



INDEPENDENT AUDITOR'S REPORT

Central Coast Local Health District

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Central Coast Local Health District (the District), which comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, and service group statements for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the District and the consolidated entity. The consolidated entity comprises the District and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the District and the consolidated entity as at 30 June 2014, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (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 District or the consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal control
- about the 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.



Chris Clayton
Director, Financial Audit Services

15 September 2014
SYDNEY



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

- 1) The financial statements of the Central Coast Local Health District for the year ended 30 June 2014 have been prepared in accordance with:
 - a) Australian Accounting Standards (which include Australian Accounting Interpretations)
 - b) the requirements of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulations 2010 and the Treasurer's Directions;
 - c) the Financial Reporting Code for NSW General Government Sector Entities.
- 2) The financial statements exhibit a true and fair view of the financial position and the financial performance of the Central Coast Local Health District; and
- 3) I am not aware of any circumstances which would render any particulars in the accounts to be misleading or inaccurate.

Rob Wright
Director Finance & Corporate Services

Date: 12-9-14

Matt Hanrahan
Chief Executive

Date: 12/9/14

Central Coast Local Health District
Statement of Comprehensive Income for the year ended 30 June 2014

PARENT			CONSOLIDATION				
Actual	Budget Unaudited	Actual		Notes	Actual	Budget Unaudited	Actual
2014	2014	2013			2014	2014	2013
\$000	\$000	\$000			\$000	\$000	\$000
			Expenses excluding losses				
			Operating Expenses				
----	----	----	Employee Related	3	467,247	462,325	425,390
448,418	443,410	416,224	Personnel Services	4	----	----	----
28,139	28,234	27,687	Visiting Medical Officers		28,139	28,234	27,687
156,937	159,546	155,013	Other Operating Expenses	5	156,937	159,546	155,013
22,142	22,400	21,743	Depreciation and Amortisation	2(i), 6	22,142	22,400	21,743
6,845	7,267	6,699	Grants and Subsidies	7	6,845	7,267	6,699
5	----	----	Finance Costs	8	5	----	----
662,486	660,857	627,366	Total Expenses excluding losses		681,315	679,772	636,532
			Revenue				
545,156	545,156	519,014	NSW Ministry of Health Recurrent Allocations	2(d)	545,156	545,156	519,014
12,485	12,861	31,755	NSW Ministry of Health Capital Allocations	2(d)	12,485	12,861	31,755
----	----	----	Acceptance by the Crown Entity of Employee Benefits	2(a)(ii), 12	18,829	18,915	9,166
76,278	74,057	74,860	Sale of Goods and Services	9	76,278	74,057	74,860
736	1,213	783	Investment Revenue	10	736	1,213	783
14,048	10,144	13,171	Grants and Contributions	11	14,048	10,144	13,171
1,309	2,040	2,148	Other Revenue	13	1,309	2,040	2,148
650,012	645,471	641,731	Total Revenue		668,841	664,386	650,897
(848)	(32)	(902)	Gain / (Loss) on Disposal	14	(848)	(32)	(902)
(201)	(159)	1,079	Other Gains / (Losses)	15	(201)	(159)	1,079
(13,523)	(15,577)	14,542	Net Result	30	(13,523)	(15,577)	14,542
			Other Comprehensive Income				
			Items that will not be reclassified to net result				
			Net Increase/(Decrease) in Property, Plant &				
10,765	----	6,934	Equipment Revaluation Surplus	21	10,765	----	6,934
10,765	----	6,934	Total Other Comprehensive Income		10,765	----	6,934
(2,758)	(15,577)	21,476	TOTAL COMPREHENSIVE INCOME		(2,758)	(15,577)	21,476

The accompanying notes form part of these financial statements.

Central Coast Local Health District
Statement of Financial Position as at 30 June 2014

PARENT								CONSOLIDATION		
Actual	Budget Unaudited	Actual						Actual	Budget Unaudited	Actual
2014	2014	2013						2014	2014	2013
\$000	\$000	\$000						\$000	\$000	\$000
ASSETS										
Current Assets										
29,480	22,734	21,413	Cash and Cash Equivalents	18	29,480	22,734	21,413			
16,746	13,162	13,017	Receivables	19	16,746	13,162	13,017			
3,782	3,878	3,878	Inventories	20	3,782	3,878	3,878			
50,008	39,774	38,308	Total Current Assets		50,008	39,774	38,308			
Non-Current Assets										
Property, Plant & Equipment										
471,196	468,210	474,373	- Land and Buildings	21	471,196	468,210	474,373			
29,561	22,272	25,500	- Plant and Equipment	21	29,561	22,272	25,500			
23,729	24,575	24,574	- Infrastructure Systems	21	23,729	24,575	24,574			
327	277	277	- Leasehold Improvements	21	327	277	277			
524,813	515,334	524,724	Total Property, Plant & Equipment		524,813	515,334	524,724			
524,813	515,334	524,724	Total Non-Current Assets		524,813	515,334	524,724			
574,821	555,108	563,032	Total Assets		574,821	555,108	563,032			
LIABILITIES										
Current Liabilities										
48,308	43,913	42,270	Payables	24	48,308	43,913	42,270			
62,674	62,251	56,421	Provisions	25	62,674	62,251	56,421			
5,305	3,332	3,265	Other	26	5,305	3,332	3,265			
116,287	109,496	101,956	Total Current Liabilities		116,287	109,496	101,956			
Non-Current Liabilities										
349	245	133	Provisions	25	349	245	133			
349	245	133	Total Non-Current Liabilities		349	245	133			
116,636	109,741	102,089	Total Liabilities		116,636	109,741	102,089			
458,185	445,367	460,943	Net Assets		458,185	445,367	460,943			
EQUITY										
33,209	15,510	22,444	Reserves		33,209	15,510	22,444			
424,976	429,857	438,499	Accumulated Funds		424,976	429,857	438,499			
458,185	445,367	460,943	Total Equity		458,185	445,367	460,943			

The accompanying notes form part of these financial statements.

Central Coast Local Health District
Statement of Changes in Equity for the year ended 30 June 2014

PARENT AND CONSOLIDATION	Notes	Accumulated Funds \$000	Asset Revaluation Surplus \$000	Total \$000
Balance at 1 July 2013		438,499	22,444	460,943
Total Equity at 1 July 2013		438,499	22,444	460,943
Net Result for the year		(13,523)		(13,523)
Other Comprehensive Income:				
Net Increase/(Decrease) in Property, Plant & Equipment	21	----	10,765	10,765
Total Other Comprehensive Income		----	10,765	10,765
Total Comprehensive Income for the year		(13,523)	10,765	(2,758)
Transactions With Owners In Their Capacity As Owners				
Increase/(Decrease) in Net Assets From Equity Transfers	34	----	----	----
Balance at 30 June 2014		424,976	33,209	458,185
Balance at 1 July 2012		418,244	15,510	433,754
Total Equity at 1 July 2012		418,244	15,510	433,754
Net Result for the year		14,542		14,542
Other Comprehensive Income:				
Net Increase/(Decrease) in Property, Plant & Equipment		----	6,934	6,934
Total Other Comprehensive Income		----	6,934	6,934
Total Comprehensive Income for the year		14,542	6,934	21,476
Transactions With Owners In Their Capacity As Owners				
Increase/(Decrease) in Net Assets From Equity Transfers	34	5,713	----	5,713
Balance at 30 June 2013		438,499	22,444	460,943

The accompanying notes form part of these financial statements.

