



INDEPENDENT AUDITOR'S REPORT

Health Education and Training Institute

To Members of the New South Wales Parliament

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

Opinion

In my opinion, the financial statements:

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

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

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

Chief Executive's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the Institute or the consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their 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 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.



Peter Coulogeorgiou
Director, Financial Audit Services

4 October 2013
SYDNEY

Health Education and Training Institute
Certification of the Parent/Consolidated Financial Statements
for the year ended 30 June 2013

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

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



Dr Gaynor Heading
A/Chief Executive
4 October 2013

**Health Education and Training Institute
Statement of Financial Position as at 30 June 2013**

PARENT							CONSOLIDATION		
Actual	Budget Unaudited	Actual				Actual	Budget Unaudited	Actual	
2013 \$000	2013 \$000	2012 \$000	Notes			2013 \$000	2013 \$000	2012 \$000	
ASSETS									
Current Assets									
5,633	10,134	10,882		Cash and Cash Equivalents	15	5,633	10,134	10,882	
1,241	785	1,631		Receivables	16	1,241	785	1,631	
6,874	10,919	12,513		Total Current Assets		6,874	10,919	12,513	
Non-Current Assets									
Property, Plant and Equipment									
313	(35)	65		- Land and Buildings	17	313	(35)	65	
1,384	108	321		- Plant and Equipment	18	1,384	108	321	
1,697	73	386		Total Property, Plant and Equipment		1,697	73	386	
964	(42)	-----		Intangible Assets	19	964	(42)	-----	
2,661	31	386		Total Non-Current Assets		2,661	31	386	
9,535	10,950	12,899		Total Assets		9,535	10,950	12,899	
LIABILITIES									
Current Liabilities									
4,311	4,501	5,506		Payables	21	4,311	4,501	5,506	
980	34	416		Provisions	22	980	34	416	
405	-----	269		Other	23	405	-----	269	
5,696	4,535	6,191		Total Current Liabilities		5,696	4,535	6,191	
Non-Current Liabilities									
4	3	2		Provisions	22	4	3	2	
50	-----	300		Other	23	50	-----	300	
54	3	302		Total Non-Current Liabilities		54	3	302	
5,750	4,538	6,493		Total Liabilities		5,750	4,538	6,493	
3,785	6,412	6,406		Net Assets		3,785	6,412	6,406	
EQUITY									
3,785	6,412	6,406		Accumulated Funds		3,785	6,412	6,406	
3,785	6,412	6,406		Total Equity		3,785	6,412	6,406	

The accompanying notes form part of these financial statements.

Health Education and Training Institute
Statement of Changes in Equity for the year ended 30 June 2013

PARENT AND CONSOLIDATION

	Notes	Accumulated Funds	Total
		\$000	\$000
Balance at 1 July 2012		6,406	6,406
Total Equity at 1 July 2012		6,406	6,406
Net Result for the year		(4,693)	(4,693)
Total Other Comprehensive Income		-----	-----
Total Comprehensive Income for the year		(4,693)	(4,693)
Transactions With Owners In Their Capacity As Owners			
Increase/(Decrease) in Net Assets From Equity Transfers	28	2,072	2,072
Balance at 30 June 2013		3,785	3,785
Balance at 2 April 2012		-----	-----
Total Equity at 1 July 2011		-----	-----
Net Result for the period 2 April to 30 June 2012		(4,940)	(4,940)
Total Other Comprehensive Income		-----	-----
Total Comprehensive Income for the period 2 April to 30 June 2012		(4,940)	(4,940)
Transactions With Owners In Their Capacity As Owners			
Increase/(Decrease) in Net Assets From Equity Transfers	28	11,346	11,346
Balance at 30 June 2012		6,406	6,406

The accompanying notes form part of these financial statements.

