



INDEPENDENT AUDITOR'S REPORT

Cancer Institute Division

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Cancer Institute Division (the Division), which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Division as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Chief Executive Officer's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the 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 Division's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, 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.

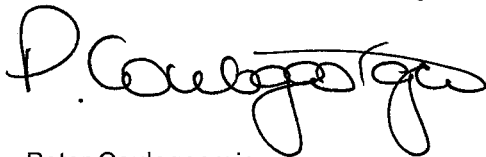
My opinion does *not* provide assurance:

- about the future viability of the Division
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- 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 which 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 other 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.



Peter Coulogeorgiou
Director, Financial Audit Services

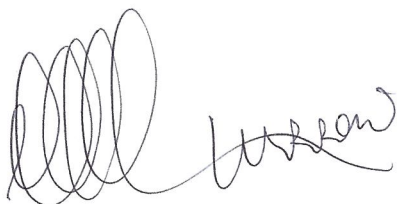
23 September 2013
SYDNEY

CANCER INSTITUTE DIVISION

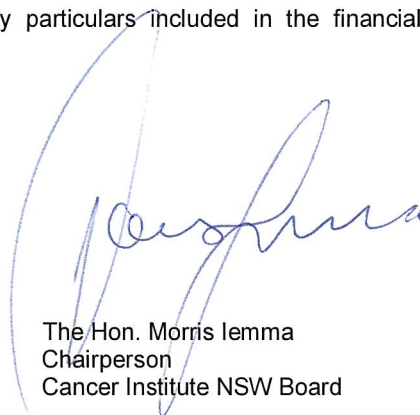
**STATEMENT BY THE BOARD, CHIEF CANCER OFFICER & CHIEF EXECUTIVE OFFICER,
CANCER INSTITUTE NSW**

Pursuant to section 41C(1B) of the Public Finance and Audit Act 1983, we state:

- (a) the accompanying Financial Statements exhibit a true and fair view of the financial as at 30 June 2013 and financial performance of the Cancer Institute Division for the year then ended;
- (b) the financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2010 and the Treasurer's Directions;
- (c) the financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations).
- (d) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Professor David Currow
Chief Cancer Officer and CEO
Cancer Institute NSW



The Hon. Morris Iemma
Chairperson
Cancer Institute NSW Board

23rd September 2013

CANCER INSTITUTE DIVISION
Statement of comprehensive income
for the year ended 30 June 2013

Start of audited financial statements	Notes	2013	2012
		\$'000	\$'000
Expenses excluding losses			
Employee related expenses	2	<u>19,394</u>	<u>20,649</u>
TOTAL EXPENSES EXCLUDING LOSSES		<u>19,394</u>	<u>20,649</u>
Revenue			
Personnel services revenue	3	<u>19,172</u>	<u>21,603</u>
Total Revenue		<u>19,172</u>	<u>21,603</u>
Net result		<u>(222)</u>	<u>954</u>
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Actuarial Gain/(Loss) on Superannuation		<u>222</u>	<u>(954)</u>
Total other comprehensive income		<u>222</u>	<u>(954)</u>
TOTAL COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

CANCER INSTITUTE DIVISION
Statement of financial position
as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	4	123	113
Receivables	5	<u>6,177</u>	<u>6,516</u>
Total Current Assets		<u>6,300</u>	<u>6,629</u>
Total Assets		<u>6,300</u>	<u>6,629</u>
LIABILITIES			
Current Liabilities			
Payables	6	414	404
Provisions	7	<u>5,188</u>	<u>5,280</u>
Total Current Liabilities		<u>5,602</u>	<u>5,684</u>
Non-current liabilities			
Provisions	7	<u>698</u>	<u>945</u>
Total Non-Current Liabilities		<u>698</u>	<u>945</u>
Total Liabilities		<u>6,300</u>	<u>6,629</u>
Net Assets		<u>-</u>	<u>-</u>
EQUITY			
Accumulated funds		<u>-</u>	<u>-</u>
Total Equity		<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

**CANCER INSTITUTE DIVISION
Statement of changes in equity
for the year ended 30 June 2013**

	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2012	-	-
Net result for the year	<u>(222)</u>	<u>(222)</u>
Other comprehensive income		
Actuarial gain on superannuation	<u>222</u>	<u>222</u>
Total other comprehensive income	<u>222</u>	<u>222</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>
Balance at 30 June 2013	<u>-</u>	<u>-</u>
Balance at 1 July 2011	-	-
Net result for the year	<u>954</u>	<u>954</u>
Other comprehensive income		
Actuarial loss on superannuation	<u>(954)</u>	<u>(954)</u>
Total other comprehensive income	<u>(954)</u>	<u>(954)</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>
Balance at 30 June 2012	<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

