

Finances



Financial snapshot

On a Net Cost of Services basis, NSW Health's 2014-15 result was \$70 million favourable against the approved adjusted budget as agreed with NSW Treasury. This result was determined after excluding the full actual impact derived from the Long Service Leave actuarial result for 2014-15. The extent of the favourability was largely due to the deferral and transfer of surplus land that was budgeted to occur in 2014-15. Had this occurred the Net Cost of Service result for NSW Health would largely have been on budget.

NSW Health's full year capital expenditure for 2014-15 (excluding capital expensing) was \$1.3 billion for works in progress and completed works. The total spend on capital in 2014-15 represents 9 per cent of the total Property, Plant, Equipment and Intangibles asset base.

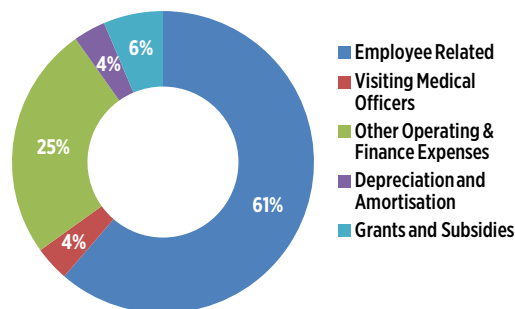
Based on the combined operating and asset results above, NSW Health has been assessed by NSW Treasury as achieving its overall budget responsibilities in 2014-15.

The Ministry of Health's Statement of Comprehensive Income reports a net result of \$529 million, \$58 million greater than the initial budget estimates. Information detailing the reasons for this variance is contained in the 2014-15 audited financial statements (Note 39).

Expenses

The following chart provides a breakdown of NSW Health's expenses by major categories:

Expenditure by category for the year 2014-15

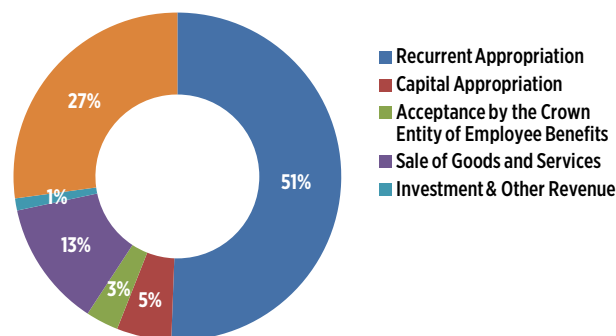


As a provider of patient centred health services, approximately 65 per cent or \$12.3 billion of costs incurred during 2014-15 are labour related and include employee salary costs and contracted Visiting Medical Officers costs. Significant costs in 2014-15 within the Other Operating and Finance Costs include approximately \$1.4 billion in drug, medical and surgical supplies and \$466 million in maintenance related expenses.

Grants and subsidies to third parties for the provision of public health related services were over \$1.2 billion in 2014-15, including payments of more than \$614 million of operating grants being paid to affiliated health organisations.

Revenue

Revenue by category for the year 2014-15



Own source revenues retained by NSW Health controlled entities during 2014-15 comprised largely private and compensable patient fees. These are included in Sale of Goods and Services in the chart above and Note 8 of the 2014-15 audited financial statements provides further detail about this category of revenue. Key items include private patient fees mainly from private health funds for privately insured patients (\$761 million), Department of Veterans' Affairs for the provision of services to entitled veterans (\$346 million), recoup of costs from the Commonwealth through Medicare for highly specialised drugs (\$237 million), compensable payments received from motor vehicle insurers for the hospital costs of persons hospitalised or receiving treatment as a result of motor vehicle accidents (\$146 million), and revenue from the use of facilities by medical practitioners under Rights of Private Practice arrangements (\$413 million).

The Commonwealth Special Purpose Payment for NSW as part of the National Health Reform Agreement is receipted under grants and contributions (\$4.9 billion), an increase of 10 per cent over the prior year.

Net Assets

NSW Health's net assets as at 30 June 2015 are \$12.3 billion. This is made up of total assets of \$16.6 billion netted off by total liabilities of \$4.3 billion. The net assets are represented by accumulated funds of \$8.6 billion and an asset revaluation reserve of \$3.7 billion.

The audited financial statements for the NSW Ministry of Health are provided in this report. Audited financial statements have also been prepared in respect of each of the reporting entities controlled by the Ministry. These statements have been included in a separate volume of the 2014-15 Annual Report. The Ministry and all its controlled entities received an unqualified opinion.

Financial management

Credit card certification

It is affirmed that for the 2014-15 Financial Year credit card use within the Ministry was in accordance with Premier's Memoranda and Treasurer's directions.

Credit card use

Credit card use within the NSW Ministry of Health is largely limited to:

- the reimbursement of travel and subsistence expenses
- the purchase of books and publications
- seminar and conference deposits.

Documenting credit card use

The following measures are used to monitor the use of credit cards:

- the Ministry's credit card policy is documented
- reports on the appropriateness of credit card usage are lodged periodically for management consideration
- six-monthly reports are submitted to Treasury, certifying that the Ministry's credit card use is within the guidelines issued.

Procurement cards

In accordance with NSW Treasury Policy (NSW Health Policy Directive PD2014_035), NSW Health has commenced roll out of Procurement Cards (PCards) to all organisations within NSW Health. The roll out program is anticipated to be completed to all organisations by December 2015.

The Ministry requires all NSW Health organisations to adopt the use of PCards, where practicable, for purchases of goods and services that are \$3000 or less. The use of PCards will improve the efficiency of the business processes associated with the procurement of goods and services.

The controls applied to credit cards are also applicable and applied to the use of PCards.

Implementation of price determination

For 2014-15, the costs for ambulance charges were applied consistent with the determination of the Independent Pricing and Regulatory Tribunal. Rates were advised in NSW Health Policy Directive PD2014_016. Current charges are outlined in NSW Health Policy Directive PD2015_016 *Ambulance Service Charges*.

Non-government organisation funding

NSW Health has a long history of partnering with non-government organisations (NGOs) to deliver health related services across NSW. In 2014-15, NSW Health provided grants to over 300 organisations through the NGO Grants Program across a range of key programs including Aboriginal health, drug and alcohol, mental health, AIDS and infectious diseases, women's health and chronic care support.

In response to the *Grants Management Improvement Program Taskforce* report, and other reviews of grant funding, NSW Health is working with the NGO sector to introduce revised arrangements that will strengthen NSW Health's partnership with NGOs.

Under *Partnerships for Health*, NSW Health will introduce revised purchasing arrangements for community-based health programs that are currently funded through NGO grants. This will ensure that important programs delivered by NGOs are aligned to priority needs, deliver value for money and are purchased in the same way that NSW Health procures new services.

Achievements in 2014-15 include:

- roll out of a new NGO funding agreement that promotes enhanced monitoring and reporting of funded activities through new key performance indicators and reporting frameworks
- consultation with NGO peaks, health-related NGOs (via an online survey), NSW agencies and other stakeholders on the development of a training and education program to support NGOs transition to new purchasing arrangements
- development of initial program purchasing positions, to shape and inform sector consultation and engagement
- continuation of NGO grant funding through to 30 June 2016 to support the ongoing delivery of important community-based health programs, often to vulnerable communities.

Non-government organisation grants program funded by the NSW Ministry of Health 2014-15

Grant Recipient	Description	Amount
Aboriginal Health and Medical Research Council of NSW	Peak body to build capacity and capability of Aboriginal Community Controlled Health Services in priority areas such as governance, financial management and business, contribute to policy development processes aimed at improving the health outcomes of Aboriginal people across NSW and be a formal partner with NSW Health on Aboriginal health issues. Funding is given for core functions, quality improvement programs, chronic disease and health ethics.	\$2,195,400
Aboriginal Health and Medical Research Council of NSW	Implementation of HIV/AIDS, hepatitis C and B, sexually transmissible infections (STI) and harm minimisation statewide service capacity building projects with Aboriginal Community Controlled Health Services in NSW. Also: Diploma of Community Services (Case Management) with a focus on Aboriginal Sexual Health distance learning package; and sexual and reproductive health service capacity building.	\$612,200
Aboriginal Health and Medical Research Council of NSW	Coordinate and support the Aboriginal Drug and Alcohol Network and support the development of culturally sensitive alcohol and other drug services for Aboriginal people in Aboriginal health services and local health districts.	\$161,500
Aboriginal Health and Medical Research Council of NSW	Mental health statewide coordination to support and develop the capacity of Aboriginal health services to deliver mental health services and provide advice to NSW Health on Aboriginal mental health issues.	\$172,200
Aboriginal Medical Service Co-op Ltd	Preventive health care, drug and alcohol, chronic disease management and maternal health programs for the Aboriginal community in the Sydney inner city area.	\$547,000
Aboriginal Medical Service Co-op Ltd	Provision of HIV/AIDS, hepatitis C and B and STI programs for local Aboriginal communities. Statewide distribution of condoms via Aboriginal Community Controlled Health Organisations.	\$201,700
Aboriginal Medical Service Co-op Ltd	Multipurpose drug and alcohol centre.	\$279,600
Aboriginal Medical Service Co-op Ltd	Mental health workers project and mental health youth project for Aboriginal community in the Sydney inner city area.	\$285,000
Aboriginal Medical Service Co-op Ltd	Aboriginal oral health services.	\$118,800
Aboriginal Medical Service Western Sydney Co-op Ltd	Preventive health care, family health, chronic disease management and drug and alcohol programs for the Aboriginal community in the western Sydney area.	\$484,200
Aboriginal Medical Service Western Sydney Co-op Ltd	Provision of HIV/AIDS, hepatitis C and B and STI programs for local Aboriginal communities.	\$72,900
Aboriginal Medical Service Western Sydney Co-op Ltd	Mental health worker project for Aboriginal community.	\$86,900
Aboriginal Medical Service Western Sydney Co-op Ltd	Aboriginal oral health services.	\$435,100
ACON Health Ltd	ACON is the peak statewide community based organisation providing HIV prevention, education, and support services to people at risk of and living with HIV. Services and programs include: HIV prevention, education and community development programs for gay and other homosexually active men; treatments information, health promotion and support programs for people with HIV; individual and group counselling; enhanced primary care and GP liaison; and HIV information provision.	\$9,852,800
After Care	Family and carer mental health program.	\$707,600
Albury Wodonga Aboriginal Health Service Inc	Provision of HIV/AIDS, hepatitis C and B and STI programs for local Aboriginal communities.	\$72,900
Albury Wodonga Aboriginal Health Service Inc	Mental health worker project for Aboriginal community.	\$86,900
Albury Wodonga Aboriginal Health Service Inc	Aboriginal oral health services.	\$336,500
Armajun Aboriginal Health Service	Provision of sexual and reproductive health programs for local Aboriginal communities.	\$60,000
Australasian Society for HIV Medicine Inc	Australasian Society for HIV Medicine Inc provides: general practitioner engagement and delivery of training for authorisation as required for prescribing of drugs used in the treatment of HIV; training that supports GPs involved with patients who have HIV and STIs; sexual health training for nurses; and HIV and STI training for other health care providers, as required	\$613,500
Australian Breastfeeding Association (NSW Branch)	Promoting and supporting breastfeeding.	\$53,850
Australian Red Cross (NSW Division)	Delivers drug and alcohol overdose awareness prevention, education and outreach to at risk communities in NSW.	\$269,300
Awabakal Newcastle Aboriginal Co-op Ltd	Preventive health care, drug and alcohol, ear health, chronic care and family health programs for the Aboriginal community in the Newcastle area.	\$540,300
Awabakal Newcastle Aboriginal Co-op Ltd	Provision of HIV/AIDS, hepatitis C and B and STI programs for local Aboriginal communities.	\$72,900
Awabakal Newcastle Aboriginal Co-op Ltd	Mental health worker project for Aboriginal community in the Newcastle area.	\$97,700
Awabakal Newcastle Aboriginal Co-op Ltd	Aboriginal oral health services.	\$173,000
Biripi Aboriginal Corporation Medical Centre	Preventive health care drug and alcohol and family health programs for the Aboriginal community in the Taree area.	\$328,300

Grant Recipient	Description	Amount
Biripi Aboriginal Corporation Medical Centre	Provision of HIV/AIDS, hepatitis C and B and STI programs for local Aboriginal communities and provision of sexual and reproductive health programs for local Aboriginal communities.	\$192,900
Biripi Aboriginal Corporation Medical Centre	Aboriginal oral health services.	\$173,000
Black Dog Institute	Programs to advance the understanding, diagnosis and management of mood disorders through research, education, training and population health approaches.	\$1,398,200
Bourke Aboriginal Health Service Ltd	Public health, family health and drug and alcohol programs for the Aboriginal community in Bourke and surrounding areas.	\$250,200
Bourke Aboriginal Health Service Ltd	Provision of HIV/AIDS, hepatitis C and B and STI programs for local Aboriginal communities.	\$72,900
Bulgarr Ngaru Medical Aboriginal Corporation	Family health program in the Grafton area.	\$88,400
Bulgarr Ngaru Medical Aboriginal Corporation	Provision of HIV/AIDS, hepatitis C and B and STI programs for local Aboriginal communities and provision of sexual and reproductive health programs for local Aboriginal communities.	\$177,900
Bulgarr Ngaru Medical Aboriginal Corporation	Mental health worker project for Aboriginal community.	\$99,700
Bulgarr Ngaru Medical Aboriginal Corporation	Aboriginal oral health services.	\$418,900
Bulgarr Ngaru Medical Aboriginal Corporation – Casino AMS	Chronic disease prevention and management program in the Casino area.	\$212,000
Bulgarr Ngaru Medical Aboriginal Corporation – Casino AMS	Aboriginal oral health services.	\$241,000
Centacare Wilcannia-Forbes	Family health program in Narromine and Bourke.	\$162,300
Centacare Wilcannia-Forbes	Family and Carer Mental Health Program.	\$712,200
Centre for Disability Studies	Provision of a medical and health consultant service for adolescents and adults with intellectual disability.	\$200,000
Centre for Social Research in Health, University of NSW	Analysis and reporting of HIV, STI and viral hepatitis social/behavioural data. Monitoring of risk behaviour among populations at risk of HIV and STI and provision of research into living with HIV and related diseases.	\$81,361
Coomealla Health Aboriginal Corporation	Provision of HIV/AIDS, hepatitis C and B and STI programs for local Aboriginal communities and provision of sexual and reproductive health programs for local Aboriginal communities.	\$192,900
Coomealla Health Aboriginal Corporation	Mental health worker project for Aboriginal community.	\$97,700
Coonamble Aboriginal Health Corporation	Family health and chronic care programs in the Coonamble area.	\$300,400
Coonamble Aboriginal Health Corporation	Provision of sexual and reproductive health programs for local Aboriginal communities.	\$120,000
Council of Social Service NSW	Capacity building activities that increase sustainability in health related NGOs. Activities that promote the development of health policies, strategies, service design and delivery to better address the health needs of disadvantaged people.	\$234,900
Cummeragunja Housing & Development Aboriginal Corporation	Preventive health program for the Aboriginal community in the Cummeragunja, Moama and surrounding areas.	\$88,700
Cummeragunja Housing & Development Aboriginal Corporation	Mental health worker project for Aboriginal community.	\$97,700
Cystic Fibrosis NSW	Counselling, support, information and assistance to people with Cystic Fibrosis and their families.	\$245,300
DAMEC (Drug and Alcohol Multicultural Education Centre)	Statewide program targeting health and related professionals to assist them to appropriately service culturally and linguistically diverse customers.	\$650,500
Diabetes NSW	Provision of syringes and pen needles at no cost to NSW registrants of the National Diabetic Services Scheme and the promotion and education for safe sharps disposal.	\$2,437,500
Dubbo Neighbourhood Centre Inc	Family health program for communities in the Dubbo area.	\$88,800
Durri Aboriginal Corporation Medical Service	Preventive health care, chronic care and drug and alcohol programs for the Aboriginal communities in the Kempsey area.	\$451,600
Durri Aboriginal Corporation Medical Service	Provision of HIV/AIDS, hepatitis C and B and STI programs for local Aboriginal communities.	\$72,900
Durri Aboriginal Corporation Medical Service	Aboriginal oral health services.	\$418,900
Family Drug Support	Provides 24 hour telephone counselling, support and referral to families impacted by family members' drug and alcohol misuse.	\$332,300
Family Planning NSW	Provision of sexual and reproductive health education programs for Aboriginal communities in NSW.	\$250,000
Frederic House	Frederic House is a residential aged care facility that targets older men with mental health and/or substance use issues. This top up funding supports the facility and services provided, particularly the provision of specialist staffing.	\$195,200

Grant Recipient	Description	Amount
Galambila Aboriginal Health Service Inc.	Chronic disease prevention and management program for Aboriginal community in the Coffs Harbour area.	\$290,200
Galambila Aboriginal Health Service Inc.	Mental health worker project for Aboriginal community.	\$86,900
Goorie Galbans Aboriginal Corporation	Family health program in the Kempsey area.	\$134,000
Griffith Aboriginal Medical Service	Provision of sexual and reproductive health programs for local Aboriginal communities.	\$50,000
Health Consumers NSW	Activities that support health consumer representation in the development of health policies, strategies and programs. Key activities include support for consumer representative networks and training and education for the health sector.	\$367,800
Healthy Kids Association Inc	Delivery of key activities in relation to the NSW School Canteen Strategy, Fresh Taste @ School and activities associated with the Healthy Children Initiative when required.	\$441,600
Hepatitis NSW (HNSW)	HNSW is a statewide community-based organisation that provides information, support, referral, education and advocacy services for all people in NSW affected by hepatitis C. HNSW works actively in partnership with other organisations and the affected communities to bring about improvement in the quality of life and to prevent the transmission of hepatitis C.	\$1,794,300
Hunter New England Local Health District	Aboriginal oral health services.	\$461,600
Illaroo Cooperative Aboriginal Corporation	Personal care worker for the Rose Mumbler Retirement Village.	\$57,500
Illawarra Aboriginal Medical Service	Preventive health care, drug and alcohol programs, health and welfare worker and an early childhood nurse for the Aboriginal community in the Illawarra area.	\$265,800
Illawarra Aboriginal Medical Service	Provision of HIV/AIDS, hepatitis C and B and sexually transmissible infections programs for local Aboriginal communities.	\$72,900
Illawarra Aboriginal Medical Service	Aboriginal oral health services.	\$302,300
Intereach NSW Inc	Family health program in the Deniliquin area	\$98,300
Katungul Aboriginal Corporation Community & Medical Services	Ear health program for Aboriginal communities of the far South Coast region.	\$78,700
Katungul Aboriginal Corporation Community & Medical Services	Provision of HIV/AIDS, hepatitis C and B and sexually transmissible infections programs for local Aboriginal communities.	\$72,900
Katungul Aboriginal Corporation Community & Medical Services	Mental health worker project for Aboriginal community.	\$92,000
Katungul Aboriginal Corporation Community & Medical Services	Aboriginal oral health services.	\$314,900
KIDSAFE NSW Inc	Prevention of deaths and injuries to children under the age of 15.	\$225,400
Life Education NSW Ltd	Delivers drug and alcohol and healthy lifestyle related education to primary and secondary school children across NSW.	\$1,940,500
Lifeline Australia	Crisis telephone service.	\$2,207,600
Maari Ma Aboriginal Corporation	Aboriginal oral health services.	\$189,900
Maari Ma Health Aboriginal Corporation	Family health, chronic disease prevention and management programs in the Broken Hill and surrounding areas.	\$365,955
Manning District Emergency Accommodation Inc	Counselling and support service for Aboriginal women and children in the Manning district.	\$58,200
Mental Health Coordinating Council NSW	Peak organisation funded to support NGO sector efforts to provide efficient and effective delivery of mental health services plus three year project funding for the NGO Development Officers Strategy project and the Professional Development Scholarships program.	\$514,800
Mission Australia	Family and carer mental health program.	\$710,300
National Stroke Foundation	Support health checks in community pharmacies.	\$1,214,000
Network of Alcohol & Other Drugs Agencies Inc	Peak body for NGOs providing alcohol and other drug services.	\$1,124,600
Ngaimpe Aboriginal Corporation	Residential drug and alcohol program for men in the Central Coast area.	\$179,600
NSW Rural Doctors Network Ltd	The Rural Doctors Network core funding supports a range of programs aimed at ensuring sufficient numbers of suitably trained and experienced General Practitioners are available to meet the health care needs of rural NSW communities. Funding is also provided for the NSW Rural Medical Undergraduates Initiatives Program which provides financial assistance to medical students undertaking rural NSW placements; and the NSW Rural Resident Medical Officer Cadetship Program which supports selected medical students in their final two years of study who commit to completing two of their first three postgraduate years in a NSW regional based hospital.	\$1,469,600