Health Education and Training Institute
Statement of Cash Flows for the year ended 30 June 2013

PARENT			CONSOLIDATION			
Actual	Budget <i>Unaudited</i>	2 April to 30 June	Notes	Actual	Budget <i>Unaudited</i>	2 April to 30 June
2013 \$000	2013 \$000	2012 \$000		2013 \$000	2013 \$000	2012 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
(11,962)	(12,569)	(2,797)		(13,333)	(16,544)	(1,999)
(25,628)	(25,232)	(3,010)		(11,962)	(12,569)	(2,797)
				(12,295)	(8,688)	(1,011)
<u>(37,590)</u>	<u>(37,801)</u>	<u>(5,807)</u>		<u>(37,590)</u>	<u>(37,801)</u>	<u>(5,807)</u>
Receipts						
27,741	32,948	4,559		27,741	32,948	4,559
77	77	-----		77	77	-----
20	20	-----		20	20	-----
1,480	300	123		1,480	300	123
442	15	114		442	15	114
170	32	56		170	32	56
3,014	3,648	10		3,014	3,648	10
<u>32,944</u>	<u>37,040</u>	<u>4,862</u>		<u>32,944</u>	<u>37,040</u>	<u>4,862</u>
<u>(4,646)</u>	<u>(761)</u>	<u>(945)</u>	26	<u>(4,646)</u>	<u>(761)</u>	<u>(945)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
51	-----	-----		51	-----	-----
(654)	13	-----		(654)	13	-----
<u>(603)</u>	<u>13</u>	<u>-----</u>		<u>(603)</u>	<u>13</u>	<u>-----</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES						
(5,249)	(748)	(945)		(5,249)	(748)	(945)
10,882	10,882	-----		10,882	10,882	-----
-----	-----	11,827	28	-----	-----	11,827
<u>5,633</u>	<u>10,134</u>	<u>10,882</u>	15	<u>5,633</u>	<u>10,134</u>	<u>10,882</u>

The accompanying notes form part of these financial statements.

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

1. The Reporting Entity

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

The Institute controls the Health Education and Training Institute Special Purpose Service Entity which was established as a Division of the Government Service on 2 April 2012 in accordance with the Public Sector Employment and Management Act 2002 and the Health Services Act 1997. This Division provides personnel services to enable the Institute to exercise its functions.

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

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

These consolidated financial statements for the year ended 30 June 2013 have been authorised for issue by the A/Chief Executive on 4 October 2013.

2. Summary of Significant Accounting Policies

Basis of Preparation

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

Notwithstanding the consolidated entity has a working capital surplus of \$1.2m (2012 surplus of \$6.3m) and in recognition that a significant portion of current annual leave entitlements are not expected to be settled in the next 12 months, the financial statements of the Institute have been prepared on a going concern basis.

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

Other mitigating circumstances why the going concern is appropriate include:

- * Appropriated funds, combined with other revenues earned, are applied to pay debts as and when they become due and
- * The Institute has the capacity to review timing of subsidy cashflows to ensure that they can pay debts as and when they become due and payable.

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

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

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

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. The comparative period is a three month period from 2 April to 30 June 2012.

Where practical, prior year amounts are reclassified for the purpose of comparability with the current year figures.

Statement of Compliance

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

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

a) Employee Benefits and Other Provisions

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

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

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

On-costs of 13.2% are applied to the value of leave payable at 30 June 2013, such on-costs being based on actuarial assessment (Comparable on-costs for 30 June 2012 were 17.8%).

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

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

ii) Long Service Leave and Superannuation

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

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

Specific on-costs relating to Long Service Leave assumed by the Crown Entity are borne by the Institute as shown in Note 22.

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

The Institute'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 21, '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.

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

iii) Other Provisions

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

b) Insurance

The Institute's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government Entities. The expense (premium) is determined by the Fund Manager based on past 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 Institute transfers the significant risks and rewards of ownership of the assets.

Rendering of Services

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

Investment Revenue

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

Grants and Contributions

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

NSW Ministry of Health Allocations

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

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

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

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

* the amount of GST incurred by the Institute as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and

* receivables and payables are stated with the amount of GST included.

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

f) Acquisition of Assets

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

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

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(q)).

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

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted at an asset-specific rate.

g) Capitalisation Thresholds

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

h) Depreciation of Property, Plant and Equipment

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

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

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

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

i) Revaluation of Non-Current Assets

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

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

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

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

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

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

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

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

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

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

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

j) Impairment of Property, Plant and Equipment

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

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

k) Intangible Assets

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

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

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

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

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

Intangible assets are 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.

l) 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.