CANCER INSTITUTE DIVISION
Statement of cash flows
for the year ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related		<u>(19,592)</u>	(19,757)
Total Payments		<u>(19,592)</u>	(19,757)
Receipts			
Personnel services		<u>19,602</u>	19,860
Total Receipts		<u>19,602</u>	19,860
NET CASH FLOWS FROM OPERATING ACTIVITIES	9	<u>10</u>	103
NET INCREASE IN CASH		10	103
Opening cash and cash equivalents		<u>113</u>	10
CLOSING CASH AND CASH EQUIVALENTS	4	<u>123</u>	113

The accompanying notes form part of these financial statements.

1 Summary of Significant Accounting Policies

(a) Reporting entity

The Cancer Institute Division (the Division) is a division of the government service established pursuant to Part 2 of Schedule 1 of the Public Sector Employment and Management Act 2002. The Division is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the Cancer Institute NSW and NSW Total State Sector Accounts. It is domiciled in Australia and its principal office is at Level 9, 8 Central Avenue, Australian Technology Park, Sydney.

The Cancer Institute Division's objective is to provide personnel services to the Cancer Institute NSW.

The Cancer Institute Division commenced operations on 17 March 2006 when it assumed responsibility for the employees and employee-related liabilities of the Cancer Institute NSW.

These financial statements for the year ended 30 June 2013 have been authorised for issue by the Chief Cancer Officer and Chief Executive Officer on 23 September 2013.

(b) Basis of preparation

The Division's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and Regulation and
- specific directions issued by the Treasurer.

Certain provisions are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

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

All amounts are rounded to the nearest one thousand dollars (except for the superannuation disclosure in note 7, which is provided by Pillar in whole dollars) and are expressed in Australian currency.

(c) Statement of compliance

The Division's financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Insurance

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

(e) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Revenue from rendering of personnel services is recognised when the service is provided and only to the extent that the associated expenses are recoverable.

(f) Assets

(i) Receivables

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 for the year 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.

1 Summary of Significant Accounting Policies (cont'd)

(g) Liabilities

(i) Payables

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

(ii) Employee benefits and other provisions

(a) Salaries and wages, annual leave, sick leave and on-costs

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

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

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

(b) Long service leave and superannuation

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors to employees using current rates of pay. These factors were determined based on an independent actuarial review in 2013 to approximate present value. For each future year the entitlements expected to be paid in service and on termination of employment have been determined by making a projection for each employee based on their current salary and long service leave balance, assumed rates of taking long service leave in service, rates of death, disablement, retirement, resignation and rates of salary escalation. The resulting cash flows have then been converted to a present value by discounting from the expected date of payment to the valuation date at the assumed interest rate.

(i) Defined contribution plan

A defined contribution plan is a post-employment benefit plan (i.e. Basic Benefit and First State Super) under which the entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The expense is calculated as a percentage of the employee's salary.

(ii) Defined benefit plan

A defined benefit plan is a post employment benefit plan other than a defined contribution plan (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme). An independent actuarial assessment of the defined benefit is undertaken before each reporting date.

A liability or an asset in respect of the defined benefit superannuation plan is recognised in the Statement of financial position and is measured as the present value of the defined benefit obligation as at reporting date. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the market yield rate on government bonds of similar maturity to those obligations.

The amount recognised in the net result for superannuation is the net total of current service cost and the expected return on plan assets. Actuarial gains and losses are charged directly to equity in the year they occur.

1 Summary of Significant Accounting Policies (cont'd)

(h) Equity and reserves

(i) Accumulated Funds

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

- (ii) Superannuation actuarial gains and losses are recognised in the Statement of changes in equity as required by AASB 119 Employee Benefits.

(i) New Australian Accounting Standards issued but not effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following Australian Accounting Standards have not been applied and are not yet effective. Treasury Circular TC13/02 mandates not to early adopt any of the new Standards / Interpretations.

- AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments
- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in Other Entities
- AASB 13, AASB 2011-8 and AASB 2012-1 regarding fair value measurement
- AASB 119, AASB 2011-10 and AASB 2011-11 regarding employee benefits
- AASB 127 Separate Financial Statements
- AASB 128 Investments in Associates and Joint Ventures
- AASB 1053 and AASB 2010-2 regarding differential reporting
- AASB 2010-10 regarding removal of fixed dates for first time adopters
- AASB 2011-2 regarding Trans-Tasman Convergence – RDR
- AASB 2011-4 removing individual KMP disclosure requirements
- AASB 2011-6 regarding RDR and relief from consolidation
- AASB 2011-7 regarding consolidation and joint arrangements
- AASB 2011-12 regarding Interpretation 20
- AASB 2012-1 regarding fair value measurement – RDR requirements
- AASB 2012-2 regarding disclosures – offsetting financial assets and financial liabilities
- AASB 2012-3 regarding offsetting financial assets and financial liabilities
- AASB 2012-4 regarding government loans – first time adoption
- AASB 2012-5 regarding annual improvements 2009-2-11 cycle
- AASB 2012-7 regarding RDR
- AASB 2012-9 regarding withdrawal of Interpretation 1039
- AASB 2012-10 regarding transition guidance and other amendments
- AASB 2012-11 regarding RDR requirements and other amendments

It is considered that the impact of these new Standards / Interpretations in future periods will have no material impact on the financial statements of the Division.

CANCER INSTITUTE DIVISION
Notes to the Financial Statements
for the year ended 30 June 2013

2 Expenses Excluding Losses

	2013 \$'000	2012 \$'000
Employee related expenses		
Salaries and wages (including recreation leave)	16,706	17,254
Superannuation - defined benefit plans	25	76
Superannuation - defined contribution plans	1,229	1,223
Long service leave	195	891
Workers compensation insurance	94	57
Payroll tax, fringe benefit tax	956	1,039
Redundancy Payments	189	109
	19,394	20,649

3 Revenue

Personnel Services - Cancer Institute NSW	19,172	21,603
	19,172	21,603

4 Current Assets – Cash and Cash Equivalents

	2013 \$'000	2012 \$'000
Cash at bank and on hand	123	113
	123	113

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

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

	2013 \$'000	2012 \$'000
Cash and cash equivalents (per statement of financial position)	123	113
Closing cash and cash equivalents (per statement of cash flows)	123	113

Refer Note 10 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

5 Current / Non-Current Assets - Receivables

	2013 \$'000	2012 \$'000
Current Receivables		
Sundry debtors	365	334
Personnel Services - Cancer Institute NSW	5,812	6,182
	6,177	6,516

6 Current Liabilities - Payables

	2013 \$'000	2012 \$'000
Payables		
Creditors	5	7
Accrued salaries, wages and on-costs	409	397
	414	404

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, is disclosed in note 10.

CANCER INSTITUTE DIVISION
Notes to the Financial Statements
for the year ended 30 June 2013

7 Current / Non-Current Liabilities - Provisions

	2013	2012
	\$'000	\$'000
Current		
Employee benefits and related on-costs		
Recreation leave	1,631	1,541
Long service leave	1,936	1,854
Fringe benefits tax	71	41
Superannuation	1,550	1,844
Total current provisions	5,188	5,280
	2013	2012
	\$'000	\$'000
Non-current		
Employee benefits and related on-costs		
Long service leave	698	945
Total non-current provisions	698	945
	2013	2012
	\$'000	\$'000
Aggregate employee benefits and related on-costs		
Provisions - current	5,188	5,280
Provisions - long service leave - non-current	698	945
Accrued salaries, wages and on-costs (Note 6)	409	397
	6,295	6,622

Recreation leave is assumed to be taken in the next 12 months.

CANCER INSTITUTE DIVISION
Notes to the Financial Statements
for the year ended 30 June 2013

7 Current / Non Current Liabilities – Provisions (cont'd)

Superannuation Funds as at 30 June 2013
Basis – AASB 119

	SASS 30-Jun-13	SANCS 30-Jun-13	SSS 30-Jun-13	TOTAL 30-Jun-13
Member Numbers				
Contributors	4	4	0	
Deferred benefits	0	0	1	
Pensioners	0	0	1	
Pensions fully commuted	0	0	0	
Superannuation Position for AASB 119 purposes	A\$	A\$	A\$	A\$
Accrued liability	1,489,458	235,826	1,967,466	3,692,750
Estimated reserve account balance	(1,064,766)	(103,418)	(974,366)	(2,142,550)
	424,692	132,408	993,100	1,550,200
Future Service Liability (Note 1)	(343,827)	(95,220)	0	(439,047)
Surplus in excess of recovery available from schemes	0	0	0	0
Net (asset)/liability to be recognised in statement of financial position	424,692	132,408	993,100	1,550,200

