO (Cash transfer)	-----	410
Liabilities		
Payables & Provisions	-----	-----
Increase/(Decrease) in Net Assets From Equity Transfers	**-----**	**410**

30. Financial Instruments

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

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

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

(a) Financial Instrument Categories

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Class:	**Category**	**Carrying Amount 2015 $000**	**Carrying Amount 2014 $000**
Financial Assets			
Cash and Cash Equivalents (note 16)	N/A	9,632	7,363
Receivables (note 17)*	Loans and receivables (at amortised cost)	542	416
Total Financial Assets		10,174	7,779
Financial Liabilities			
Payables (note 22)**	Financial liabilities measured at amortised cost	3,712	6,344
Other (note 24)		-----	40
Total Financial Liabilities		3,712	6,384

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 that the counterparty will default on their contractual obligations, resulting in a financial loss to the Institute. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

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

Credit risk associated with the Institute's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

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 3.2% in 2014/15 compared to 3.3% in the previous year.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the NSW Ministry of Health Accounting Manual for Public Health Organisations and Fee Procedures Manual are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the Institute 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 Institute is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2015: $0.408 million; 2014: $0.154 million) and not more than 3 months past due (2015: $0.114 million; 2014: $0.067 million) are not considered impaired. Together these represent 100% of the total trade debtors.

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.

2015	Total [1,2]	Past due but not impaired [1,2]	Considered impaired [1,2]
	$000	$000	$000
<3 months overdue	114	114	-----
3 months - 6 months overdue	-----	-----	-----
> 6 months overdue	-----	-----	-----
2014			
<3 months overdue	67	67	-----
3 months - 6 months overdue	-----	-----	-----
> 6 months overdue	-----	-----	-----

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

(c) Liquidity Risk

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

The Institute 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 Institute has exposure to liquidity risk. However, the risk is minimised by the service agreement with the NSW Ministry of Health, as the annual service agreement requires local management to control its financial liquidity and in particular meet benchmarks for the payment of creditors. Where the Institute fails to meet service agreement performance standards, the Ministry as the state manager can take action in accordance with annual performance framework requirements, including providing financial support and increased management interaction (refer Note 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, 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 Institute's financial liabilities together with the interest rate exposure.

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	> 5Yr
2015		**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Payables:								
- Accrued Salaries Wages, On-Costs and Payroll Deductions		507	-----	-----	507	507	-----	-----
- Creditors		3,205	-----	-----	3,205	3,205	-----	-----
		3,712	-----	-----	3,712	3,712	-----	-----
2014								
Payables:								
- Accrued Salaries Wages, On-Costs and Payroll Deductions		460	-----	-----	460	460	-----	-----
- Creditors		5,884	-----	-----	5,884	5,884	-----	-----
		6,344	-----	-----	6,344	6,344	-----	-----

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 Institute can be required to pay.
The tables include both interest and principal cash flows and therefore will not reconcile to the Statement Of Financial Position.

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Institute's exposures to market risk are primarily through interest rate risk on the Institute's interest bearing liabilities. The Institute 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 Institute operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position date. The analysis is performed on the same basis for 2014. The analysis assumes that all other variables remain constant.

Interest rate risk

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

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

Both NSW Treasury and NSW Ministry of Health loans are set at fixed rates and therefore are generally not affected by fluctuations in market rates.The Institute does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect profit or loss or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Institute's exposure to interest rate risk is set out below.

		-1%		+1%	
	Carrying Amount $000	**Net Result**	**Equity**	**Profit**	**Equity**
2015					
Financial Assets					
Cash and Cash Equivalents	9,632	(96)	(96)	96	96
Receivables	542	-----	-----	-----	-----
Financial Liabilities					
Payables	3,712	-----	-----	-----	-----
Other	-----	-----	-----	-----	-----
2014					
Financial Assets					
Cash and Cash Equivalents	7,363	(74)	(74)	74	74
Receivables	416	-----	-----	-----	-----
Financial Liabilities					
Payables	6,344	-----	-----	-----	-----
Other	40	-----	-----	-----	-----

31. 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