Central Coast Local Health District
Statement of Cash Flows for the year ended 30 June 2014

PARENT			CONSOLIDATION			
Actual	Budget Unaudited	Actual	Notes	Actual	Budget Unaudited	Actual
2014 \$000	2014 \$000	2013 \$000		2014 \$000	2014 \$000	2013 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
----	----	----				
(7,551)	(7,973)	(7,440)		(447,967)	(443,531)	(420,951)
(648,179)	(650,471)	(632,372)		(7,551)	(7,973)	(7,440)
				(200,212)	(206,940)	(211,421)
<u>(655,730)</u>	<u>(658,444)</u>	<u>(639,812)</u>		<u>(655,730)</u>	<u>(658,444)</u>	<u>(639,812)</u>
Total Payments						
Receipts						
545,156	545,156	519,014		545,156	545,156	519,014
12,485	12,861	31,755		12,485	12,861	31,755
6,650	6,650	5,831		6,650	6,650	5,831
74,728	74,499	82,482		74,728	74,499	82,482
736	1,213	783		736	1,213	783
14,865	10,960	16,782		14,865	10,960	16,782
21,495	21,467	17,836		21,495	21,467	17,836
<u>676,115</u>	<u>672,806</u>	<u>674,483</u>		<u>676,115</u>	<u>672,806</u>	<u>674,483</u>
Total Receipts						
NET CASH FLOWS FROM OPERATING ACTIVITIES						
<u>20,385</u>	<u>14,362</u>	<u>34,671</u>	30	<u>20,385</u>	<u>14,362</u>	<u>34,671</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
107	97	97		107	97	97
(12,420)	(13,138)	(32,206)		(12,420)	(13,138)	(32,206)
<u>(12,313)</u>	<u>(13,041)</u>	<u>(32,109)</u>		<u>(12,313)</u>	<u>(13,041)</u>	<u>(32,109)</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES						
CASH FLOWS FROM FINANCING ACTIVITIES						
(5)	----	----		(5)	----	----
<u>(5)</u>	<u>----</u>	<u>----</u>		<u>(5)</u>	<u>----</u>	<u>----</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES						
8,067	1,321	2,562		8,067	1,321	2,562
21,413	21,413	18,851		21,413	21,413	18,851
<u>29,480</u>	<u>22,734</u>	<u>21,413</u>	18	<u>29,480</u>	<u>22,734</u>	<u>21,413</u>
CLOSING CASH AND CASH EQUIVALENTS						

The accompanying notes form part of these financial statements.

Central Coast Local Health District
Service Group Statements
for the year ended 30 June 2014

CCLHD EXPENSES AND INCOME	Service Group 1.1 * Primary And Community Based Services		Service Group 1.2 * Aboriginal Health Services		Service Group 1.3 * Outpatient Services		Service Group 2.1 * Emergency Services		Service Group 2.2 * Inpatient Hospital Services		Service Group 3.1 * Mental Health Services		Service Group 4.1 * Rehabilitation And Extended Care Services		Service Group 5.1 * Population Health Services		Service Group 6.1 * Teaching And Research		Not Attributable		Total				
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Expenses excluding losses																									
Operating Expenses																									
Employee Related	19,871	25,321	1,689	1,725	71,712	59,417	51,344	43,867	205,906	186,963	39,530	45,783	52,486	45,559	6,326	5,063	18,383	11,692					467,247	425,390	
Visiting Medical Officers	778	108	4	3	3,067	3,890	3,212	2,627	17,609	16,407	1,286	1,429	1,094	806	32		1,057	2,417					28,139	27,687	
Other Operating Expenses	5,818	6,267	316	195	34,261	34,619	15,488	15,152	76,805	76,063	7,126	7,344	11,846	11,960	1,480	884	3,797	2,529					156,937	155,013	
Depreciation and Amortisation	728	359	18	18	3,118	3,096	3,048	2,170	11,296	12,042	1,294	1,523	1,795	1,911	54	20	791	604					22,142	21,743	
Grants and Subsidies	1,749	2,622			739	4	5	5	48	2	3	3	2,887	2,718	1,213	1,187	201	188					6,845	6,699	
Finance Costs					2		1																	5	
Total Expenses excluding losses	28,944	34,877	2,027	1,941	112,899	101,026	73,098	63,816	311,666	291,475	49,239	56,079	70,108	62,954	9,105	7,154	24,229	17,410					681,315	636,532	
Revenue																									
NSW Ministry of Health Recurrent Allocations **																									
NSW Ministry of Health Capital Allocations **																									
Acceptance by the Crown Entity																									
of Employee Benefits and Other Liabilities	1,408	546	111	36	2,850	1,280	1,963	945	8,040	4,029	2,039	987	1,534	982	192	109	692	252					18,829	9,166	
Sale of Goods and Services	162	15	8	1	15,721	808	481	1,894	43,214	51,646	1,965	5,031	14,678	12,636	9	37	40	2,792					76,278	74,860	
Investment Revenue	7		2		146	5	12	19	401	576	25	7	139	174	1		3	2					736	783	
Grants and Contributions	2,423	456			4,686	18	287	68	1,530	2,243	1,058	2,067	1,284	5,104	(16)	815	2,796	2,400					14,048	13,171	
Other Revenue	13	28	1	(1)	259	275	22	243	714	1,173	45	156	247	83	2	8	6	183					1,309	2,148	
Total Revenue	4,013	1,045	122	36	23,662	2,386	2,765	3,169	53,899	59,667	5,132	8,248	17,882	18,979	188	969	3,537	5,629					668,841	650,897	
Gain / (Loss) on Disposal	(51)	(23)	(1)	(1)	(110)		(90)	(18)	(497)	(901)	(33)	(48)	(45)	118	(1)	(2)	(20)	(29)					(948)	(902)	
Other Gains / (Losses)									(201)	1,079														(201)	1,079
Net Result	(24,982)	(33,855)	(1,906)	(1,904)	(89,347)	(98,640)	(70,423)	(60,665)	(258,465)	(231,630)	(44,140)	(47,879)	(52,271)	(43,857)	(8,918)	(6,187)	(20,712)	(11,810)					(13,523)	14,542	
Other Comprehensive Income																									
Increase/(Decrease) in Revaluation Surplus	354	114	9	7	1,516	987	1,482	692	5,492	3,840	629	486	873	610	26	6	384	192					10,765	6,934	
Total Other Comprehensive Income	354	114	9	7	1,516	987	1,482	692	5,492	3,840	629	486	873	610	26	6	384	192					10,765	6,934	
Total Comprehensive Income	(24,628)	(33,541)	(1,897)	(1,897)	(87,831)	(97,653)	(68,941)	(59,973)	(252,973)	(227,790)	(43,511)	(47,393)	(51,398)	(43,247)	(8,892)	(6,181)	(20,328)	(11,618)					(2,758)	21,476	

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

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

Central Coast Local Health District
Service Group Statements (Continued)
for the year ended 30 June 2014