Superannuation Funds as at 30 June 2012
Basis – AASB 119

	SASS 30-Jun-12	SANCS 30-Jun-12	SSS 30-Jun-12	TOTAL 30-Jun-12
Member Numbers				
Contributors	6	6	0	
Deferred benefits	0	0	1	
Pensioners	0	0	1	
Pensions fully commuted	0	0	0	
Superannuation Position for AASB 119 purposes	A\$	A\$	A\$	A\$
Accrued liability	1,835,084	359,781	2,179,655	4,374,520
Estimated reserve account balance	(1,430,441)	(243,630)	(855,967)	(2,530,038)
Rounding adjustment	0	0	0	0
	404,643	116,151	1,323,688	1,844,482
Future Service Liability (Note 1)	(607,235)	(127,016)	0	(734,251)
Surplus in excess of recovery available from schemes	0	0	0	0
Net (asset)/liability to be recognised in statement of financial position	404,643	116,151	1,323,688	1,844,482

Note 1:

The Future Service Liability (FSL) does not have to be recognised by an employer. It is only used to determine if an asset ceiling limit should be imposed (AASB 119, para 58). Under AASB 119, any prepaid superannuation asset recognised cannot exceed the total of any unrecognised past service cost and the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the "surplus in excess of recovery" is zero, no asset ceiling limit is imposed.

CANCER INSTITUTE DIVISION
Notes to the Financial Statements
for the year ended 30 June 2013

7 Current / Non Current Liabilities – Provisions (cont'd)

Disclosure Items 30 June 2013 and 30 June 2012

Accounting policy {AASB 119 – paragraph 120A(a) }

Actuarial gains and losses are recognised immediately in other comprehensive income in the year in which they occur.

Fund information {AASB 119 – paragraph 120A(b) }

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

State Authorities Superannuation Scheme (SASS)

State Superannuation Scheme (SSS)

Police Superannuation Scheme (PSS)

State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership.

All the Schemes are closed to new members.

Reconciliation of the present value of the defined benefit obligation {AASB 119 – paragraph 120A(c)}

	SASS Financial Year to 30 June 2013	SANCS Financial Year to 30 June 2013	SSS Financial Year to 30 June 2013
	A\$	A\$	A\$
<i>Present value of partly funded defined benefit obligation at beginning of the year</i>	1,835,084	359,781	2,179,655
Current service cost	88,147	15,587	0
Interest cost	53,877	10,387	64,768
Contributions by Fund participants	48,322	0	0
Actuarial (gains)/losses	53,473	28,810	(251,890)
Benefits paid	(589,445)	(178,739)	(25,067)
Past service cost	0	0	0
Curtailments	0	0	0
Settlements	0	0	0
Business Combinations	0	0	0
Exchange rate changes	0	0	0
<i>Present value of partly funded defined benefit obligation at end of the year</i>	1,489,458	235,826	1,967,466

	SASS Financial Year to 30 June 2012	SANCS Financial Year to 30 June 2012	SSS Financial Year to 30 June 2012
	A\$	A\$	A\$
<i>Present value of partly funded defined benefit obligation at beginning of the year</i>	1,036,569	251,073	1,548,962
Current service cost	56,811	10,919	25,458
Interest cost	53,507	12,604	81,521
Contributions by Fund participants	34,697	0	35,752
Actuarial (gains)/losses	391,411	48,373	484,487
Benefits paid	262,089	36,812	3,475
Past service cost	0	0	0
Curtailments	0	0	0
Settlements	0	0	0
Business Combinations	0	0	0
Exchange rate changes	0	0	0
<i>Present value of partly funded defined benefit obligation at end of the year</i>	1,835,084	359,781	2,179,655

CANCER INSTITUTE DIVISION
Notes to the Financial Statements
for the year ended 30 June 2013