Grant Recipient	Description	Amount
NSW Users & AIDS Association Inc (NUAA)	NUAA is a statewide community-based organisation that provides HIV/AIDS and hepatitis C prevention education, harm reduction, advocacy, and referral and support services for people who inject drugs.	\$1,471,600
Orana Haven Aboriginal Corporation	Residential drug and alcohol program located near Brewarrina.	\$149,100
Orange Aboriginal Health Service	Chronic disease prevention in the Orange area.	\$212,000
Orange Aboriginal Health Service	Aboriginal oral health services.	\$331,200
Parkinson's NSW Inc	Funds to raise the awareness of Parkinson's Disease in the community through support of Parkinson's week activities and to provide targeted training and education.	\$25,300
Parramatta Mission	Family and carer mental health program.	\$1,421,300
Peer Support Foundation Ltd	Social skills development program, providing education and training for youth, parents, teachers, undertaken in schools across NSW.	\$254,400
Pharmacy Guild of Australia (NSW Branch)	Promotion and coordination of the Pharmacy Fitpack Scheme (Needle and Syringe Program) in retail pharmacies throughout NSW.	\$1,499,000
Pharmacy Guild of Australia (NSW Branch)	Support health checks in community pharmacies.	\$890,000
Pius X Aboriginal Corporation	Provision of HIV/AIDS, hepatitis C and B and STI programs for local Aboriginal communities.	\$72,900
Pius X Aboriginal Corporation	Aboriginal oral health services.	\$172,500
Positive Life NSW	Statewide community based education, information and referral and support services for people living with HIV.	\$845,700
Quality Innovation Performance	Assist with the NGO Quality Improvement Program for NGOs funded under NSW Health's NGO Grant Program.	\$215,400
Riverina Medical & Dental Aboriginal Corporation	Preventive health care, drug and alcohol, ear health and family health services for the Aboriginal community in the Riverina region.	\$479,000
Riverina Medical & Dental Aboriginal Corporation	Mental health worker project for Aboriginal community.	\$86,900
Riverina Medical & Dental Aboriginal Corporation	Aboriginal oral health services.	\$456,100
Schizophrenia Fellowship of NSW Inc	Family and carer mental health program.	\$2,160,200
Schizophrenia Research Institute	Support for a comprehensive research program across hospitals, universities and research institutes to discover the ways in which to prevent and cure schizophrenia.	\$1,400,700
Sex Workers Outreach Project	Provision of HIV/AIDS, hepatitis C and B and STI peer-based sex worker health education and outreach program.	\$1,155,500
South Coast Medical Service Aboriginal Corporation	Preventive health care and drug and alcohol programs for the Aboriginal community in the Nowra area.	\$162,700
South Coast Medical Service Aboriginal Corporation	Provision of HIV/AIDS, hepatitis C and B and STI programs for local Aboriginal communities.	\$72,900
South Coast Medical Service Aboriginal Corporation	Mental health worker for local Aboriginal community.	\$187,300
South Coast Medical Service Aboriginal Corporation	Aboriginal oral health services.	\$262,100
Tharawal Aboriginal Corporation	Preventive health care and drug and alcohol programs for the Aboriginal community in the Campbelltown area.	\$161,400
Tharawal Aboriginal Corporation	Provision of HIV/AIDS, hepatitis C and B and STI programs for local Aboriginal communities.	\$72,900
Tharawal Aboriginal Corporation	Mental health worker project for Aboriginal community.	\$86,900
Tharawal Aboriginal Corporation	Aboriginal oral health services.	\$302,300
The Kirby Institute – University of NSW	Analysis and reporting of HIV, STIs and viral hepatitis surveillance data. Monitoring of prevalence, incidence and risk factors among populations at risk of HIV, STIs and viral hepatitis.	\$100,000
The Oolong Aboriginal Corporation	Residential drug and alcohol treatment located in the Nowra area.	\$198,200
The Oolong Aboriginal Corporation	A residential drug and alcohol treatment and referral service for Aboriginal people.	\$289,700
Tobwabba Aboriginal Medical Service	Family health services for the prevention and management of violence with Aboriginal families in Forster and surrounding areas.	\$89,500
United Hospital Auxiliaries of NSW Inc	Administrative and communications support to the affiliated hospital auxiliaries and UHA Volunteers located in public hospitals, multipurpose services, community health centres, day care services and other public health facilities across NSW.	\$189,000
Uniting Care NSW.ACT	Medically supervised injecting centre.	\$3,450,200
Walgett Aboriginal Medical Service Co-op Ltd	Preventive health care, family health and drug and alcohol programs for the Aboriginal community in the Walgett area and Aboriginal Health Worker in Collarenebrri.	\$305,100

Grant Recipient	Description	Amount
Walgett Aboriginal Medical Service Co-op Ltd	Provision of HIV/AIDS, hepatitis C and B and STI programs for local Aboriginal communities.	\$113,200
Walgett Aboriginal Medical Service Co-op Ltd	Mental health worker project for Aboriginal community.	\$173,600
Walgett Aboriginal Medical Service Co-op Ltd	Aboriginal oral health services.	\$118,800
WAMINDA (South Coast Women's Health & Welfare Aboriginal Corp)	Family health program in the South Coast area.	\$91,700
WAMINDA (South Coast Women's Health & Welfare Aboriginal Corp)	Mental health worker project for Aboriginal community.	\$89,100
Weigelli Centre Aboriginal Corporation	Residential drug and alcohol program for Aboriginal people in the Cowra area.	\$79,400
Weigelli Centre Aboriginal Corporation	Mental health worker project for Aboriginal community.	\$86,900
Wellington Aboriginal Corporation Health Service	Drug and alcohol, youth and family health programs for the Aboriginal community in and around Wellington.	\$217,400
Wellington Aboriginal Corporation Health Service	Provision of HIV/AIDS, hepatitis C and B and STI programs for local Aboriginal communities.	\$72,900
Wellington Aboriginal Corporation Health Service	Project grant for the employment of an Aboriginal mental health focused clinical team leader (psychologist).	\$95,200
Women's Health NSW	Women's Health NSW is the peak body for non-government, community based, women's health centres in NSW. The organisation is responsible for promoting a coordinated approach to policy and planning, service delivery, staff development, training, education and consultation between members, NSW Health and other government and non-government agencies.	\$198,300
Yerin Aboriginal Health Services Inc	Preventive health care, ear health and family health programs for the Aboriginal people in the Wyong area.	\$373,700
Yerin Aboriginal Health Services Inc	Mental health worker project for Aboriginal community.	\$86,900
Yerin Aboriginal Health Services Inc	Aboriginal oral health services.	\$331,200
YFoundations	Support the development and delivery of an integrated population-based prevention program that aims to increase consistent condom use, STI/HIV testing and treatment among young people.	\$169,425
Yoorana Gunya Family Healing Centre Aboriginal Corporation	Family health program for the Aboriginal community in Forbes and surrounding areas.	\$173,300

Other funding grants 2014-15

Organisation name	Amount (\$)	Description
Aboriginal Health & Medical Research Council	24,000	Sponsorship of Harm Minimisation Forum – May 2015.
Adele Dundas Incorporated	355,766	Residential rehabilitation services for clients from Adult Drug Court.
Aftercare	1,948,230	Mental health housing and accommodation initiatives.
Aftercare	196,467	Adhoc grant for mental health supported accommodation services
Aftercare	542,414	Mental health boarding house support initiative.
Ageing, Disability & Home Care, Department of Family and Community Services NSW	32,000	Joint funding for the University Chair in Intellectual Disability Mental Health.
Albury Wodonga Health	14,187	NSW contribution for a Mental Health and Community Health Transition Manager position.
Alzheimer's Australia	100,000	Donation to assist with the replacement of the 'Memory Van' and associated fit out costs to support outreach services across NSW.
ARCS Australia	26,900	Sponsorship of Scientific Congress.
Armida Men's Shed Incorporated	2,500	Men's Shed Mental Health Program.
ASP Healthcare Pty Ltd	22,492	Supply of needle and syringe disposal bins to designated locations in NSW.
Australian & NZ Intensive Care Society	360,064	Core Bi-National Intensive Care Databases.
Australian Breastfeeding Association	20,000	Promotion and support of breastfeeding, targeting overweight and obesity in NSW.
Australian Commission on Safety & Quality in Health Care	50,000	Development of Aboriginal and Torres Strait Islander National Safety and Quality Health Service resources.
Australian Commission on Safety & Quality in Health Care	2,164,551	NSW contribution for the Australian Commission on Safety and Quality in Health Care.
Australian Diabetes Council	180,000	National Diabetes Service Scheme.
Australian Drug Foundation	1,345,825	Drug and Alcohol Community Engagement and Action Program.

Organisation name	Amount (\$)	Description
Australian Red Cross	8,868,079	Tissue Typing/Bone Marrow Services.
Australian Red Cross	1,666,666	Retention of Australian Red Cross Blood Supply funding surplus.
Australian Society for Medical Research	18,000	Sponsorship of Australian Society for Medical Research Week – June 2015.
Bathurst Men's Shed Incorporated	8,000	Men's Shed Mental Health Program.
Be Centre Foundation Limited	2,265	Play therapy program for children with emotional, behavioural and trauma issues.
Belong's Haven Limited	54,145	Residential rehabilitation services for clients from Adult Drug Court.
Berry Men's Shed Limited	1,000	Men's Shed Mental Health Program.
Beyond Blue Limited	159,035	Blue Mountains disaster response training and resources.
Black Dog Institute	2,000	Funding for film production project for people with mental health problems.
Black Dog Institute	10,000	Statewide Mental Health Youth Mentoring Program.
Bourke Shire Council	33,155	Community sharps safe disposal project.
Central Coast Schizophrenia & Bi-polar Fellowship	1,500	Mental health and community engagement projects.
Central Darling Shire Council	31,282	Community sharps safe disposal project.
Cofluence Pty Limited	9,870	One-off grant for mental health app design workshop.
Community Restorative Centre	89,635	Drug/alcohol treatment services.
Coonamble Aboriginal Health Service	148,761	One-off funding to support Aboriginal health service delivery at the Dubbo outreach site.
Culburra Beach Orient Point Men's Shed	1,700	Men's Shed Mental Health Program.
Cure Brain Cancer Foundation	250,000	Donation for the purchase of equipment to develop therapeutic vaccine clinical trials in NSW for brain cancer patients.
Dahlsford Grove Lifestyle Village Men's Shed	2,500	Men's Shed Mental Health Program.
Department of Family & Community Services NSW	168,326	Training of staff for cases of substance abuse.
Department of Family & Community Services NSW	125,000	Contribution towards the NSW Carers' Awards.
Department of Family & Community Services NSW	25,000	Contribution towards the consultation costs associated with the establishment of a memorial at the former Parramatta Girls Training School.
Department of Health & Human Services Victoria	76,154	NSW contribution for the Mental Health Professional On-Line Development, Hosting & Maintenance Program.
Department of Health & Human Services Victoria	3,000,000	Capital grant for the development of a 'Brain and Mind' mental health centre in Albury.
Department of Health Australian Government	838,494	NSW contribution for 'Front- of- Pack' food labelling implementation.
Department of Health Australian Government	1,693,416	NSW contribution to Australian Childhood Immunisation Register.
Department of Health Australian Government	1,456,910	NSW contribution for National Cord Blood Collection Network.
Department of Health Australian Government	16,010	NSW contribution to World AIDS Day.
Drug and Alcohol Multicultural Education Centre	229,803	Drug/alcohol treatment services.
East Hills District Men's Shed Association Incorporated	750	Men's Shed Mental Health Program.
Family Planning NSW	115,550	Delivery of Sexual Safety Training, Education and Resources Program.
Glen Innes Men's Shed Incorporated	2,500	Men's Shed Mental Health Program.
Guthrie House	25,374	Residential rehabilitation services for clients from Adult Drug Court.
Health Direct Australia	3,003,283	NSW Get Healthy Information and Coaching Service.
Health Direct Australia	12,474,036	National Registered Nurse Telephone Triage Service.
Health Professional Councils Authority	10,000	Contribution towards the operational costs of the Aboriginal & Torres Strait Islander Health Practice Council of NSW.
Hospital Art Australia Incorporated	500	Funding for purchase of art utensils for mental health units and hospitals in NSW.
Humpty Dumpty Foundation	300,025	One-off grant to purchase paediatric equipment.
Humpty Dumpty Foundation	60,000	The Michelle Beets Memorial Award.
Jarra House	137,910	Drug/alcohol treatment services.
Jarra House	13,005	Residential rehabilitation services for clients from Adult Drug Court.
Kedesh Rehabilitation Services	208,386	Drug/alcohol treatment services.
Kids of Macarthur Health Foundation	70,000	Donation towards purchase of a mobile digital radiography machine for Campbelltown Hospital.

Organisation name	Amount (\$)	Description
Lake George Men's Shed	1,000	Men's Shed Mental Health Program.
Lifehouse at RPA	2,400,000	Outreach services to Rural Cancer Centres and provision of facilities for Junior Medical Officer Training.
Lifeline Macarthur	2,500	One-off grant for purchase of Christmas hampers for socio-economically disadvantaged people with mental illness.
Lifeline South Coast NSW	5,000	Telephone crisis support service and financial counselling.
Lifestart Co-operative Limited	5,000	Donation for the fun run event 'Run for the Hills' to support fundraising efforts to provide early intervention services for children with Down Syndrome.
Men's Shed Maitland Incorporated	1,000	Men's Shed Mental Health Program.
Mental Health Commission of NSW	58,000	2014-15 NSW Consumer Workers' Annual Forum.
Mental Health Commission of NSW	140,000	Suicide Prevention 'Conversations Matter' project.
Mental Health Co-ordination Council	125,000	Scholarship Program for Certificate IV Mental Health Peer Work and Certificate IV Mental Health.
Mental Health Council of Australia	19,990	National Mental Health Consumer and Carer Forum annual contribution.
Mental Illness Fellowship Victoria	101,818	Establishment costs for the Youth Community Living Support Services in South Western Sydney and Northern NSW regions.
Mid-Western Regional Council	4,043	Community sharps safe disposal project.
Mind Blank Limited	1,550	One-off grant towards a Kiama Mental Health Youth Forum.
Mission Australia	706,440	Mental Health Recovery and Resource Services Program.
Mission Australia	3,372,866	Mental health housing and accommodation initiatives.
Murwillumbah Community Men's Shed	2,000	Men's Shed Mental Health Program.
Myositis Association Australia	20,000	One-off donation for the development of online educational resources for children with myositis.
Nambucca Valley Phoenix Limited	55,963	Community sharps safe disposal project.
Nambucca Valley Phoenix Limited	55,963	Bowraville Safe Families' Aboriginal Injury Prevention Program.
National Association for Loss & Grief	284,299	Adhoc Grant for Mental Health Supported Accommodation Services.
National Blood Authority	1,241,904	Contribution to operational costs.
National Heart Foundation	20,000	Donation to the 'Go Red for Women' heart disease awareness campaign for women.
National Heart Foundation (Western Australia Division)	44,000	Australian Physical Activity Network.
National Rugby League Limited	19,500	Sponsorship of the 'What's Your State of Mind' mental health campaign.
Neami National	9,254,760	Mental health housing and accommodation initiatives.
Neami National	529,830	Mental Health Recovery and Resource Services Program.
Neami National	723,963	Mental health boarding house support initiative.
NELUNE Foundation	330,000	Purchase of anaesthetic machines for Cancer Centre.
New Horizons Enterprises	13,475,817	Mental health housing and accommodation initiatives.
New Horizons Enterprises	596,059	Mental Health Recovery and Resource Services Program.
Ngaimpe Aboriginal Corporation	39,908	Residential rehabilitation services for clients from Adult Drug Court.
NSW Department of Corrective Services	1,652,656	Specific drug and alcohol programs as part of the National Drug Strategy.
NSW Department of Education & Training	100,000	Sexual Health in Schools Program.
NSW Department of Education & Training	2,594,490	Promotion of healthy eating and physical exercise at school-'Live Life Well at School'.
NSW Department of Justice	59,390	Contribution to local courts for magistrates review of Involuntary Drugs & Alcohol Treatment Program.
NSW Department of Justice	321,915	Delivery of drug diversion programs.
NSW Department of Premier & Cabinet	334,000	Support for Premier's Council of Active Living.
NSW Institute of Psychiatry	3,189,714	Provision of key mental health education and training programs.
NSW Institute of Psychiatry	181,818	NSW Suicide Prevention Strategy – Grief and Loss Training Program for Aboriginal Mental Health Workers.
NSW Institute of Psychiatry	136,364	Grief and Loss Training for Aboriginal Mental Health Workers.
NSW Juvenile Justice, Attorney General & Justice	2,379,597	National Health Care Agreement Drug Budget Funding.
NSW Nurses and Midwives' Association	72,727	Bob Fenwick Memorial Mentoring Grants Program.
NSW Office of Sport	100,000	Active Ageing Program.
NSW Police Service	127,051	Funding for Drug Diversion Training.
NSW Police Service	141,681	Diversion Cannabis Mansard Causing Scheme.
NSW Police Service	509,878	National Drug Strategy Funding.
NSW Rural Doctors' Network	113,781	Medical Specialist Outreach Assistance Program.