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

m) 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.

n) 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.

o) De-recognition of financial assets and financial liabilities

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

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

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

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

p) Payables

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

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

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

q) Equity Transfers

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

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

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

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

r) **Equity and Reserves**

(i) Accumulated Funds

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

s) **Budgeted Amounts**

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

t) **Service Group Statements Allocation Methodology**

All Health Education and Training Institute activities relate to the service group 'Teaching and Research'. This service group covers the provision of professional training for the needs of 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.

u) **New Australian Accounting Standards Issued but not Effective**

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

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

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

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

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

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

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

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

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

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

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

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

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

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2 April to 30 June			2 April to 30 June	
2013	2012		2013	2012
\$000	\$000		\$000	\$000
3. Employee Related				
Employee related expenses comprise the following:				
0	0	Salaries and Wages	12,077	1,663
0	0	Overtime	2	-----
0	0	Superannuation - Defined Benefit Plans	58	13
0	0	Superannuation - Defined Contribution Plans	810	76
0	0	Long Service Leave	198	165
0	0	Annual Leave	732	83
0	0	Sick Leave and Other Leave	183	21
0	0	Redundancies	14	-----
0	0	Workers' Compensation Insurance	43	16
<u>0</u>	<u>0</u>		<u>14,117</u>	<u>2,037</u>
4. Personnel Services				
Personnel Services comprise the purchase of the following:				
12,077	1,663	Salaries and Wages	0	0
2	-----	Overtime	0	0
0	0	Superannuation - Defined Benefit Plans	0	0
810	76	Superannuation - Defined Contribution Plans	0	0
49	29	Long Service Leave	0	0
732	83	Annual Leave	0	0
183	21	Sick Leave and Other Leave	0	0
14	-----	Redundancies	0	0
43	16	Workers' Compensation Insurance	0	0
<u>13,910</u>	<u>1,888</u>		<u>0</u>	<u>0</u>
5. Other Operating Expenses				
31	-----	Domestic Supplies and Services	31	-----
60	1	Food Supplies	60	1
9	-----	Fuel, Light and Power	9	-----
2,802	409	General Expenses (See (a) below)	2,802	409
994	200	Information Management Expenses	994	200
12	4	Insurance	12	4
Maintenance (See (b) below)				
196	-----	Maintenance Contracts	196	-----
458	197	New/Replacement Equipment under \$10,000	458	197
72	1	Repairs Maintenance/Non Contract	72	1
55	-----	Medical and Surgical Supplies*	55	-----
60	13	Motor Vehicle Expenses	60	13
144	8	Postal and Telephone Costs	144	8
957	51	Printing and Stationery	957	51
2	-----	Rates and Charges	2	-----
351	21	Rental	351	21
614	411	Staff Related Costs	614	411
1,884	-----	Training Expenses	1,884	-----
787	143	Travel Related Costs	787	143
<u>9,488</u>	<u>1,459</u>		<u>9,488</u>	<u>1,459</u>

* Medical and Surgical Supplies refers to medical items purchased for the training project – Graduate Diploma of Essential Surgical Skills via the NSW Health Registered Training Organisation.

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2 April to 30 June			2 April to 30 June	
2013	2012		2013	2012
\$000	\$000		\$000	\$000
12	5	(a) General Expenses include :-		
18	18	Advertising	12	5
12	4	Auditor's Remuneration - External Audit	18	18
		Books, Magazines and Journals	12	4
1,369	164	Consultancies		
228	32	- Operating Activities	1,369	164
13	2	Corporate Support Services	228	32
24	1	Courier and Freight	13	2
39	—	Data Recording and Storage	24	1
312	7	Legal Services	39	—
—	2	Membership/Professional Fees	312	7
75	3	Payroll Services	—	2
4	—	Quality Assurance/Accreditation	75	3
696	169	Security Services	4	—
		Other	696	169
2,802	407		2,802	407
		(b) Reconciliation of Total Maintenance		
726	198	Maintenance Expense - Contracted Labour and Other (Non-Employee Related), Included in Note 5	726	198
726	198	Total Maintenance Expenses included in Notes 3, 4 and 5	726	198