7 Current / Non Current Liabilities – Provisions (cont'd)

Reconciliation of the fair value of Fund assets {AASB 119 – paragraph 120A(e)}

	SASS	SANCS	SSS
	Financial Year to 30 June 2013	Financial Year to 30 June 2013	Financial Year to 30 June 2013
	A\$	A\$	A\$
<i>Fair value of Fund assets at beginning of the year</i>	1,430,441	243,630	855,967
Expected return on Fund assets	120,295	19,694	68,190
Actuarial gains/(losses)	(30,299)	7,405	75,276
Employer contributions	85,452	11,429	0
Contributions by Fund participants	48,322	0	0
Benefits paid	(589,445)	(178,739)	(25,067)
Settlements	0	0	0
Business combinations	0	0	0
Exchange rate changes	0	0	0
<i>Fair value of Fund assets at end of the year</i>	1,064,766	103,418	974,366

	SASS	SANCS	SSS
	Financial Year to 30 June 2012	Financial Year to 30 June 2012	Financial Year to 30 June 2012
	A\$	A\$	A\$
<i>Fair value of Fund assets at beginning of the year</i>	838,236	188,762	860,456
Expected return on Fund assets	75,011	15,849	73,775
Actuarial gains/(losses)	106,103	(13,558)	(122,278)
Employer contributions	114,305	15,764	4,787
Contributions by Fund participants	34,697	0	35,752
Benefits paid	262,089	36,812	3,475
Settlements	0	0	0
Business combinations	0	0	0
Exchange rate changes	0	0	0
Rounding adjustments	0	1	0
<i>Fair value of Fund assets at end of the year</i>	1,430,441	243,630	855,967

Reconciliation of the assets and liabilities recognised in Statement of Financial position {AASB 119 – paragraphs 120A(d) and (f)}

	SASS	SANCS	SSS
	Financial Year to 30 June 2013	Financial Year to 30 June 2013	Financial Year to 30 June 2013
	A\$	A\$	A\$
Present value of partly funded defined benefit obligation at end of year	1,489,458	235,826	1,967,466
Fair value of Fund assets at end of year	(1,064,766)	(103,418)	(974,366)
<i>Subtotal</i>	424,692	132,408	993,100
Unrecognised past service cost	0	0	0
Unrecognised gain/(loss)	0	0	0
Adjustment for limitation on net asset	0	0	0
<i>Net Liability/(Asset) recognised in statement of financial position at end of year</i>	424,692	132,408	993,100

CANCER INSTITUTE DIVISION
Notes to the Financial Statements
for the year ended 30 June 2013

7 Current / Non Current Liabilities – Provisions (cont'd)

	SASS Financial Year to 30 June 2012	SANCS Financial Year to 30 June 2012	SSS Financial Year to 30 June 2012
	A\$	A\$	A\$
Present value of partly funded defined benefit obligation at end of year	1,835,084	359,781	2,179,655
Fair value of Fund assets at end of year	(1,430,441)	(243,630)	(855,967)
<i>Subtotal</i>	404,643	116,151	1,323,688
Unrecognised past service cost	0	0	0
Unrecognised gain/(loss)	0	0	0
Adjustment for limitation on net asset	0	0	0
<i>Net Liability/(Asset) recognised in statement of financial position at end of year</i>	404,643	116,151	1,323,688

Expense Recognised in Statement of Comprehensive Income (AASB 119 – paragraph 46 & 120A(g))

	SASS Financial Year to 30 June 2013	SANCS Financial Year to 30 June 2013	SSS Financial Year to 30 June 2013
	A\$	A\$	A\$
Components Recognised in Statement of Comprehensive Income			
Current service cost	88,147	15,587	0
Interest cost	53,877	10,387	64,768
Expected return on Fund assets (net of expenses)	(120,295)	(19,694)	(68,190)
Actuarial losses/(gains) recognised in year	0	0	0
Past service cost	0	0	0
Movement in adjustment for limitation on net asset	0	0	0
Curtailment or settlement (gain)/loss	0	0	0
<i>Rounding adjustment</i>	1		
<i>Expense/(income) recognised</i>	21,730	6,280	(3,422)

	SASS Financial Year to 30 June 2012	SANCS Financial Year to 30 June 2012	SSS Financial Year to 30 June 2012
	A\$	A\$	A\$
Components Recognised in Statement of Comprehensive Income			
Current service cost	56,811	10,919	25,458
Interest cost	53,507	12,604	81,521
Expected return on Fund assets (net of expenses)	(75,011)	(15,849)	(73,775)
Actuarial losses/(gains) recognised in year	0	0	0
Past service cost	0	0	0
Movement in adjustment for limitation on net asset	0	0	0
Curtailment or settlement (gain)/loss	0	0	0
<i>Rounding Adjustments</i>	1	0	0
<i>Expense/(income) recognised</i>	35,308	7,674	33,204