Organisation name	Amount (\$)	Description
Odyssey House McGrath Foundation	3,445	Residential rehabilitation services for clients from Adult Drug Court.
On Track Community Programs	691,649	Mental health housing and accommodation initiatives.
Parramatta Mission	6,037,496	Mental health housing and accommodation initiatives.
Parramatta Mission	1,150,000	Blacktown and Penrith pilot sites for 'LikeMind' integrated mental health services.
Parramatta Mission	985,000	Mental Health Recovery and Resource Services Program.
Parramatta Mission	241,321	Mental health boarding house support initiative.
Pharmacy Guild of Australia	1,288,520	Pharmacy Incentive Scheme - NSW Opioid Treatment Program.
Pharmacy Guild of Australia	85,000	Pain Network Awareness Campaign for management of chronic pain.
Pink Hope Community Limited	250,000	Support for the delivery of preventative health measures for hereditary breast and ovarian cancer.
Pole Depot Community Centre	2,000	Refurbishment of community centre 'Youth Zone' room.
Port Macquarie- Hastings Suicide Prevention Network	2,500	One-off grant for 'Creatability Art Program'.
Postvention Australia Incorporated	5,000	Support for the '4th Australian Postvention Conference'.
Raymond Terrace Men's Shed	5,722	Men's Shed Mental Health Program.
Rhodanthe Lipsett Indigenous Midwifery Charitable Trust	75,000	Contribution to Indigenous Midwifery Scholarship Strategy.
Research Australia	20,000	Sponsorship of Research for Australia's 3rd Annual Philanthropy for Health & Medical Research Conference.
RichmondPRA	949,279	Mental Health Recovery and Resource Services Program.
RichmondPRA	14,514,507	Mental health housing and accommodation initiatives.
RichmondPRA	371,863	Adhoc grant for mental health supported accommodation services.
RichmondPRA	904,953	Mental health boarding house support initiative.
RichmondPRA	90,909	Establishment costs for the Youth Community Living Support Services in Penrith, Western Sydney and Hunter regions.
Ronald McDonald House Westmead	10,000,000	Donation towards the expansion of Ronald McDonald House at the Children's Hospital Westmead.
Rotary Club of Gosford North Incorporated	6,000	Support for 'Save Our Kids' youth suicide prevention program.
Royal Institute for Deaf and Blind Children	240,000	One-off capital funding for the refurbishment of the Port Macquarie Cochlear Centre.
Salvation Army	149,714	Drug / alcohol treatment services.
Salvation Army	85,865	Residential rehabilitation services for clients from Adult Drug Court.
Samaritan's Foundation	240,330	Drug / alcohol treatment Services.
Schizophrenia Fellowship	331,145	Mental Health Recovery and Resource Services Program.
Schizophrenia Fellowship	53,000	Community Development Project Grant.
Silver Chain Group Limited	2,223,388	Palliative Care Home Support Services.
South Australian Health Department	1,151,006	Australian Health Ministers' Advisory Council funding.
St Andrew's Anglican Church Riverwood	5,000	One-off grant for lunch and leisure program for the socially isolated by long-term psychiatric disability.
St Clair Youth & Neighbourhood Team Incorporated	10,000	Men's Shed mental health program.
St George Men's Shed Incorporated	2,500	Men's Shed mental health program.
St Luke's Anglicare	764,390	Mental health housing and accommodation initiatives.
St Luke's Anglicare	198,687	Mental Health Recovery and Resource Services Program.
St Luke's Anglicare	10,000	Funding for 'River 2 Recovery' mental health project for young people.
St Vincent de Paul Society	125,429	Drug / alcohol treatment services.
State Library of NSW	323,066	Drug Info @ Your Library Services.
Survivors and Mates Support Network	5,000	Support for male survivors of childhood sexual abuse project.
Sydney Local Health District	111,568	2014-15 National Poisons Register.
The Buttery Limited	244,270	Drug / alcohol treatment services.
The George Institute	381,413	Fall Prevention among Older Aboriginal People Project.
The George Institute	239,728	Buckle Up' Aboriginal Injury Prevention & Safety Promotion project.
The George Institute	108,808	Evaluation of the NSW Connecting Care Program.
The George Institute	150,600	Development and evaluation of an Aboriginal smoking cessation mobile application.
The Hammond Care Group	499,827	NSW community-based palliative care services.
The Hammond Care Group	2,499,139	Palliative Care Home Support Services.
The Hammond Care Group	1,192,708	Mental Health Special Care Unit and Program for Older People.
The Hills Clinic Pty Limited	7,000	One-off grant towards 'The Hills Mental Health Committee' conference.

Organisation name	Amount (\$)	Description
The Kennedy Foundation	10,000	Donation for the Redkite cancer charity.
The Prince of Wales Hospital Foundation	10,000	Donation towards 'Dreams to Live For' Program for adult patients with metastatic cancer.
The Sax Institute	32,942	Supplementary funding for editorial management and production of 'Public Health Research and Practice'.
The Sax Institute	1,800,000	Core infrastructure funding.
The Shepherd Centre	21,000	One-off funding towards operational expenses for new leasing arrangements.
The Wayside Chapel	11,000	'Weekly Psychiatrist' mental health triage and assessment project.
Transplant Australia	350,000	Contribution to support the Australian Transplant Games in 2016.
UinMind	500	One-off grant for the awareness of youth mental health issues project.
University of New South Wales	20,715	Evaluation of inner city youth at risk and assertive outreach services.
University of New South Wales	750,000	Surveillance, research and evaluation of HIV, STI and Viral Hepatitis in NSW.
University of New South Wales	75,000	Implementing Falls Prevention Research into Policy and Practice Project.
University of New South Wales	75,000	NSW Research & Workforce Development Program on Healthy Built Environments.
University of New South Wales	35,000	Development and evaluation of online psycho-educational intervention targeting individuals with a family history of depression.
University of New South Wales	200,000	NSW Child Development Study.
University of New South Wales	50,000	Research for Improving Access to Mental Health Services for People with Intellectual Disability.
University of New South Wales	360,000	Clinical Academic Research Program.
University of New South Wales	473,960	Aboriginal Injury Prevention and Safety Promotion Demonstration Program.
University of New South Wales	46,051	Development and pilot of online comorbidity tools to improve treatment engagement and effectiveness in mental health and substance abuse problems.
University of Newcastle	3,257,968	Rural Adversity Mental Health Program.
University of Newcastle	50,000	Sponsorship of the 2nd World Integrated Care Conference 23-25 November 2014.
University of Sydney	100,000	Study of environment on Aboriginal resilience and child health.
University of Sydney	750,000	NSW Research Program for Physical Activity, Nutrition and Obesity Prevention.
University of Sydney	141,898	NSW Schools Physical Activity & Nutrition Survey.
University of Sydney	400,000	Brain & Mind Research Institute funding of two Chairs of Research Programs – the Chair of Mental Health and Chair of Depression.
University of Sydney	178,518	Chair of Medical Physics Research.
University of Sydney	50,000	Variation of contract to deliver the Opioid Treatment Accreditation Course.
University of Sydney	40,000	Travel and training for the NSW Eating Disorder Coordinator.
University of Sydney	80,000	Development of a mobile application to support treatment for eating disorders.
University of Sydney	130,000	Validation and dissemination of an early diagnosis instrument for eating disorders.
University of Sydney	136,364	One-off funding for development of a secure online eating disorder assessment portal.
University of Sydney	136,364	One-off funding for development of a secure online eating disorder treatment programs.
University of Sydney	136,364	One-off funding for development of an information resource to support people with an eating disorder.
University of Sydney	100,000	One-off funding to ensure development and mapping of a district wide eating disorder early intervention network.
University of Sydney	100,000	Support for NSW Service Plan for People Eating Disorders.
University of Wollongong	489,509	Research funding for Project Air Strategy for Personality Disorders.
University of Wollongong	55,088	Scoping study for suicide prevention training for NSW health professionals.
Volunteering Wingecarribee Incorporated	1,000	One-off grant to engage retrenched and depressed employees with voluntary community projects.
Wagga Women's Health Centre	100,000	One-off donation to assist in the purchase of permanent accommodation.
Walgett Shire Council	3,155	Community sharps safe disposal project.
Watershed	130,172	Drug / alcohol treatment services.
Wayback Community Limited	800,540	Residential rehabilitation services for clients from Adult Drug Court.
We Help Ourselves – Residential Treatment of Opioid Dependence	50,635	Residential rehabilitation services for clients from Adult Drug Court.
We Help Ourselves Hunter Valley	215,115	Drug / alcohol treatment services.
We Help Ourselves Hunter Valley	10,725	Residential rehabilitation services for clients from Adult Drug Court
We Help Ourselves Sydney	276,104	Drug / alcohol treatment services.
We Help Ourselves Sydney	177,580	Residential rehabilitation services for clients from Adult Drug Court.
We Help Ourselves Sydney	12,500	Drug and Alcohol Research Grant Program.
Wesley Mission	4,000,000	Mental Health Support for Mothers with Young Children – Mums & Kids Matter.
Woollahra Municipal Council	20,000	Upgrade of lighting to enhance CCTV surveillance at Gap Park to prevent suicide attempts.
Workcover NSW	2,127,238	Healthy Worker Initiative Program.
YMCA of Sydney	13,361	One-off grant for Brightside mental health project.

NSW Ministry of Health operating consultants 2014-15

Consultancies equal to \$50,000 or more

Consultant	Cost \$	Title / description
Management Services		
Capital Insight P/L	103,824	Strategic Reform Assessment on Health Related Community Transport Transfers.
Cultural & Indigenous Research Centre Australia	57,800	Impact evaluation of the Culture Health Communities – Activity Challenge Pilot.
Deloitte Touche Tohmatsu	90,909	Review of Pharmacy Incentive Scheme.
Health Partners Consulting	81,818	Review service profile, identify the priorities for the future and develop Strategic Action Service Plan.
Health Partners Consulting	70,880	Strategic Review of Consumer Participation.
IECO Consulting P/L	131,876	Review of the Junior Medical Officer Recruitment Strategy.
MBM Consultants P/L	50,520	Efficiency review services at Central Coast, South Eastern Sydney and Northern NSW local health districts.
Nous Group P/L	55,000	Review of Population Health and Health Services Research Support Program.
Nous Group P/L	69,230	Strategic Review of Telehealth in NSW.
Single Cell Mobile	239,200	Develop an eLearning for the PROcure Contract lifecycle management system.
The Checkley Group P/L	58,800	HealthShare Resourcing Review Consultancy
Consultancies equal to \$50,000 or more	1,009,857	

Consultancies less than \$50,000

During the year 39 other consultancies were engaged in the following areas:

	Cost \$
IT Services	9,259
Management services	428,009
Organisational review	137,611
Training	17,010
Consultancies less than \$50,000	591,889
Total consultancies	1,601,746

Payment of accounts

The following tables provide payment performance information for the NSW Ministry of Health for 2014-15.

Quarter	AGED ANALYSIS AT THE END OF EACH QUARTER				
	Current	Less than	Access refused in full	Information not held	Information already available
	\$'000	\$'000	\$'000	\$'000	\$'000
All suppliers¹					
September	33,324	1,878	1,455	210	315
December	33,822	1,934	1,126	257	232
March	36,343	2,564	758	854	711
June	61,561	4,686	1,103	762	277
Small business suppliers¹					
September	112	10	0	0	0
December	2	8	0	0	0
March	8	3	0	0	0
June	290	9	0	0	0

	ACCOUNTS DUE OR PAID WITHIN EACH QUARTER				
	Sept	Dec	Mar	Jun	
	\$'000	\$'000	\$'000	\$'000	\$'000
All suppliers¹					
Number of accounts due for payment	5231	3963	3691	4622	
Number of accounts paid on time	4568	3297	2956	4025	
Actual percentage of accounts paid on time (based on number of accounts)	87.3%	83.2%	80.1%	87.1%	
Dollar amount of accounts due for payment	37,181	37,372	41,230	68,389	
Dollar amount of accounts paid on time	33,324	33,822	36,343	61,561	
Actual percentage of accounts paid on time (based on \$)	89.6%	90.5%	88.1%	90.0%	
Number of payments for interest on overdue accounts	0	0	0	0	
Interest paid on overdue accounts	0	0	0	0	
Small business suppliers²					
Number of accounts due for payment to small businesses	15	2	4	13	
Number of accounts due to small businesses paid on time	13	1	2	12	
Actual percentage of small business accounts paid on time (based on number of accounts)	86.7%	50.0%	50.0%	92.3%	
Dollar amount of accounts due for payment to small businesses	122	10	11	299	
Dollar amount of accounts due to small businesses paid on time	112	2	8	290	
Actual percentage of small business accounts paid on time (based on \$)	91.6%	20.0%	72.7%	96.9%	
Number of payments to small business for interest on overdue accounts	0	0	1	0	
Interest paid to small businesses on overdue accounts	0	0	0	0	

Notes: 1 The reporting of all suppliers excludes payments between NSW Health entities. 2 The reporting of small business suppliers is in accordance with the definitions and requirements for small business as prescribed in the NSW Treasury Circular 11/12 Payment of Accounts.

Commentary

Time for payment of accounts for the NSW Ministry of Health showed a consistent performance over the year. During the year, measures have been taken to ensure Ministry staff are aware of NSW Treasury Circular 11/12 including conducting training sessions to educate relevant personnel about invoice approval processes. Actions are taken to monitor and promptly follow up invoice payments.

The NSW Ministry of Health was not required to make any payment of interest on overdue accounts related to small business suppliers in the 2014-15 financial year.

NSW Health risk management and insurance activities

Across NSW Health, the major insurable risks are public liability (including medical indemnity for employees), workers compensation and medical indemnity provided through the Visiting Medical Officer (VMO) and Honorary Medical Officer (HMO) Public Patient Indemnity Scheme.

NSW Treasury Managed Fund

Insurable risks are covered by the NSW Treasury Managed Fund (a self insurance arrangement of the NSW Government implemented on 1 July 1989) of which the NSW Ministry of Health (and its controlled entities) is a member agency. The Health portfolio is a significant proportion of the Treasury Managed Fund (TMF) and is identified as an independent pool within the TMF Scheme.

NSW Health is provided with funding via a benchmark process and pays deposit contributions for workers compensation, motor vehicle, liability, property and miscellaneous lines of business.

The cost of TMF indemnity in 2014-15 for NSW Health is identified under Contributions. Benchmarks are the budget allocation.

Benchmarks (other than VMOs) are funded by NSW Treasury. Workers compensation and motor vehicle are actuarially determined and contributions include an experience factor. The aim of the deposit contribution funding is to allocate deposit contributions across the TMF with reference to benchmark expectations of relative claims costs for the agencies in the TMF and to provide a financial incentive to improve injury and claims management outcomes.

The workers compensation deposit contribution is adjusted through a hindsight calculation process after three years and five years. Workers compensation 2008-2009 final five years and 2010-2011 interim three years were declared and adjusted as at 30 June 2013, with the Ministry receiving a surplus of \$33.49 million for the 2008-09 fund year but responsible for a deficit payable of \$16.97 million for the 2010-11 fund year, a net result of a \$16.5 million surplus.

The motor vehicle hindsight adjustment as at 31 December 2011 resulted in a \$596,375 surplus.

	Contributions (\$000)	Benchmark (\$000)	Variation (\$000)
Workers compensation	151,822	159,564	7,742
Motor vehicle	8,444	9,335	891
Property	10,735	10,424	(311)
Liability	204,658	202,611	(2,047)
Miscellaneous	406	386	(20)
Total TMF	375,065	382,320	6,255
VMO	34,211	34,211	0
Total	410,276	416,531	6,255

Workers compensation

The following tables detail the number of claims and total claims cost, dissected into occupation groups and mechanism of injury group, for the three financial years 2012-13, 2013-14 and 2014-15 across NSW Health.

Table 1: Workers Compensation – frequency and total claims cost

Occupation Group	2014-15				2013-14				2012-13			
	Frequency		Claims cost		Frequency		Claims cost		Frequency		Claims cost	
	No	%	\$M	%	No	%	\$M	%	No	%	\$M	%
Nurses	1741	38	19.8	36	1912	40	20.5	41	2085	39	20.8	39
Hotel services	854	19	7.5	14	946	20	8.1	16	998	19	8.9	17
Medical/medical support	641	14	9.9	18	642	13	7.1	14	753	14	6.6	12
General administration	693	15	6.1	11	731	15	8.1	16	763	14	7.5	14
Ambulance	452	10	9.3	17	361	7	4.4	9	496	9	5.4	10
Maintenance	146	3	2.1	4	147	3	1.2	2	192	4	2.7	5
Linen services	66	1	0.6	1	74	2	0.7	1	79	1	0.6	1
Not grouped	19	0	0.1	0	8	0	0.1	0	23	0	0.1	0
Total	4612	100	55.4	100	4821	100	50.3	100	5389	100	52.6	100

Mechanism of Injury Group	2014-15				2013-14				2012-13			
	Frequency		Claims cost		Frequency		Claims cost		Frequency		Claims cost	
	No	%	\$M	%	No	%	\$M	%	No	%	\$M	%
Body stress	2183	47	24.8	45	2303	48	25.2	50.1	2470	46	25.0	48
Slips and falls	830	18	9.1	16	819	17	7.8	15.6	964	18	9.3	18
Mental stress	328	7	11.9	21	370	8	8.2	16.3	392	7	8.7	17
Hit by objects	600	13	3.6	7	229	5	0.9	1.9	741	14	5.0	10
Motor vehicle ¹	67	1	0.4	1	75	2	0.3	0.7	97	2	0.9	2
Other causes	604	13	5.6	10	1025	21	7.8	15.5	725	13	3.6	7
Total	4612	100	55.4	100	4821	100	50.3	100	5389	100	52.6	10

Source: SICorp DataWarehouse

Table 2: Claims frequency

	2014-15	2013-14	2012-13
No. of employees FTE	111,952	111,743	112,102
Salaries and wages \$M	11,176	10,924	10,437
No. claims lodged per 100 FTE	4.12	4.31	4.81
Average claims cost	\$12,022	\$10,430	\$9,752
Cost of claims per FTE	\$495	\$450	\$469
Cost of claim as % S&W	0.50	0.46	0.50
Total number of claims	4612	4821	5389
Total claim costs \$M	\$55.4m	\$50.3m	\$52.6m

Source: SICorp DataWarehouse

Table 3: Average cost (\$ per claim)

	2014-15	2013-14	2012-13
Nurses	\$11,353	\$10,740	\$9,954
Hotel services	\$8,827	\$8,566	\$8,937
Medical/medical support	\$15,449	\$11,133	\$9,300
Body stress	\$11,371	\$10,928	\$10,139
Slips and falls	\$10,928	\$9,564	\$9,647
Mental stress	\$36,186	\$22,146	\$22,299

Source: SICorp DataWarehouse

Notes: Average cost includes all benefits, weekly and medical costs, rehabilitation, settlement and legal costs.

Legal liability

This covers actions of employees, health services and incidents involving members of the public. Legal liability claims are long-tail, meaning they may extend over many years.

As at 30 June 2015, there were 4524 claims reported for the period 1 July 2009 to 30 June 2015 with a net incurred cost of \$963.0 million. This does not include claims *notified* or *notified finalised*. Of these claims, 126 were Large Claims (>\$1m) with a net incurred cost of \$547.3 million.

For the same period there were 4260 notifications received of which 51 per cent resulted in claims.

Property

As at 30 June 2015, a total of 362 claims were lodged in the fund year for a net incurred cost of \$8.7 million, an increase of 111 claims or 44 per cent when compared with 251 total claims lodged as at 30 June 2014. The net incurred cost for claims increased by \$4.1 million or 10.7 per cent when compared to 2013-14. Storm and tempest accounted for 17.1 per cent of claims in the fund year and 38.2 per cent of the incurred cost. Accidental damage accounted for 19 per cent of claims and 10.1 per cent of incurred cost.

Visiting medical officer and honorary medical officer – public patient indemnity cover

With effect from 1 January 2002, the NSW Treasury Managed Fund provided coverage for all VMOs and HMOs treating public patients in public hospitals, provided that they each signed a service agreement and a contract of liability coverage with their public hospital organisation. In accepting this coverage, VMOs and HMOs agreed to a number of risk management principles that assist with the ongoing reduction of incidents in NSW public hospitals. Since its inception in 1999 for specialist sessional VMOs, this indemnity has been extended to cover private patients in the rural sector, all private paediatric patients and obstetricians and gynaecologists seeing public patients in public hospitals. From June 2009, cover was extended to permit VMOs to treat privately referred non-inpatients at NSW public hospitals.

The number of VMO claims received for the period 1 July 2009 to 30 June 2015 was 1230 with a net incurred cost of \$145 million. In the fund year ending 30 June 2015, there were 148 claims reported, a decrease of 87 claims or 27 per cent from the number reported during 2013-14. The net incurred cost also decreased by 6 per cent or \$1.1 million from 2013-14. As at 30 June 2015, 53 per cent of notifications that resulted in a claim.

Motor vehicle

As at 30 June 2015, there was a declared motor vehicle fleet of 8860 vehicles. This is a 0.4 per cent decrease or 43 vehicles compared to 2013-14. There were 2113 claims reported for a net incurred cost of \$5.6 million with an average incurred cost per claim of \$2,667, a slight increase on 2013-14 where the net incurred cost was \$5.4 million and average cost of claim was \$2,685.

As at 30 June 2015, there was a declared ambulance vehicle fleet of 1588. There were 665 claims reported for a net incurred cost of \$2.3 million and average incurred cost per claim of \$3,570. Again, this is an increase in number of claims from 582 reported in 2013-14, net incurred cost of \$1.9 million and average cost of claim of \$3,254.

Insurable risk initiatives

NSW Health has a number of new and ongoing initiatives to reduce risks as outlined below:

- Implementation of early intervention strategies to facilitate an early and sustained return to work for injured employees.
- Education of front line managers and supervisors to increase awareness of an ageing workforce and the need to be proactive in supporting our employees' ongoing physical capacity for work.
- Development of Resilience in Self program for unit managers, promoting mental health awareness and the difference between risk management and performance management.
- Management of clinical liability claims to minimise exposure to adverse events and financial loss and minimise the incidence, severity and total cost of claims.
- Development and project pilot of a Motor Vehicle Risk Management program to increase safety awareness and promote a safety culture relating to motor vehicle usage.
- Provide education on VMO incidents through clinical governance in relation to VMO adverse incident reporting and claims management procedures and also ensuring the early notification of possible legal claims and the investigation, gathering and storage of records.