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2 April to 30 June			2 April to 30 June	
2013	2012		2013	2012
\$000	\$000		\$000	\$000
6. Depreciation and Amortisation				
18	4	Amortisation - Leasehold Improvements	18	4
256	19	Depreciation - Plant and Equipment	256	19
98	----	Amortisation - Intangible Assets	98	----
372	23		372	23
7. Grants and Subsidies				
76	----	Promotion of Research	76	----
230	106	Allied Health Education Scholarship Program	230	106
3,443	2,020	GP Procedural Program	3,443	2,020
1,370	185	Medical Scholarships	1,370	185
20	103	Rural Generalist Training Program	20	103
647	146	Rural Research Building Capacity Program	647	146
257	----	Graduate Health Management Program	257	----
3,575	----	Scholarships and Sponsorships	3,575	----
635	----	Mobile Simulation Centre	635	----
1,018	119	Other Grants	1,018	119
11,271	2,679		11,271	2,679

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2 April to 30 June			2 April to 30 June	
2013	2012		2013	2012
\$000	\$000		\$000	\$000
8. Sale of Goods and Services				
1	1	Private Use of Motor Vehicles	1	1
114	57	Basic Sciences Oncology Course	114	57
185	45	Medical Accreditation Program	185	45
1,108	-----	District HETI Operational Model	1,108	-----
54	1	Other	54	1
<u>1,462</u>	<u>104</u>		<u>1,462</u>	<u>104</u>
* Revenue from the District HETI Operational Model is revenue from direct funding received from Local Health Districts and Specialty Networks in lieu of the provision of staff to the Institute.				
9. Investment Revenue				
442	114	Interest	442	114
<u>442</u>	<u>114</u>		<u>442</u>	<u>114</u>

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT					CONSOLIDATION				
	2013	2012				2013	2012		
	\$000	\$000				\$000	\$000		
	160	56				160	56		
	160	56				160	56		
	0	0				207	149		
	277	10				277	10		
	23	---				23	---		
	2	---				2	---		
	185	---				185	---		
	487	10				487	10		

10. Grants and Contributions

Other Grants

11. Acceptance by the Crown Entity of employee benefits

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

Superannuation-defined benefit
Long Service Leave

12. Other Revenue

Other Revenue comprises the following:-

Conference and Training Fees
Sponsorship Income
Unclaimed Deposits
Other

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT 2 April to 30 June			CONSOLIDATION 2 April to 30 June	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
		13. Gain / (Loss) on Disposal		
108	----	Property, Plant and Equipment	108	----
36	----	Less: Accumulated Depreciation	36	----
<u>72</u>	<u>----</u>	Written Down Value	<u>72</u>	<u>----</u>
51	----	Less: Proceeds from Disposal	51	----
<u>(21)</u>	<u>----</u>	Gain/(Loss) on Disposal of Property, Plant and Equipment	<u>(21)</u>	<u>0</u>
<u>0</u>	<u>0</u>	Gain/(Loss) on Disposal of Financial Assets at Fair Value	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	Gain/(Loss) on Disposal of Intangible Assets	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	Gain/(Loss) on Disposal of Assets Held for Sale	<u>0</u>	<u>0</u>
<u>(21)</u>	<u>0</u>	Total Gain/(Loss) on Disposal	<u>(21)</u>	<u>0</u>

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

14. Service Groups of the Institute

Service Group 6.1 - Teaching and Research

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

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

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

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

	PARENT		CONSOLIDATION
	2013	2012	2012
	\$000	\$000	\$000
15. Cash and Cash Equivalents			
Cash at Bank and On Hand	5,633	10,882	10,882
	5,633	10,882	10,882
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:			
Cash and Cash Equivalents (per Statement of Financial Position)	5,633	10,882	10,882
Closing Cash and Cash Equivalents (per Statement of Cash Flows)	5,633	10,882	10,882
	5,633	10,882	10,882

Refer to Note 29 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
		16. Receivables		
		Current		
105	938	Sale of Goods and Services	105	938
102	7	Intra Health Receivables	102	7
816	434	Goods and Services Tax	816	434
218	252	Other Debtors	218	252
<u>1,241</u>	<u>1,631</u>	Sub Total	<u>1,241</u>	<u>1,631</u>
----	-----	Less Allowance for Impairment	-----	-----
<u>1,241</u>	<u>1,631</u>	Sub Total	<u>1,241</u>	<u>1,631</u>
-----	-----	Prepayments	-----	-----
<u>1,241</u>	<u>1,631</u>		<u>1,241</u>	<u>1,631</u>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 29.