CCLHD ASSETS AND LIABILITIES	Service Group 1.1 * Primary And Community Based Services		Service Group 1.2 * Aboriginal Health Services		Service Group 1.3 * Outpatient Services		Service Group 2.1 * Emergency Services		Service Group 2.2 * Inpatient Hospital Services		Service Group 3.1 * Mental Health Services		Service Group 4.1 * Rehabilitation And Extended Care Services		Service Group 5.1 * Population Health Services		Service Group 6.1 * Teaching And Research		Not Attributable		Total			
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
ASSETS																								
Current Assets																								
Cash and Cash Equivalents	1,252	1,167	87	63	4,885	3,399	3,163	2,147	13,486	9,805	2,131	1,887	3,034	2,118	394	241	1,048	586					29,480	21,413
Receivables	35	3	3	(1)	3,451	141	106	329	9,487	8,960	431	875	3,222	2,197	2	7	9	486					16,746	13,017
Inventories	140	157	7	5	826	866	373	379	1,851	1,903	172	184	285	299	36	22	92	63					3,782	3,878
Total Current Assets	1,427	1,327	97	67	9,162	4,406	3,642	2,855	24,824	20,688	2,734	2,946	6,541	4,614	432	270	1,149	1,135					50,008	38,308
Non-Current Assets																								
Property, Plant and Equipment																								
- Land and Buildings	15,496	7,830	372	393	66,358	67,539	64,854	47,342	240,386	262,728	27,546	33,228	38,201	41,704	1,158	440	16,825	13,169					471,196	474,373
- Plant and Equipment	972	421	22	20	4,163	3,631	4,069	2,545	15,081	14,123	1,728	1,786	2,397	2,242	73	24	1,056	708					29,561	25,500
- Infrastructure Systems	780	406	19	21	3,342	3,499	3,266	2,452	12,106	13,610	1,387	1,721	1,924	2,160	58	23	847	682					23,729	24,574
- Leasehold Improvements	11	5	(1)	1	46	39	45	28	167	153	19	19	27	24	1	1	12	8					327	277
Total Non-Current Assets	17,269	8,662	412	495	73,909	74,708	72,234	52,367	267,740	290,614	30,680	36,754	42,549	46,130	1,290	487	18,740	14,567					524,813	524,724
TOTAL ASSETS	18,686	9,989	509	502	83,071	79,114	75,876	55,222	292,564	311,302	33,414	39,700	49,090	50,744	1,722	757	19,889	15,702					574,821	563,032
LIABILITIES																								
Current Liabilities																								
Payables	1,791	1,709	96	53	10,546	9,440	4,768	4,132	23,642	20,741	2,194	2,003	3,646	3,261	456	241	1,169	690					48,308	42,270
Provisions	2,665	3,358	227	228	9,619	7,881	6,887	5,818	27,619	24,798	5,302	6,072	7,040	6,043	849	672	2,466	1,551					62,674	56,421
Other	225	178	16	10	879	518	569	327	2,427	1,495	383	288	546	323	71	37	189	89					5,305	3,265
Total Current Liabilities	4,681	5,245	339	291	21,044	17,839	12,224	10,277	53,668	47,034	7,879	8,363	11,232	9,627	1,376	950	3,824	2,330					116,287	101,956
Non-Current Liabilities																								
Provisions	15	8			54	19	38	14	154	58	30	14	39	14	5	2	14	4					349	133
Total Non-Current Liabilities	15	8			54	19	38	14	154	58	30	14	39	14	5	2	14	4					349	133
TOTAL LIABILITIES	4,696	5,253	339	291	21,098	17,858	12,262	10,291	53,842	47,092	7,909	8,377	11,271	9,641	1,381	952	3,838	2,334					116,636	102,089
NET ASSETS	13,990	4,736	170	211	61,973	61,256	63,614	44,931	238,722	264,210	25,505	31,323	37,819	41,103	341	(195)	16,051	13,368					458,185	460,943

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

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

1. The Reporting Entity

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

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

- * The parent entity, comprises all the operating activities of the Hospital Facilities and the Community Health Centres under its control. It also encompasses the Special Purposes Funds which, while containing assets which are restricted for specified uses by the grantor or the donor, are nevertheless controlled by the parent entity.

- * The Central Coast Local Health District Special Purpose Service Entity which was established as a Division of the Health Service on 1 January 2011 in accordance with the Health Services Act 1997. This Division provides personnel services to enable the CCLHD to exercise its functions.

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

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

These consolidated financial statements for the year ended 30 June 2014 have been authorised for issue by the Chief Executive on 12 September 2014.

2. Summary of Significant Accounting Policies

Basis of Preparation

The CCLHD's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2010, and the Treasurer's Direction. Apart from the basis for the CCLHD's budget figures, the financial statements comply with the Financial Reporting Code for NSW General Government Sector Entities. Further information on the budget figures can be found at Note 2(y).

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

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

Central Coast Local Health District
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Other circumstances why the going concern is appropriate include:

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

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

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

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

Comparative Information

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

Statement of Compliance

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

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

a) Employee Benefits and Other Provisions

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

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

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

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Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability can be used to approximate the present value of the annual leave liability. On-costs of 16.5% are applied to the value of leave payable at 30 June 2014 (comparable on-costs for 30 June 2013 were 14.9%). The CCLHD has assessed the actuarial advice based on the CCLHD's circumstances and has determined that the effect of discounting is immaterial to annual leave.

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

ii) Long Service Leave and Superannuation

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

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

Specific on-costs relating to Long Service Leave assumed by the Crown Entity are borne by the CCLHD as shown in Note 25.

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 14/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

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

iii) Consequential On-Costs

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

iv) Other Provisions

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

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b) Insurance

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

c) Finance Costs

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

d) Income Recognition

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

Sale of Goods

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

Rendering of Services

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

Patient Fees

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

High Cost Drugs

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

Motor Accident Authority Third Party

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

Central Coast Local Health District
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Department of Veterans' Affairs

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

Investment Revenue

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

Debt Forgiveness

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

Use of Hospital Facilities

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

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

Use of Outside Facilities

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

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

Grants and Contributions

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

NSW Ministry of Health Allocations

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

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

Central Coast Local Health District
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e) Accounting for the Goods & Services Tax (GST)

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

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

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

f) Interstate Patient Flows

Interstate patient flows are funded through the State Pool, based on activity and consistent with the price determined in the service level agreement. The funding is recognised as recurrent allocation.

g) Acquisition of Assets

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

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

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

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

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

h) Capitalisation Thresholds

Property, plant and equipment and intangible assets costing \$10,000 and above individually (or forming part of a network costing more than \$10,000) are capitalised.

i) Depreciation of Property, Plant and Equipment

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

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

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

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

j) Revaluation of Non-Current Assets

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

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

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

Fair value of property, plant and equipment is based on a market participant's perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer Note 21 and Note 22 for further information regarding fair value.

The CCLHD revalues its Land and Buildings and Infrastructure at minimum every three years by independent valuation. The last revaluation for assets assumed by the CCLHD was completed in the 30 June 2012 financial year and was based on an independent assessment.

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

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

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

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

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

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

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

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

k) Impairment of Property, Plant and Equipment

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

l) Restoration Costs

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

m) Investment Properties

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

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

Central Coast Local Health District
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n) 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.

o) Leased Assets

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

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

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

p) Inventories

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

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

q) 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.

r) Investments

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

* Fair value through profit or loss - The CCLHD subsequently measures investments classified as 'held for trading' or designated upon initial recognition "at fair value through profit or loss" at fair value.

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Financial assets are classified as 'held for trading' if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on these assets are recognised in the net result for the year.

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

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

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

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

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

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

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

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

s) De-recognition of financial assets and financial liabilities

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

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

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

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

t) Payables

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

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

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

u) Fair Value Hierarchy

A number of the CCLHD's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the CCLHD categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- * Level 1 - quoted prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- * Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- * Level 3 – inputs that are not based on observable market data (unobservable inputs).

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

Refer Note 22 and Note 35 for further disclosures regarding fair value measurements of financial and non-financial assets.

v) 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.

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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 CCLHD recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the CCLHD does not recognise that asset.

w) Equity and Reserves

(i) Accumulated Funds

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

(ii) Revaluation Surplus

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

(iii) Separate Reserves

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

x) Trust Funds

The CCLHD receives monies in a trustee capacity for various trusts as set out in Note 28.

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

y) 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".

z) Service Group Statements Allocation Methodology

Using the statistical data for twelve months ending 30 June 2013, the data is then adjusted for any material change in service delivery or funding distribution, occurring in the 2013-14 year.

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

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

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

(i) Effective for the first time in 2013-14

The accounting policies applied in 2013-14 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have impacted in 2013-14 and have been applied for the first time as follows:

AASB 13, AASB 2011-8 and AASB 2012-1, Fair Value Measurement have mandatory application from 1 January 2013 and address, inter alia, the assumptions that market participants would use when pricing the asset or liability. No impact to prior year values, increased note disclosures, refer note 22.