Asset management

The Asset and Facilities Management Performance Improvement Program has been established to improve how the assets and facilities of NSW Health are managed to ensure they are available in the right condition, at the right time and in the right location for optimal patient care.

New business processes are being introduced, along with a new IT system, which will give asset and facilities management and biomedical engineering staff the tools to manage maintenance, inspection scheduling, and testing of medical equipment and other assets and facilities in an economical and timely manner.

Responsibility for these assets and facilities is spread across multiple entities including NSW Ministry of Health, local health districts, Health Infrastructure and HealthShare NSW.

By standardising the systems and processes for assets and facilities management statewide, the Asset and Facilities Management Performance Improvement Program will provide more certainty for patients and clinicians that well performing assets and facilities will be available when and where they are needed.

During 2014-15, the selected ICT system, AFM Online, was released to specialist asset management staff in health services providing functionality for property and space management, environmental sustainability, operations and maintenance and medical equipment management. The system is an enabler for effective asset management and is also a foundation component of the overall NSW Health Asset Management Framework.

The NSW Health Asset Management Framework was also further developed and framework elements relating to asset management governance were implemented.

Major asset and facility management priorities for 2015-16 will be the implementation of the broader NSW Health asset and facilities management strategy and related business transformation initiatives. This includes the embedding of AFM Online at local health districts.

Land disposal

A total of 19 properties were sold during 2014-15 realising gross proceeds of \$6.089 million. All sales were undertaken in accordance with Government policy. Access to documents relating to these sales can be obtained under the *Government Information (Public Access) Act*.

Summary of sales in 2014-15:

PROPERTY	Status as at 30 June 2015	PRICE
Auburn – 2 Cardigan Street	Contract Settled	320,000
Batlow – 1 Birch Street	Contract Settled	130,000
Coffs Harbour – 106 Raleigh Street	Contract Settled	315,000
Coffs Harbour – Living Skills Centre, 31 Victoria Street	Contract Settled	500,000
Dubbo – Ambulance Residence, 48 Springfield Way	Contract Settled	245,000
Goonellabah – Ambulance Residence, 25 Invercauld Road	Contract Settled	250,000
Goonellabah – Ambulance Residence, 29 Figtree Drive	Contract Settled	240,000
Goulburn – 79 Auburn Street	Contract Settled	402,000
Grafton – 132 Prince Street, Lots 1-2 DP 978010 and Lot 10 DP19369	Contract Settled	250,000
Grafton – 73 Kent Street, Lot 104 DP833574	Contract Settled	260,000
Grafton – Grafton Base Hospital, Boiler House, Part Lot 21 DP1024231	Contract Settled	185,000
Guildford – 158 Orchardleigh Road	Contract Settled	520,000
Gundagai – Part Gundagai District Hospital – O'Hagen Street	Contract Settled	100,000
Lismore – 154 Ballina Road	Contract Settled	345,000
Lismore – Former Living Skills Centre, 48 Uralba Street	Contract Settled	380,000
Mt Druitt – Part of Mt Druitt Hospital Site, 75 Railway Street	Contract Settled	573,000
Port Macquarie – Karawa Cottage, 34 Church Street	Contract Settled	331,000
Tweed Heads – 34 Cunningham Street	Contract Settled	356,000
Tweed Heads – 32 Sunshine Place	Contract Settled	387,000
TOTAL GROSS		6,089,000

Capital works

The Capital Works Program total expenditure for NSW Health in 2014-15 inclusive of capital expensing was \$1.38 billion, with 72 capital works projects completed across NSW.

The Program is jointly delivered by local health districts and other NSW Health organisations for projects valued at less than \$10 million and by Health Infrastructure for those projects valued at \$10 million or more.

Local health districts and other NSW Health organisations achieved capital expenditure of \$479.8 million during 2014-15. A total of 62 projects were completed during the year with a combined total value of \$123.3 million. In the same year Health Infrastructure expended \$905.6 million on capital works. Ten major works were completed with a combined total value of \$466.6 million. Further information relating to Health Infrastructure projects can be found at page 197.

PROJECT	TOTAL COST (\$M)	COMPLETION DATE
Ambulance Service of New South Wales (ASNSW)		
Bega Ambulance Station	2.9	Oct-14
Ambulance Infrastructure Future New Works	0.5	Jun-15
Ambulance Medical Equipment Replacement Program	18.1	Jun-15
Total	21.5	
Central Coast Local Health District		
COAG ED Short Stay Unit Gosford Hospital	5.8	Aug-14
Wyong ED Upgrade, Urgent Care Centre Emergency Medical Unit	6.2	Oct-14
Total	12	
Far West Local Health District		
No capital works projects were completed during 2014/15		
Hunter New England Local Health District		
Muswellbrook Hospital Emergency Department	6.5	Jan-15
Tenterfield GP Clinics	0.4	May-15
John Hunter Hospital Car Parking	10.6	Jun-15
Scone Hospital Short Stay Surgical Unit	0.4	Jun-15
John Hunter Hospital Realignment Program (Clinical Consultant Rooms)	0.7	Jun-15
Total	18.6	
Illawarra Shoalhaven Local Health District		
Wollongong Hospital Cone Beam CT	0.8	Dec-14
Shellharbour Hospital Ambulatory Care	6.7	Apr-15
Shellharbour Hospital Endoscopic Unit	0.3	Jun-15
Wollongong Elective Surgical Services Client Change Requests	0.4	Jun-15
Wollongong Hospital Car Park	30.7	Jun-15
Total	38.9	
Mid North Coast Local Health District		
Lighting Upgrade Various Sites	0.6	Nov-14
Corporate Systems Stage 2 Rostering	0.3	Dec-14
Coffs Harbour Air Conditioning – Chillers	1.1	Dec-14
Nambucca HealthOne Aboriginal Health Component	0.5	Jun-15
Port Macquarie Hospital	104	Dec-14
Total	106.5	
Murrumbidgee Local Health District		
Rural Minor Works at Tocumwal, Deniliquin and Griffith Hospitals	1.8	Aug-14
Hillston Multipurpose Service	12.4	May-15
Asset Maintenance Plan	0.3	Jun-15

PROJECT	TOTAL COST (\$M)	COMPLETION DATE
Lake Cargelligo IPHS Upgrade	0.5	Jun-15
Energy Efficiency Government Program – Power Upgrade Various sites	0.5	Jun-15
Total	15.5	
Nepean Blue Mountains Local Health District		
No capital works projects were completed during 2014/15		
Northern Sydney Local Health District		
Ryde Hospital Aged Care and Surgical Wards	5	Aug-14
RNSH Clinical Services Building (A component of the Royal North Shore Hospital Redevelopment)	160	Oct-14
RNSH Anaesthetic Ultra Sound Machine	0.4	Dec-14
Hornsby Ku-ring-gai Hospital Stage 1 Redevelopment	121	Jun-15
Macquarie Hospital Lachlan Refurbishment	0.8	Jun-15
Total	287.2	
Northern NSW Local Health District		
Lismore Hospital Infrastructure Repairs	0.9	Sep-14
Yamba Community Health Centre	4.7	Sep-14
Murwillumbah Hospital ED Upgrade Stage 3	0.5	Sep-14
Lismore Hospital ED Upgrade	3	Dec-14
Casino Hospital ED Upgrade (Commonwealth Funds)	3	May-15
Total	12.1	
Southern NSW Local Health District		
Moruya Hospital COAG 20 Bed Sub-Acute Facility	15	Nov-14
Total	15	
South Eastern Sydney Local Health District		
Prince of Wales Chilled Water and Medical Suction	1.6	Jul-14
St George Hospital Emergency Department	43.7	Aug-14
Prince of Wales Intensive Care Unit	1.1	Aug-14
Sutherland Hospital Car Park	9.1	Sep-14
St George Hospital CT Replacements	2.6	Sep-14
Sydney/Sydney Eye Hospital Ablution Block	0.5	Nov-14
POW Fluoroscopy Unit	0.7	Nov-14
St George Hospital Hybrid Vascular Laboratory	2.3	Dec-14
Sutherland Hospital HealthOne	1.6	Feb-15
Albion Centre Air-conditioning and Other Works	0.5	Jun-15
Royal Hospital for Women Hot Water System Replacement	0.3	Jun-15
POW Replace Endoscopes and Processors	0.5	Jun-15
Total	64.5	
South Western Sydney Local Health District		
Oran Park Integrated Primary Care Centre Fit-out	1.5	Mar-15
Replace Linear Accelerators – Macarthur Cancer Therapy Centre	7.8	Jun-15
Fairfield Hospital Generator	0.9	Jun-15
Total	10.2	
Sydney Local Health District		
Missenden Mental Health Unit at RPAH (Includes Brain and Mind Research Institute)	67	Nov-14
RPAH SPECT-CT Scanner Replacement	2.2	Jun-15
Concord RGH 3T MRI Replacement	3.1	Jun-15
Total	72.3	

PROJECT	TOTAL COST (\$M)	COMPLETION DATE
Sydney Children's Hospital (SCH) Network		
CHW ED Short Stay Unit	0.9	Oct-14
CHW Medical Records Department Redevelopment	0.8	Jan-15
CHW IT Server Room Upgrade	0.3	Jan-15
CHW Mass Spectrometer Replacement	0.4	Feb-15
CHW Upgrade Generator Controller	1.5	May-15
Total	3.9	
Western NSW Local Health District		
Mobile Dental Clinic	1	Dec-14
Dubbo Health Service Fluoroscopy Unit	0.5	Feb-15
Blayney Multipurpose Service Ambulatory Care	0.5	Jun-15
Orange Health Service Cardiac Catheterisation Laboratory	0.8	Jun-15
Orange Health Service Cardiac Catheterisation Laboratory IT System	0.8	Jun-15
Total	3.6	
Western Sydney Local Health District		
Westmead Hospital Linac/Bunker Upgrade (LA3)	4.6	Sep-14
Westmead Hospital Gamma Cameras	0.8	Oct-14
Westmead Hospital Clinical Dental Service	2	Jul-14
Doonside HealthOne	1.5	May-15
Westmead Hospital Index Washer Replacement/Installation	1	Jun-15
Auburn Hospital – Hydraulic Maintenance	1	Jun-15
Total	10.9	
NSW Health Pathology		
Pathogen Genomics Research Partnership – Purchase of "Next Generation" genome sequencing instrument.	0.5	Jun-15
Forensic Analytical Science Service CT Scanner – Newcastle	0.7	Jun-15
Total	1.2	

Financial report





INDEPENDENT AUDITOR'S REPORT

Ministry of Health

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Ministry of Health (the Ministry), 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, service group statements and summary of compliance with financial directives for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Ministry and the consolidated entity. The consolidated entity comprises the Ministry 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 Ministry 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.

Secretary's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

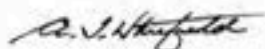
My opinion does *not* provide assurance:

- about the future viability of the Ministry 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.



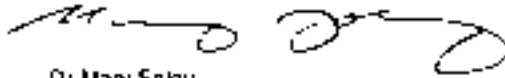
A T Whitfield PSM
Acting Auditor-General

18 September 2015
SYDNEY

**Ministry of Health
Certification of the Parent/Consolidated 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 Ministry of Health 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 Ministry of Health; and
- 3) I am not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate



D: Mary Foley
Secretary, NSW Health
17 September 2015



John Roach PSM
Chief Financial Officer

Ministry of Health
Statement of Comprehensive Income for the year ended 30 June 2015

PARENT			CONSOLIDATION			
Actual	Actual	Notes	Actual	Budget	Actual	
2015	2014		2015	2015	2014	
\$000	\$000		\$000	\$000	\$000	
Expenses excluding losses						
Operating Expenses						
137,643	128,116	Employee Related	3	11,553,629	11,439,622	11,014,190
757,035	770,862	Other Operating Expenses	4	5,329,187	5,344,623	5,117,265
3,404	3,432	Depreciation and Amortisation	2(i), 5	647,244	674,296	609,388
15,169,992	14,456,182	Grants and Subsidies	6	1,202,441	1,153,976	1,171,571
----	----	Finance Costs	7	103,231	104,538	50,077
16,068,074	15,358,592	Total Expenses excluding losses		18,835,732	18,717,055	17,962,491
Revenue						
9,842,627	9,677,107	Recurrent Appropriation	2(d)	9,842,627	10,028,334	9,677,107
1,050,515	965,139	Capital Appropriation	2(d)	1,050,515	1,029,015	965,139
61	39,120	Transfers to the Ministry of Health		----	----	----
10,086	6,813	Acceptance by the Crown Entity of Employee Benefits	2(a)(ii), 11	628,987	360,357	525,760
214,024	178,288	Sale of Goods and Services	8	2,419,780	2,418,833	2,287,212
11,280	12,145	Investment Revenue	9	62,665	74,522	67,962
4,897,748	4,517,122	Grants and Contributions	10	5,280,794	5,212,632	4,881,100
32,993	22,155	Other Revenue	12	169,292	126,449	114,989
16,059,334	15,417,889	Total Revenue		19,454,660	19,250,142	18,519,269
(8)	(2,306)	Gain / (Loss) on Disposal	13	(32,102)	(51,913)	(25,388)
----	(226)	Other Gains / (Losses)	14	(58,286)	(10,283)	(73,855)
(8,748)	56,765	Net Result	35	528,540	470,891	457,535
Other Comprehensive Income						
Items that will not be reclassified to net result						
Net Increase/(Decrease) in Property, Plant &						
----	----	Equipment Revaluation Surplus		591,001	----	125,477
----	----	Total Other Comprehensive Income		591,001	----	125,477
(8,748)	56,765	TOTAL COMPREHENSIVE INCOME		1,119,541	470,891	583,012

The accompanying notes form part of these financial statements.

Ministry of Health
Statement of Financial Position as at 30 June 2015

PARENT		CONSOLIDATION				
Actual	Actual		Actual	Budget	Actual	
2015	2014	Notes	2015	2015	2014	
\$000	\$000		\$000	\$000	\$000	
ASSETS						
Current Assets						
148,954	249,771	Cash and Cash Equivalents	17	1,548,230	1,570,067	1,668,493
119,369	92,971	Receivables	18	561,515	642,917	526,766
32,540	28,798	Inventories	19	145,970	146,452	138,487
----	----	Financial Assets at Fair Value	20	47,787	29,161	39,401
6,339	12,873	Other Financial Assets	21	----	----	223
<u>307,202</u>	<u>384,413</u>			<u>2,303,502</u>	<u>2,388,597</u>	<u>2,373,370</u>
----	----	Non-Current Assets Held for Sale	25	12,865	15,898	15,653
307,202	384,413	Total Current Assets		2,316,367	2,404,495	2,389,023
Non-Current Assets						
----	----	Receivables	18	11,791	8,622	8,668
----	----	Financial Assets at Fair Value	20	51,675	38,977	39,747
29,556	38,081	Other Financial Assets	21	----	----	----
Property, Plant and Equipment						
117,645	120,333	- Land and Buildings	22	12,386,607	11,585,242	11,250,178
1,736	2,238	- Plant and Equipment	22	914,556	1,146,126	848,590
----	----	- Infrastructure Systems	22	360,517	411,806	439,903
----	----	- Leasehold Improvements	22	28,463	----	28,530
<u>119,381</u>	<u>122,571</u>	Total Property, Plant and Equipment		<u>13,690,143</u>	<u>13,143,174</u>	<u>12,567,201</u>
----	----	Intangible Assets	23	529,105	464,358	463,019
----	----	Other	24	45,177	42,950	41,626
<u>148,937</u>	<u>160,652</u>	Total Non-Current Assets		<u>14,327,891</u>	<u>13,698,081</u>	<u>13,120,261</u>
<u>456,139</u>	<u>545,065</u>	Total Assets		<u>16,644,258</u>	<u>16,102,576</u>	<u>15,509,284</u>
LIABILITIES						
Current Liabilities						
246,823	326,263	Payables	28	1,296,783	1,284,229	1,385,355
----	----	Borrowings	29	16,090	18,957	14,285
12,737	11,131	Provisions	30	1,766,101	1,709,273	1,666,268
2,525	2,606	Other	31	22,561	45,400	39,971
<u>262,085</u>	<u>340,000</u>	Total Current Liabilities		<u>3,101,535</u>	<u>3,057,859</u>	<u>3,105,879</u>
Non-Current Liabilities						
----	----	Borrowings	29	1,070,411	1,062,852	1,063,051
331	167	Provisions	30	36,195	15,729	18,216
53,404	55,831	Other	31	90,789	100,292	96,351
<u>53,735</u>	<u>55,998</u>	Total Non-Current Liabilities		<u>1,197,395</u>	<u>1,178,873</u>	<u>1,177,618</u>
<u>315,820</u>	<u>395,998</u>	Total Liabilities		<u>4,298,930</u>	<u>4,236,732</u>	<u>4,283,497</u>
<u>140,319</u>	<u>149,067</u>	Net Assets		<u>12,345,328</u>	<u>11,865,844</u>	<u>11,225,787</u>
EQUITY						
107,646	107,646	Reserves		3,741,050	3,328,687	3,159,213
32,673	41,421	Accumulated Funds		8,604,278	8,537,157	8,066,574
<u>140,319</u>	<u>149,067</u>	Total Equity		<u>12,345,328</u>	<u>11,865,844</u>	<u>11,225,787</u>

The accompanying notes form part of these financial statements.

Ministry of Health
Statement of Changes in Equity for the year ended 30 June 2015

PARENT	Notes	Accumulated Funds \$000	Asset Revaluation Surplus \$000	Total \$000
Balance at 1 July 2014		41,421	107,646	149,067
Net Result for the year		(8,748)	----	(8,748)
Other Comprehensive Income				
Total Other Comprehensive Income		----	----	----
Total Comprehensive Income for the year		(8,748)	----	(8,748)
Transactions With Owners In Their Capacity As Owners				
Balance at 30 June 2015		32,673	107,646	140,319
Balance at 1 July 2013		(16,060)	108,413	92,353
Net Result for the year		56,765	----	56,765
Other Comprehensive Income				
-Transfers on Disposal		767	(767)	----
Total Other Comprehensive Income		767	(767)	----
Total Comprehensive Income for the year		57,532	(767)	56,765
Transactions With Owners In Their Capacity As Owners				
Increase/(Decrease) in Net Assets From Equity Transfers	40	(51)	----	(51)
Balance at 30 June 2014		41,421	107,646	149,067

The accompanying notes form part of these financial statements.

Ministry of Health
Statement of Changes in Equity for the year ended 30 June 2015

CONSOLIDATION	Notes	Accumulated Funds \$000	Asset Revaluation Surplus \$000	Total \$000
Balance at 1 July 2014		8,066,574	3,159,213	11,225,787
Restated Total Equity at 1 July 2014		8,066,574	3,159,213	11,225,787
Net Result for the year		528,540	-----	528,540
Other Comprehensive Income:				
Net Increase/(Decrease) in Property, Plant & Equipment		-----	591,001	591,001
Available for Sale Financial Assets:				
-Transfers on Disposal		9,164	(9,164)	-----
Total Other Comprehensive Income		9,164	581,837	591,001
Total Comprehensive Income for the year		537,704	581,837	1,119,541
Transactions With Owners In Their Capacity As Owners				
Balance at 30 June 2015		8,604,278	3,741,050	12,345,328
Balance at 1 July 2013		7,605,728	3,034,804	10,640,532
Restated Total Equity at 1 July 2013		7,605,728	3,034,804	10,640,532
Net Result for the year		457,535	-----	457,535
Other Comprehensive Income:				
Net Increase/(Decrease) in Property, Plant & Equipment		-----	125,477	125,477
Available for Sale Financial Assets:				
-Transfers on Disposal		1,068	(1,068)	-----
Total Other Comprehensive Income		1,068	124,409	125,477
Total Comprehensive Income for the year		458,603	124,409	583,012
Transactions With Owners In Their Capacity As Owners				
Increase/(Decrease) in Net Assets From Equity Transfers	40	2,243	-----	2,243
Balance at 30 June 2014		8,066,574	3,159,213	11,225,787

The accompanying notes form part of these financial statements.