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
17. Property, Plant and Equipment				
Land and Buildings - Fair Value				
366	100	Gross Carrying Amount	366	100
<u>53</u>	<u>35</u>	Less: Accumulated Depreciation and Impairment	<u>53</u>	<u>35</u>
<u>313</u>	<u>65</u>	Net Carrying Amount	<u>313</u>	<u>65</u>
Plant and Equipment - Fair Value				
1,709	426	Gross Carrying Amount	1,709	426
<u>325</u>	<u>105</u>	Less: Accumulated Depreciation and Impairment	<u>325</u>	<u>105</u>
<u>1,384</u>	<u>321</u>	Net Carrying Amount	<u>1,384</u>	<u>321</u>
<u>1,697</u>	<u>386</u>	Total Property, Plant and Equipment At Net Carrying Amount	<u>1,697</u>	<u>386</u>

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT & CONSOLIDATION

18. Property, Plant and Equipment - Reconciliation

	Leasedhold Improvements	Plant and Equipment	Total
	\$000	\$000	\$000
2013			
Net Carrying Amount at Start of Year	65	321	386
Additions	266	388	654
Disposals	----	(72)	(72)
Administrative Restructures - Transfers In/(Out)	----	1,003	1,003
Depreciation Expense	(18)	(256)	(274)
Net Carrying Amount at End of Year	313	1,384	1,697

	Leasedhold Improvements	Plant and Equipment	Total
	\$000	\$000	\$000
2012			
Net Carrying Amount at Start of Year	83	363	446
Additions	---	27	27
Administrative Restructures - Transfers In/(Out)	----	---	---
Depreciation Expense	(18)	(69)	(87)
Net Carrying Amount at End of Year	65	321	386

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
		19. Intangible Assets		
		Intangibles		
1,180	-----	Cost (Gross Carrying Amount)	1,180	-----
216	-----	Less Accumulated Amortisation and Impairment	216	-----
<u>964</u>	<u>-----</u>	Net Carrying Amount	<u>964</u>	<u>-----</u>
<u>964</u>	<u>-----</u>	Total Intangible Assets at Net Carrying Amount	<u>964</u>	<u>-----</u>

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT & CONSOLIDATION

20. Intangibles - Reconciliation

	Intangibles \$000
2013	
Net Carrying Amount at Start of Year	-----
Amortisation (Recognised in Depreciation and Amortisation)	(98)
Admin transfer of the ClinConnect Software from the Ministry of Health to the Institute	1,062
Net Carrying Amount at End of Year	964

	Intangibles \$000
2012	
Net Carrying Amount at Start of Year	-----
Amortisation (Recognised in Depreciation and Amortisation)	-----
Net Carrying Amount at End of Year	-----

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013	2012		2013	2012
\$000	\$000		\$000	\$000
		21. Payables		
		Current		
-----	-----	Accrued Salaries, Wages and On-Costs	341	133
-----	-----	Taxation and Payroll Deductions	22	5
363	138	Accrued Liability - Purchase of Personnel Services	-----	-----
86	4	Creditors	86	4
		Other Creditors		
2,159	4,350	- Intra Health Liability	2,159	4,350
1,703	1,014	- Other	1,703	1,014
-----	-----	- Goods and Services Tax	-----	-----
4,311	5,506		4,311	5,506

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 29.

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
22. Provisions				
----	----	Annual Leave - Short Term Benefit	533	263
----	----	Annual Leave - Long Term Benefit	367	119
----	----	Long Service Leave On-Costs	80	34
980	416	Provision for Personnel Services Liability	----	----
980	416	Total Current Provisions	980	416
Non-Current Employee Benefits and Related On-Costs				
----	----	Long Service Leave On-Costs	4	2
4	2	Provision for Personnel Services Liability	----	----
4	2	Total Non-Current Provisions	4	2
Aggregate Employee Benefits and Related On-Costs				
----	----	Provisions - Current	980	416
----	----	Provisions - Non-Current	4	2
----	----	Accrued Salaries, Wages and On-Costs (Note 21)	363	138
1,347	556	Liability - Purchase of Personnel Services	----	----
1,347	556		1,347	556