AASB 119, AASB 2011-10 and AASB 2011-11, regarding employee entitlements, have mandatory application from 1 January 2013 and cover the recognition and measurement of short term and long term employee benefits. Refer Note 3 and 25.

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. Minor Adjustment has been made to note 35.

(ii) Issued but not yet effective

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

AASB 2010-7, regarding Financial Instruments has 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 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 profit entities, the changes have application from 1 July 2014. Based on the initial high level assessment performed by the Ministry of Health, this standard has been assessed as having no material effect. The CCLHD in conjunction with the Ministry will be performing a detailed review of the impact of the standard to assess if any small foundations, trust or any other type of entity are controlled, noting if such relationship exists, it is still likely to be immaterial.

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AASB 1055 and AASB 2013-1, regarding Budgetary Reporting has application from 1 July 2014. Any changes in future disclosures will be determined by the policies adopted for whole of government reporting.

AASB 9, Financial Instruments, has application from 1 Jan 2017. Standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.

AASB 1031, Materiality, is applicable to annual reporting periods beginning on or after 1 January 2014. This Standard provides references to other Standards and the Framework that contain guidance on materiality.

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 2013-3, Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets, has application from 1 July 2014.

AASB 2013-6, Amendments to AASB 136 arising from Reduced Disclosure Requirements, has application from 1 July 2014.

AASB 2013-8, Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities, has application from 1 July 2014.

AASB 2013-9, Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments has application from 1 July 2014.

AASB 2014-1, Amendments to Australian Accounting Standards is a summary of changes and impacts on wording arising from changes in other standards issued by the Australian Accounting Standards Board which have been already assessed above. This standard has application from 1 July 2014.

AASB 2014-2, Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements which should have minimal impact due to exemptions not applying to General Government Sector Entities. This standard has application from 1 July 2014.

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PARENT			CONSOLIDATION	
2014	2013		2014	2013
\$000	\$000		\$000	\$000
3. Employee Related				
Employee related expenses comprise the following:				
----	----	Salaries and Wages	290,702	274,602
----	----	Overtime	14,057	15,620
----	----	Penalties	30,814	28,721
----	----	Superannuation - Defined Benefit Plans	4,243	4,513
----	----	Superannuation - Defined Contribution Plans	33,404	30,140
----	----	Long Service Leave	16,877	3,334
----	----	Annual Leave	40,776	36,000
----	----	Sick Leave and Other Leave	24,072	21,714
----	----	Redundancies	772	368
----	----	Workers' Compensation Insurance	11,384	10,378
----	----	Fringe Benefits Tax	146	----
----	----		467,247	425,390
The following additional information is provided:				
----	----	Employee Related Expenses Capitalised - Land and Buildings	220	10
4. Personnel Services				
Personnel Services comprise the purchase of the following:				
290,702	274,602	Salaries and Wages	----	----
14,057	15,620	Overtime	----	----
30,814	28,721	Penalties	----	----
----	(68)	Superannuation - Defined Benefit Plans	----	----
33,404	30,140	Superannuation - Defined Contribution Plans	----	----
2,291	(1,251)	Long Service Leave	----	----
40,776	36,000	Annual Leave	----	----
24,072	21,714	Sick Leave and Other Leave	----	----
772	368	Redundancies	----	----
11,384	10,378	Workers' Compensation Insurance	----	----
146	----	Fringe Benefits Tax	----	----
448,418	416,224		----	----
The following additional information is provided:				
220	10	Personnel Services Expenses Capitalised - Land and Buildings	----	----
5. Other Operating Expenses				
243	269	Advertising	243	269
144	251	Auditor's Remuneration - Audit of Financial Statements	144	251
4,957	4,606	Blood and Blood Products	4,957	4,606
31	70	Consultancies	31	70
24	----	Contractors	24	----
8,121	7,004	Domestic Supplies and Services	8,121	7,004
24,130	24,113	Drug Supplies	24,130	24,113
12,293	12,317	Food Supplies	12,293	12,317
6,089	6,055	Fuel, Light and Power	6,089	6,055
9,588	8,804	Other (See (a) below)	9,588	8,804
2,336	2,417	Hospital Ambulance Transport Costs	2,336	2,417
7,453	5,213	Information Management Expenses	7,453	5,213
744	1,113	Insurance	744	1,113
11,294	11,989	Maintenance (See (b) below)	11,294	11,989
26,390	26,557	Medical and Surgical Supplies	26,390	26,557
1,295	1,194	Motor Vehicle Expenses	1,295	1,194
1,011	974	Postal and Telephone Costs	1,011	974
1,304	1,227	Printing and Stationery	1,304	1,227
766	937	Rates and Charges	766	937
1,536	1,482	Rental	1,536	1,482
8,584	9,613	Hosted services purchased from Other LHDs	8,584	9,613
25,356	25,899	Special Service Departments	25,356	25,899
1,731	1,537	Staff Related Costs	1,731	1,537
1,517	1,372	Travel Related Costs	1,517	1,372
156,937	155,013		156,937	155,013

Central Coast Local Health District
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for the year ended 30 June 2014

PARENT			CONSOLIDATION	
2014	2013		2014	2013
\$000	\$000		\$000	\$000
		(a) Other Includes:		
-----	118	Contract for Patient Services	-----	118
3,087	3,515	Corporate Support Services	3,087	3,515
250	254	Courier and Freight	250	254
55	80	Isolated Patient Travel and Accommodation Assistance Scheme	55	80
55	139	Legal Services	55	139
165	182	Membership/Professional Fees	165	182
1,213	1,256	Motor Vehicle Operating Lease Expense - Minimum Lease Payments	1,213	1,256
17	(9)	Other Operating Lease Expense - Minimum Lease Payments	17	(9)
5	2	Quality Assurance/Accreditation	5	2
593	560	Security Services	593	560
-----	(37)	Services Purchased from Health Reform Transition Organisations	-----	(37)
4,148	2,744	Other Miscellaneous	4,148	2,744
9,588	8,804		9,588	8,804
		(b) Reconciliation of Total Maintenance		
4,364	3,826	Maintenance Contracts	4,364	3,826
4,467	5,488	New/Replacement Equipment under \$10,000	4,467	5,488
2,435	2,670	Repairs Maintenance/Non Contract	2,435	2,670
28	5	Other	28	5
11,294	11,989	Maintenance Expense - Contracted Labour and Other (Non-Employee Related in Note 5)	11,294	11,989
2,153	2,091	Employee Related/Personnel Services Maintenance Expense included in Notes 3 and 4	2,153	2,091
13,447	14,080	Total Maintenance Expenses	13,447	14,080

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

PARENT			CONSOLIDATION	
2014 \$000	2013 \$000		2014 \$000	2013 \$000
6. Depreciation and Amortisation				
15,004	14,342	Depreciation - Buildings	15,004	14,342
5,926	5,657	Depreciation - Plant and Equipment	5,926	5,657
1,336	1,336	Depreciation - Infrastructure Systems	1,336	1,336
(124)	408	Amortisation - Leasehold Improvements	(124)	408
<u>22,142</u>	<u>21,743</u>		<u>22,142</u>	<u>21,743</u>
7. Grants and Subsidies				
2,366	2,279	Non-Government Organisations	2,366	2,279
1,247	1,050	Community Aged Care Packages	1,247	1,050
-----	3	Grants to Research Organisations	-----	3
3,232	3,367	Other Grants	3,232	3,367
<u>6,845</u>	<u>6,699</u>		<u>6,845</u>	<u>6,699</u>
8. Finance Costs				
5	-----	Other Interest Charges	5	-----
<u>5</u>	<u>-----</u>		<u>5</u>	<u>-----</u>