Ministry of Health
Statement of Cash Flows for the year ended 30 June 2015

PARENT		CONSOLIDATION			
Actual	Actual		Actual	Budget	Actual
2015	2014	Notes	2015	2015	2014
\$000	\$000		\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
(125,053)	(121,646)		(11,000,285)	(10,977,660)	(10,542,137)
(15,169,992)	(14,456,183)		(1,202,441)	(1,153,976)	(1,171,572)
----	----		(103,125)	(104,538)	(49,555)
(958,257)	(885,671)		(6,231,250)	(6,134,283)	(6,113,461)
(16,253,302)	(15,463,500)		(18,537,101)	(18,370,457)	(17,876,725)
Receipts					
9,842,627	9,677,107		9,842,627	10,028,334	9,677,107
1,050,515	965,139		1,050,515	1,029,015	965,139
61	39,120		----	----	----
2,954	2,266		191,584	----	171,902
231,330	153,491		2,464,259	2,366,351	2,468,264
11,280	12,145		55,888	74,522	60,418
4,904,585	4,534,125		5,383,993	4,900,450	4,981,110
94,298	116,284		707,141	1,260,796	853,525
16,137,650	15,499,677		19,696,007	19,659,468	19,177,465
(115,652)	36,177		1,158,906	1,289,011	1,300,740
CASH FLOWS FROM INVESTING ACTIVITIES					
16	145		14,983	28,000	17,817
----	----		90,803	----	123,055
(239)	(1,572)		(1,260,565)	(1,147,954)	(1,172,379)
----	----		(111,117)	----	(81,309)
15,058	(18,513)		----	----	----
14,835	(19,940)		(1,265,896)	(1,119,954)	(1,112,816)
CASH FLOWS FROM FINANCING ACTIVITIES					
----	----		----	----	15,069
----	----		(13,273)	(18,000)	(17,467)
----	----		(13,273)	(18,000)	(2,398)
(100,817)	16,237		(120,263)	151,057	185,526
249,771	233,534		1,668,493	1,419,010	1,482,967
148,954	249,771		1,548,230	1,570,067	1,668,493

The accompanying notes form part of these financial statements.

Ministry of Health
Summary of Compliance with Financial Directives for the year ended 30 June 2015

	2015				2014			
	Recurrent Appropriation \$000	Expenditure/ Net Claim on Consolidated Fund \$000	Capital Appropriation \$000	Expenditure/ Net Claim on Consolidated Fund \$000	Recurrent Appropriation \$000	Expenditure/ Net Claim on Consolidated Fund \$000	Capital Appropriation \$000	Expenditure/ Net Claim on Consolidated Fund \$000
Original Budget Appropriation/ Expenditure								
* Appropriation Act	10,028,334	9,842,627	1,029,015	1,029,015	9,738,473	9,615,571	965,159	965,139
	10,028,334	9,842,627	1,029,015	1,029,015	9,738,473	9,615,571	965,159	965,139
Other Appropriations/Expenditure								
* S26 PF&AA Commonwealth Specific Purpose Payments	(10,848)	----	3,500	3,500	61,536	61,536	----	----
* Additional Appropriations	----	----	----	----	(46,253)	----	----	----
* Treasurer's Advance	250	----	----	----	----	----	----	----
* Transfers to/from another agency (S32 of the Appropriation Act)	(21,915)	----	18,000	18,000	(76,649)	----	----	----
	(32,513)	----	21,500	21,500	(61,366)	61,536	----	----
Total Appropriations/ Expenditure / Net Claim on Consolidated Fund (includes transfer payments)	9,995,821	9,842,627	1,050,515	1,050,515	9,677,107	9,677,107	965,159	965,139
Amount drawn down against Appropriation		9,842,627		1,050,515		9,677,107		965,139
Liability to Consolidated Fund *		----		----		----		----

The Summary of Compliance is based on the assumption that Consolidated Fund moneys are spent first (except where otherwise identified or prescribed).

* The "Liability to Consolidated Fund" represents the difference between the "Amount Drawn down against Appropriation" and the "Total Expenditure / Net Claim on Consolidated Fund".

Ministry of Health
Service Group Statements
for the year ended 30 June 2015

MINISTRY 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		Not Attributable		Total			
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	
	\$000	\$000	\$000	\$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	546,429	521,047	48,306	47,132	1,383,428	1,331,452	1,680,096	1,604,517	5,137,669	4,861,143	1,165,048	1,115,551	979,253	939,738	237,620	231,844	370,780	361,766					11,553,629	11,014,190
Other Operating Expenses	184,012	177,767	17,403	17,053	896,649	873,274	672,149	649,845	2,548,772	2,427,255	306,750	289,514	333,028	319,576	229,183	224,578	141,241	138,403					5,329,187	5,117,265
Depreciation and Amortisation	23,662	22,278	1,706	1,607	104,466	98,356	83,458	78,576	300,672	283,086	55,365	52,127	51,111	48,122	9,956	9,374	16,848	15,862					647,244	609,388
Grants and Subsidies	106,915	104,693	21,883	21,428	174,294	170,671	48,620	47,609	378,727	370,854	102,105	99,983	168,224	164,727	74,155	72,614	127,518	118,992					1,202,441	1,171,571
Finance Costs	1,035	502	49	24	11,874	5,760	6,061	2,940	45,825	22,230	31,262	15,165	3,925	1,904	229	111	2,971	1,441					103,231	50,077
Total Expenses excluding losses	862,053	826,287	89,347	87,244	2,575,711	2,479,513	2,490,384	2,383,487	8,411,665	7,964,568	1,680,530	1,572,340	1,535,541	1,474,067	551,143	538,521	659,358	636,464					18,835,732	17,962,491
Revenue																								
Recurrent Allocations **																								
Capital Allocations **																								
Acceptance by the Crown Entity																								
of Employee Benefits	32,146	26,870	2,570	2,148	71,160	59,482	90,771	75,874	277,712	232,134	63,484	53,065	57,049	47,687	11,596	9,693	22,499	18,807					9,842,627	9,677,107
Sale of Goods and Services	19,558	18,813	3,146	3,026	483,024	461,151	291,547	278,664	1,100,066	1,023,019	103,137	99,208	349,937	336,608	40,640	39,092	28,725	27,631					1,050,515	1,050,515
Investment Revenue	1,126	1,221	52	56	12,598	13,663	3,075	3,335	32,534	35,283	2,720	2,950	6,863	7,443	1,507	1,635	2,190	2,376						
Grants and Contributions	163,876	159,828	10,475	9,381	731,642	646,908	446,336	399,015	2,471,395	2,303,348	811,498	802,255	231,065	162,767	109,010	98,448	306,497	296,150					5,280,794	4,881,100
Other Revenue	4,053	2,753	393	267	28,734	19,517	14,491	9,843	76,575	52,013	11,496	7,876	21,402	14,537	7,700	5,230	4,348	2,953					169,292	114,989
Total Revenue	220,759	209,485	16,636	14,878	1,327,156	1,202,721	846,220	766,731	3,958,282	3,645,797	992,435	965,354	666,316	569,042	170,453	155,098	363,259	347,917					10,893,142	10,642,246
Gain / (Loss) on Disposal	(376)	(297)	(26)	(22)	(1,890)	(1,485)	(1,533)	(1,213)	(17,511)	(13,848)	(4,800)	(3,796)	(2,481)	(2,481)	(375)	(297)	(2,452)	(1,839)					9,842,627	9,677,107
Other Gains / (Losses)	(453)	(674)	(28)	(35)	(2,767)	(3,505)	(41,123)	(52,108)	(7,965)	(10,094)	(1,821)	(2,307)	(2,535)	(3,213)	(163)	(206)	(1,431)	(1,813)					1,050,515	1,050,515
Net Result	(642,123)	(617,873)	(72,767)	(72,423)	(1,255,210)	(1,281,792)	(1,686,820)	(1,670,077)	(4,478,859)	(4,342,713)	(674,716)	(613,089)	(674,897)	(910,719)	(381,226)	(383,926)	(299,982)	(292,299)					10,893,142	10,642,246
Other Comprehensive Income																								
Increase/(Decrease) in Revaluation Surplus	28,259	6,000	3,773	801	72,389	15,369	67,468	14,324	268,054	56,911	56,135	11,918	81,142	17,228	8,191	1,739	5,590	1,187						
Total Other Comprehensive Income	(613,864)	(611,873)	(68,994)	(71,622)	(1,180,821)	(1,266,423)	(1,619,352)	(1,655,753)	(4,210,805)	(4,285,802)	(618,581)	(601,171)	(793,755)	(893,491)	(373,037)	(382,187)	(294,392)	(291,112)					10,893,142	10,642,246
Total Comprehensive Income	(1,255,987)	(1,229,746)	(141,761)	(144,045)	(2,436,031)	(2,548,215)	(3,306,172)	(3,325,830)	(8,689,664)	(8,628,600)	(1,293,297)	(1,213,510)	(1,468,652)	(1,804,214)	(754,255)	(766,113)	(594,374)	(583,387)					1,119,541	583,012

* The name and purpose of each service group is summarised in Note 16

** Appropriations are made on an entity basis and not to individual service groups. Consequently, appropriations must be included in the 'Not Attributable' column.

Ministry of Health
Service Group Statements (Continued)
for the year ended 30 June 2015

	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		Not Attributable		Total					
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000		
MINISTRY ASSETS AND LIABILITIES																										
ASSETS																										
Current Assets																										
Cash and Cash Equivalents	54,586	58,826	12,740	13,730	184,464	198,793	141,511	152,503	667,126	718,946	79,695	85,886	70,460	75,933	62,549	67,407	275,099	286,469							1,548,230	
Receivables	11,314	10,614	6,801	6,380	119,310	111,927	73,193	68,664	208,358	195,463	21,337	20,016	40,885	38,355	7,467	7,005	72,850	68,342							561,515	
Inventories	4,032	3,826	1,303	1,236	23,251	22,059	11,435	10,849	46,084	43,721	4,371	4,147	5,185	4,919	33,633	31,909	16,676	15,821							145,970	
Financial Assets at Fair Value	1,395	1,150	253	208	7,780	6,414	4,749	3,915	20,762	17,121	3,359	2,769	4,618	3,808	521	429	4,350	3,587							47,767	
Other Financial Assets	118	118				1		1		102																39,401
Non-Current Assets Held for Sale	551	671	52	64	1,358	1,652	2,861	3,481	4,904	5,965	1,264	1,538	1,724	2,098	120	146	31	38							12,865	
Total Current Assets	71,878	75,205	21,449	21,618	336,163	340,846	233,749	239,413	947,234	981,318	110,026	114,356	122,872	125,114	104,290	106,896	369,006	384,257							2,316,367	
Non-Current Assets																										
Receivables	89	65	48	36	2,271	1,670	759	558	5,088	3,741	369	271	2,447	1,799	175	128	545	400							11,791	
Financial Assets at Fair Value	884	680	7	6	8,245	6,342	3,044	2,341	22,110	17,006	1,496	1,151	1,055	812	1,939	1,491	12,895	9,918							51,675	
Property, Plant and Equipment																										
- Land and Buildings	427,788	388,540	33,091	30,055	2,128,614	1,933,321	1,453,025	1,319,715	5,606,325	5,091,964	1,203,720	1,093,283	990,571	899,689	161,335	146,533	382,138	347,078							12,386,607	
- Plant and Equipment	29,771	27,624	9,100	8,443	175,678	163,006	118,013	109,501	363,110	327,641	60,153	55,815	53,220	49,381	12,214	11,333	103,297	95,846							914,556	
- Infrastructure Systems	12,183	14,865	1,176	1,435	65,203	79,581	34,191	41,719	166,216	202,818	34,932	42,624	31,233	38,111	4,736	5,779	10,647	12,991							360,517	
- Leasehold Improvements	1,258	1,261	364	365	5,243	5,255	2,542	2,547	11,040	11,066	1,512	1,516	1,983	1,987	502	503	4,019	4,029							28,463	
Intangible Assets	40,627	35,552	26,569	23,249	129,348	113,193	23,481	20,549	27,157	23,765	4,684	4,089	5,513	4,825	877	768	270,849	237,019							529,105	
Other	3,469	3,196	2,269	2,091	11,044	10,176	2,005	1,847	2,318	2,137	400	368	471	434	75	69	23,126	21,308							45,177	
Total Non-Current Assets	516,069	471,783	72,624	65,680	2,525,646	2,312,524	1,637,060	1,498,777	6,193,364	5,680,138	1,307,266	1,193,127	1,086,493	997,038	181,853	166,604	807,516	728,589							14,327,891	
TOTAL ASSETS	587,947	546,988	93,773	87,298	2,861,809	2,653,370	1,870,809	1,738,190	7,140,598	6,661,456	1,417,292	1,313,483	1,209,365	1,122,152	286,143	273,500	1,176,522	1,112,846							15,509,284	
LIABILITIES																										
Current Liabilities																										
Payables	51,292	54,796	13,307	14,216	246,205	263,021	159,731	170,641	494,860	528,659	71,396	76,272	67,477	72,086	58,173	62,147	134,342	143,517							1,296,783	
Borrowings	1,686	1,496	93	84	2,240	1,988	1,466	1,302	6,157	5,466	2,925	2,587	1,023	908	245	217	255	227							16,090	
Provisions	81,021	76,441	10,002	9,437	246,220	232,302	266,811	251,729	721,689	690,894	161,090	151,984	129,736	122,402	35,591	33,579	113,941	107,500							1,766,101	
Other	1,050	1,860	148	262	3,052	5,408	2,200	3,897	9,847	17,446	2,334	4,135	2,198	3,895	526	932	1,206	2,136							22,561	
Total Current Liabilities	135,049	134,593	23,550	23,999	497,717	502,719	430,208	427,569	1,232,553	1,232,465	237,745	234,988	200,434	199,291	94,555	96,875	249,744	253,380							3,101,555	
Non-Current Liabilities																										
Borrowings	72,874	72,373	2,805	2,766	143,402	142,415	88,135	87,529	427,273	424,335	159,101	158,007	108,663	107,916	15,762	15,654	52,396	52,036							1,070,411	
Provisions	1,586	798	508	508	4,382	2,205	9,540	4,801	9,314	4,688	2,046	1,030	1,653	832	1,905	959	5,261	2,648							36,195	
Other	1,651	1,752	158	167	5,995	6,362	3,471	3,664	66,688	70,773	3,955	4,198	3,992	4,236	1,914	2,032	2,965	3,147							90,769	
Total Non-Current Liabilities	76,111	74,923	3,471	3,208	153,779	150,982	101,146	96,014	503,275	499,796	165,102	163,235	114,308	112,984	19,581	18,645	60,622	57,831							1,197,395	
TOTAL LIABILITIES	211,160	209,516	27,021	27,207	651,496	653,701	531,354	523,583	1,735,828	1,732,261	402,847	398,223	314,742	312,275	114,116	115,520	310,366	311,211							4,286,950	
NET ASSETS	376,787	337,472	66,752	60,091	2,210,313	1,999,669	1,339,455	1,214,607	4,904,770	4,929,195	1,014,445	915,260	894,623	809,877	172,027	157,980	866,156	801,635							11,225,787	

* The name and purpose of each service group is summarised in Note 16

Ministry of Health
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

1. The Reporting Entity

The Ministry of Health (the Ministry), as a reporting entity, comprises all the entities under its control, namely Local Health Districts established from 1 January 2011 and constituted under the Health Services Act 1997; the Sydney Children's Hospitals Network, Justice Health and Forensic Mental Health Network, the Clinical Excellence Commission, the Bureau of Health Information, the Agency for Clinical Innovation, the Health Education and Training Institute, NSW Kids and Families, the Albury Base Hospital, the Albury Wodonga Health Employment Division, the Graythwaite Trust (per Supreme Court order) and the Health Administration Corporation (which includes the operations of the Ambulance Service of NSW, HealthShare NSW, Health Infrastructure, NSW Health Pathology, eHealth NSW and Health System Support Group). From 1 April 2013, the Ministry controls the Cancer Institute NSW as a result of it coming under the auspices of the Health Services Act 1997. All of these entities are reporting entities that produce financial statements in their own right.

The Ministry's consolidated financial statements also include results for the parent entity thereby capturing the Central Administrative function of the Ministry.

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 Total State Sector Accounts. The Ministry 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 Secretary, NSW Health on 17 September 2015.

2. Summary of Significant Accounting Policies

Basis of Preparation

The Ministry of Health's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2015, and the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer under Section 9(2)(n) of the Act.

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.

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

Judgements, key assumptions and estimations management has made 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 presented in respect of the previous period for all amounts reported in the financial statements.

Statement of Compliance

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

Ministry of Health
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

2. Summary of Significant Accounting Policies

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 (using 15.3% to 21.2% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The entity has assessed the actuarial advice based on the entity'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 Ministry'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 Ministry accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee benefits'.

Specific on-costs relating to Long Service Leave assumed by the Crown Entity are borne by the Ministry as shown in Note 30.

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 Ministry'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 28, '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.

Ministry of Health
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

2. Summary of Significant Accounting Policies

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 Ministry 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 Ministry'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 Ministry 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 Ministry of Health. Revenue is recognised on an accrual basis, when the service has been provided to the patient.

Ministry of Health
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

2. Summary of Significant Accounting Policies

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 Ministry, 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 Ministry 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.

Investment Revenue

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

Dividend revenue is recognised in accordance with AASB 118, Revenue when the Ministry's right to receive payment is established.

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 Ministry of Health. Charges consist of two components:

- * a monthly charge raised by the District 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 Ministry use in the advancement of the Ministry or individuals within it.

Ministry of Health
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

2. Summary of Significant Accounting Policies

Use of Outside Facilities

The Ministry 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 recognised as revenues when the Ministry obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.

Parliamentary Appropriations & Contributions

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as income when the Ministry obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year-end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are accounted for as liabilities rather than revenue.

General operating expenses/revenues of Affiliated Health Organisations have only been included in the Statement of Comprehensive Income prepared to the extent of the cash payments made to the Health Organisations concerned. The Ministry is not deemed to own or control the various assets/liabilities of the Affiliated Health Organisations and such amounts have been excluded from the Statement of Financial Position. Any exceptions are specifically listed in the notes that follow.

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 Ministry 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 is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

f) **Interstate Patient Flows**

Interstate patient flows are funded through the State Pool, based on activity and consistent with the price determined in the service level agreement.

The composition of interstate patient flow revenue is disclosed in Note 8.

The cost of NSW residents treated in other states and territories is similarly calculated and is disclosed in note 4.

Ministry of Health
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

2. Summary of Significant Accounting Policies

g) 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(z)).

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.

Land and buildings which are owned by the Health Administration Corporation or the State and operated by the Ministry are deemed to be controlled by the Ministry 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 Ministry. Land is not a depreciable asset. All material identifiable components of assets are depreciated over their 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%
Leasehold Improvements	10.0%
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. There were no changes to depreciation rates from the previous year.

2. Summary of Significant Accounting Policies

j) 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.

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

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and takes into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer Note 22 and Note 26 for further information regarding fair value.

The Ministry revalues its Land and Buildings and Infrastructure at minimum every three years by independent valuation. The last revaluation for assets recognised by the Parent entity was completed in the 30 June 2013 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 an approximation of fair value. The Ministry has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

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 revaluation surplus in respect of that asset is transferred to accumulated funds.

2. Summary of Significant Accounting Policies

k) 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.

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.

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

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

o) Intangible Assets

The Ministry recognises intangible assets only if it is probable that future economic benefits will flow to the Ministry 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 Ministry's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

Computer software developed or acquired by the Ministry 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 tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

2. Summary of Significant Accounting Policies

p) 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.

q) Leased Assets

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

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 recognised as an expense on a straight-line basis over the lease term.

r) 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 Ministry of Health.

s) 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.

Ministry of Health
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

2. Summary of Significant Accounting Policies

t) 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 Ministry 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 Ministry 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 T Corp 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 Ministry's key management personnel.