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013 \$000	2012 \$000		2013 \$000	2012 \$000
23. Other Liabilities				
Current				
375	----	Income in Advance	375	----
30	269	Refundable Internship application fees	30	269
<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
405	269		405	269
Non-Current				
50	300	Refundable Internship application fees	50	300
<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
50	300		50	300

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT			CONSOLIDATION	
2013 \$000	2012 \$000	24. Commitments for Expenditure	2013 \$000	2012 \$000
		(b) Operating Lease Commitments		
		Future non-cancellable operating lease rentals not provided for and payable:		
----	----	Not later than one year	----	----
----	----	Later than one year and not later than five years	----	----
----	----	Later than five years	----	----
-----	-----	Total Operating Lease Commitments (Including GST)	-----	-----

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

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT AND CONSOLIDATED

25. Contingent Liabilities and Assets

a) Workers Compensation Hindsight Adjustment

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

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

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT

	2013	2012
	\$000	\$000
(4,646)		(945)
(372)		(23)
(375)		----
(575)		(80)
(427)		570
1,723		(4,462)
(21)		----
	(4,693)	(4,940)

CONSOLIDATION

	2013	2012
	\$000	\$000
(4,646)		(945)
(372)		(23)
(375)		----
(575)		(80)
(427)		570
1,723		(4,462)
(21)		----
	(4,693)	(4,940)

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

Net Cash Flows from Operating Activities		
Depreciation	(945)	(23)
(Increase)/ Decrease Income in Advance	(23)	----
(Increase)/ Decrease in Provisions	(80)	(80)
Increase / (Decrease) in Prepayments and Other Assets	570	570
(Increase)/ Decrease in Creditors	(4,462)	(4,462)
Net Gain/ (Loss) on Sale of Property, Plant and Equipment	(21)	----

Net Result

(4,940)

(4,693)

(4,940)

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

PARENT AND CONSOLIDATED

27. Budget Review - Parent and Consolidated

Net Result

The actual Net Result was higher than budget by \$4 million, primarily due to:

The Ministry of Health's decision to pay the Institute \$5.2 million less cash than the budgeted NSW Ministry of Health Recurrent Allocation, resulting in a total cash payment of \$27.741 million compared to a budget of \$32.948 million.

The Institute's ability to provide services and manage liquidity in 2012-13 was not impacted by the lesser amount of Recurrent Allocation provided.

Movements in the level of the NSW Ministry of Health Recurrent Allocation that have occurred since the time of the initial allocation on 13 December 2012 are as follows:

	\$000
2012-13 Initial Allocation	17,323
2012-13 Enhancements:-	
- Nursing and Midwifery Scholarships	2,437
- Garling Hospitalist Program	363
- General Practitioner Procedural Training	2,276
- Intergrated Clinical Training Networks	3,714
- Rural Generalist Mentoring Program	250
- Clinical Supervision Support Program	1,611
- Simulated Learning Environments	259
- ACHSE - Graduate Health Management Program	176
- Finance Management Education Program	133
- People Management Skills Program	205
- Scholarships AWOU	26
- Cadetships Aboriginal WDI	185
- Workforce and Nursing Project transfers from Ministry of Health	999
- Rural Allied Health Scholarships	831
- Rural AMIS Transitional Support Unit	1,260
- Expanded Clinical Training Networks	821
- Other Supplementations from the Ministry of Health	79
Balance as per Statement of Comprehensive Income	32,948

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

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

Equity transfers effected in the 2011/12 year were:

Net assets of \$11.346 million transferred from the former Clinical Education and Training Institute with effect from 2 April 2012 commensurate with the responsibilities for health services assumed by the Institute on that date in accordance with the provisions of the Health Services Act 1997.

Equity transfers effected in the 2012/13 year were:

An increase in net assets of \$2.072 million relating to transfer of the Mobile Simulation Centre from Sydney Local Health District (\$1.010 million) and the administrative transfer of the ClinConnect Software from the Ministry of Health to the Institute (\$1.062 million).

	2013	2012
	\$000	\$000
Equity transfers effected comprised:		
Mobile Simulation Centre (Commercial Vehicle) transferred from Sydney Local Health District on 3 October 2012	1,003	0
Crown Entity - Transfer of Recreation Leave On-costs	7	0
Net assets transferred from the former Clinical Education and Training Institute	0	11,346
Administrative transfer of ClinConnect Software from Ministry of Health on 11 February 2013	1,062	0
	<u>2,072</u>	<u>11,346</u>

Assets and Liabilities transferred are as follows:

	2013	2012
	\$000	\$000
Assets		
Cash	0	11,827
Receivables	0	1,049
Leasehold Improvements, Plant & Equipment	0	409
Commercial Vehicle	1,003	0
ClinConnect Software (Admin Transfer)	1,062	0
Recreation leave adjustment	8	0
Liabilities		
Payables	0	(1,602)
Provisions	(1)	(337)
Increase/(Decrease) in Net Assets From Equity Transfers	<u>2,072</u>	<u>11,346</u>

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

29. Financial Instruments

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

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

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

(a) Financial Instrument Categories

PARENT AND CONSOLIDATION		Carrying Amount 2013 \$000	Carrying Amount 2012 \$000
Class:	Category		
Financial Assets			
Cash and Cash Equivalents (note 15)	N/A	5,633	10,882
Receivables (note 16)*	Loans and receivables (at amortised cost)	425	1,197
Total Financial Assets		<u><u>6,058</u></u>	<u><u>12,079</u></u>
Financial Liabilities			
Payables (note 21)**	Financial Liabilities (at amortised cost)	4,289	5,501
Other (note 23)	amortised cost	80	569
Total Financial Liabilities		<u><u>4,369</u></u>	<u><u>6,070</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)

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

(b) Credit Risk

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

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

Credit risk associated with the Institute's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances at rates of approximately 3.4% in 2012/13 compared to 3.8% in the previous year.

Receivables - trade debtors

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

The Institute is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2013: \$313; 2012: \$1,631) and not more than 3 months past due (2013: \$0; 2012: \$0) are not considered impaired and together these represent 80% of the total trade debtors.

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

2013	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
	\$000	\$000	\$000
<3 months overdue	0	0	
3 months - 6 months overdue	42	42	
> 6 months overdue	37	37	
2012			
<3 months overdue	0	0	
3 months - 6 months overdue	0	0	
> 6 months overdue	0	0	

Notes

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

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

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

(c) Liquidity Risk

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

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

During the current and prior years, there were no defaults of loans payable. No assets have been pledged as collateral.

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

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

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

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

Maturity Analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate	Interest Rate Exposure			Maturity Dates		
		Nominal Amount ¹	Fixed Interest Rate	Variable Interest Rate	Non - Interest Bearing	< 1 Yr	1-5 Yr
	%	\$000	\$000	\$000	\$000	\$000	\$000
2013							
Payables:							
- Accrued Salaries Wages, On-Costs and Payroll Deductions		341	-----	-----	341	341	-----
- Creditors		3,948	-----	-----	3,948	3,948	-----
		4,289	-----	-----	4,289	4,289	-----
2012							
Payables:							
- Accrued Salaries Wages, On-Costs and Payroll Deductions		133	-----	-----	133	133	-----
- Creditors		5,368	-----	-----	5,368	5,368	-----
		5,501	-----	-----	5,501	5,501	-----

Notes:

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

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

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 Institute has no exposure to foreign currency risk and does not enter into commodity contracts.

Interest rate risk

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

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

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

A reasonably possible change of +/-1% is used consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Institute's exposure to interest rate risk is set out below.

	Carrying Amount \$'000	-1% Profit	-1% Equity	+1% Profit	+1% Equity
2013					
Financial Assets					
Cash and Cash Equivalents	5,633	(56)	(56)	56	56
Receivables	425	----	----	----	----
Financial Liabilities					
Payables	4,289	----	----	----	----
Other	80	(1)	(1)	1	1
2012					
Financial Assets					
Cash and Cash Equivalents	10,882	(109)	(109)	109	109
Receivables	1,197	----	----	----	----
Financial Liabilities					
Payables	5,501	----	----	----	----
Other	569	(6)	(6)	6	6

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

Note 30 Events after the Reporting Period

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

Health Education and Training Institute
Notes to and forming part of the Financial Statements
for the year ended 30 June 2013

END OF AUDITED FINANCIAL STATEMENTS