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

PARENT

CONSOLIDATION

2014
\$000

2013
\$000

2014
\$000

2013
\$000

9. Sale of Goods and Services

(a) Sale of Goods comprise the following:-

471	195	Pharmacy Sales	471	195
915	1,035	Sale of Prosthesis	915	1,035
381	288	Other	381	288

(b) Rendering of Services comprise the following:-

		Patient Fees		
		- Inpatient Fees	30,092	28,285
		- Nursing Home Fees	44	33
		- Non Inpatient Fees	326	314
30,092	28,285	Department of Veterans' Affairs	19,918	23,089
44	33	Staff-Meals and Accommodation	----	(78)
326	314	Infrastructure Fees - Monthly Facility Charge	6,478	5,753
19,918	23,089	- Annual Charge	2,609	1,397
----	(78)	Car Parking	799	691
6,478	5,753	Clinical Services (excluding Clinical Drug Trials)	99	81
2,609	1,397	Commercial Activities	126	(43)
799	691	Fees for Medical Records	148	143
99	81	Information Retrieval	1	----
126	(43)	High Cost Drugs	10,507	9,688
148	143	Motor Accident Authority Third Party	2,024	2,572
1	----	Patient Inflows from Interstate	----	(18)
10,507	9,688	Patient Transport Fees	1	9
2,024	2,572	Private Use of Motor Vehicles	67	79
----	(18)	Salary Packaging Fee	237	288
1	9	Services Provided to Non NSW Health Organisations	76	58
67	79	Use of Ambulance Facilities	----	2
237	288	Other	959	999
76	58			
----	2			
959	999			
76,278	74,860		76,278	74,860

10. Investment Revenue

736	783	Interest	736	783
736	783		736	783

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

PARENT			CONSOLIDATION	
2014 \$000	2013 \$000		2014 \$000	2013 \$000
11. Grants and Contributions				
723	1,035	Clinical Drug Trials	723	1,035
6,422	6,684	Commonwealth Government Grants	6,422	6,684
1,405	1,381	Industry Contributions/Donations	1,405	1,381
----	(26)	Cancer Institute Grants	----	(26)
1,956	1,305	NSW Government Grants	1,956	1,305
3,542	2,792	Other Grants	3,542	2,792
14,048	13,171		14,048	13,171
12. Acceptance by the Crown Entity of employee benefits				
The following liabilities and expenses have been assumed by the Crown Entity:				
----	----	Superannuation-defined benefit	4,243	4,581
----	----	Long Service Leave	14,586	4,585
-----	-----		18,829	9,166
13. Other Revenue				
Other Revenue comprises the following:-				
----	1	Bad Debts Recovered	----	1
167	64	Commissions	167	64
63	9	Conference and Training Fees	63	9
36	----	Insurance Refunds	36	----
865	687	Lease and Rental Income	865	687
----	950	Property not Previously Recognised	----	950
8	34	Sale of Merchandise, Old Wares and Books	8	34
----	2	Treasury Managed Fund Hindsight Adjustment	----	2
36	87	Unclaimed Deposits	36	87
134	314	Other	134	314
1,309	2,148		1,309	2,148

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

PARENT			CONSOLIDATION	
2014 \$000	2013 \$000		2014 \$000	2013 \$000
14. Gain / (Loss) on Disposal				
6,865	6,527	Property, Plant and Equipment	6,865	6,527
5,910	5,528	Less: Accumulated Depreciation	5,910	5,528
<u>955</u>	<u>999</u>	Written Down Value	<u>955</u>	<u>999</u>
107	97	Less: Proceeds from Disposal	107	97
<u>(848)</u>	<u>(902)</u>	Gain/(Loss) on Disposal of Property, Plant and Equipment	<u>(848)</u>	<u>(902)</u>
<u>(848)</u>	<u>(902)</u>	Total Gain/(Loss) on Disposal	<u>(848)</u>	<u>(902)</u>
15. Other Gains / (Losses)				
----	1,222	Property, Plant and Equipment Asset Revaluation Increment/(Decrement)	----	1,222
(201)	(143)	Impairment of Receivables	(201)	(143)
<u>(201)</u>	<u>1,079</u>		<u>(201)</u>	<u>1,079</u>

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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PARENT & CONSOLIDATION

16. Conditions on Contributions

	Purchase of Assets	Health Promotion, Education and Research	Other	Total
	\$000	\$000	\$000	\$000
Contributions recognised as revenues during the current reporting period for which expenditure in the manner specified had not occurred as at balance date	1	5,080	20	5,101
Contributions recognised in previous years which were not expended in the current reporting period	29	12,809	318	13,156
Total amount of unexpended contributions as at balance date	30	17,889	338	18,257

Comment on restricted assets appears in Note 23

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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17. Service Groups of the CCLHD

Service Group 1.1 - Primary and Community Based Services

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

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

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

Service Group 1.2 - Aboriginal Health Services

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

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

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

Service Group 1.3 - Outpatient Services

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

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

Service Group 2.1 - Emergency Services

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

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

Service Group 2.2 - Inpatient Hospital Services

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

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

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

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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Service Group 3.1 - Mental Health Services

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

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

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

Service Group 4.1 - Rehabilitation and Extended Care Services

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

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

Service Group 5.1 - Population Health Services

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

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

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

Service Group 6.1 - Teaching and Research

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

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

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

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

PARENT			CONSOLIDATION	
2014 \$000	2013 \$000		2014 \$000	2013 \$000
18. Cash and Cash Equivalents				
15,345	7,679	Cash at Bank and On Hand	15,345	7,679
<u>14,135</u>	<u>13,734</u>	Short Term Deposits	<u>14,135</u>	<u>13,734</u>
<u>29,480</u>	<u>21,413</u>		<u>29,480</u>	<u>21,413</u>
For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposits.				
Cash & cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:				
<u>29,480</u>	<u>21,413</u>	Cash and Cash Equivalents (per Statement of Financial Position)	<u>29,480</u>	<u>21,413</u>
<u>29,480</u>	<u>21,413</u>	Closing Cash and Cash Equivalents (per Statement of Cash Flows)	<u>29,480</u>	<u>21,413</u>

Refer to Note 35 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Central Coast Local Health District
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for the year ended 30 June 2014

PARENT			CONSOLIDATION	
2014 \$000	2013 \$000		2014 \$000	2013 \$000
		19. Receivables		
		Current		
6,200	5,022	Sale of Goods and Services	6,200	5,022
4,567	3,713	Intra Health Receivables	4,567	3,713
3,047	2,813	Goods and Services Tax	3,047	2,813
2,687	1,445	Other Debtors	2,687	1,445
16,501	12,993	Sub Total	16,501	12,993
(61)	(89)	Less Allowance for Impairment	(61)	(89)
16,440	12,904	Sub Total	16,440	12,904
306	113	Prepayments	306	113
16,746	13,017		16,746	13,017
		(a) Movement in the Allowance for Impairment		
		Sale of Goods and Services		
(72)	(197)	Balance at Commencement of Reporting Period	(72)	(197)
226	233	Amounts written off during the period	226	233
2	18	Amounts recovered during the period	2	18
(196)	(127)	(Increase)/decrease in Allowance Recognised in the Income Statement	(196)	(127)
(40)	(73)	Balance at 30 June	(40)	(73)
		(b) Movement in the Allowance for Impairment		
		Other Debtors		
(17)	----	Balance at Commencement of Reporting Period	(17)	----
1	----	Amounts written off during the period	1	----
(5)	(16)	(Increase)/decrease in Allowance Recognised in the Income Statement	(5)	(16)
(21)	(16)	Balance at 30 June	(21)	(16)
(61)	(89)		(61)	(89)
		The current and non-current sale of goods and services balances above include the following patient fee receivables:		
		(Current and Non-Current) include:		
325	270	Patient Fees - Compensable	325	270
215	207	Patient Fees - Ineligible	215	207
4,887	3,645	Patient Fees - Inpatient & Other	4,887	3,645
5,427	4,122		5,427	4,122

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 35.