The risk management strategy of the Ministry 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.

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 Ministry 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 investments that do not fall into any other category are accounted for as available-for-sale investments and measured at fair value. Gains or losses on available-for-sale investments are recognised 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 Ministry 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.

2. Summary of Significant Accounting Policies

u) 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.

v) 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 Ministry transfers the financial asset:

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

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

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

w) Payables

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

Ministry of Health
Notes to and forming part of the Financial Statements
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2. Summary of Significant Accounting Policies

x) 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.

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

y) Fair Value Hierarchy

A number of the Ministry'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. Under AASB 13 Fair Value Measurement, the Ministry categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- * Level 1 - quoted prices in active markets for identical assets / liabilities that the entity can access at the measurement date.

- * Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

- * Level 3 – inputs that are not based on observable market data (unobservable inputs).

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

Refer Note 26 and Note 41 for further disclosures regarding fair value measurements of financial and non-financial assets.

z) 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.

Ministry of Health
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

2. Summary of Significant Accounting Policies

aa) Equity and Reserves

(i) Accumulated Funds

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

(ii) Revaluation Surplus

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

ab) Trust Funds

The Ministry receives monies in a trustee capacity for various trusts as set out in Note 33.

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

ac) Budgeted Amounts

The consolidated budgeted amounts are drawn from the original budgets presented to Parliament in the State Budget Papers.

ad) Emerging Asset

The Ministry of Health's emerging interest in car parks and hospitals has been valued in accordance with "Accounting for Privately Financed Projects" (TPP06-8). This policy requires the Ministry of Health and its controlled entities to initially determine the estimated written down replacement cost by reference to the project's historical cost escalated by a construction index and the system's estimated working life. The estimated written down replacement cost is then allocated on a systematic basis over the concession period using the annuity method and the Government Bond rate at commencement of the concession period.

ae) Service Group Statements Allocation Methodology

Income and expenses are allocated to service groups using prior year statistical data, then adjusted for any material change in service delivery or funding distribution, occurring in the 2014-15 year in determining the Income Statement fractions.

In respect of assets and liabilities the Ministry identifies those components that can be specifically identified and reported by service groups.

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

2. Summary of Significant Accounting Policies

af) 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, Ministry 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. Refer note 2(ac).

(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 have not been applied and are not yet effective, this list is not exhaustive and excludes any standards which are not applicable to the Ministry. The possible impact of these Standards in the period of initial application includes:

AASB 9, Financial Instruments, has application from 1 January 2018. 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 January 2018 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.

2. Summary of Significant Accounting Policies

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.

AASB2015-03, 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.

Ministry of Health
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
3. Employee Related				
111,118	105,663	Salaries and Wages (including annual leave)	9,874,041	9,459,662
2,743	3,072	Superannuation - Defined Benefit Plans	127,022	134,437
6,471	6,406	Superannuation - Defined Contribution Plans	824,128	768,604
7,992	5,029	Long Service Leave	535,613	423,018
3,300	1,660	Redundancies	21,698	27,226
237	879	Workers' Compensation Insurance	162,165	194,290
5,782	5,407	Payroll Tax and Fringe Benefits Tax	8,962	6,953
137,643	128,116		11,553,629	11,014,190
The following additional information is provided:				
----	----	Employee Related Expenses Capitalised - Land and Buildings	8,225	8,143
----	----	Employee Related Expenses Capitalised - Plant and Equipment	162	120
----	----	Employee Related Expenses Capitalised - Intangibles	10,926	11,053
4. Other Operating Expenses				
5,125	5,611	Advertising	20,693	21,865
488	519	Auditor's Remuneration	4,249	4,276
18,331	17,405	Blood and Blood Products	120,992	117,013
1,602	1,624	Consultants	17,995	19,581
389	468	Domestic Supplies and Services	103,639	101,947
75,410	68,617	Drug Supplies	650,482	625,580
----	----	Food Supplies	94,572	89,281
664	695	Fuel, Light and Power	127,881	147,504
----	----	Hospital Ambulance Transport Costs	22,300	22,758
13,040	7,766	Information Management Expenses	241,413	221,668
1,577	2,022	IT Contract Services	91,806	68,561
236,965	228,287	Insurance	261,353	252,138
300,623	355,884	Interstate Patient Outflows	300,623	355,884
8,663	7,688	Maintenance (See (b) below)	466,482	407,484
1,144	4,883	Medical and Surgical Supplies	778,388	731,220
102	100	Motor Vehicle Expenses	41,662	44,190
1,914	1,949	Postal and Telephone Costs	46,214	49,897
2,266	2,072	Printing and Stationery	48,224	47,656
3,574	497	Rates and Charges	29,129	23,561
7,880	7,390	Rental	77,830	73,571
----	4	Special Service Departments	284,704	299,391
9,180	8,803	Staff Related Costs	116,141	111,619
1,404	1,556	Travel Related Costs	86,118	82,520
----	----	Visiting Medical Officers	704,858	675,552
66,694	47,022	Other Expenses (See (a) below)	591,439	522,548
757,035	770,862		5,329,187	5,117,265

Ministry of Health
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for the year ended 30 June 2015

PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		4. Other Operating Expenses		
		(a) Other Expenses Includes		
-----	-----	Aircraft Expenses (Ambulance Fixed Wing and Rotor Transport)	85,365	78,817
-----	589	Contract for Patient Services	118,352	99,076
2,462	2,391	Courier and Freight	17,668	17,648
-----	-----	Isolated Patient Travel and Accommodation Assistance Scheme	18,273	15,949
813	1,107	Legal Services	16,546	15,841
55	87	Membership/Professional Fees	10,538	7,803
21	-----	Motor Vehicle Operating Lease Expense - Minimum Lease Payments	54,330	52,233
-----	-----	Public Private Partnership - Operating Facility Payments	88,377	79,236
-----	3	Other Operating Lease Expense - Minimum Lease Payments	21,175	22,530
-----	-----	Quality Assurance/Accreditation	5,412	4,306
423	371	Security Services	12,980	10,963
62,920	42,474	Other	142,423	118,146
<u>66,694</u>	<u>47,022</u>		<u>591,439</u>	<u>522,548</u>
		(b) Reconciliation of Total Maintenance		
2,088	3,070	Maintenance Contracts	151,378	145,576
2,712	1,397	New/Replacement Equipment under \$10,000	204,765	166,338
3,863	2,941	Repairs Maintenance/Non Contract	109,870	94,855
-----	280	Other	469	715
8,663	7,688	Maintenance Expense - Contracted Labour and Other (Non-Employee Related in Note 4)	466,482	407,484
-----	-----	Employee Related Expense included in Notes 3	58,389	58,019
<u>8,663</u>	<u>7,688</u>	Total Maintenance Expenses	<u>524,871</u>	<u>465,503</u>

Ministry of Health
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		5. Depreciation and Amortisation		
2,688	2,731	Depreciation - Buildings	405,011	376,574
716	701	Depreciation - Plant and Equipment	180,092	176,788
-----	-----	Depreciation - Infrastructure Systems	20,809	22,110
-----	-----	Depreciation - Leasehold Improvements	4,069	3,480
-----	-----	Amortisation - Intangible Assets	37,263	30,436
<u>3,404</u>	<u>3,432</u>		<u>647,244</u>	<u>609,388</u>
		6. Grants and Subsidies		
14,431,275	13,764,892	Payments to Controlled Health Entities	-----	-----
343,614	327,457	Payments to Other Affiliated Health Organisations	614,341	609,458
-----	-----	Grants -		
58,448	47,445	Community Packages	33,688	27,508
65,316	66,897	Grants to Research Organisations	99,116	78,008
7,238	5,623	Non-Government Organisations	149,780	148,043
95,119	79,585	NSW Government Agency	7,298	7,198
52,472	49,451	Albury Wodonga Health	95,119	79,585
116,510	114,832	Mental Health Housing Accommodation and Support Initiative	52,472	49,451
		Other Grants	150,627	172,320
<u>15,169,992</u>	<u>14,456,182</u>		<u>1,202,441</u>	<u>1,171,571</u>
		7. Finance Costs		
-----	-----	Finance Lease Interest Charges	102,841	48,754
-----	-----	Interest on Loans	106	554
-----	-----	Other Interest Charges	284	769
<u>-----</u>	<u>-----</u>		<u>103,231</u>	<u>50,077</u>

Ministry of Health
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		8. Sale of Goods and Services		
		(a) Sale of Goods comprise the following:-		
-----	-----	Sale of Prosthesis	62,427	54,545
-----	-----	Pharmacy Sales	7,201	7,809
620	3,296	Other	11,524	11,062
		(b) Rendering of Services comprise the following:-		
		Patient Fees		
-----	-----	- Inpatient Fees	718,532	658,216
-----	-----	- Nursing Home Fees	16,644	16,189
-----	-----	- Non Inpatient Fees	25,492	14,444
92,112	94,117	Department of Veterans' Affairs	345,844	353,736
-----	-----	Staff-Meals and Accommodation	3,455	3,554
-----	-----	Infrastructure Fees - Monthly Facility Charge [see note 2(d)]	314,171	300,172
-----	-----	- Annual Charge	98,667	83,681
-----	-----	Cafeteria/Kiosk	12,066	12,403
-----	-----	Car Parking	34,720	27,599
-----	-----	Child Care Fees	13,524	12,593
-----	-----	Clinical Services (excluding Clinical Drug Trials)	45,607	53,902
7	111	Commercial Activities	21,077	20,190
-----	-----	Fees for Medical Records	2,115	2,103
-----	-----	High Cost Drugs	237,108	230,155
-----	-----	Linen Service Revenues	6,842	8,482
-----	-----	Meals on Wheels	986	1,228
-----	-----	Motor Accident Authority Third Party	146,256	140,993
-----	-----	Program of Appliances for Disabled People Patient Co-payments	524	426
103,782	62,313	Patient Inflows from Interstate	103,782	62,313
-----	-----	Patient Transport Fees	63,258	85,565
-----	-----	Private Use of Motor Vehicles	2,771	2,722
-----	-----	Salary Packaging Fee	8,408	9,067
-----	-----	Services Provided to Non NSW Health Organisations	23,908	20,495
-----	-----	Use of Ambulance Facilities	4,789	5,622
17,503	18,451	Other	88,082	87,946
<u>214,024</u>	<u>178,288</u>		<u>2,419,780</u>	<u>2,287,212</u>
		9. Investment Revenue		
		Interest		
-----	-----	- T Corp Hour Glass Investment Facilities Designated at Fair Value through Profit or Loss	5,189	4,437
11,280	12,145	- Bank	50,700	55,981
-----	-----	Royalties	359	688
-----	-----	Other	6,417	6,856
<u>11,280</u>	<u>12,145</u>		<u>62,665</u>	<u>67,962</u>

Ministry of Health
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT			CONSOLIDATION	
2015	2014		2015	2014
\$000	\$000		\$000	\$000
10. Grants and Contributions				
-----	-----	Clinical Drug Trials	26,484	22,981
4,861,029	4,438,986	Commonwealth National Health Reform Funding	4,861,029	4,438,986
29,566	12,219	Commonwealth Government Grants	166,785	169,309
-----	-----	Industry Contributions/Donations	79,406	82,138
1,354	39,189	NSW Government Grants	31,979	66,916
5,799	5,630	Grants from NSW Health entities	-----	-----
-----	-----	Research Grants	24,080	22,954
-----	-----	University Commission Grants	-----	91
-----	21,098	Other Grants	91,031	77,725
4,897,748	4,517,122		5,280,794	4,881,100
11. Acceptance by the Crown Entity of employee benefits				
The following liabilities and expenses have been assumed by the Crown Entity:				
2,743	3,072	Superannuation-defined benefit	127,022	134,437
7,193	3,603	Long Service Leave	501,815	391,185
150	138	Payroll Tax	150	138
10,086	6,813		628,987	525,760
12. Other Revenue				
Other Revenue comprises the following:-				
-----	-----	Ambulance Death and Disability Employee Contributions	5,126	5,457
2	3	Commissions	2,855	3,288
1	-----	Conference and Training Fees	11,611	9,473
1,842	3,246	Discounts	3,289	4,830
-----	-----	Insurance Refunds	2,455	1,536
954	2,291	Lease and Rental Income	32,926	29,457
-----	-----	Property not Previously Recognised	7,531	9,966
-----	-----	Sale of Merchandise, Old Wares and Books	604	744
-----	-----	Sponsorship Income	1,319	1,389
325	627	Treasury Managed Fund Hindsight Adjustment	33,246	3,178
29,869	15,988	Other	68,330	45,671
32,993	22,155		169,292	114,989

Ministry of Health
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		13. Gain / (Loss) on Disposal		
329	4,168	Property, Plant and Equipment	220,403	220,939
306	1,717	Less: Accumulated Depreciation	182,890	183,099
<u>23</u>	<u>2,451</u>	Written Down Value	<u>37,513</u>	<u>37,840</u>
15	145	Less: Proceeds from Disposal	12,086	13,927
<u>(8)</u>	<u>(2,306)</u>	Gain/(Loss) on Disposal of Property, Plant and Equipment	<u>(25,427)</u>	<u>(23,913)</u>
-----	-----	Intangible Assets	58	189
-----	-----	Less: Proceeds from Disposal	-----	-----
<u>-----</u>	<u>-----</u>	Gain/(Loss) on Disposal of Intangible Assets	<u>(58)</u>	<u>(189)</u>
-----	-----	Assets Held for Sale	9,514	4,999
-----	-----	Less: Proceeds from Disposal	2,897	3,713
<u>-----</u>	<u>-----</u>	Gain/(Loss) on Disposal of Assets Held for Sale	<u>(6,617)</u>	<u>(1,286)</u>
<u>(8)</u>	<u>(2,306)</u>	Total Gain/(Loss) on Disposal	<u>(32,102)</u>	<u>(25,388)</u>
		14. Other Gains / (Losses)		
-----	(226)	Impairment of Receivables	(58,286)	(73,855)
<u>-----</u>	<u>(226)</u>		<u>(58,286)</u>	<u>(73,855)</u>

Ministry of Health
Notes to and forming part of the Financial Statements
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15. 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 reporting date	33,081	141,357	58,865	233,303
Contributions recognised in previous years which were not expended in the current reporting period	165,565	518,736	98,513	782,814
Total amount of unexpended contributions as at reporting date	<u>198,646</u>	<u>660,093</u>	<u>157,377</u>	<u>1,016,116</u>

The parent entity has nil items that are captured under this disclosure.

Comment on restricted assets appears in Note 27

16. Service Groups of the Ministry

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. 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 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.

16. Service Groups of the Ministry

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.

Ministry of Health
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
17. Cash and Cash Equivalents				
148,954	249,771	Cash at Bank and On Hand	927,326	885,645
-----	-----	Short Term Deposits	620,904	782,848
<u>148,954</u>	<u>249,771</u>		<u>1,548,230</u>	<u>1,668,493</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:				
148,954	249,771	Cash and Cash Equivalents (per Statement of Financial Position)	1,548,230	1,668,493
<u>148,954</u>	<u>249,771</u>	Closing Cash and Cash Equivalents (per Statement of Cash Flows)	<u>1,548,230</u>	<u>1,668,493</u>

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

Refer to Note 41 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Ministry of Health
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		18. Receivables		
		Current		
9,011	18,489	Sale of Goods and Services	317,399	357,154
27,959	41,256	Intra Health Receivables	-----	-----
7,039	7,898	Goods and Services Tax	87,635	89,750
<u>72,492</u>	<u>24,197</u>	Other Debtors	<u>171,094</u>	<u>129,981</u>
116,501	91,840	Sub Total	576,128	576,885
-----	-----	Less Allowance for Impairment	<u>(80,841)</u>	<u>(114,845)</u>
116,501	91,840	Sub Total	495,287	462,040
<u>2,868</u>	<u>1,131</u>	Prepayments	<u>66,228</u>	<u>64,726</u>
<u>119,369</u>	<u>92,971</u>		<u>561,515</u>	<u>526,766</u>
		(a) Movement in the Allowance for Impairment		
		Sale of Goods and Services		
-----	-----	Balance at Commencement of Reporting Period	(110,130)	(47,265)
-----	-----	Amounts written off during the year	84,047	10,869
-----	-----	(Increase)/decrease in Allowance Recognised in Profit or Loss	<u>(46,654)</u>	<u>(73,734)</u>
-----	-----	Balance at 30 June	<u>(72,737)</u>	<u>(110,130)</u>
		(b) Movement in the Allowance for Impairment		
		Other Debtors		
-----	-----	Balance at Commencement of Reporting Period	(4,715)	(17,597)
-----	226	Amounts written off during the year	7,604	12,864
-----	(226)	(Increase)/decrease in Allowance Recognised in Profit or Loss	<u>(10,993)</u>	<u>18</u>
-----	-----	Balance at 30 June	<u>(8,104)</u>	<u>(4,715)</u>
-----	-----		<u>(80,841)</u>	<u>(114,845)</u>

Ministry of Health
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		18. Receivables		
		Non-Current		
----	----	Sale of Goods and Services	898	706
----	----	Other Debtors	1,998	1,679
-----	-----	Sub Total	2,896	2,385
-----	-----	Less Allowance for Impairment	(1,188)	(549)
-----	-----	Sub Total	1,708	1,836
-----	-----	Prepayments	10,083	6,832
=====	=====		11,791	8,668
		(a) Movement in the Allowance for Impairment		
		Sale of Goods and Services		
----	----	Balance at Commencement of Reporting Period	(431)	(460)
----	----	Amounts written off during the year	----	29
-----	-----	(Increase)/decrease in Allowance Recognised in Profit or Loss	(140)	----
-----	-----	Balance at 30 June	(571)	(431)
		(b) Movement in the Allowance for Impairment		
		Other Debtors		
----	----	Balance at Commencement of Reporting Period	(118)	(626)
----	----	Amounts written off during the year	----	626
-----	-----	(Increase)/decrease in Allowance Recognised in Profit or Loss	(499)	(118)
-----	-----	Balance at 30 June	(617)	(118)
=====	=====		(1,188)	(549)
		The current and non-current sale of goods and services		
----	----	Patient Fees - Compensable	23,937	17,865
----	----	Patient Fees - Ineligible	45,817	40,151
-----	-----	Patient Fees - Inpatient & Other	105,942	100,804
=====	=====		175,696	158,820

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 41.