CANCER INSTITUTE DIVISION
Notes to the Financial Statements
for the year ended 30 June 2013

7 Current / Non Current Liabilities – Provisions (cont'd)

Amounts recognised in other comprehensive income {AASB 119 – paragraph 120A(h)}

	SASS Financial Year to 30 June 2013 A\$	SANCS Financial Year to 30 June 2013 A\$	SSS Financial Year to 30 June 2013 A\$
Actuarial (gains)/losses	83,771	21,405	(327,165)
Adjustment for limit on net asset	0	0	0

	SASS Financial Year to 30 June 2012 A\$	SANCS Financial Year to 30 June 2012 A\$	SSS Financial Year to 30 June 2012 A\$
Actuarial (gains)/losses	285,308	61,931	606,765
Adjustment for limit on net asset	0	0	0

Fund assets {AASB 119 – paragraph 120A(j)}

The percentage invested in each asset class at the balance sheet date:

	30-Jun-13	30-Jun-12
Australian equities	30.4%	28.0%
Overseas equities	26.1%	23.7%
Australian fixed interest securities	6.9%	4.9%
Overseas fixed interest securities	2.2%	2.4%
Property	8.3%	8.6%
Cash	13.1%	19.5%
Other	13.0%	12.9%

Fair value of Fund assets {AASB 119 – paragraph 120A(k)}

All Fund assets are invested by STC at arm's length through independent fund managers.

Expected rate of return on assets {AASB119 – paragraph 120A(l)}

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

Actual Return on Fund Assets {AASB 119 – paragraph 120A(m)}

	SASS Financial Year to 30 June 2013 A\$	SANCS Financial Year to 30 June 2013 A\$	SSS Financial Year to 30 June 2013 A\$
Actual return on Fund assets	206,364	27,099	143,465

	SASS Financial Year to 30 June 2012 A\$	SANCS Financial Year to 30 June 2012 A\$	SSS Financial Year to 30 June 2012 A\$
Actual return on Fund assets	13,612	2,291	7,503

CANCER INSTITUTE DIVISION
Notes to the Financial Statements
for the year ended 30 June 2013

7 Current / Non Current Liabilities – Provisions (cont'd)

Valuation method and principal actuarial assumptions at the balance sheet date {AASB 119 – paragraph 120A(n)}

a) Valuation Method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

b) Economic Assumptions

	30-Jun-13	30-Jun-12
Salary increase rate (excluding promotional increases)		
2013/2014 (SASS, SSS and SANCS)	2.25% (PSS 2.95%)	2.5% pa
2014/2015	2.25%	2.5% pa
2015/2016 to 2019/2020	2.0% pa	2.5% pa
2020 onwards	2.5% pa	2.5% pa
Rate of CPI Increase	2.5% pa	2.5% pa
Expected rate of return on assets	8.60%	8.6% pa
Discount rate	3.80% pa	3.06% pa

c) Demographic Assumptions

The demographic assumptions at 30 June 2013 are those that were used in the 2012 triennial actuarial valuation. The triennial review report is available from the NSW Treasury website.

Historical information {AASB119 – paragraph 120A(p)}

	SASS Financial Year to 30 June 2013 A\$	SANCS Financial Year to 30 June 2013 A\$	SSS Financial Year to 30 June 2013 A\$
Present value of defined benefit obligation	1,489,458	235,826	1,967,466
Fair value of Fund assets	(1,064,766)	(103,418)	(974,366)
(Surplus)/Deficit in Fund	424,692	132,408	993,100
Experience adjustments – Fund liabilities	53,473	28,810	(251,890)
Experience adjustments – Fund assets	30,299	(7,405)	(75,276)

	SASS Financial Year to 30 June 2012 A\$	SANCS Financial Year to 30 June 2012 A\$	SSS Financial Year to 30 June 2012 A\$
Present value of defined benefit obligation	1,835,084	359,781	2,179,655
Fair value of Fund Assets	(1,430,441)	(243,630)	(855,967)
(Surplus)/Deficit in Fund	404,643	116,151	1,323,688
Experience adjustments – Fund liabilities	391,411	48,373	484,487
Experience adjustments – Fund assets	(106,103)	13,558	122,278