Central Coast Local Health District
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PARENT

CONSOLIDATION

2014 **2013**
\$000 **\$000**

2014 **2013**
\$000 **\$000**

20. Inventories - Current - Held for Distribution

2,147	2,251	Drugs	2,147	2,251
<u>1,635</u>	<u>1,627</u>	Medical and Surgical Supplies	<u>1,635</u>	<u>1,627</u>
<u>3,782</u>	<u>3,878</u>		<u>3,782</u>	<u>3,878</u>

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2014 \$000	2013 \$000		2014 \$000	2013 \$000
21. Property, Plant and Equipment				
Land and Buildings - Fair Value				
699,584	683,573	Gross Carrying Amount	699,584	683,573
<u>228,388</u>	<u>209,200</u>	Less: Accumulated Depreciation and Impairment	<u>228,388</u>	<u>209,200</u>
<u>471,196</u>	<u>474,373</u>	Net Carrying Amount	<u>471,196</u>	<u>474,373</u>
Plant and Equipment - Fair Value				
60,389	56,313	Gross Carrying Amount	60,389	56,313
<u>30,828</u>	<u>30,813</u>	Less: Accumulated Depreciation and Impairment	<u>30,828</u>	<u>30,813</u>
<u>29,561</u>	<u>25,500</u>	Net Carrying Amount	<u>29,561</u>	<u>25,500</u>
Infrastructure Systems - Fair Value				
55,702	54,610	Gross Carrying Amount	55,702	54,610
<u>31,973</u>	<u>30,036</u>	Less: Accumulated Depreciation and Impairment	<u>31,973</u>	<u>30,036</u>
<u>23,729</u>	<u>24,574</u>	Net Carrying Amount	<u>23,729</u>	<u>24,574</u>
Leasehold Improvements - Fair Value				
2,682	2,756	Gross Carrying Amount	2,682	2,756
<u>2,355</u>	<u>2,479</u>	Less: Accumulated Depreciation and Impairment	<u>2,355</u>	<u>2,479</u>
<u>327</u>	<u>277</u>	Net Carrying Amount	<u>327</u>	<u>277</u>
<u>524,813</u>	<u>524,724</u>	Total Property, Plant and Equipment At Net Carrying Amount	<u>524,813</u>	<u>524,724</u>

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21. Property, Plant and Equipment - Reconciliation

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

	Land	Buildings	Plant and Equipment	Infrastructure Systems	Leasehold Improvements	Total
	\$000	\$000	\$000	\$000	\$000	\$000
2014						
Net Carrying Amount at Start of Year	54,579	419,794	25,500	24,574	277	524,724
Additions	----	6,830	5,665	----	(74)	12,421
Reclassifications to Intangibles	----	----	----	----	----	----
Recognition of Assets Held for Sale	----	----	----	----	----	----
Disposals	----	----	(955)	----	----	(955)
Administrative Restructures - Transfers In/(Out)	----	----	----	----	----	----
Net Revaluation Increment Less Revaluation Decrements Recognised in Reserves	2,729	7,545	----	491	----	10,765
Impairment Losses (Recognised in "Other Gains/Losses")	----	----	----	----	----	----
Depreciation Expense	----	(15,004)	(5,926)	(1,336)	124	(22,142)
Reclassifications	----	(5,277)	5,277	----	----	----
Net Carrying Amount at End of Year	57,308	413,888	29,561	23,729	327	524,813

	Land	Buildings	Plant and Equipment	Infrastructure Systems	Leasehold Improvements	Total
	\$000	\$000	\$000	\$000	\$000	\$000
2013						
Net Carrying Amount at Start of Year	53,629	403,361	23,902	25,435	669	506,996
Additions	950	24,721	6,520	----	16	32,207
Reclassifications to Intangibles	----	----	----	----	----	----
Recognition of Assets Held for Sale	----	----	----	----	----	----
Disposals	----	----	(999)	----	----	(999)
Administrative Restructures - Transfers In/(Out)	----	----	114	(7)	----	107
Net Revaluation Increment Less Revaluation Decrements Recognised in Reserves	----	7,647	----	509	----	8,156
Impairment Losses (Recognised in "Other Gains/Losses")	----	----	----	----	----	----
Depreciation Expense	----	(14,342)	(5,657)	(1,336)	(408)	(21,743)
Reclassifications	----	(1,593)	1,620	(27)	----	----
Net Carrying Amount at End of Year	54,579	419,794	25,500	24,574	277	524,724

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 22.

- (i) Land and Buildings include land owned by the Health Administration Corporation but controlled by the CCLHD [see note 2(g)].
- (ii) To ensure the land, buildings and infrastructure materially reflects the carrying value since the last revaluation assets have had a factor applied in relation to the movement in the market and variation in the building and infrastructure costs. The adjustment has been performed on a gross basis in accordance with note 2 (j).

The following table details the indices applied to Non Current Assets as determined by Corporeal Pty Ltd :

Year	Land	Buildings	Infrastructure
2012/13	0%	2%	2%
2013/14	5%	2%	2%

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22. Fair Value Measurement of Non-Financial Assets

Fair value measurements recognised in the balance sheet are categorised into the following levels at 30 June 2014. Comparative information for the following has not been provided as permitted by the transitional provisions of the new standard.

a) Fair Value Hierarchy	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
2014				
Property, Plant and Equipment (Note 21)*				
- Land and Buildings	----	49,466	421,730	471,196
- Infrastructure Systems	----	----	23,729	23,729
	-----	-----	-----	-----
	-----	49,466	445,459	494,925

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

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

b) Valuation Techniques, Inputs and Processes

For land, buildings and infrastructure the CCLHD obtains external valuations by independent valuers every three years. The last revaluation was performed by Corporeal Pty Ltd for the 2011/12 financial year. Corporeal Pty Ltd is a independent entity and is not an employee of the CCLHD.

At the end of each reporting period a fair value assessment is made on any movements since the last revaluation, and a determination as to whether any adjustments need to be made. These adjustments are made by way of application of indices refer, note 21 reconciliation.

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

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

For land, the valuation by the valuers is made on a market approach, comparing similar assets (not identical) and observable inputs. The most significant input is price per square metre. Certain parcels of land have zoning restrictions, for example hospital grounds, and values are adjusted accordingly.

All of the restricted land has been classified as level 3 as, although observable inputs have been used, a significant level of professional judgement is required to adjust inputs in determining the land valuations.

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

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

Work in Progress and Newly Completed Buildings is categorised as level 2, as the initial measurement is recognised at cost and is represented accordingly until subject to revaluation. This is considered appropriate as, once assets are brought into use, there is no longer a identical correlation with the "shelf product".

Level 3 disclosures:

Land

For land, the valuation by the valuers are made on a market approach, comparing similar assets (not identical) and observable inputs. The most significant input is price per square metre. Adjustments are then made to factor in considerations such as zoning restrictions or special properties for hospital grounds.

All of the restricted land has been classified as level 3 as, although observable inputs have been used, a significant level of professional judgement is required to adjust inputs in determining the land valuations.

Buildings and Infrastructure

The current replacement cost of each asset is calculated to assess fair value. The current replacement cost of the individual building and infrastructure assets is assessed by referencing to building costs in external publications such as the Rawlinson's Australian Construction Handbook and with allowances made for the regional locations. The useful economic life of the assets is initially assessed at 40 years. The remaining economic life is assessed based upon physical depreciation and obsolescence. CCLHD provides details to the valuer, of any known structural faults and future planning which may involve the demolition or removal of an asset. Any new assets constructed over the past four years have been included and where refurbishment has been undertaken the capital expenditure is reflected in the remaining life of the asset.

Construction costs used to establish gross replacement cost are not expected to have significant variations, unless new construction is impacted by building/construction variations. CCLHD is not aware of any sensitivity to changes in unobservable inputs that may significantly impact on fair value.

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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PARENT & CONSOLIDATION

22. Fair Value Measurement of Non-Financial Assets

c) Reconciliation of Recurring Level 3 Fair Value Measurements	Land and Buildings \$000	Infrastructure \$000	Total Level 3 Recurring \$000
Fair value as at 1 July 2013	404,989	24,574	429,563
Additions	63	-----	63
Revaluation increments/ decrements recognised in other comprehensive income – included in line item 'Net increase / (decrease) in property, plant and equipment revaluation surplus'	9,183	491	9,674
Transfers from Level 2	22,004	-----	22,004
Depreciation	<u>(14,509)</u>	<u>(1,336)</u>	<u>(15,845)</u>
Fair value as at 30 June 2014	<u>421,730</u>	<u>23,729</u>	<u>445,459</u>

Transfers from Level 2 mainly relate to assets initially recognised at cost (e.g. Work in Progress) which have in the current year, been subject to asset revaluations consistent with the specialised nature/use of the assets.

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

PARENT		CONSOLIDATION	
2014 \$000	2013 \$000	2014 \$000	2013 \$000
23. Restricted Assets			
<p>The CCLHD's financial statements include the following assets which are restricted by externally imposed conditions, eg. donor requirements. The assets are only available for application in accordance with the terms of the donor restrictions.</p>			
Category			
10,580	10,466	10,580	10,466
50	51	50	51
7,627	5,921	7,627	5,921
<hr/> 18,257	<hr/> 16,438	<hr/> 18,257	<hr/> 16,438

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

PARENT			CONSOLIDATION	
2014 \$000	2013 \$000		2014 \$000	2013 \$000
		24. Payables		
		Current		
-----	-----	Accrued Salaries, Wages and On-Costs	11,205	10,028
-----	-----	Taxation and Payroll Deductions	2,425	2,051
13,630	12,079	Accrued Liability - Purchase of Personnel Services	-----	-----
15,437	12,338	Creditors	15,437	12,338
		Other Creditors		
8,779	9,792	- Intra Health Liability	8,779	9,792
10,462	8,061	- Other	10,462	8,061
48,308	42,270		48,308	42,270

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 35.

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2014 \$000	2013 \$000		2014 \$000	2013 \$000
25. Provisions				
Current				
----	----	Annual Leave - Short Term Benefit	42,811	40,709
----	----	Annual Leave - Long Term Benefit	13,239	11,163
----	----	Long Service Leave Consequential On-Costs	6,624	4,549
62,674	56,421	Provision for Personnel Services Liability	----	----
<u>62,674</u>	<u>56,421</u>	Total Current Provisions	<u>62,674</u>	<u>56,421</u>
Non-Current				
----	----	Long Service Leave Consequential On-Costs	349	133
349	133	Provision for Personnel Services Liability	----	----
<u>349</u>	<u>133</u>	Total Non-Current Provisions	<u>349</u>	<u>133</u>
Aggregate Employee Benefits and Related On-Costs				
----	----	Provisions - Current	62,674	56,421
----	----	Provisions - Non-Current	349	133
----	----	Accrued Salaries, Wages and On-Costs (Note 24)	13,630	12,079
76,653	68,633	Liability - Purchase of Personnel Services	----	----
<u>76,653</u>	<u>68,633</u>		<u>76,653</u>	<u>68,633</u>
26. Other Liabilities				
Current				
5,305	3,265	Income in Advance	5,305	3,265
<u>5,305</u>	<u>3,265</u>		<u>5,305</u>	<u>3,265</u>

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

PARENT			CONSOLIDATION	
2014 \$000	2013 \$000		2014 \$000	2013 \$000
		27. Commitments for Expenditure		
		(a) Capital Commitments		
		Aggregate capital expenditure for the acquisition of land and buildings, plant and equipment, infrastructure and intangible assets, contracted for at balance date and not provided for:		
		Not later than one year	2,694	843
2,694	843		<u>2,694</u>	<u>843</u>
<u>2,694</u>	<u>843</u>	Total Capital Expenditure Commitments (Including GST)	<u>2,694</u>	<u>843</u>
		Of the commitments reported at 30 June 2014 it is expected that \$2.371M will be met from locally generated moneys.		
		(b) Operating Lease Commitments		
		Future non-cancellable operating lease rentals not provided for and payable:		
		Not later than one year	1,889	2,130
1,889	2,130	Later than one year and not later than five years	1,370	1,734
1,370	1,734		<u>1,370</u>	<u>1,734</u>
<u>3,259</u>	<u>3,864</u>	Total Operating Lease Commitments (Including GST)	<u>3,259</u>	<u>3,864</u>
		The operating lease commitments above are for motor vehicles and property leases.		
		(c) Contingent Asset Related to Commitments for Expenditure		
		The total of 'Commitments for Expenditure' above, i.e. \$5.953 million as at 30 June 2014 includes input tax credits of \$541K that are expected to be recoverable from the Australian Taxation Office (2013 \$428K).		

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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PARENT AND CONSOLIDATED

29. 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 2007/08 fund year and an interim adjustment for the 2009/10 fund year were not calculated until 2013/14.

As a result, the 2008/09 final and 2010/11 pertaining to the hospitals and community services now forming part of the CCLHD will be paid in 2014/15. It is not possible for the CCLHD to reliably quantify the benefit to be received or amount payable.

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

PARENT			CONSOLIDATION	
2014 \$000	2013 \$000		2014 \$000	2013 \$000
30. Reconciliation of Cash Flows from Operating Activities to Net Result				
20,385	34,671	Net Cash Flows from Operating Activities	20,385	34,671
(22,144)	(21,743)	Depreciation	(22,144)	(21,743)
(201)	(143)	Allowance for Impairment	(201)	(143)
(2,040)	4,393	(Increase)/ Decrease Income in Advance	(2,040)	4,393
(6,470)	(2,303)	(Increase)/ Decrease in Provisions	(6,470)	(2,303)
4,092	(6,255)	Increase / (Decrease) in Prepayments and Other Assets	4,092	(6,255)
(6,297)	5,603	(Increase)/ Decrease in Creditors	(6,297)	5,603
-----	1,222	Revaluation of Property, Plant & Equipment recognised in "Other gains/(losses)"	-----	1,222
(848)	(903)	Net Gain/ (Loss) on Sale of Property, Plant and Equipment	(848)	(903)
<u>(13,523)</u>	<u>14,542</u>	Net Result	<u>(13,523)</u>	<u>14,542</u>

31. 2013/14 Voluntary Services

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

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

32. Unclaimed Monies

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

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

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

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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PARENT AND CONSOLIDATION

33. Budget Review - Parent and Consolidated

Net Result

The actual Net Result was higher than budget by \$2 million resulting in a favourability.

The favourability was primarily driven by increased revenue receipts over budget in Special Purpose & Trust for annual facility charges from the Staff Specialists Private Practice Trusts. The increase resulted from the commencement of private practice billing for the new Radiation Oncology Service as well as a number of Staff Specialists transferring to higher private practice levels during 2013-14 and increasing their billings.

Assets and Liabilities

Assets are favourable to budget by \$19.7 million, primarily driven by a higher than budgeted position of capital cash holdings for monies received on projects such as the new CT Scanner and the Gosford & Wyong Short Stay Units for which the payments will occur in 2014-15. There is also a higher than budgeted position in Property, Plant & Equipment resulting from an indices based valuation on Land & Building as well as the procurement on new equipment for the Central Coast Cancer Care Centre.

Liabilities are unfavourable to budget by \$6.9 million (6.2%), mainly resulting from higher than budgeted accruals at the end on June 2014 to cover one off items such as the Mould Remediation project.

Cash Flows

Total Cash Flow is \$6.7 million favourable to budget as at 30 June 2014.

This movement is a result of increased cash receipts on Grants and Contributions from new inflows on projects such as the Head Space program, the pilot implementation of the Community Health Solution and funding for a community health review. The result was also helped by lower than budgeted cash payments for other operating expenses driven by improvements in efficiency savings program.

Movements in the level of the NSW Ministry of Health Recurrent Allocation that have occurred since receipt of the initial allocation for July 2013 to June 2014 are as follows:

	\$000
Initial Allocation, 1 July 2013	531,370
Special Projects	5,197
Other	8,589
	<hr/>
Balance as per Statement of Comprehensive Income	545,156
	<hr/> <hr/>

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

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

Equity transfers effected in the 2012/13 year were:

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

Equity transfers effected in the 2013/14 year were:

Nil equity transfers were effected in 2013/14.

	2014	2013
	\$000	\$000
Equity transfers effected comprised:		
Northern Sydney Local Health District	----	4,682
NSW Treasury - Recreation Leave	----	907
NSW Treasury - LSL Consequential Factor	----	124
	<u>----</u>	<u>5,713</u>
Assets and Liabilities transferred are as follows:		
	2014	2013
	\$000	\$000
Assets		
Current Assets		
Cash and Cash Equivalents	----	----
Receivables	----	(1,744)
Inventories	----	----
Total Current Assets	<u>----</u>	<u>(1,744)</u>
Non-Current Assets		
Property, Plant and Equipment		
- Land and Buildings	----	----
- Plant and Equipment	----	114
- Infrastructure Systems	----	(7)
Total Property, Plant and Equipment	----	107
Total Non-Current Assets	<u>----</u>	<u>107</u>
Total Assets	<u>----</u>	<u>(1,637)</u>
Liabilities		
Current Liabilities		
Payables	----	5,547
Borrowings	----	----
Provisions	----	3,464
Other	----	(1,745)
Total Current Liabilities	<u>----</u>	<u>7,266</u>
Non-Current Liabilities		
Borrowings	----	----
Provisions	----	84
Total Non-Current Liabilities	<u>----</u>	<u>84</u>
Total Liabilities	<u>----</u>	<u>7,350</u>
Increase/(Decrease) in Net Assets From Equity Transfers	<u>----</u>	<u>5,713</u>

Central Coast Local Health District
Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

35. Financial Instruments

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

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

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

(a) Financial Instrument Categories

PARENT AND CONSOLIDATION		Carrying Amount 2014 \$000	Carrying Amount 2013 \$000
Class:	Category		
Financial Assets			
Cash and Cash Equivalents (note 18)	N/A	29,480	21,413
Receivables (note 19)*	Loans and receivables (at amortised cost)	13,393	10,091
Total Financial Assets		42,873	31,504
Financial Liabilities			
Payables (note 24)**	Financial liabilities measured at amortised cost	45,883	40,219
Total Financial Liabilities		45,883	40,219

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)

Central Coast Local Health District
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(b) Credit Risk

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

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

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

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 3.48% in 2013/14 compared to 3.26% in the previous year.

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

Receivables - trade debtors

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

The CCLHD is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2014: \$2.1M; 2013:\$4.7M) and not more than 3 months past due (2014:\$876K; 2013: \$988K) are not considered impaired. Together these represent 93% of the total trade debtors. In addition Patient Fees Compensables are frequently not settled within 6 months of the date of the service provision due to the length of time it takes to settle legal claims. Most of the CCLHD's debtors are Health Insurance Companies or Compensation Insurers settling claims in respect of inpatient treatments.

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

2014	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
	\$000	\$000	\$000
<3 months overdue	876	876	----
3 months - 6 months overdue	169	169	----
> 6 months overdue	62	----	62
2013			
<3 months overdue	988	988	----
3 months - 6 months overdue	245	245	----
> 6 months overdue	89	----	89

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.

Central Coast Local Health District
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Authority Deposits

The Ministry has placed funds on deposit with TCorp, which has been rated 'AAA' by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed 'at call' or for a fixed term. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits can vary. The deposits at balance date were earning an average interest rate of 3.08% (2013 - 2.57%), while over the year the weighted average interest rate was 2.94% (2013 - 3.67%) on a weighted average balance during the year of \$13,951,853 (2013 - \$12,286,852). None of these assets are past due or impaired.

(c) Liquidity Risk

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

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

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

However, the risk is minimised by the service agreement with the NSW Ministry of Health, as the annual service agreement requires local management to control its financial liquidity and in particular meet benchmarks for the payment of creditors. Where the CCLHD fails to meet service agreement performance standards, the Ministry as the state manager can take action in accordance with annual performance framework requirements, including providing financial support and increased management interaction (refer Note 2).

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

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

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

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

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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Maturity Analysis and interest rate exposure of financial liabilities

	Interest Rate Exposure					Maturity Dates		
	Weighted Average Effective Int. Rate	Nominal Amount ¹	Fixed Interest Rate	Variable Interest Rate	Non - Interest Bearing	< 1 Yr	1-5 Yr	> 5Yr
2014	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Payables:								
- Accrued Salaries Wages, On-Costs and Payroll Deductions		11,205	----	----	11,205	11,205	----	----
- Creditors		34,678	----	----	34,678	34,678	----	----
		<u>45,883</u>	----	----	<u>45,883</u>	<u>45,883</u>	----	----
2013								
Payables:								
- Accrued Salaries Wages, On-Costs and Payroll Deductions		10,028	----	----	10,028	10,028	----	----
- Creditors		30,191	----	----	30,191	30,191	----	----
		<u>40,219</u>	----	----	<u>40,219</u>	<u>40,219</u>	----	----

Notes:

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

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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(d) Market Risk

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

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the CCLHD operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position date. The analysis is performed on the same basis for 2013. The analysis assumes that all other variables remain constant.

Interest rate risk

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

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

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

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

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

	Carrying Amount \$'000	-1% Profit	Equity	+1% Profit	Equity
2014					
Financial Assets					
Cash and Cash Equivalents	29,480	(295)	(295)	295	295
Receivables	13,393	----	----	----	----
Financial Liabilities					
Payables	45,883	----	----	----	----
2013					
Financial Assets					
Cash and Cash Equivalents	21,413	(214)	(214)	214	214
Receivables	10,091	----	----	----	----
Financial Liabilities					
Payables	40,219	----	----	----	----

Central Coast Local Health District
Notes to and forming part of the Financial Statements
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Other price risk - TCorp Hour-Glass facilities

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

Facility	Investment Sectors	Investment Horizon	2014 \$'000	2013 \$'000
Cash facility	Cash and money market instruments	Up to 1.5 years	14,135	13,734

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

NSW TCorp as trustee for each of the above facilities is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risk of each facility in accordance with a mandate agreed by the parties. TCorp has also leveraged off internal expertise to manage certain fixed income assets for the Hour-Glass facilities. A significant portion of the administration of the facilities is outsourced to an external custodian.

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

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

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

	Change in unit price	Impact on profit/loss	
		2014 \$'000	2013 \$'000
Hour-Glass Investment - Cash facility	+/- 1%	141	137

Central Coast Local Health District
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(e) Fair Value Measurement

(i) Fair value compared to carrying amount

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

The amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short term nature of many of the financial instruments.

Therefore the fair value does not differ from the carrying amount.

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2014 Total \$'000
TCorp Hour-Glass Invt.Facility	----	14,135	----	14,135
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2013 Total \$'000
TCorp Hour-Glass Invt.Facility	----	13,734	----	13,734

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

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

As discussed, the value of the Hour-Glass Investments is based on the CCLHD's share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass facilities are valued using 'redemption' pricing.

Central Coast Local Health District
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36. Events after the Reporting Period

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

END OF AUDITED FINANCIAL STATEMENTS