Ministry of Health
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
19. Inventories				
28,545	24,925	Drugs	69,503	63,063
3,995	3,873	Medical and Surgical Supplies	68,025	68,073
-----	-----	Food and Hotel Supplies	132	134
-----	-----	Other	8,310	7,217
<u>32,540</u>	<u>28,798</u>		<u>145,970</u>	<u>138,487</u>
20. Financial Assets at Fair Value				
Current				
-----	-----	Treasury Corporation - Hour-Glass Investment Facilities	39,698	39,401
-----	-----	Other	8,089	-----
<u>-----</u>	<u>-----</u>		<u>47,787</u>	<u>39,401</u>
Non Current				
-----	-----	Treasury Corporation - Hour-Glass Investment Facilities	51,675	39,747
<u>-----</u>	<u>-----</u>		<u>51,675</u>	<u>39,747</u>
<i>Refer to note 41 for further information regarding fair value measurement, credit risk, liquidity risk and market risk arising from financial instruments.</i>				
21. Other Financial Assets				
Current				
-----	223	Other Loans and Deposits	-----	223
6,339	12,650	Advances Receivable - Intra Health	-----	-----
<u>6,339</u>	<u>12,873</u>		<u>-----</u>	<u>223</u>
Non-Current				
29,556	38,081	Advances Receivable - Intra Health	-----	-----
<u>29,556</u>	<u>38,081</u>		<u>-----</u>	<u>-----</u>

Ministry of Health
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
22. Property, Plant and Equipment				
Land and Buildings - Fair Value				
203,856	203,856	Gross Carrying Amount	20,293,492	18,635,621
<u>86,211</u>	<u>83,523</u>	Less: Accumulated Depreciation and Impairment	<u>7,906,885</u>	<u>7,385,443</u>
<u>117,645</u>	<u>120,333</u>	Net Carrying Amount	<u>12,386,607</u>	<u>11,250,178</u>
Plant and Equipment - Fair Value				
6,778	6,715	Gross Carrying Amount	2,094,646	2,005,715
<u>5,042</u>	<u>4,477</u>	Less: Accumulated Depreciation and Impairment	<u>1,180,090</u>	<u>1,157,125</u>
<u>1,736</u>	<u>2,238</u>	Net Carrying Amount	<u>914,556</u>	<u>848,590</u>
Infrastructure Systems - Fair Value				
-----	-----	Gross Carrying Amount	778,769	869,003
<u>-----</u>	<u>-----</u>	Less: Accumulated Depreciation and Impairment	<u>418,252</u>	<u>429,100</u>
<u>-----</u>	<u>-----</u>	Net Carrying Amount	<u>360,517</u>	<u>439,903</u>
Leasehold Improvements - Fair Value				
12,224	12,380	Gross Carrying Amount	56,958	55,398
<u>12,224</u>	<u>12,380</u>	Less: Accumulated Depreciation and Impairment	<u>28,495</u>	<u>26,868</u>
<u>-----</u>	<u>-----</u>	Net Carrying Amount	<u>28,463</u>	<u>28,530</u>
<u>119,381</u>	<u>122,571</u>	Total Property, Plant and Equipment At Net Carrying Amount	<u>13,690,143</u>	<u>12,567,201</u>

* 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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PARENT

22. 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:

	Land	Buildings	Plant and Equipment	Infrastructure Systems	Leasehold Improvements	Total
	\$000	\$000	\$000	\$000	\$000	\$000
2015						
Net Carrying Amount at Start of Year	56,217	64,116	2,238	----	----	122,571
Additions	----	----	237	----	----	237
Disposals	----	----	(23)	----	----	(23)
Administrative Restructures - Transfers In/(Out)	----	----	----	----	----	----
Depreciation Expense	----	(2,688)	(716)	----	----	(3,404)
Net Carrying Amount at End of Year	56,217	61,428	1,736	----	----	119,381

	Land	Buildings	Plant and Equipment	Infrastructure Systems	Leasehold Improvements	Total
	\$000	\$000	\$000	\$000	\$000	\$000
2014						
Net Carrying Amount at Start of Year	57,817	66,962	2,154	----	----	126,933
Additions	----	568	1,004	----	----	1,572
Disposals	(1,600)	(683)	(168)	----	----	(2,451)
Administrative Restructures - Transfers In/(Out)	----	----	(51)	----	----	(51)
Depreciation Expense	----	(2,731)	(701)	----	----	(3,432)
Net Carrying Amount at End of Year	56,217	61,416	2,238	----	----	122,571

- (i) Land and Buildings were valued in the 2012/13 financial year by Land Property Information (LPI) in accordance with note 2(j).
Land Property Information (LPI) is not an employee of the Ministry.

Ministry of Health
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CONSOLIDATION

22. 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:

	Land	Buildings	Plant and Equipment	Infrastructure Systems	Leasehold Improvements	Total
	\$000	\$000	\$000	\$000	\$000	\$000
2015						
Net Carrying Amount at Start of Year	1,767,714	9,482,464	848,590	439,903	28,530	12,567,201
Additions	7,058	935,692	243,472	534	4,127	1,190,883
Reclassifications to Intangibles	----	----	(4,722)	----	----	(4,722)
Recognition of Assets Held for Sale	(4,052)	(2,674)	----	----	----	(6,726)
Disposals	(3,777)	(13,256)	(19,806)	----	(674)	(37,513)
Administrative Restructures - Transfers In/(Out)	----	----	----	----	----	----
Net Revaluation Increment Less Revaluation						
Decrements Recognised in Reserves	278,585	331,738	156	(19,846)	368	591,001
Depreciation Expense	----	(405,011)	(180,092)	(20,809)	(4,069)	(609,981)
Reclassifications	1,551	10,575	26,958	(39,265)	181	----
Net Carrying Amount at End of Year	2,047,079	10,339,528	914,556	360,517	28,463	13,690,143

	Land	Buildings	Plant and Equipment	Infrastructure Systems	Leasehold Improvements	Total
	\$000	\$000	\$000	\$000	\$000	\$000
2014						
Net Carrying Amount at Start of Year	1,743,378	8,871,762	880,942	449,502	17,304	11,962,888
Additions	7,260	910,168	170,362	498	7,054	1,095,342
Reclassifications to Intangibles	----	----	(595)	----	----	(595)
Recognition of Assets Held for Sale	(1,280)	(82)	----	----	----	(1,362)
Disposals	(5,100)	(12,987)	(19,727)	(26)	----	(37,840)
Administrative Restructures - Transfers In/(Out)	----	----	2,243	----	----	2,243
Net Revaluation Increment Less Revaluation						
Decrements Recognised in Reserves	24,264	89,494	----	11,719	----	125,477
Depreciation Expense	----	(376,574)	(176,788)	(22,110)	(3,480)	(578,952)
Reclassifications	(808)	683	(7,847)	320	7,652	----
Net Carrying Amount at End of Year	1,767,714	9,482,464	848,590	439,903	28,530	12,567,201

- (i) Valuations for each of the health entities are performed regularly within a three year cycle. Revaluation details are included in the individual entities' financial statements.
- (ii) 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).

Ministry of Health
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		23. Intangible Assets		
		Intangibles		
200	200	Cost (Gross Carrying Amount)	728,283	653,058
<u>200</u>	<u>200</u>	Less: Accumulated Amortisation and Impairment	<u>199,178</u>	<u>190,039</u>
<u>-----</u>	<u>-----</u>	Net Carrying Amount	<u>529,105</u>	<u>463,019</u>
<u>-----</u>	<u>-----</u>	Total Intangible Assets at Net Carrying Amount	<u>529,105</u>	<u>463,019</u>

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23. Intangibles - Reconciliation

CONSOLIDATION

	Intangibles \$000	Total \$000
2015		
Net Carrying Amount at Start of Year	463,019	463,019
Additions (From Internal Development or Acquired Separately)	98,685	98,685
Reclassifications from Plant & Equipment	4,722	4,722
Disposals	(58)	(58)
Amortisation (Recognised in Depreciation and Amortisation)	(37,263)	(37,263)
Net Carrying Amount at End of Year	529,105	529,105

	Intangibles \$000	Total \$000
2014		
Net Carrying Amount at Start of Year	389,102	389,102
Additions (From Internal Development or Acquired Separately)	103,947	103,947
Reclassifications from Plant & Equipment	595	595
Disposals	(189)	(189)
Amortisation (Recognised in Depreciation and Amortisation)	(30,436)	(30,436)
Net Carrying Amount at End of Year	463,019	463,019

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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		24. Other Assets		
		Non-Current		
-----	-----	Emerging Rights to Assets (refer Note 2(ad))	45,177	41,626
-----	-----		45,177	41,626
=====	=====		=====	=====
		25. Non-Current Assets (or Disposal Groups) Held for Sale		
		Assets Held for Sale		
-----	-----	Land and Buildings	12,859	15,620
-----	-----	Infrastructure Systems	6	33
-----	-----		12,865	15,653
=====	=====		=====	=====

Ministry of Health
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PARENT & CONSOLIDATION

26. Fair Value Measurement of Non-Financial Assets

(a) Fair Value Hierarchy

Property, Plant and Equipment (Note 22)*

2015	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
PARENT				
Land and Buildings	-----	55,871	61,774	117,645
	-----	55,871	61,774	117,645

There were no transfers between level 1 and 2 during the year ended 30 June 2015.

2014	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
PARENT				
Land and Buildings	-----	55,871	64,462	120,333
	-----	55,871	64,462	120,333

There were no transfers between level 1 and 2 during the year ended 30 June 2014.

2015	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
CONSOLIDATION				
Land and Buildings	-----	2,532,303	8,823,146	11,355,449
Infrastructure Systems	-----	-----	360,517	360,517
Non-Current Assets (or Disposal Groups) Held for Sale (Note 25)	-----	12,865	-----	12,865
	-----	2,545,168	9,183,662	11,728,831

There were no transfers between level 1 and 2 during the year ended 30 June 2015.

2014	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
CONSOLIDATION				
Land and Buildings	-----	2,123,891	9,126,287	11,250,178
Infrastructure Systems	-----	-----	439,903	439,903
Non-Current Assets (or Disposal Groups) Held for Sale (Note 25)	-----	15,653	-----	15,653
	-----	2,139,544	9,566,190	11,705,734

There were no transfers between level 1 and 2 during the year ended 30 June 2014.

* Work in Progress and newly completed buildings are carried at cost, therefore excluded from figures above and as a result will not agree to Note 22.

PARENT & CONSOLIDATION

26. Fair Value Measurement of Non-Financial Assets

(b) Valuation Techniques, Inputs and Processes

For land, buildings and infrastructure systems the Ministry and its controlled health entities obtain external valuations by independent valuers every three years. The valuer used by each health entity is an independent person and is not an employee of the respective entities.

At the end of each reporting period a fair value assessment is made on any movements since the last revaluation and a determination as to whether any adjustments need to be made. These adjustments are made by way of application of indices, refer note 22 reconciliation.

In accordance with AASB 13 Fair Value Measurement, no assets have been found to have a higher and better use than their current use. Highest and best use takes account of use that is physically possible, legally permissible and financially feasible.

The non-current assets categorised in a) above have been measured as either Level 2 or Level 3 based on the following valuation techniques and inputs:

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

All commercial and non-restricted land is included in Level 2 as these land valuations have a high level of observable inputs, although these lands are not identical.

The majority of the restricted land has been classified as Level 3 as, although observable inputs have been used, a significant level of professional judgement is required to adjust inputs in determining the land valuations. Certain parcels of land have zoning restrictions, for example hospital grounds, and values are adjusted accordingly.

For buildings and infrastructure systems, many assets are of a specialised nature or use, and thus the most appropriate valuation method is depreciated replacement cost. These assets are included as Level 3 as these assets have a high level of unobservable inputs. However, residential and commercial properties are valued on a market approach and included in level 2.

Non-Current Assets Held for Sale is a non-recurring item that is measured at the lesser of its carrying amount or fair value less cost to sell. These assets are categorised in Level 2 except when an asset was a Level 3 asset prior to transfer to Non-Current Assets Held for Sale, and continues to be a recognised as a Level 3 asset where the carrying amount is less than the fair value (less cost) to sell.

PARENT & CONSOLIDATION

26. Fair Value Measurement of Non-Financial Assets

(b) Valuation Techniques, Inputs and Processes

Level 3 disclosures:

The fair value of buildings computed by suitably qualified independent valuers using a methodology known as the depreciated replacement cost valuation technique. The following table highlights the key unobservable (Level 3) inputs assessed during the valuation process, the relationship to the estimated fair value and the sensitivity to changes in unobservable inputs.

Assets	Valuation Technique	Significant Unobservable Inputs	Relationship between unobservable inputs and fair value measurement
Land under specialised building(s)	Market approach: this valuation method involves comparing the subject property to comparable sale prices in similar location on a rate per square metre basis, adjusted for restrictions specific for the property (e.g. mandated use and/or zoning)	<ul style="list-style-type: none"> ▪ Rate per square metre ▪ Discount rate ▪ Provision for remediation 	The fair value will increase/(decrease) if the estimated: <ul style="list-style-type: none"> ▪ Rate per square metre increases/(decreases) ▪ Discount rate decreases/(increases) ▪ Provision for remediation decreases/(increases)
Specialised Buildings	Depreciated replacement cost approach: this valuation method involves establishing the current replacement cost of the modern equivalent asset for each type of buildings on a rate per square metre basis; depreciated to reflect the building's remaining useful life.	<ul style="list-style-type: none"> ▪ Useful life assessment ▪ Replacement cost per square metre 	The fair value will increase/(decrease) if the estimated: <ul style="list-style-type: none"> ▪ Useful life assessment increases/(decreases) ▪ Replacement cost per square metre increases/(decreases)
Non-Specialised Buildings	Depreciated replacement cost approach: this valuation method involves establishing the current replacement cost of the modern equivalent asset for each type of buildings on a rate per square metre basis; depreciated to reflect the building's remaining useful life.	<ul style="list-style-type: none"> ▪ Useful life assessment ▪ Replacement cost per square metre 	The fair value will increase/(decrease) if the estimated: <ul style="list-style-type: none"> ▪ Useful life assessment increases/(decreases) ▪ Replacement cost per square metre increases/(decreases)
Infrastructure systems	Depreciated replacement cost approach: this valuation method involves establishing the current replacement cost of the modern equivalent infrastructure asset on a rate per square metre basis; depreciated to reflect the assets remaining useful life.	<ul style="list-style-type: none"> ▪ Useful life assessment ▪ Replacement cost per square metre 	The fair value will increase/(decrease) if the estimated: <ul style="list-style-type: none"> ▪ Useful life assessment increases/(decreases) ▪ Replacement cost per square metre increases/(decreases)

There are no other direct or significant relationships between the unobservable inputs which materially impact fair value.

Ministry of Health
Notes to and forming part of the Financial Statements
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26. Fair Value Measurement of Non-Financial Assets

(c) Reconciliation of Recurring Level 3 Fair Value Measurements

PARENT	Land and Buildings \$000	Infrastructure Systems \$000	Level 3 Recurring Total \$000
2015			
Fair value as at 1 July 2014	64,462	----	64,462
Additions	----	----	----
Disposals	----	----	----
Depreciation	<u>(2,688)</u>	----	<u>(2,688)</u>
Fair value as at 30 June 2015	<u>61,774</u>	<u>----</u>	<u>61,774</u>
2014			
Fair value as at 1 July 2013	68,855	----	68,855
Additions	568	----	568
Disposals	(2,283)	----	(2,283)
Depreciation	<u>(2,678)</u>	----	<u>(2,678)</u>
Fair value as at 30 June 2014	<u>64,462</u>	<u>----</u>	<u>64,462</u>

Ministry of Health
Notes to and forming part of the Financial Statements
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26. Fair Value Measurement of Non-Financial Assets

(c) Reconciliation of Recurring Level 3 Fair Value Measurements

CONSOLIDATION	Land and Buildings \$000	Infrastructure Systems \$000	Level 3 Recurring Total \$000
2015			
Fair value as at 1 July 2014	9,126,287	439,903	9,566,190
Additions	146,024	534	146,558
Revaluation increments/ decrements recognised in other comprehensive income – included in line item 'Net increase / (decrease) in property, plant and equipment asset revaluation surplus'	412,394	(19,846)	392,548
Transfers from Level 2	301,818	----	301,818
Transfers to Level 2	(174,681)	----	(174,681)
Disposals	(11,067)	----	(11,067)
Depreciation	(378,914)	(20,809)	(399,723)
Prior Year Carry Over Adjustments	(611,022)	----	(611,022)
Reclassification	12,308	(39,265)	(26,958)
Fair value as at 30 June 2015	<u>8,823,146</u>	<u>360,517</u>	<u>9,183,663</u>
2014			
Fair value as at 1 July 2013	9,207,935	449,502	9,657,437
Additions	148,254	498	148,752
Revaluation increments/ decrements recognised in other comprehensive income – included in line item 'Net increase / (decrease) in property, plant and equipment asset revaluation surplus'	94,571	11,719	106,290
Transfers from Level 2	11,431	----	11,431
Disposals	(4,718)	(26)	(4,744)
Depreciation	(328,256)	(22,110)	(350,366)
Reclassification	(2,930)	320	(2,610)
Fair value as at 30 June 2014	<u>9,126,287</u>	<u>439,903</u>	<u>9,566,190</u>

Ministry of Health
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT		CONSOLIDATION	
2015 \$000	2014 \$000	2015 \$000	2014 \$000
27. Restricted Assets			
<p>The Ministry'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.</p>			
Category			
----	----		
	Specific Purposes	386,951	408,056
----	Perpetually Invested Funds	10,004	10,153
----	Research Grants	174,918	168,183
----	Private Practice Funds	373,517	335,155
----	Other	70,726	84,047
-----	-----	-----	-----
-----	-----	1,016,116	1,005,594

Ministry of Health
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		28. Payables		
		Current		
1,932	1,585	Accrued Salaries, Wages and On-Costs	293,897	259,056
59,425	56,094	Taxation and Payroll Deductions	83,162	120,012
107,725	145,275	Trade Operating Creditors	553,034	621,629
-----	-----	Interest	25	40
		Other Creditors		
-----	-----	- Capital Works	68,014	113,818
66,648	113,708	- Intra Health Liability	-----	-----
11,093	9,601	- Other	298,651	270,800
<u>246,823</u>	<u>326,263</u>		<u>1,296,783</u>	<u>1,385,355</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 41.

		29. Borrowings		
		Current		
-----	-----	Other Loans and Deposits	1,535	1,444
-----	-----	Finance Leases	2,431	2,191
		Service Concession Arrangements		
-----	-----	- Long Bay Forensic Hospital	1,464	1,324
-----	-----	- Calvary Mater Newcastle Hospital	10,660	9,326
<u>-----</u>	<u>-----</u>		<u>16,090</u>	<u>14,285</u>
		Non-Current		
-----	-----	Other Loans and Deposits	4,946	5,587
-----	-----	Finance Leases	213	2,644
		Service Concession Arrangements		
-----	-----	- Long Bay Forensic Hospital	76,986	78,451
-----	-----	- Calvary Mater Newcastle Hospital	104,513	115,173
-----	-----	- Orange Hospital and Associated Health Services	162,091	162,091
-----	-----	- Royal North Shore Hospital Redevelopment	721,662	699,105
<u>-----</u>	<u>-----</u>		<u>1,070,411</u>	<u>1,063,051</u>

No assets have been pledged as security/collateral for liabilities and there are no restrictions on any title to property. Other loans still to be extinguished represent monies to be repaid to the Crown Entity.

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 41.

Ministry of Health
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
30. Provisions				
Current				
5,822	5,634	Annual Leave - Short Term Benefit	1,014,046	925,690
3,105	2,322	Annual Leave - Long Term Benefit	498,027	534,187
-----	-----	Death and Disability (Ambulance Officers)	7,777	6,633
-----	-----	Sick Leave	341	411
3,810	3,175	Long Service Leave Consequential On-Costs	223,782	198,971
-----	-----	Other	22,128	376
<u>12,737</u>	<u>11,131</u>	Total Current Provisions	<u>1,766,101</u>	<u>1,666,268</u>
Non-Current				
-----	-----	Death and Disability (Ambulance Officers)	11,986	3,956
331	167	Long Service Leave Consequential On-Costs	19,459	10,472
-----	-----	Other	4,750	3,788
<u>331</u>	<u>167</u>	Total Non-Current Provisions	<u>36,195</u>	<u>18,216</u>
Aggregate Employee Benefits and Related On-Costs				
12,737	11,131	Provisions - Current	1,743,973	1,665,892
331	167	Provisions - Non-Current	31,445	14,428
<u>61,357</u>	<u>57,679</u>	Accrued Salaries, Wages and On-Costs (Note 28)	<u>377,059</u>	<u>379,068</u>
<u>74,425</u>	<u>68,977</u>		<u>2,152,477</u>	<u>2,059,388</u>
31. Other Liabilities				
Current				
2,525	2,606	Income in Advance	22,148	39,507
-----	-----	Other	413	464
<u>2,525</u>	<u>2,606</u>		<u>22,561</u>	<u>39,971</u>
Non-Current				
53,404	55,831	Income in Advance	89,692	94,592
-----	-----	Other	1,097	1,759
<u>53,404</u>	<u>55,831</u>		<u>90,789</u>	<u>96,351</u>

Ministry of Health
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000	32. Commitments for Expenditure	2015 \$000	2014 \$000
		(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	552,704	721,586
-----	-----	Later than one year and not later than five years	323,883	190,978
-----	-----	Later than five years	-----	233
-----	-----	Total Capital Expenditure Commitments (Including GST)	876,587	912,797
		(b) Operating Lease Commitments		
		Future non-cancellable operating lease rentals not provided for and payable:		
7,489	7,195	Not later than one year	174,981	164,258
24,441	32,757	Later than one year and not later than five years	308,090	322,818
-----	-----	Later than five years	84,658	155,985
31,930	39,952	Total Operating Lease Commitments (Including GST)	567,729	643,061
		(c) Input Tax recoverable related to Commitments for expenditure		
		The total of 'Commitments for Expenditure' above, i.e. \$1,444 million as at 30 June 2015 includes input tax credits of \$131.3 million that are expected to be recoverable from the Australian Taxation Office (2014 \$154.4M).		
		(d) Finance Lease Commitments		
		Minimum lease payment commitments in relation to finance leases are payable as follows:		
-----	-----	Not later than one year	124,818	121,018
-----	-----	Later than one year and not later than five years	490,679	490,462
-----	-----	Later than five years	2,281,762	2,354,787
-----	-----	Minimum Lease Payments	2,897,259	2,966,267
-----	-----	Less: Future Finance Charges	1,817,239	1,895,962
-----	-----	Present Value of Minimum Lease Payments	1,080,020	1,070,305
		The present value of finance lease commitments is as follows:		
-----	-----	Not later than one year	14,555	12,841
-----	-----	Later than one year and not later than five years	48,851	56,013
-----	-----	Later than five years	1,016,614	1,001,451
-----	-----	Present Value of Minimum Lease Payments	1,080,020	1,070,305
		Classified as:		
-----	-----	(a) Current (Note 29)	14,555	12,841
-----	-----	(b) Non-Current (Note 29)	1,065,465	1,057,464
-----	-----		1,080,020	1,070,305

On 11 December 2014, Healthscope signed a contract through Health Administration Corporation (HAC) and with the Northern Sydney Local Health District to design, build, operate and maintain the new Northern Beaches Hospital. In 2018, the hospital will open to provide care to both public and private patients.