CANCER INSTITUTE DIVISION
Notes to the Financial Statements
for the year ended 30 June 2013

7 Current / Non Current Liabilities – Provisions (cont'd)

	SASS Financial Year to 30 June 2011	SANCS Financial Year to 30 June 2011	SSS Financial Year to 30 June 2011
	A\$	A\$	A\$
Present value of defined benefit obligation	1,036,569	251,073	1,548,962
Fair value of Fund assets	(838,236)	(188,762)	(860,456)
Rounding adjustments	(1)	0	0
(Surplus)/Deficit in Fund	198,332	62,311	688,506
Experience adjustments – Fund liabilities	173,088	3,891	(18,028)
Experience adjustments – Fund assets	(140,685)	770	4,180

	SASS Financial Year to 30 June 2010	SANCS Financial Year to 30 June 2010	SSS Financial Year to 30 June 2010
	A\$	A\$	A\$
Present value of defined benefit obligation	536,441	152,116	1,473,125
Fair value of Fund assets	(353,709)	(92,543)	(774,249)
Rounding adjustments	1	0	0
(Surplus)/Deficit in Fund	182,733	59,573	698,876
Experience adjustments – Fund liabilities	(321,878)	(34,630)	136,298
Experience adjustments – Fund assets	182,150	(1,461)	(4,732)

Expected contributions {AASB119 – paragraph 120A(q)}

	SASS Financial Year to 30 June 2013	SANCS Financial Year to 30 June 2013	SSS Financial Year to 30 June 2013
	A\$	A\$	A\$
Expected employer contributions to be paid in the next reporting period	91,812	15,623	0

	SASS Financial Year to 30 June 2012	SANCS Financial Year to 30 June 2012	SSS Financial Year to 30 June 2012
	A\$	A\$	A\$
Expected employer contributions to be paid in the next reporting period	65,924	11,980	57,203

Funding Arrangements for Employer Contributions

(a) Surplus/deficit

The following is a summary of the 30 June 2013 financial position of the Fund calculated in accordance with AAS 25 "Financial Reporting by Superannuation Plans":

	SASS 30-Jun-13	SANCS 30-Jun-13	SSS 30-Jun-13
	A\$	A\$	A\$
Accrued benefits	1,316,641	193,833	1,066,145
Net market value of Fund assets	(1,064,766)	(103,418)	(974,366)
<i>Net (surplus)/deficit</i>	251,875	90,415	91,779

CANCER INSTITUTE DIVISION
Notes to the Financial Statements
for the year ended 30 June 2013

7 Current / Non Current Liabilities – Provisions (cont'd)

The following is a summary of the 30 June 2012 financial position of the Fund calculated in accordance with AAS 25 "Financial Reporting by Superannuation Plans":

	SASS 30-Jun-12	SANCS 30-Jun-12	SSS 30-Jun-12
	A\$	A\$	A\$
Accrued benefits	1,537,662	280,416	1,050,725
Net market value of Fund assets	(1,430,441)	(243,630)	(855,967)
Rounding adjustments	(1)	1	0
<i>Net (surplus)/deficit</i>	107,220	36,787	194,758

(b) Contribution recommendations

Recommended contribution rates for the entity are:

	SASS multiple of member contributions	SANCS % member salary	SSS multiple of member contributions
2013	1.90	2.50	1.60
2012	1.90	2.50	1.60

(c) Funding method

Contribution rates are set after discussions between the employer, STC and NSW Treasury.

(d) Economic assumptions

The economic assumptions adopted for the 2012 actuarial review of the Fund are:

Weighted-Average Assumptions	30-Jun-13	30-Jun-12
Expected rate of return on Fund assets backing current pension liabilities	8.3% pa	8.3% pa
Expected rate of return on Fund assets backing other liabilities	7.3% pa	7.3% pa
	SASS, SANCS, SSS 2.7% pa (PSS 3.5% pa) for 6 years then 4.0% pa	
Expected salary increase rate		4.0% pa
Expected rate of CPI increase	2.5% pa	2.5% pa

Nature of Asset/Liability

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of Fund assets and the defined benefit obligation.

CANCER INSTITUTE DIVISION
Notes to the Financial Statements
for the year ended 30 June 2013

8 Contingent Liabilities and Contingent Assets

There are no known contingent assets and contingent liabilities as at 30 June 2013 (Nil at 30 June 2012).

9 Reconciliation of Cash Flows from Operating Activities to Net Result

	2013	2012
	\$'000	\$'000
Net cash used on operating activities	10	103
Actuarial (gain) / loss on superannuation	(222)	954
Decrease / (increase) in provisions	339	(1,854)
Increase / (decrease) in prepayments and other assets	(339)	1,817
Decrease / (increase) in creditors	(10)	(66)
Net result	(222)	954

10 Financial Instruments

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

The Chief Cancer Officer and CEO has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing risk. Compliance with policies are reviewed by the internal auditors on a scheduled basis.

(a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
			2013	2012
			\$'000	\$'000
Class:				
Cash and cash equivalents	4	N/A	123	113
Receivables ¹	5	Loans and receivables (at amortised cost)	6,177	6,516
Financial Liabilities				
Class:				
Payables ²	6	Financial liabilities measured at amortised cost	338	311

¹Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)

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

(b) Credit Risk

Credit risk arises from the financial assets of the Division, which include cash and receivables. No collateral is held by the Division. The Division has not granted any financial guarantees.

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

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System.

CANCER INSTITUTE DIVISION
Notes to the Financial Statements
for the year ended 30 June 2013

10 Financial Instruments (cont'd)

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. The balance owing represents monies due from the Cancer Institute NSW. Debtors' invoices are issued on 14 day terms.

	Total ^{2,1}	Past due but not impaired ^{1,2}	\$'000 Considered impaired ^{1,2}
2013			
< 3 months overdue	-	-	-
3 months – 6 months overdue	-	-	-
> 6 months overdue	-	-	-
2012			
< 3 months overdue	-	-	-
3 months – 6 months overdue	-	-	-
> 6 months overdue	-	-	-

Notes

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

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

(c) Liquidity risk

Liquidity risk is the risk that the Division will be unable to meet its payment obligations when they fall due. The Division continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

The Division's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

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 out in NSW TC11/12. For small business suppliers, where terms are not specified, payment is made no later than 30 days from the 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 payments to other suppliers, the Chief Cancer Officer and CEO may automatically pay the supplier simple interest. No penalty interest was paid during the 2013 financial year (2012 - Nil).

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

Maturity Analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate	Nominal Amount	\$'000 Interest Rate Exposure		Maturity Dates		
			Fixed Interest Rate	Non-interest bearing	< 1 yr	1-5 yrs	> 5 yrs
2013							
Payables	N/A	338	-	338	338	-	-
		338	-	338	338	-	-
2012							
Payables	N/A	311	-	311	311	-	-
		311	-	311	311	-	-

10 Financial Instruments (cont'd)

(d) Market risk

The Division has no exposure to changes in market prices. The Division has no investments, is not exposed to foreign currency risk and does not enter into commodity contracts.

(e) Interest rate risk

The Division 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 in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Division's exposure to interest rate risk is set out below.

	Carrying Amount	Profit \$'000	-1% Equity \$'000	Profit \$'000	+ 1% Equity \$'000
2013					
<i>Financial assets</i>					
Cash and cash equivalents	123		(1)		1
Receivables	6,177		-		-
Total	6,300		(1)		1
<i>Financial liabilities</i>					
Payables	338		-		-
Total	338		-		-
2012					
<i>Financial assets</i>					
Cash and cash equivalents	113		(1)		1
Receivables	6,516		-		-
Total	6,629		(1)		1
<i>Financial liabilities</i>					
Payables	311		-		-
Total	311		-		-

(f) Fair Value compared to carrying amount

Financial instruments are generally recognised at cost. 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.

11 Events after the Reporting Period

The Cancer Institute NSW following the assenting of the Cancer Institute Amendment Act 2012 became subject to the administration of the public health system under the Health Services Act 1997. This occurred on April 1st 2013. Consequently the employment conditions will change effective from the 1st of July 2013 which would change the Long Service Leave and the Defined Benefit Schemes Superannuation liabilities to be crown accepted.

The Centre for Health Record Linkage (CHeReL) reported within the Cancer Institute Division will be transferred effective 1st July 2013 to Health System Support Group; a unit of the Health Administration Corporation. This involves the transfer of 11 employees, total assets to the value of \$444,000 and total liabilities of \$197,000.

The Division has not identified any further events or transactions that are material to require adjustments or disclosures in the financial statements.

End of audited financial statements.