Ministry of Health
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CONSOLIDATION

33. Trust Funds

The Ministry holds trust fund monies of \$73.8 million 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 Ministry 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	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at the beginning of the financial year	5,078	5,298	9,478	11,709	50,737	73,430	65,293	90,437
Receipts	9,555	6,742	11,943	43,914	637,379	535,592	658,877	586,248
Expenditure	(9,156)	(6,962)	(11,554)	(46,145)	(629,640)	(558,285)	(650,350)	(611,392)
Balance at the end of the financial year	5,477	5,078	9,867	9,478	58,476	50,737	73,820	65,293

The Parent entity does not administer any trust funds on behalf of others.

PARENT AND CONSOLIDATION

34. 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 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 hospitals and community services now forming part of the Ministry will be paid in 2015/16. It is not possible for the Ministry to reliably quantify the benefit to be received or amount payable.

b) Public Private Partnerships

i) Calvary Mater Newcastle Hospital Public, Private Partnership

The liability to pay Novacare for the redevelopment of the Mater Hospital is based on a financing arrangement involving CPI-linked finance and fixed finance. An interest rate adjustment will be made as appropriate for the CPI-linked interest component over the project term. The estimated value of the contingent liability is unable to be fully determined because of uncertain future events.

ii) Royal North Shore Hospital Redevelopment Public, Private Partnership

The liability to pay InfraShore for the development of the Royal North Shore Hospital and health facilities is based on a CPI linked financing arrangement. An adjustment to the PPP capital financing payment will be made in accordance with CPI index over the project term. The estimated value of the contingent liability is unable to be fully determined because of uncertain future events.

iii) Orange Hospital and Associated Health Services Public, Private Partnership

The liability to pay Pinnacle Healthcare is based on a financing arrangement involving a CPI indexed annuity bond, the capital financing payment will be adjusted in accordance with a CPI index over the project term. The estimated value of the contingent liability is unable to be fully determined because of uncertain future events.

iv) Long Bay Forensic Hospital Public, Private Partnership

The liability to pay PPP Solutions for the development of the Long Bay Forensic Hospital is based on a financing arrangement involving non-indexable availability charges and interest rate adjustments. Other service fees are to be indexed in accordance with inflation and wages escalation. The estimated value of the contingent liability associated with indexation and interest rate adjustment is unable to be fully determined because of uncertain future events.

c) Sydney Local Health District Damages Claim

A claim was made against the former Central Sydney Area Health Service (now SLHD) by the lessee of a property owned by the District on the Royal Prince Alfred Hospital (RPAH) campus, on which the lessee had agreed to construct a car park and private hospital to be operated by the lessee. The lessee sought damages principally because it claimed its failure to commence construction of the hospital and to complete the car park was caused by the former Area Health Service. That claim failed, however the lessee successfully sought to be restored to possession and is claiming substantial damages for having been kept out of possession. SLHD also has a substantial cross-claim for damages. The matters are before the court. The contingent liability is not able to be reliably quantified at this time.

Ministry of Health
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
35. Reconciliation of Cash Flows from Operating Activities to Net Result				
(115,652)	36,177	Net Cash Flows from Operating Activities	1,158,906	1,300,740
(3,404)	(3,432)	Depreciation and Amortisation	(647,244)	(609,388)
-----	(226)	Allowance for Impairment	(58,286)	(73,855)
2,508	2,249	(Increase)/ Decrease Income in Advance	22,259	3,737
(1,769)	(1,772)	(Increase)/ Decrease in Provisions	(117,814)	(87,030)
33,805	32,062	Increase / (Decrease) in Prepayments and Other Assets	105,962	367,901
75,773	(5,986)	(Increase)/ Decrease in Payables from Operating Activities	87,050	(432,074)
(9)	(2,307)	Net Gain/ (Loss) on Sale of Property, Plant and Equipment	(32,102)	(25,388)
-----	-----	Assets Donated or Brought to Account	9,809	12,892
<u>(8,748)</u>	<u>56,765</u>	Net Result	<u>528,540</u>	<u>457,535</u>
36. Non-Cash Financing and Investing Activities				
-----	-----	Assets Donated or Brought to Account	9,809	12,892
-----	-----	Property, Plant and Equipment Acquired by Finance Lease	22,557	29,263
<u>-----</u>	<u>-----</u>		<u>32,366</u>	<u>42,155</u>
37. 2014/15 Voluntary Services				
It is considered impracticable to quantify the monetary value of voluntary services provided to the Ministry. AASB 1004.62 and FRC requires disclosure of goods and services received free of charge, or for nominal consideration. Services provided include:				
<ul style="list-style-type: none"> - Chaplaincies and Pastoral Care - Hospital Auxiliaries - Patient Support Groups - Community Organisations - Patient & Family Support - Patient Services, Fund Raising - Practical Support to Patients and Relatives - Counselling, Health Education, Transport, Home Help & Patient Activities 				
38. Unclaimed Moneys				
All money and personal effects of patients which are left in the custody of the Ministry's controlled health entities by any patient who is discharged or dies in hospital and which are not claimed by the person lawfully entitled thereto within a period of twelve months are recognised as the property of the respective health entity.				
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.				

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39. Budget Review - Consolidation

The 2014-15 budget represents the initial budget as allocated by Government at the time of the 2014-15 State Budget, as presented to Parliament on 17 June 2014.

NET RESULT **\$M**

The actual Net Result was \$57.6M greater than the Statement of Comprehensive Income budget result for the 2014-15 year.

A reconciliation of the movements between actual and budgeted net result follows:

Once off transfer of recurrent budget to the capital program to purchase Information Communication Technology equipment.	18
--	----

Abeyance of the settlement on the transfer of Callan Park, due to non continuation of whole of government discussion, resulted in NSW Health having to retain the asset within its Statement of Financial Position and the expected loss on disposal of \$51.9 million did not arise.	52
---	----

Other (including variation for Long Service Leave actuarial movement in the provision of \$231 million, which is offset by a corresponding \$231 million adjustment to Crown receipts)	(12)
--	------

Variation from budgeted Net Result	58
---	-----------

ASSETS AND LIABILITIES

Net assets exceed budget by \$479M. The contributing factors are:

An increase in property, plant and equipment primarily as a result of higher than expected asset revaluation increments due to changes in land and building values across NSW.	546
--	-----

Lower than budgeted accounts receivable position due to continuing improvements in debt collection and associated procedures.	(81)
---	------

Other	14
-------	----

Increase above Budgeted Net Assets	479
---	------------

STATEMENT OF CASH FLOWS

The actual Net Cash Flows from Operating Activities varied from the budget by \$130M. This is primarily due to an improved creditor position than budgeted (\$46M), higher than expected GST payments plus other miscellaneous variations.	(130)
--	-------

The actual Net Cash Flows from Investing Activities exceeded budget by \$146M. This is primarily attributable to Treasury approved increases to the capital program in-year (\$67M), a lower than budgeted capital creditor position (\$46M) and an overspend on Minor Works & Equipment purchases funded from LHD local sources (\$34M).	146
---	-----

Ministry of Health
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40. Increase/(Decrease) in Net Assets from Equity Transfers

Parent

There were no equity transfers effected in the 2014/15 financial year.

Equity transfers effected in the 2013/14 year were:

A value of \$51K Plant & Equipment was transferred to Health System Support Group.

Assets and Liabilities transferred are as follows:

	2015	2014
	\$000	\$000
Assets		
Plant & Equipment	-----	(51)
Increase/(Decrease) in Net Assets From Equity Transfers	-----	(51)

Consolidation

There were no equity transfers effected in the 2014/15 financial year.

Equity transfers effected in the 2013/14 year were:

An increase in net assets of \$2.24M relates to the transfer of plant and equipment from NSW Police to NSW Pathology for forensic equipment related to a transfer of functions.

Assets and Liabilities transferred are as follows:

	2015	2014
	\$000	\$000
Assets		
Plant & Equipment	-----	2,243
Increase/(Decrease) in Net Assets From Equity Transfers	-----	2,243

Ministry of Health
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41. Financial Instruments

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

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

The Secretary of the Ministry of Health 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 Ministry, to set risk limits and controls and monitor risks. Compliance with policies is reviewed by the Risk Management & Audit Committee and the internal auditors on a continuous basis.

(a) Financial Instrument Categories

PARENT

Financial Assets Class:	Category	Carrying Amount	Carrying Amount
		2015 \$000	2014 \$000
Cash and Cash Equivalents (note 17)	N/A	148,954	249,771
Receivables (note 18)	Loans and receivables (at amortised cost)	109,462	83,942
Other Financial Assets (note 21)	Loans and receivables (at amortised cost)	35,895	50,954
Total Financial Assets		<u>294,311</u>	<u>384,667</u>
Financial Liabilities			
Payables (note 28)	Financial liabilities measured at amortised cost	187,398	270,169
Total Financial Liabilities		<u>187,398</u>	<u>270,169</u>

Notes

- 1 Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)
- 2 Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

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41. Financial Instruments

CONSOLIDATION		Carrying Amount 2015 \$000	Carrying Amount 2014 \$000
Class:	Category		
Financial Assets			
Cash and Cash Equivalents (note 17)	N/A	1,548,230	1,668,493
Receivables (note 18)*	Loans and receivables (at amortised cost)	409,360	374,126
Financial Assets at Fair Value (note 20)	At fair value through profit or loss (designated as such upon initial recognition)	99,462	79,148
Other Financial Assets (note 21)	Loans and receivables (at amortised cost)	----	223
Total Financial Assets		<u><u>2,057,052</u></u>	<u><u>2,121,990</u></u>
Financial Liabilities			
Borrowings (note 29)	Financial liabilities	1,086,501	1,077,336
Payables (note 28)**	measured at	1,213,621	1,265,342
Other (note 31)	amortised cost	1,510	2,223
Total Financial Liabilities		<u><u>2,301,632</u></u>	<u><u>2,344,901</u></u>

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 Ministry. 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 Ministry, including cash, receivables and authority deposits. No collateral is held by the Ministry. The Ministry has not granted any financial guarantees.

Credit risk associated with the Ministry'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 between rates of approximately 2.25% and 3.63% in 2014/15 compared to 1.3% and 5.2% in the previous year. The TCorp Hour-Glass cash facility is discussed in paragraph (d) below.

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41. Financial Instruments

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at reporting 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 Ministry 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 Ministry and controlled entities are 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: \$303.765 million; 2014: \$291.746 million) and not more than 3 months past due (2015: \$66.075 million; 2014: \$48.687 million) are not considered impaired and together these represent 75% 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 Ministry'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.

PARENT

2015	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
	\$000	\$000	\$000
<3 months overdue	1,721	1,721	----
3 months - 6 months overdue	6	6	----
> 6 months overdue	13	13	----
2014			
<3 months overdue	262	262	----
3 months - 6 months overdue	708	708	----
> 6 months overdue	21	21	----

CONSOLIDATION

2015	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
	\$000	\$000	\$000
<3 months overdue	73,355	66,075	7,280
3 months - 6 months overdue	31,299	20,644	10,655
> 6 months overdue	82,970	18,876	64,094
2014			
<3 months overdue	54,664	48,687	5,977
3 months - 6 months overdue	34,291	17,549	16,742
> 6 months overdue	108,818	16,144	92,674

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 agree to the receivables total recognised in the statement of financial position.

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41. Financial Instruments

Authority Deposits

The Ministry 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 between 2.2 - 5.81% (2014: 2.10 - 4.34%), while over the year the weighted average interest rate was between 1.20 - 3.84% (2014: 1.30 - 4.95%). None of these assets are past due or impaired.

(c) Liquidity Risk

Liquidity risk is the risk that the Ministry will be unable to meet its payment obligations when they fall due. The Ministry 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 Ministry has negotiated no loan outside of arrangements with the Crown Entity. During the current and prior years, there were no defaults of loans payable. No assets have been pledged as collateral.

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 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 Ministry's financial liabilities together with the interest rate exposure.

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41. Financial Instruments

Maturity Analysis and interest rate exposure of financial liabilities

PARENT	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
		\$000	\$000	\$000	\$000	\$000	\$000	\$000
2015								
Payables:								
- Accrued Salaries Wages, On-Costs and Payroll Deductions		1,932	----	----	1,932	1,932	----	----
- Creditors		185,466	----	----	185,466	185,466	----	----
		<u>187,398</u>	----	----	<u>187,398</u>	<u>187,398</u>	----	----
2014								
Payables:								
- Accrued Salaries Wages, On-Costs and Payroll Deductions		1,585	----	----	1,585	1,585	----	----
- Creditors		268,584	----	----	268,584	268,584	----	----
		<u>270,169</u>	----	----	<u>270,169</u>	<u>270,169</u>	----	----
CONSOLIDATION								
	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
		\$000	\$000	\$000	\$000	\$000	\$000	\$000
2015								
Payables:								
- Accrued Salaries Wages, On-Costs and Payroll Deductions		293,897	----	----	293,897	293,897	----	----
- Creditors		919,724	----	----	919,724	919,724	----	----
Borrowings:								
- Loans and Deposits	4.63%	6,481	6,481	----	----	1,535	4,946	----
- Finance Leases	6.72%	2,644	2,644	----	----	2,431	213	----
- Service Concession Arrangements	9.55%	2,894,615	2,894,615	----	----	122,387	490,466	2,281,762
		<u>4,117,361</u>	<u>2,903,740</u>	----	<u>1,213,621</u>	<u>1,339,974</u>	<u>495,625</u>	<u>2,281,762</u>
2014								
Payables:								
- Accrued Salaries Wages, On-Costs and Payroll Deductions		259,056	----	----	259,056	259,056	----	----
- Creditors		1,006,286	----	----	1,006,286	1,006,286	----	----
Borrowings:								
- Loans and Deposits	4.63%	7,031	7,031	----	----	1,444	5,587	----
- Finance Leases	6.72%	4,835	4,835	----	----	2,191	2,644	----
- Service Concession Arrangements	9.55%	2,961,432	2,961,432	----	----	118,827	487,818	2,354,787
- Other	0.00%	2,223	2,223	----	----	464	1,759	----
		<u>4,240,863</u>	<u>2,975,521</u>	----	<u>1,265,342</u>	<u>1,388,268</u>	<u>497,808</u>	<u>2,354,787</u>

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 Ministry can be required to pay. The tables include both interest and principal cash flows and therefore will not agree to the Statement of Financial Position.

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41. Financial Instruments

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 Ministry's exposures to market risk are primarily through interest rate risk on the Ministry's borrowings and other price risks associated with the movement in the unit price of the Hour-Glass Investment facilities. The Ministry 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 Ministry 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 Ministry's interest bearing liabilities.

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

Both NSW Treasury and Ministry of Health loans are set at fixed rates and therefore are generally not affected by fluctuations in market rates. The Ministry 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 Ministry's exposure to interest rate risk is set out below.

PARENT	Carrying Amount \$'000	-1% Net Result	Equity	+1% Net Result	Equity
2015					
Financial Assets					
Cash and Cash Equivalents	148,954	(1,490)	(1,490)	1,490	1,490
Receivables	109,462	----	----	----	----
Other Financial Assets	35,895	(359)	(359)	359	359
Financial Liabilities					
Payables	187,398	----	----	----	----
2014					
Financial Assets					
Cash and Cash Equivalents	249,771	(2,498)	(2,498)	2,498	2,498
Receivables	83,942	----	----	----	----
Other Financial Assets	50,954	(510)	(510)	510	510
Financial Liabilities					
Payables	270,169	----	----	----	----

Ministry of Health
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41. Financial Instruments

CONSOLIDATED	Carrying Amount \$'000	-1% Net Result	Equity	+1% Net Result	Equity
2015					
Financial Assets					
Cash and Cash Equivalents	1,548,230	(15,482)	(15,482)	15,482	15,482
Receivables	409,360	----	----	----	----
Financial Assets at Fair Value	99,462	(995)	(995)	995	995
Financial Liabilities					
Payables	1,213,621	----	----	----	----
Borrowings	1,086,501	10,865	10,865	(10,865)	(10,865)
Other	1,510	15	15	(15)	(15)
2014					
Financial Assets					
Cash and Cash Equivalents	1,668,493	(16,685)	(16,685)	16,685	16,685
Receivables	374,126	----	----	----	----
Financial Assets at Fair Value	79,148	(791)	(791)	791	791
Other Financial Assets	223	(2)	(2)	2	2
Financial Liabilities					
Payables	1,265,342	----	----	----	----
Borrowings	1,077,336	10,773	10,773	(10,773)	(10,773)
Other	2,223	22	22	(22)	(22)

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 Ministry has no direct equity investments. The Ministry holds units in the following Hour-Glass investment trusts:

Facility	Investment Sectors	Investment Horizon	2015 \$'000	2014 \$'000
Cash facility	Cash and money market instruments	Up to 1.5 years	247	15,076
Strategic cash facility	Cash and money market instruments	1.5 years to 3 years	9,032	2,248
Medium term growth facility	Cash, money market instruments, Australian and International bonds, listed property and Australian shares	3 years to 7 years	22,719	15,243
Long-term growth facility	Cash, money market instruments, Australian and International bonds, listed property and Australian shares	7 years and over	59,375	46,581

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.

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41. Financial Instruments

Investment in the Hour-Glass facilities limits the Ministry'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	
		2015 \$'000	2014 \$'000
Hour-Glass Investment - Cash facility	+/- 1%	2	151
Hour-Glass Investment - Strategic cash facility	+/- 1 to 5%	181	22
Hour-Glass Investment - Medium-term growth facility	+/- 6 to 24%	1,363	900
Hour-Glass Investment - Long-term growth facility	+/- 15 to 22%	8,906	5,962

(e) Fair Value Measurement

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value.

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.

Fair Value recognised in the Statement of Financial Position

The Ministry uses the below hierarchy for disclosing the fair value of financial instruments by valuation technique:

	Level 1	Level 2	Level 3	2015 Total
	\$'000	\$'000	\$'000	\$'000
TCorp Hour-Glass Invt.Facility	----	91,373	----	91,373
	Level 1	Level 2	Level 3	2014 Total
	\$'000	\$'000	\$'000	\$'000
TCorp Hour-Glass Invt.Facility	----	79,148	----	79,148

(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 year ended 30 June 2015.

As discussed, the value of the Hour-Glass Investments is based on the Ministry'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.

42. Events after the Reporting Period

No other matters have arisen subsequent to balance date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENTS