



Government
of South Australia

Report
of the
Auditor-General
Annual Report
for the
year ended 30 June 2015

Tabled in the House of Assembly and ordered to be published, 13 October 2015

Second Session, Fifty-Third Parliament

Appendix to the Annual Report
Volume 2

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Defence SA

Financial report
for the year ended
30 June 2015

DEFENCE SA

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Note No.	30 June 2015 \$' 000	30 June 2014 \$' 000
Expenses			
Employee benefits expenses	5	5,008	4,876
Supplies and services	6	7,441	6,578
Depreciation and amortisation	7	7,374	7,968
Net loss from disposal of non-current assets	8	43	30
Grants and subsidies	9	1,553	1,135
Other expenses	10	97	221
Total expenses		21,516	20,808
Income			
Revenues from fees and charges	12	3,998	3,887
Grants	13	7	64
Techport Australia recoveries	14	163	222
Other income	15	329	134
Total income		4,497	4,307
Net cost of providing services	29	(17,019)	(16,501)
Revenues from/payments to SA Government			
Revenues from SA Government	16	16,474	16,498
Payments to SA Government	16	(2,174)	(13,687)
Net result		(2,719)	(13,690)
Total comprehensive result		(2,719)	(13,690)

The net result and total comprehensive result are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

DEFENCE SA

STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	30 June 2015 \$' 000	30 June 2014 \$' 000
Current assets			
Cash	17	18,395	16,592
Receivables	18	999	431
Total current assets		19,394	17,023
Non-current assets			
Land	19, 20	22,370	21,870
Buildings and improvements, plant and equipment	19, 20	6,154	6,520
Harbour and port facilities	19, 20	216,162	220,493
Capital works in progress	21	2,730	3,300
Total non-current assets		247,416	252,183
Total assets		266,810	269,206
Current liabilities			
Payables	22	1,359	1,076
Employee benefits	23	523	345
Provisions	24	6	-
Other current liabilities	25	20	21
Total current liabilities		1,908	1,442
Non-current liabilities			
Payables	22	20	30
Employee benefits	23	359	486
Provisions	24	14	-
Other non-current liabilities	25	-	20
Total non-current liabilities		393	536
Total liabilities		2,301	1,978
Net assets		264,509	267,228
Equity			
Contributed capital		101,823	101,823
Retained earnings		162,686	165,405
Total equity		264,509	267,228

The total equity is attributable to the SA Government as owner.

Unrecognised contractual commitments	26
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The above statement should be read in conjunction with the accompanying notes.

DEFENCE SA

STATEMENT OF CHANGES IN EQUITY**For the year ended 30 June 2015**

	Note No.	Contributed capital	Retained earnings	Total equity
		\$' 000	\$' 000	\$' 000
Balance at 30 June 2013		101,823	179,095	280,918
Net result for 2013-14		-	(13,690)	(13,690)
Total comprehensive result for 2013-14		-	(13,690)	(13,690)
Balance at 30 June 2014		101,823	165,405	267,228
Net result for 2014-15		-	(2,719)	(2,719)
Total comprehensive result for 2014-15		-	(2,719)	(2,719)
Balance at 30 June 2015		101,823	162,686	264,509

All changes in equity are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

DEFENCE SA

STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Note No.	30 June 2015 \$' 000 Inflows (Outflows)	30 June 2014 \$' 000 Inflows (Outflows)
Cash flows from operating activities			
Cash outflows			
Employee benefits payments		(4,929)	(4,756)
Payments for supplies and services		(8,204)	(8,207)
Payments of grants and subsidies		(1,970)	(1,057)
Payments for paid parental leave scheme		(3)	(16)
Cash used in operations		(15,106)	(14,036)
Cash inflows			
Grants		74	3
Fees and charges		3,996	4,293
Techport Australia recoveries		144	265
GST recovered from the ATO		596	651
Receipts for paid parental leave scheme		1	17
Other receipts		316	148
Cash generated from operations		5,127	5,377
Cash flows from SA Government			
Receipts from SA Government		16,474	16,498
Payments to SA Government		(2,174)	(13,687)
Cash generated from SA Government		14,300	2,811
Net cash provided by/(used in) operating activities	29	4,321	(5,848)
Cash flows from investing activities			
Cash outflows			
Payments for property, plant and equipment		-	(40)
Payments for capital work in progress		(2,518)	(3,588)
Cash used in investing activities		(2,518)	(3,628)
Net cash used in investing activities		(2,518)	(3,628)
Net increase/(decrease) in cash		1,803	(9,476)
Cash at the beginning of the period		16,592	26,068
Cash at the end of the period	17, 29	18,395	16,592

The above statement should be read in conjunction with the accompanying notes.

DEFENCE SA

DISAGGREGATED DISCLOSURES - EXPENSES AND INCOME

For the year ended 30 June 2015

Refer Note 4 for detailed activity descriptions	Defence Industry Development		Techport Australia		Total Defence SA Activities	
	2015 \$' 000	2014 \$' 000	2015 \$' 000	2014 \$' 000	2015 \$' 000	2014 \$' 000
Expenses						
Employee benefits expenses	3,591	3,537	1,417	1,339	5,008	4,876
Supplies and services	3,357	2,926	4,084	3,652	7,441	6,578
Depreciation and amortisation	121	122	7,253	7,846	7,374	7,968
Net loss from disposal of non-current assets	-	-	43	30	43	30
Grants and subsidies	1,553	1,135	-	-	1,553	1,135
Other expenses	62	111	35	110	97	221
Total expenses	8,684	7,831	12,832	12,977	21,516	20,808
Income						
Revenues from fees and charges	54	16	3,944	3,871	3,998	3,887
Grants	-	-	7	64	7	64
Techport Australia recoveries	-	-	163	222	163	222
Other income	329	132	-	2	329	134
Total income	383	148	4,114	4,159	4,497	4,307
Net cost of providing services	(8,301)	(7,683)	(8,718)	(8,818)	(17,019)	(16,501)
Revenues from/payments to SA Government						
Revenues from SA Government ⁽¹⁾	16,474	16,498	-	-	16,474	16,498
Payments to SA Government	(2,174)	(13,687)	-	-	(2,174)	(13,687)
Net result	5,999	(4,872)	(8,718)	(8,818)	(2,719)	(13,690)

⁽¹⁾ Revenues from SA Government are provided to fund the operating activities of Defence SA and have not been allocated between activities.

The above statement should be read in conjunction with the accompanying notes.

DEFENCE SA

DISAGGREGATED DISCLOSURES - ASSETS AND LIABILITIES

As at 30 June 2015

Refer Note 4 for detailed activity descriptions	Defence Industry Development		Techport Australia		Total Defence SA Activities	
	2015	2014	2015	2014	2015	2014
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Assets						
Cash	18,395	16,592	-	-	18,395	16,592
Receivables	385	118	614	313	999	431
Land	-	-	22,370	21,870	22,370	21,870
Buildings and improvements, plant and equipment	114	235	6,040	6,285	6,154	6,520
Harbour and port facilities	-	-	216,162	220,493	216,162	220,493
Capital works in progress	-	-	2,730	3,300	2,730	3,300
Total assets	18,894	16,945	247,916	252,261	266,810	269,206
Liabilities						
Payables	647	520	732	586	1,379	1,106
Employee benefits	636	629	246	202	882	831
Provisions	20	-	-	-	20	-
Other liabilities	20	41	-	-	20	41
Total liabilities	1,323	1,190	978	788	2,301	1,978
Net assets	17,571	15,755	246,938	251,473	264,509	267,228

The above statement should be read in conjunction with the accompanying notes.

DEFENCE SA

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Note 1 Objectives of Defence SA

Defence SA is South Australia's lead government agency for all defence related matters. It facilitates the development and growth of Defence and defence industries in South Australia on a competitive and sustainable basis in accordance with *South Australia's Strategic Plan*.

The agency delivers the Government of South Australia's commitments to the Air Warfare Destroyer project, as well as working towards capturing further Defence and defence industry work in the four defence sectors – maritime, land, aerospace and systems.

Defence SA is also striving to ensure the right climate exists for defence industry growth, and is working with several partners to deliver results for industry in the areas of workforce development and innovation.

Note 2 Summary of significant accounting policies**a) Statement of compliance**

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

Defence SA has applied Australian Accounting Standards that are applicable to not-for-profit entities, as Defence SA is a not-for-profit entity.

Except for AASB 2015-7 which Defence SA has early adopted, Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by Defence SA for the reporting period ending 30 June 2015. Refer note 3.

b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying Defence SA's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported and;
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in these financial statements:
 - a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature;
 - b) expenses incurred as a result of engaging consultants;
 - c) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees; and
 - d) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

Note 2

b) Basis of preparation (continued)

Defence SA's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

c) Reporting entity

Defence SA is a government agency of the State of South Australia, established pursuant to the *Public Sector Act 2009*. Defence SA is an administrative unit acting on behalf of the Crown.

Defence SA does not control any other entity and has no interests in unconsolidated structured entities.

Defence SA has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

d) Budgeted amounts

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with the line items in the financial statements. These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes. The budget process is not subject to audit.

e) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

f) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

g) Taxation

Defence SA is not subject to income tax. Defence SA is liable for payroll tax, fringe benefits tax, goods and services tax (GST), the emergency services levy and local government rate equivalents.

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The amount of GST recoverable from the ATO is included as a part of receivables and the amount payable to the ATO is included as a part of payables in the Statement of Financial Position.

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

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

Note 2 (Continued)**h) Events after the reporting period**

Adjustments are made to amounts recognised in the financial statements where an event occurs after 30 June and before the date the financial statements are authorised for issue, where the event provides information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

i) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to Defence SA will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Revenues from fees and charges

Revenues from fees and charges are derived from the provision of goods and services to external entities. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Revenues from SA Government

Appropriations to fund activities are recognised as revenues when Defence SA obtains control over the funding. Control over appropriations is normally obtained upon receipt.

Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of Defence SA and the appropriation is recorded as contributed capital.

Other income

Other income consists of recoveries of costs for work performed on behalf of external entities.

j) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from Defence SA will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by Defence SA to several State Government and externally managed superannuation schemes in respect of current services of current Defence SA staff.

Note 2 j) Expenses (continued)*Depreciation and amortisation*

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is applied to leasehold improvements. Depreciation is applied to other tangible assets. Defence SA has no recognised intangible assets.

Assets' residual values, useful lives and depreciation/amortisation methods are reviewed and adjusted if appropriate, on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Land is not depreciated.

Depreciation/Amortisation is calculated on a straight line basis over the estimated useful life of the classes of assets as follows:

Class of asset	Useful life (years)
Harbour and port facilities	5-50
Buildings and improvements	6-40
Leasehold improvements	Life of lease
Plant and equipment	4-25

Net gain/(loss) from disposal of non-current assets

The net gain or loss from the disposal of non-current assets is recognised when control of the asset has passed to the buyer or the asset is derecognised and is determined by comparing proceeds with the carrying amount. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

Grants and subsidies

For contributions payable, the contribution will be recognised as a liability and expense when Defence SA has a present obligation to pay the contribution and the expense recognition criteria are met. All contributions paid by Defence SA have been unconditional.

Payments to SA Government

Payments to the SA Government consist of the return of surplus cash pursuant to the cash alignment policy. These funds are paid directly to the Consolidated Account.

k) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature.

Defence SA has established a clearly identifiable operating cycle of 12 months. Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle, even when they are not expected to be realised within 12 months after the reporting date, have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, Defence SA has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

l) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard or where offsetting reflects the substance of the transaction or other event.

Cash

Cash in the Statement of Financial Position comprises deposits with the Treasurer. For the purposes of the Statement of Cash Flows, cash consists of cash as defined above. Cash is measured at nominal value.

Note 2

I) Assets (continued)

Receivables

Receivables include amounts receivable from goods and services, GST input tax credits recoverable, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to external entities. Receivables are generally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that Defence SA will not be able to collect the debt. Bad debts are written off when identified.

Capital works in progress

During the period work continued on the development of infrastructure to support the Air Warfare Destroyer construction program in accordance with the Infrastructure Assistance Agreement.

Defence SA accounts for expenses associated with all capital projects as work in progress until the assets are installed and ready for use. On completion the assets are recognised in accordance with non-current asset acquisition and recognition policy (refer below).

Non-current asset acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Harbour and Port Facilities including wharf, shiplift, transfer system and dry berth are considered specialised assets and are recorded at cost less accumulated depreciation.

Other asset classes are subsequently measured at fair value less accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recognised at book value, i.e. the amount recorded by the transferor public authority immediately prior to the restructure.

All non-current tangible assets with a value equal to or in excess of \$10 000 are capitalised.

Complex assets are componentised when the asset's fair value at the time of acquisition is equal to, or in excess of, \$5 million for infrastructure assets and \$1 million for other assets.

Assets have been componentised where appropriate to recognise their unique nature and useful lives.

Revaluation of non-current assets

All non-current tangible assets are valued at written down current cost (a proxy for fair value) and revaluation of non-current assets or group of assets (excluding specialised assets) will only be performed when the assets' fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years. The Treasurer has approved that specialised assets will not need to be revalued until 30 June 2024.

Every six years Defence SA revalues its land and buildings via an independent Certified Practising Valuer. If at any time, management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last revaluation took place. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value. Defence SA's land, buildings and associated plant and equipment were last revalued in the year ended 30 June 2012.

Any revaluation increment is credited to the asset revaluation surplus, except to the extent that it reverses a revaluation decrease in the same asset class previously recognised as an expense, in which case the increase is recognised as income. Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the asset revaluation surplus to the extent of the credit balance existing in the revaluation surplus for that asset class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

Upon disposal or derecognition, any revaluation surplus relating to an asset is transferred to retained earnings.

Note 2

l) Assets (continued)

Impairment

All non-current tangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the asset revaluation surplus.

Fair value measurement

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Defence SA classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market and are derived from unobservable inputs.

The valuation processes and fair value changes are reviewed at each reporting date.

Non-financial assets

In determining fair value, Defence SA has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

Defence SA's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As Defence SA did not identify any factors to suggest an alternative use, fair value measurement is based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Financial assets/liabilities

Defence SA does not recognise any financial assets or financial liabilities at fair value.

m) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard or where offsetting reflects the substance of the transaction or other event.

Payables

Payables include creditors, accrued expenses, GST payable, employment on-costs and Paid Parental Leave Scheme payable.

Creditors represent invoices for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

The Paid Parental Leave Scheme payable represents amounts which Defence SA has received from the Commonwealth Government to forward on to eligible employees via Defence SA's standard payroll processes. That is, Defence SA is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received, in accordance with Treasurer's Instruction 11 *Payment of Creditor Accounts*.

Employee benefits on-costs include superannuation contributions and payroll tax in respect of outstanding liabilities for salaries and wages, long service leave, annual leave, and skills and experience retention leave.

Note 2 m) Liabilities (continued)

Defence SA makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to these superannuation schemes.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

Operating leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income over the term of the lease.

Lease incentives

All incentives received for the agreement of a new or renewed operating lease are recognised as a liability.

The aggregate benefits of lease incentives received by Defence SA in respect of operating leases have been recorded as a reduction of rental expense over the lease term, on a straight-line basis.

Employee benefits

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Wages, salaries, annual leave, skills and experience retention leave and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability and the skills and experience retention leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave expected to be taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and years of service.

These assumptions are based on employee data over SA Government entities.

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

The long service leave provision is classified as current or non-current based on the conditional and unconditional percentages respectively as per the actuarial calculations based on whole of government experience.

Employee benefits on-costs

Employee benefits on-costs (payroll tax and superannuation) are recognised separately under payables.

Note 2 (Continued)*Provisions*

Provisions are recognised when Defence SA has a potential obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When Defence SA expects some or all of the provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2015 provided by a consulting actuary engaged through the Office for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under the current legislation.

Defence SA is responsible for payments of workers compensation claims. Defence SA has a Service Level Agreement with the Office for the Public Sector to undertake injury management and rehabilitation services in the event of a claim.

n) Insurance

Defence SA has arranged, through South Australian Government Financing Authority - Insurance Division (SAICORP), to insure all major risks of Defence SA. The excess payable under this arrangement is \$5 000 per claim.

o) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Defence SA secures performance guarantees in support of contractor performance. No value is assigned to these guarantees for financial statement purposes as they will only be called upon in the event that the contractor fails to fulfill their agreed contractual commitments.

Note 3 New and revised accounting standards and policies

Except for AASB 2015-7 which Defence SA has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by Defence SA for the period ending 30 June 2015. Defence SA has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of Defence SA.

In accordance with the new AASB 1055 *Budgetary Reporting*, which became effective for the first time in 2014-15, Defence SA has:

- Included a comprehensive new note 'Budgetary reporting and explanations of major variances' (notes 31 and 2d). These notes disclose in respect of the Statement of Comprehensive Income and Investing Expenditure Summary:
 - Defence SA's original budget as published in the 2014-15 Budget Paper 4;
 - a comparison of the original budget information to actual results; and
 - explanations of major variances.

In accordance with the new AASB 10 *Consolidated Financial Statements* and AASB 11 *Joint Arrangements*, which became effective for the first time in 2014-15, Defence SA has reviewed its control assessments in accordance with AASB 10 and its classification assessments in accordance with AASB 11 and has concluded that there is no impact. Defence SA does not currently control another entity and does not have any joint arrangements within the scope of AASB 11.

Defence SA will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10 and 11 for future years.

Note 4 Activities of Defence SA

Activity information is prepared in accordance with the accounting policies of the entity as disclosed in note 2.

In achieving its objectives Defence SA provides a range of services classified into the following activities:

Activity 1 – Defence Industry Development

This activity delivers strategy and policy that, together with the Defence SA Advisory Board, provides leadership across state government on all defence related matters.

It targets national and international business development opportunities and supports Defence SA's administrative, financial and other operational services.

The activity delivers the state's workforce development commitments to the Air Warfare Destroyer project, including the Maritime Skills Centre and integration of defence industry skills into whole of state workforce development planning and implementation initiatives.

This activity seeks to support the growth of Defence and sustainable defence industries in South Australia across the maritime, land, aerospace and systems sectors.

Activity 2 – Techport Australia

This activity delivers the state's shipbuilding infrastructure commitment to the Air Warfare Destroyer project and reinforces Techport Australia as Australia's premier naval industry hub.

The disaggregated disclosures schedules present expenses, income, assets and liabilities information attributable to each of the activities for the years ended 30 June 2015 and 30 June 2014.

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Note 5	Employee benefits expenses	30 June 2015 \$' 000	30 June 2014 \$' 000
	Salaries and wages	3,582	3,488
	Long service leave	127	103
	Annual leave	247	291
	Skills and experience retention leave	2	3
	Employment on-costs - superannuation	391	346
	Employment on-costs - other	230	219
	Advisory Board and committee fees (note 28)	329	351
	Workers compensation	25	3
	Other employee related expenses	75	72
	Total employee benefits expenses	5,008	4,876

Remuneration of employees

The number of employees whose remuneration received or receivable falls within the following bands:

	No	No
\$141 500 to \$151 499	-	-
\$161 500 to \$171 499	-	2
\$171 500 to \$181 499	2	1
\$181 500 to \$191 499	3	3
\$191 500 to \$201 499	2	1
\$211 500 to \$221 499	1	2
\$221 500 to \$231 499	1	-
\$231 500 to \$241 499	1	-
\$241 500 to \$251 499	-	1
\$251 500 to \$261 499	1	-
\$321 500 to \$331 499	1	-
\$571 500 to \$581 499	-	1
Total number of employees	12	11

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (ie there has been no increase in executive remuneration since 1 July 2013). Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$2.548 million (\$2.512 million).

DEFENCE SA

Note 6	Supplies and services	30 June 2015 \$' 000	30 June 2014 \$' 000
	Accommodation and service costs	336	325
	Consultants (refer below)	131	399
	Contractors	1,159	791
	Electricity	1,386	1,044
	Gas and gas equipment	185	154
	Insurance	103	101
	Legal fees	201	214
	Minor plant and equipment	199	262
	Promotion and events	1,179	795
	Property	323	359
	Provision of corporate services under Service Level Agreements	295	309
	Security services	702	723
	Staff safety, development and recruitment	159	145
	Travel and related expenses	408	394
	Other expenses	675	563
	Total supplies and services	7,441	6,578

The total supplies and services amount disclosed includes GST amounts not recoverable from the ATO where Defence SA does not hold a valid tax invoice or for payments relating to third party arrangements.

Consultants

The number and dollar amount of consultants paid/payable that fell within the following bands:

	30 June 2015		30 June 2014	
	No	\$' 000	No	\$' 000
Above \$10 000	2	131	2	399
Total paid/payable to the consultants engaged	2	131	2	399

Note 7	Depreciation and amortisation	30 June 2015 \$' 000	30 June 2014 \$' 000
	Depreciation		
	Buildings and improvements	172	212
	Plant and equipment	94	88
	Harbour and port facilities	6,991	7,551
	Total depreciation	7,257	7,851
	Amortisation		
	Leasehold improvements	117	117
	Total amortisation	117	117
	Total depreciation and amortisation	7,374	7,968

Revision of accounting estimates

In the year ended 30 June 2014 a review of the capitalisation of the Common User Facility identified minor discrepancies in depreciation for a limited number of assets which resulted in additional depreciation of \$476 000 being recognised.

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	30 June 2015 \$' 000	30 June 2014 \$' 000
Note 8 Net loss from disposal of non-current assets		
Net book value of harbour and port assets disposed	43	30
Total net loss from disposal of non-current assets	43	30
	30 June 2015 \$' 000	30 June 2014 \$' 000
Note 9 Grants and subsidies		
Defence Teaming Centre	735	485
ASC AWD Shipbuilder Pty Ltd	618	650
Data 2 Decision Co-operative Research Centre	200	-
Total grants and subsidies	1,553	1,135
	30 June 2015 \$' 000	30 June 2014 \$' 000
Note 10 Other expenses		
Audit fees (refer note 11)	38	41
Internal audit	41	83
Allowances for doubtful debts (refer note 18)	(6)	92
Other	24	5
Total other expenses	97	221
	30 June 2015 \$' 000	30 June 2014 \$' 000
Note 11 Auditor's remuneration		
Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements	38	41
Total audit fees	38	41
Other services		
No other services were provided by the Auditor-General's Department.		
	30 June 2015 \$' 000	30 June 2014 \$' 000
Note 12 Revenues from fees and charges		
CUF priority access fee	2,683	2,638
Techport Australia other fees	1,261	1,233
Renewal SA income	54	16
Total fees and charges	3,998	3,887
	30 June 2015 \$' 000	30 June 2014 \$' 000
Note 13 Grants		
ASC AWD Shipbuilder Pty Ltd payment towards CUF infrastructure	-	63
Other	7	1
Total grants	7	64

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	30 June 2015 \$' 000	30 June 2014 \$' 000
Note 14 Techport Australia recoveries		
Other Techport Australia recoveries	163	222
Total Techport Australia recoveries	<u>163</u>	<u>222</u>

	30 June 2015 \$' 000	30 June 2014 \$' 000
Note 15 Other income		
Transfers received - Department for State Development	254	76
Other income	75	58
Total other income	<u>329</u>	<u>134</u>

	30 June 2015 \$' 000	30 June 2014 \$' 000
Note 16 Revenues from/payments to SA Government		
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	16,467	16,482
Transfers received - Department of Treasury and Finance	7	16
Total revenues from SA Government	<u>16,474</u>	<u>16,498</u>
Payments to SA Government		
Return of surplus cash pursuant to cash alignment policy	(2,174)	(13,687)
Total payments to SA Government	<u>(2,174)</u>	<u>(13,687)</u>

Appropriations from Consolidated Account were \$16.474 million (\$16.498 million) for operational funding and capital projects.

	30 June 2015 \$' 000	30 June 2014 \$' 000
Note 17 Cash		
Deposits with the Treasurer	905	4,275
Deposits with the Treasurer - Accrual Appropriation Excess Funds Account ⁽¹⁾	17,490	12,317
Total cash	<u>18,395</u>	<u>16,592</u>

⁽¹⁾ The balance of these funds is not available for general use and can only be used in accordance with the Treasurer's/Under Treasurer's approval.

Interest rate risk

Deposits with the Treasurer are non-interest bearing. The carrying amount of cash represents fair value.

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Note 18 Receivables	30 June 2015 \$' 000	30 June 2014 \$' 000
Current		
Receivables and accrued income	740	307
Less allowance for doubtful debts	(99)	(105)
Prepayments	81	54
GST input tax recoverable	277	175
Total current receivables	999	431

Movement in the allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired.

An allowance for impairment loss has been recognised in 'other expenses' in the Statement of Comprehensive Income for specific debtors for which such evidence exists.

Movements in the allowance for doubtful debts (impairment loss)

Carrying amount at the beginning of the period	105	13
Increase in allowance	-	100
Amounts written off	-	-
Amounts recovered during the year	(6)	(8)
Carrying amount at the end of the period	99	105

Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received.

Receivables are normally settled within 30 days. Receivables, prepayments and accrued revenues are non-interest bearing.

Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand.

There is no concentration of credit risk.

(a) **Maturity analysis of receivables** - refer to note 32

(b) **Categorisation of financial instruments and risk exposure information** - refer to note 32

(c) **Ageing analysis of financial assets** - refer to note 32

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Note 19 Property, plant and equipment	30 June 2015 \$' 000	30 June 2014 \$' 000
Land		
Land only holdings at fair value ⁽¹⁾	16,250	18,150
Land only holdings improvements at cost	2,736	3,029
Site land at fair value	2,500	600
Site land at cost	884	91
Total land	22,370	21,870
Buildings and improvements		
Buildings at fair value	3,425	3,425
Buildings at cost ⁽²⁾	2,949	2,949
Accumulated depreciation at the end of the period	(903)	(731)
Total buildings and improvements	5,471	5,643
Leasehold improvements		
Leasehold improvements at cost	884	884
Accumulated amortisation at the end of the period	(776)	(659)
Total leasehold improvements	108	225
Plant and equipment		
Plant and equipment at cost	1,014	1,009
Accumulated depreciation at the end of the period	(439)	(357)
Total plant and equipment	575	652
Total buildings and improvements, plant and equipment	6,154	6,520
Harbour and port facilities		
Habour and port facilities at cost ⁽²⁾	254,036	251,399
Accumulated depreciation at the end of the period	(37,874)	(30,906)
Total harbour and port facilities	216,162	220,493
Total property, plant and equipment	284,678	281,536
Total accumulated depreciation/amortisation at the end of the period	(39,992)	(32,653)
Total property, plant and equipment	244,686	248,883

Valuation of land and buildings

The valuation of land and buildings was performed by an independent Certified Practising Valuer from Savills Valuations Pty Ltd as at 29 February 2012. The valuer arrived at the fair value of unrestricted land using the market approach. The valuation was based on recent market transactions for similar assets in the area taking into account zoning, restricted use and development work completed as at the valuation date.

⁽¹⁾ The land valuation takes into account that this land is reserved for use for future naval shipbuilding purposes to support the State's defence industry. These landholdings have direct access to the Common User Facility as a result of infrastructure works which have been undertaken to ensure this land can be used as an integral part of future shipbuilding activity. Works have included the relocation of services and infrastructure works to facilitate access across Mersey Road to the Common User Facility.

⁽²⁾ All Techport Australia Common User Facility assets (including buildings) are considered a specialised asset, are recorded at written down current cost (a proxy for fair value) and have not been revalued.

Carrying amount of leasehold improvements, plant and equipment and harbour and port facilities

All leasehold improvements and items of plant and equipment have a fair value at the time of acquisition that was less than \$1 million or had an estimated life of less than three years, and have not been revalued in accordance with Accounting Policy Framework III. The carrying value of these assets are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustment to their value, except for management assumptions about asset condition and remaining useful life.

Harbour and port facilities includes \$1.394 million (\$nil) of fully depreciated assets still in use.

Impairment

There were no indications of impairment of property, plant and equipment as at 30 June 2015.

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Note 19 Property, plant and equipment (continued)

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT

The following table shows the movement of property, plant and equipment during 2013-14

	Land	Buildings	Leasehold improvements	Plant and equipment	Harbour and port facilities	Total assets
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Carrying amount at the beginning of the period	21,870	5,855	342	623	227,130	255,820
Acquisitions and transfers	-	-	-	117	944	1,061
Disposals	-	-	-	-	(30)	(30)
Depreciation and amortisation	-	(212)	(117)	(88)	(7,551)	(7,968)
Carrying amount at the end of the period	21,870	5,643	225	652	220,493	248,883

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT

The following table shows the movement of property, plant and equipment during 2014-15

	Land	Buildings	Leasehold improvements	Plant and equipment	Harbour and port facilities	Total assets
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Carrying amount at the beginning of the period	21,870	5,643	225	652	220,493	248,883
Acquisitions and transfers	500	-	-	17	2,703	3,220
Disposals	-	-	-	-	(43)	(43)
Depreciation and amortisation	-	(172)	(117)	(94)	(6,991)	(7,374)
Carrying amount at the end of the period	22,370	5,471	108	575	216,162	244,686

Note 20 Fair value measurement**Fair value hierarchy**

The fair value hierarchy of non-financial assets must be estimated for recognition, measurement and for disclosure purposes. Defence SA categorises non-financial assets measured at fair value into the hierarchy based on the level of inputs used in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2015.

Defence SA had no valuations categorised into level 1.

Fair value measurements at 30 June 2014 (refer note 21 and 19)

	Level 2	Level 3	Total
	\$' 000	\$' 000	\$' 000
Recurring fair value measurements			
Land	18,750	3,120	21,870
Buildings	2,982	2,661	5,643
Leasehold improvements	-	225	225
Plant and equipment	-	652	652
Harbour and port facilities	-	220,493	220,493
Total recurring fair value measurements	21,732	227,151	248,883

Fair value measurements at 30 June 2015**Recurring fair value measurements**

Land	18,750	3,620	22,370
Buildings	2,982	2,489	5,471
Leasehold improvements	-	108	108
Plant and equipment	-	575	575
Harbour and port facilities	-	216,162	216,162
Total recurring fair value measurements	21,732	222,954	244,686

There were no transfers of assets between level 2 and 3 fair value hierarchy levels in 2013-14 or 2014-15. Defence SA's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques and inputs

Valuation techniques and inputs used to derive level 2 and 3 fair values are described in note 19. Unobservable inputs used in determining fair value are useful lives and associated depreciation as described above. There were no changes in valuation techniques during 2014-15.

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Note 20 Fair value measurement (continued)

Reconciliation of level 3 fair value measurements as at 30 June 2014

	Land	Buildings	Leasehold improve- ments	Plant and equipment	Harbour and port facilities
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Carrying amount at the beginning of the period	3,120	2,745	342	623	227,130
Acquisitions and transfers	-	-	-	117	944
Disposals	-	-	-	-	(30)
Depreciation/amortisation	-	(84)	(117)	(88)	(7,551)
Carrying amount at the end of the period	3,120	2,661	225	652	220,493

Reconciliation of level 3 fair value measurements as at 30 June 2015

	Land	Buildings	Leasehold improve- ments	Plant and equipment	Harbour and port facilities
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Carrying amount at the beginning of the period	3,120	2,661	225	652	220,493
Acquisitions and transfers	500	-	-	17	2,703
Disposals	-	-	-	-	(43)
Depreciation/amortisation	-	(172)	(117)	(94)	(6,991)
Carrying amount at the end of the period	3,620	2,489	108	575	216,162

DEFENCE SA

Note 21 Capital works in progress	30 June 2015 \$' 000	30 June 2014 \$' 000
The balance of capital works in progress as at the end of the reporting period.	2,730	3,300

Capital works in progress includes planning, design and development work associated with CUF assets not yet completed.

RECONCILIATION OF CAPITAL WORKS IN PROGRESS

The following table shows the movement of capital works in progress during 2013-14

	Improvements to freehold land \$' 000	Harbour and port facilities \$' 000	Plant and equipment \$' 000	Total capital works in progress \$' 000
Carrying amount at the beginning of the period	-	822	-	822
Acquisitions	-	3,512	-	3,512
Reclassified as property, plant and equipment	-	(1,034)	-	(1,034)
Carrying amount at the end of the period	-	3,300	-	3,300

RECONCILIATION OF CAPITAL WORKS IN PROGRESS

The following table shows the movement of capital works in progress during 2014-15

	Improvements to freehold land \$' 000	Harbour and port facilities \$' 000	Plant and equipment \$' 000	Total capital works in progress \$' 000
Carrying amount at the beginning of the period	-	3,300	-	3,300
Acquisitions	65	2,568	17	2,650
Reclassified as property, plant and equipment	(65)	(3,138)	(17)	(3,220)
Carrying amount at the end of the period	-	2,730	-	2,730

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Note 22	Payables	30 June 2015 \$' 000	30 June 2014 \$' 000
	Current		
	Creditors and accrued expenses	1,210	971
	Employment on-costs	92	58
	GST payable	57	47
	Total current payables	1,359	1,076
	Non-current		
	Employment on-costs	20	30
	Total non-current payables	20	30
	Total payables	1,379	1,106

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has decreased from the 2014 rate of 40% to a rate of 37% and the average factor for the calculation of employer superannuation cost on-cost has remained at the 2014 rate of 10.3%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is a decrease in the employment on-cost of \$3 000 and employees benefits expense of \$3 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions. A key assumption is the proportion of Long Service Leave taken as leave instead of a lump sum, a result determined by the actuary based on current period data.

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefits that they relate to are discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

(a) Categorisation of financial instruments and risk exposure information - refer to note 32

DEFENCE SA

Note 23 Employee benefits	30 June 2015 \$' 000	30 June 2014 \$' 000
Current		
Accrued salaries and wages	39	14
Annual leave	209	191
Long service leave	271	134
Skills and experience retention leave	4	6
Total current employee benefits	523	345
Non-current		
Long service leave	359	486
Total non-current employee benefits	359	486
Total employee benefits	882	831

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave. AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service liability. The yield on long term Commonwealth Government bonds has decreased from 2014 (3.5%) to 2015 (3.00%).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

The net financial effect of the changes in the current financial year is an increase in the long service leave liability of \$22 000 and employee benefits expense (including on-costs) of \$24 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions. A key assumption is the long term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and revised the salary inflation rate down by 1% from 2014 (4%) to 2015 (3%) for annual leave and skills, experience and retention leave liability.

The net financial effect of the changes in the current financial year is a decrease in the annual leave and skills, experience and retention leave liability of \$2 000 and employee benefit expense by \$2 000.

Note 24 Provisions	30 June 2015 \$' 000	30 June 2014 \$' 000
Current		
Provision for workers compensation	6	-
Total current provisions	6	-
Non-current		
Provision for workers compensation	14	-
Total non-current provisions	14	-
Total provisions	20	-
Movements in provisions		
Carrying amount at the beginning of the period	-	-
Additional provisions recognised	20	-
Carrying amount at the end of the period	20	-

A liability has been reported to reflect potential workers compensation claims.

The workers compensation provision is based on an actuarial assessment performed by the Office for the Public Sector.

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Note 25 Other liabilities	30 June 2015 \$' 000	30 June 2014 \$' 000
Current		
Lease incentive	20	21
Total current other liabilities	<u>20</u>	<u>21</u>
Non-current		
Lease incentive	-	20
Total non-current other liabilities	<u>-</u>	<u>20</u>
Total other liabilities	<u>20</u>	<u>41</u>

Lease liabilities are due to SA Government entities and are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Note 26 Unrecognised contractual commitments	30 June 2015 \$' 000	30 June 2014 \$' 000
Capital commitments		
Capital expenditure contracted for as at the reporting date but not recognised as liabilities in the financial statements are payable as follows:		
Within 1 year	108	1,148
Total capital commitments	<u>108</u>	<u>1,148</u>

Defence SA's capital commitments are to various contractors providing design and construction services for the Techport Australia Common User Facility.

Expenditure commitments - other

Operating expenditure commitments as at the reporting date but not recognised as liabilities in the financial statements are payable as follows:

Within 1 year	2,934	2,656
Later than 1 year but not longer than 5 years	3,151	5,072
Later than 5 years	60	865
Total other commitments	<u>6,145</u>	<u>8,593</u>

Defence SA's operating commitments reflect grant and fee for service contracts for defence industry development and specialist technical and engineering advice.

Expenditure commitments - remuneration

Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:

Within 1 year	1,461	1,716
Later than 1 year but not longer than 5 years	1,346	2,086
Total remuneration commitments	<u>2,807</u>	<u>3,802</u>

Amounts disclosed include commitments arising from executive and other service contracts. Defence SA does not offer fixed-term employment contracts greater than five years.

DEFENCE SA

Note 27	Contingent assets and contingent liabilities	30 June 2015 \$' 000	30 June 2014 \$' 000
	Contingent liabilities to which a value can be assigned		
	Contingent liabilities to which a value can be assigned	6,000	6,559
	Total	6,000	6,559

Techport Australia Commercial Campus (Stage One)

Defence SA facilitated the private sector delivery of the Techport Australia Commercial Campus pursuant to its commitments to the AWD project and development of Techport Australia as Australia's premier naval industry hub. Stage One development includes the AWD Alliance's AWD Systems Centre, Raytheon Australia's SA Engineering Centre and supporting commercial and retail accommodation.

Related contractual commitments require Defence SA to accept novation of the residual lease period should ASC AWD Shipbuilder Pty Ltd elect to vacate the premises between December 2019 and expiration of its initial 10-year lease term in May 2020, which is considered unlikely.

Air Warfare Destroyer Project - Workforce Assistance

The State's contractual commitments with the Commonwealth in support of the AWD project includes reimbursement of a portion of the Shipbuilder's payroll tax liability under certain terms and conditions.

Contingent liabilities to which no value can be assigned

Air Warfare Destroyer Project - Common User Facility

The State has entered into an agreement with the Commonwealth for the construction of a Common User Facility (CUF) at Osborne to support ASC AWD Shipbuilder Pty Ltd in the construction of three air warfare destroyers for the Royal Australian Navy. The agreement indemnifies the Commonwealth from any third party losses or damages arising from a failure by the State to complete the CUF in accordance with the agreed design and schedule or meet the agreed performance criteria. The State has now completed the CUF construction in accordance with the agreed design and schedule thereby eliminating this risk. The State continues to be liable if there are defects in the CUF or it fails to meet agreed performance criteria. The likelihood of non-performance is considered remote, and the State's exposure is capped at \$320 million.

DEFENCE SA

Note 28 Remuneration of Advisory Board and committee members and related party disclosure

Members of the Defence SA Advisory Board during the financial year were:

ACM Sir A Houston AK AFC (Chair)
Hon J Weatherill MP *
Hon M Hamilton-Smith MP *
Dr N Bryans
Dr I Chessell (resigned 31 August 2014)
VADM R Crane AO CSM RANR
A Fletcher ** (resigned 24 August 2014)
M Jackman ** (appointed 24 August 2014)
P Johnson MBE
B Laughton
LTGEN P Leahy AC
RADM T Ruting AM CSC RANR
Dr J White (leave of absence from 1 April 2015)

Members of the Audit and Risk Management Committee during the financial year were:

C McSporran (independent member/chair) **
R Barnett **
A Blaskett (independent member) **
B Laughton (independent member)
P Robertson (independent member)

The number of members whose remuneration received or receivable falls within the following bands is:

	30 June 2015 No.	30 June 2014 No.
\$0 to \$9 999	2	1
\$20 000 to \$29 999	1	-
\$30 000 to \$39 999	5	7
\$40 000 to \$49 999	1	1
\$50 000 to \$59 999	-	1
\$70 000 to \$79 999	1	-
Total number of members	10	10

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. Total remuneration received or receivable, by board and committee members was \$329 000 (\$351 000), plus Defence SA compulsory superannuation contributions of \$31 000 (\$33 000). Other Advisory Board expenses were \$170 000 (\$174 000).

* The Hon J Weatherill MP and the Hon M Hamilton-Smith MP did not receive any remuneration for board duties during the period.

** Pursuant to the Department of Premier and Cabinet Circular PC016, government employees did not receive any remuneration for board/committee duties during the financial year.

Unless otherwise disclosed, transactions between related parties are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

P Johnson MBE is a board member of Maritime Australia Ltd. Defence SA will participate in the Pacific International Maritime Exposition in October 2015, which is an event managed by Maritime Australia Ltd.

Dr J White is Chairman of TKMS Australia one of the companies involved in Australia's Future Submarine Competitive Evaluation Process and has taken an extended leave of absence from the Defence SA Advisory Board to avoid any conflict of interest.

LTGEN P Leahy AC is a board member of Electro Optic Systems which has an involvement with the Land 400 project (armoured vehicles).

Dr Neil Bryans has undertaken contract work on behalf of Defence SA for science and technology projects. Payments for this work are additional to the Board remuneration he received.

DEFENCE SA

Note 29	Cash flow reconciliation	Note	30 June 2015 \$' 000	30 June 2014 \$' 000
	Reconciliation of cash at end of reporting period:			
	Cash disclosed in the Statement of Financial Position		18,395	16,592
	Balance as per the Statement of Cash Flows		18,395	16,592
	Reconciliation of net cash (used in)/provided by operating activities to net cost of providing of services:			
	Net cash (used in)/provided by operating activities		4,321	(5,848)
	Revenues from SA Government	16	(16,474)	(16,498)
	Payments to SA Government	16	2,174	13,687
	Add/(less) non-cash items			
	Depreciation and amortisation expense of non-current assets	7	(7,374)	(7,968)
	Net gain/(loss) from the disposal of non-current assets	8	(43)	(30)
	Non-current assets accrual in payables		132	(89)
	Movement in assets/liabilities			
	Increase/(decrease) in receivables	18	568	(133)
	(Increase)/decrease in payables	22	(273)	473
	(Increase)/decrease in employee benefits	23	(51)	(116)
	(Increase)/decrease in provisions	24	(20)	-
	(Increase)/decrease in other liabilities	25	21	21
	Net cost of providing services		<u>(17,019)</u>	<u>(16,501)</u>

DEFENCE SA

Note 30 Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Note		SA Government		Non-SA Government		Total	
		2015 \$' 000	2014 \$' 000	2015 \$' 000	2014 \$' 000	2015 \$' 000	2014 \$' 000
	Expenses						
5	Employee benefits expenses	230	219	4,778	4,657	5,008	4,876
6	Supplies and services:						
	Accommodation and service costs	336	325	-	-	336	325
	Consultants	-	-	131	399	131	399
	Contractors	-	-	1,159	791	1,159	791
	Electricity	-	-	1,386	1,044	1,386	1,044
	Gas and gas equipment	-	-	185	154	185	154
	Insurance	103	101	-	-	103	101
	Legal fees	200	210	1	4	201	214
	Minor plant and equipment	-	-	199	262	199	262
	Promotion and events	-	-	1,179	795	1,179	795
	Property	34	35	289	324	323	359
	Provision of corporate services under Service Level Agreements	295	309	-	-	295	309
	Security services	2	3	700	720	702	723
	Staff safety, development and recruitment	-	-	159	145	159	145
	Travel and related expenses	-	25	408	369	408	394
	Other expenses	128	85	547	478	675	563
7	Depreciation and amortisation	-	-	7,374	7,968	7,374	7,968
8	Net loss from disposal of non-current assets	-	-	43	30	43	30
9	Grants and subsidies	-	-	1,553	1,135	1,553	1,135
10	Other expenses:						
	Audit fees	38	41	41	83	79	124
	Allowances for doubtful debts	-	-	(6)	92	(6)	92
	Other expenses	18	5	6	-	24	5
	Total expenses	1,384	1,358	20,132	19,450	21,516	20,808

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Note 30 Transactions with SA Government (continued)

Note		SA Government		Non-SA Government		Total	
		2015 \$' 000	2014 \$' 000	2015 \$' 000	2014 \$' 000	2015 \$' 000	2014 \$' 000
	Income						
12	Revenues from fees and charges:						
	CUF priority access fee	-	-	2,683	2,638	2,683	2,638
	Techport Australia other fees	-	-	1,261	1,233	1,261	1,233
	Renewal SA income	54	16	-	-	54	16
13	Grants	4	-	3	64	7	64
14	Techport Australia recoveries	-	-	163	222	163	222
15	Other income:						
	Transfers received - Department for State Development	254	76	-	-	254	76
	Other income	-	-	75	58	75	58
	Total income	312	92	4,185	4,215	4,497	4,307
	Net cost of providing services	(1,072)	(1,266)	(15,947)	(15,235)	(17,019)	(16,501)
16	Revenues from SA Government	16,474	16,498	-	-	16,474	16,498
16	Payments to SA Government	(2,174)	(13,687)	-	-	(2,174)	(13,687)
	Net result	13,228	1,545	(15,947)	(15,235)	(2,719)	(13,690)
	Total comprehensive result	13,228	1,545	(15,947)	(15,235)	(2,719)	(13,690)

DEFENCE SA

Note 30 Transactions with SA Government (continued)

Note		SA Government		Non-SA Government		Total	
		2015	2014	2015	2014	2015	2014
		\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
18	Financial assets						
	Receivables:						
	Receivables and accrued income	85	4	655	303	740	307
	Less allowance for doubtful debts	-	-	(99)	(105)	(99)	(105)
	Prepayments	-	-	81	54	81	54
	GST input tax recoverable	-	-	277	175	277	175
	Total financial assets	85	4	914	427	999	431
22	Financial liabilities						
	Payables:						
	Creditors and accrued expenses	125	159	1,085	812	1,210	971
	Employment on-costs	44	24	68	64	112	88
	GST payable	-	-	57	47	57	47
	Total financial liabilities	169	183	1,210	923	1,379	1,106

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Note 31 Budgetary reporting and explanations of major variances between budget and actual amounts

The following are brief explanations of variances between original budget⁽¹⁾ and actual amounts.

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

Statement of Comprehensive Income	Original budget ⁽¹⁾ 2015 \$' 000	Actual 2015 \$' 000	Variance ⁽²⁾ \$' 000
Expenses			
Employee benefits expenses	4,998	5,008	(10)
Supplies and services	7,496	7,441	55
Depreciation and amortisation	7,706	7,374	332
Net loss from disposal of non-current assets	-	43	(43)
Grants and subsidies	1,232	1,553	(321)
Other expenses	166	97	69
Total expenses	21,598	21,516	82
Income			
Revenues from fees and charges	3,563	3,998	435
Grants	-	7	7
Techport Australia recoveries	124	163	39
Other income	313	329	16
Total income	4,000	4,497	497
Net cost of providing services	(17,598)	(17,019)	579
Revenues from/payments to SA Government			
Revenues from SA Government	16,467	16,474	7
Payments to SA Government*	-	(2,174)	(2,174)
Net result	(1,131)	(2,719)	(1,588)
Total comprehensive result	(1,131)	(2,719)	(1,588)

* Surplus cash held in the operating account of Defence SA was transferred to the Department of Treasury and Finance.

Investing expenditure summary	Original budget ⁽¹⁾ \$' 000	Actual 2015 \$' 000	Variance \$' 000
Existing projects	2,330	2,303	27
Annual programs	221	347	(126)
Total investing expenditure	2,551	2,650	(99)

⁽¹⁾ The budget process is not subject to audit. Budget information refers to amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

⁽²⁾ The use of brackets identifies an adverse variance

DEFENCE SA

Note 32 Financial risk management/Financial instruments

Financial risk management

Risk management is undertaken by Defence SA's corporate services section and Defence SA's risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

Defence SA is exposed to financial risk - liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reported period.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 2 *Summary of Significant Accounting Policies*.

Defence SA does not recognise any financial assets or financial liabilities at fair value but does disclose fair value in the notes. All the resulting fair value estimates are included in level 2 as all significant inputs required are observable.

The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these financial instruments (refer note 2, 18, 22).

Category of financial assets and financial liabilities	Statement of Financial Position	Note	Carrying Amount	Carrying Amount
			30 June 2015 \$' 000	30 June 2014 \$' 000
Financial assets				
Cash	Cash	17, 29	18,395	16,592
Receivables	Receivables ^{(1) (2)}	18	641	202
Financial liabilities				
Financial liabilities	Payables ⁽¹⁾	22	1,072	846

⁽¹⁾ Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc they would be excluded from the disclosure. The standard defines contracts as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

⁽²⁾ Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 18 in accordance with paragraph 78(b) of AASB 101. Prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

Note 32 Financial risk management/financial instruments (continued)**Liquidity risk**

Defence SA is funded principally from appropriations by the SA Government. Defence SA works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows. The continued existence of Defence SA is dependent on State Government policy and on continuing appropriations by Parliament for the administration and activities of Defence SA. Defence SA settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made within 30 days of resolution.

The exposure of Defence SA to liquidity risk is insignificant based on past experience and current assessment of risk.

Credit risk

Credit risk arises when there is the possibility of Defence SA's debtors defaulting on their contractual obligations resulting in financial loss to Defence SA. Defence SA measures credit risk on a fair value basis and monitors risk on a regular basis.

Defence SA has minimal concentration of credit risk. Defence SA has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. Defence SA does not engage in hedging for its financial assets. No collateral is held as security and no credit enhancements relate to financial assets held by Defence SA.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer to note 18 for information on the allowance for the impairment in relation to receivables.

The carrying amount of financial assets as detailed in the above table represents Defence SA's maximum exposure to credit risk.

DEFENCE SA

Note 32 Financial risk management/financial instruments (continued)

Ageing analysis of financial assets past due including impaired assets

The following table discloses the ageing of financial assets that are past due but not impaired and impaired assets.

Ageing analysis of financial assets

	Past due by			
	< 30 days	30 - 60 days	> 60 days	Total
	\$' 000	\$' 000	\$' 000	\$' 000
2014				
Not impaired				
Receivables*	-	-	-	-
Impaired				
Receivables*	-	-	95	95
2015				
Not impaired				
Receivables*	7	-	-	7
Impaired				
Receivables*	-	-	95	95

*Amount of receivables disclosed here excludes statutory receivables (GST). They are carried at cost.

Maturity analysis of financial assets and liabilities

All Defence SA financial assets and liabilities mature within 1 year.

Market Risk

Defence SA has no material interest bearing assets or liabilities. There is no exposure to foreign currency or other price risks as all significant contracts are in Australian dollars.

Sensitivity analysis disclosure

A sensitivity analysis has not been undertaken for interest rate risk given the immaterial exposure.

Note 33 Events after the reporting period

There are no reportable events after the reporting period.

Certification of the Financial Statements

We certify that the:

- financial statements of Defence SA
 - are in accordance with the accounts and records of Defence SA; and
 - comply with relevant Treasurer's Instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of Defence SA at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by Defence SA over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Andrew Keough
Chief Executive

14 September 2015



Robert Barnett
General Manager, Corporate Services

14 September 2015



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**To the Chief Executive
Defence SA**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of Defence SA for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2015
- Disaggregated Disclosures - Assets and Liabilities as at 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chief Executive and the General Manager, Corporate Services.

The Chief Executive's Responsibility for the Financial Report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

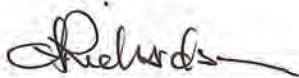
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of Defence SA as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson
Auditor-General
18 September 2015

Department for Education
and Child Development

Financial report
for the year ended
30 June 2015

Department for Education and Child Development
Statement of Comprehensive Income
for the year ended 30 June 2015

	Note	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Expenses					
Employee benefits expenses	5	2 226 872	2 188 698	2 196 364	2 157 392
Supplies and services	6	652 337	667 341	365 703	371 403
Grants and subsidies	7	204 701	188 810	345 510	363 454
Depreciation and amortisation expense	8	108 865	105 247	103 311	100 547
Borrowing costs	9	22 388	22 663	22 332	22 391
Other expenses	10	22 086	18 911	19 978	16 894
Total expenses		3 237 249	3 191 670	3 053 198	3 032 081
Income					
Commonwealth revenues	11	454 567	119 961	454 567	119 961
Student and other fees and charges	12	143 752	143 818	18 018	20 656
Other grants and contributions	13	22 249	25 167	14 444	14 209
Interest revenues	14	11 955	10 188	7 897	8 250
Net gain from disposal of non-current assets	15	8 004	4 675	8 132	4 691
Other revenues	16	54 394	63 113	29 458	37 452
Total income		694 921	366 922	532 516	205 219
Net cost of providing services		2 542 328	2 824 748	2 520 682	2 826 862
Revenues from / (Payments) to SA Government					
Revenues from SA Government	17	2 610 414	2 841 153	2 610 414	2 841 153
Payments to SA Government	17	(17 172)	(45 573)	(17 172)	(45 573)
Net result		50 914	(29 168)	72 560	(31 282)
Other comprehensive income					
<i>Items that will not be reclassified to net result</i>					
Changes in revaluation surplus	23	35 172	(43 158)	35 172	(43 158)
Total comprehensive result		86 086	(72 326)	107 732	(74 440)

The net result and comprehensive result are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes.

Department for Education and Child Development
Statement of Financial Position
as at 30 June 2015

	Note	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Current assets					
Cash and cash equivalents	18	862 740	715 582	499 805	333 178
Receivables	19	44 534	38 012	36 993	37 217
Inventories	20	5 746	5 389	171	139
Other financial assets	21	2 050	1 976	-	-
		915 070	760 959	536 969	370 534
Non-current assets classified as held for sale	22	7 296	7 217	7 296	7 217
Total current assets		922 366	768 176	544 265	377 751
Non-current assets					
Receivables	19	865	856	5 998	6 661
Other financial assets	21	80	120	-	-
Property, plant and equipment	23	4 014 233	4 026 157	3 985 937	3 998 939
Intangible assets	24	22 594	24 225	22 594	24 225
Total non-current assets		4 037 772	4 051 358	4 014 529	4 029 825
Total assets		4 960 138	4 819 534	4 558 794	4 407 576
Current liabilities					
Payables	26	124 724	106 467	129 928	117 961
Borrowings	27	1 464	1 341	1 453	1 301
Employee benefits	28	273 192	238 886	271 539	237 378
Provisions	29	26 389	25 387	26 740	25 467
Other liabilities	30	28 443	21 113	12 750	10 117
Total current liabilities		454 212	393 194	442 410	392 224
Non-current liabilities					
Payables	26	59 431	57 492	59 431	57 492
Borrowings	27	171 316	172 773	171 235	172 688
Employee benefits	28	454 348	444 172	451 269	441 317
Provisions	29	79 493	96 285	79 493	96 285
Other liabilities	30	22 476	22 842	21 870	22 216
Total non-current liabilities		787 064	793 564	783 298	789 998
Total liabilities		1 241 276	1 186 758	1 225 708	1 182 222
Net assets		3 718 862	3 632 776	3 333 086	3 225 354
Equity					
Retained earnings	31	2 267 713	2 194 977	1 882 124	1 787 742
Revaluation surplus	31	1 451 149	1 437 799	1 450 962	1 437 612
Total equity		3 718 862	3 632 776	3 333 086	3 225 354

Total equity is attributable to the SA Government as owner

Unrecognised contractual commitments 32

Contingent assets and liabilities 33

The above statement should be read in conjunction with the accompanying notes.

Department for Education and Child Development
Statement of Changes in Equity
for the year ended 30 June 2015

Consolidated				
	Note	Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2013		1 506 489	2 198 613	3 705 102
Net result for 2013-14		-	(29 168)	(29 168)
Changes on revaluation of property during 2013-14	10, 23	(43 158)	-	(43 158)
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		(25 532)	25 532	-
Total comprehensive result for 2013-14		(68 690)	(3 636)	(72 326)
Balance at 30 June 2014	31	1 437 799	2 194 977	3 632 776
Net result for 2014-15		-	50 914	50 914
Changes on revaluation of property during 2014-15	23	35 172	-	35 172
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		(21 822)	21 822	-
Total comprehensive result for 2014-15		13 350	72 736	86 086
Balance at 30 June 2015	31	1 451 149	2 267 713	3 718 862

DECD				
	Note	Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2013		1 506 302	1 793 492	3 299 794
Net result for 2013-14		-	(31 282)	(31 282)
Changes on revaluation of property during 2013-14	10, 23	(43 158)	-	(43 158)
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		(25 532)	25 532	-
Total comprehensive result for 2013-14		(68 690)	(5 750)	(74 440)
Balance at 30 June 2014	31	1 437 612	1 787 742	3 225 354
Net result for 2014-15		-	72 560	72 560
Changes on revaluation of property during 2014-15	23	35 172	-	35 172
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		(21 822)	21 822	-
Total comprehensive result for 2014-15		13 350	94 382	107 732
Balance at 30 June 2015	31	1 450 962	1 882 124	3 333 086

All changes in equity are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes

Department for Education and Child Development
Statement of Cash Flows
for the year ended 30 June 2015

		2015	2014	2015	2014
		Consolidated	Consolidated	DECD	DECD
		\$'000	\$'000	\$'000	\$'000
	Note	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Cash outflows					
Employee benefit payments		(2 183 978)	(2 135 018)	(2 163 387)	(2 081 825)
Payments for supplies and services		(691 881)	(768 878)	(385 710)	(487 052)
Payments of grants and subsidies		(222 947)	(211 731)	(351 978)	(356 250)
Interest paid		(20 959)	(21 229)	(20 903)	(20 957)
Other payments		(4 305)	(3 777)	(4 281)	(3 710)
Cash used in operations		(3 124 070)	(3 140 633)	(2 926 259)	(2 949 794)
Cash inflows					
Receipts from Commonwealth		454 567	119 966	454 567	119 909
Student and other fees and charges		138 543	142 245	16 530	19 693
Other grants and contributions received		22 249	25 231	14 444	14 409
Interest received		11 987	17 648	7 929	8 218
GST recovered from the ATO		78 672	86 747	51 661	59 272
Other receipts		49 483	59 757	24 547	31 735
Cash generated from operations		755 501	451 594	569 678	253 236
Cash flows from SA Government					
Receipts from SA Government		2 610 414	2 841 153	2 610 414	2 841 153
Payments to SA Government		(17 172)	(45 573)	(17 172)	(45 573)
Cash generated from SA Government		2 593 242	2 795 580	2 593 242	2 795 580
Net cash provided by operating activities	35	224 673	106 541	236 661	99 022
Cash flows from investing activities					
Cash outflows					
Purchase of property, plant and equipment		(90 969)	(147 460)	(77 042)	(142 483)
Purchase of investments		(34)	(238)	-	-
Cash used in investing activities		(91 003)	(147 698)	(77 042)	(142 483)
Cash inflows					
Proceeds from the sale of property, plant and equipment		15 299	11 064	8 132	10 824
Receipt of loan repayments		1	4	655	786
Cash generated from investing activities		15 300	11 068	8 787	11 610
Net cash used in investing activities		(75 703)	(136 630)	(68 255)	(130 873)
Cash flows from financing activities					
Cash outflows					
Repayment of finance leases		(1 299)	(1 163)	(1 301)	(1 163)
Repayment of borrowings		(513)	(536)	(478)	(474)
Cash used in financing activities		(1 812)	(1 699)	(1 779)	(1 637)
Net cash used in financing activities		(1 812)	(1 699)	(1 779)	(1 637)
Net increase / (decrease) in cash and cash equivalents		147 158	(31 788)	166 627	(33 488)
Cash and cash equivalents at the beginning of the period		715 582	747 370	333 178	366 666
Cash and cash equivalents at the end of the period	18	862 740	715 582	499 805	333 178

The above statement should be read in conjunction with the accompanying notes

Department for Education and Child Development
Disaggregated Disclosures – Expenses and Income
for the year ended 30 June 2015
CONSOLIDATED

(Activities - refer note 4)	Early Childhood Development		School Education		Care and Protection		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Expenses								
Employee benefits expenses	166 950	161 566	1 907 179	1 879 531	152 743	147 601	2 226 872	2 188 698
Supplies and services	28 039	27 958	586 672	602 000	37 626	37 383	652 337	667 341
Grants and subsidies	30 720	32 700	12 786	13 788	161 195	142 322	204 701	188 810
Depreciation and amortisation expense	3 865	3 377	102 903	99 525	2 097	2 345	108 865	105 247
Borrowing costs	1 787	1 791	20 601	20 872	-	-	22 388	22 663
Other expenses	2 255	1 578	19 883	17 210	(52)	123	22 086	18 911
Total expenses	233 616	228 970	2 650 024	2 632 926	353 609	329 774	3 237 249	3 191 670
Income								
Commonwealth revenues	57 524	62 562	396 555	56 710	488	689	454 567	119 961
Student and other fees and charges	2 671	2 772	140 884	140 988	197	58	143 752	143 818
Other grants and contributions	1 363	1 220	19 217	22 355	1 669	1 592	22 249	25 167
Interest revenues	641	467	11 306	9 711	8	10	11 955	10 188
Net gain from disposal of non-current assets	225	502	7 779	4 173	-	-	8 004	4 675
Other revenues	694	3 836	47 603	57 526	6 097	1 751	54 394	63 113
Total income	63 118	71 359	623 344	291 463	8 459	4 100	694 921	366 922
Net cost of providing services	170 498	157 611	2 026 680	2 341 463	345 150	325 674	2 542 328	2 824 748
Revenues from (Payments to) SA Government								
Revenues from SA Government	177 734	158 247	2 089 356	2 353 090	343 324	329 816	2 610 414	2 841 153
Payments to SA Government	(1 344)	(2 871)	(15 804)	(42 692)	(24)	(10)	(17 172)	(45 573)
Net result	5 892	(2 235)	46 872	(31 065)	(1 850)	4 132	50 914	(29 168)

Department for Education and Child Development
Disaggregated Disclosures – Expenses and Income
for the year ended 30 June 2015

DECD

(Activities - refer note 4)	Early Childhood Development		School Education		Care and Protection		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Expenses								
Employee benefits expenses	166 950	161 566	1 876 671	1 848 225	152 743	147 601	2 196 364	2 157 392
Supplies and services	19 750	18 035	308 327	315 985	37 626	37 383	365 703	371 403
Grants and subsidies	39 066	42 623	145 246	178 509	161 198	142 322	345 510	363 454
Depreciation and amortisation expense	3 865	3 377	97 349	94 825	2 097	2 345	103 311	100 547
Borrowing costs	1 787	1 791	20 545	20 600	-	-	22 332	22 391
Other expenses	2 255	1 578	17 775	15 193	(52)	123	19 978	16 894
Total expenses	233 673	228 970	2 465 913	2 473 337	353 612	329 774	3 053 198	3 032 081
Income								
Commonwealth revenues	57 524	62 562	396 555	56 710	488	689	454 567	119 961
Student and other fees and charges	2 671	2 772	15 150	17 826	197	58	18 018	20 656
Other grants and contributions	1 363	1 220	11 412	11 397	1 669	1 592	14 444	14 209
Interest revenues	641	467	7 248	7 773	8	10	7 897	8 250
Net gain from disposal of non-current assets	225	502	7 907	4 189	-	-	8 132	4 691
Other revenues	694	3 840	22 667	31 861	6 097	1 751	29 458	37 452
Total income	63 118	71 363	460 939	129 756	8 459	4 100	532 516	205 219
Net cost of providing services	170 555	157 607	2 004 974	2 343 581	345 153	325 674	2 520 682	2 826 862
Revenues from (Payments to) SA Government								
Revenues from SA Government	177 734	158 247	2 089 356	2 353 090	343 324	329 816	2 610 414	2 841 153
Payments to SA Government	(1 344)	(2 871)	(15 804)	(42 692)	(24)	(10)	(17 172)	(45 573)
Net result	5 835	(2 231)	68 578	(33 183)	(1 853)	4 132	72 560	(31 282)

Department for Education and Child Development
Disaggregated Disclosures – Assets and Liabilities
as at 30 June 2015
CONSOLIDATED

(Activities - refer note 4)	Early Childhood Development		School Education		Care and Protection		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Assets								
Cash and cash equivalents	42 588	35 603	793 145	655 288	27 007	24 691	862 740	715 582
Receivables	1 924	2 597	35 660	32 293	7 815	3 978	45 399	38 868
Inventories	15	7	5 731	5 382	-	-	5 746	5 389
Other financial assets	-	-	2 130	2 096	-	-	2 130	2 096
Non-current assets classified as held for sale	-	351	7 296	6 866	-	-	7 296	7 217
Property, plant and equipment	165 930	152 277	3 807 998	3 832 569	40 305	41 311	4 014 233	4 026 157
Intangible assets	1 548	1 601	17 795	18 412	3 251	4 212	22 594	24 225
Total assets	212 005	192 436	4 669 755	4 552 906	78 378	74 192	4 960 138	4 819 534
Liabilities								
Payables	12 755	11 149	149 128	135 783	22 272	17 027	184 155	163 959
Borrowings	13 792	13 896	158 703	159 933	285	285	172 780	174 114
Employee benefits	53 811	49 863	634 239	598 602	39 490	34 593	727 540	683 058
Provisions	7 171	8 119	83 450	98 176	15 261	15 377	105 882	121 672
Other liabilities	1 808	1 826	48 942	42 005	169	124	50 919	43 955
Total liabilities	89 337	84 853	1 074 462	1 034 499	77 477	67 406	1 241 276	1 186 758

Department for Education and Child Development
Disaggregated Disclosures – Assets and Liabilities
for the year ended 30 June 2015
DECD

(Activities - refer note 4)	Early Childhood Development		School Education		Care and Protection		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Assets								
Cash and cash equivalents	42 588	35 603	430 210	272 884	27 007	24 691	499 805	333 178
Receivables	1 924	2 597	33 252	37 303	7 815	3 978	42 991	43 878
Inventories	15	7	156	132	-	-	171	139
Non-current assets classified as held for sale	-	351	7 296	6 866	-	-	7 296	7 217
Property, plant and equipment	165 930	152 277	3 779 702	3 805 351	40 305	41 311	3 985 937	3 998 939
Intangible assets	1 548	1 601	17 795	18 412	3 251	4 212	22 594	24 225
Total assets	212 005	192 436	4 268 411	4 140 948	78 378	74 192	4 558 794	4 407 576
Liabilities								
Payables	12 755	11 149	154 333	147 214	22 271	17 090	189 359	175 453
Borrowings	13 792	13 896	158 611	159 808	285	285	172 688	173 989
Employee benefits	53 811	49 863	629 507	594 239	39 490	34 593	722 808	678 695
Provisions	7 171	8 119	83 801	98 256	15 261	15 377	106 233	121 752
Other liabilities	1 808	1 826	32 643	30 383	169	124	34 620	32 333
Total liabilities	89 337	84 853	1 058 895	1 029 900	77 476	67 469	1 225 708	1 182 222

The above statement should be read in conjunction with the accompanying notes

Department for Education and Child Development

Notes to and forming part of the financial statements

1 Objectives of the Department for Education and Child Development

Legislation

The Department for Education and Child Development (the Department) operates within the:

- *Child Protection Act 1993;*
- *Children's Services Act 1985;*
- *Commission of Inquiry (Children in State Care and Children on APY Lands) Act 2004;*
- *Education Act 1972;*
- *Family and Community Services Act 1972;*
- *Public Sector Act 2009.*

Purpose

The Department was established to provide a range of integrated education, health and child protection services for the benefit of children, young people and families.

The Department's focus is to improve children and young people's education, safety and developmental outcomes from birth through their transition to adulthood.

Public education is at the core of the Department and we recognise that the success of public education depends on mutually beneficial partnerships with parents and families, community, tertiary providers, industry, government and non-government organisations.

The Department's other critical functions are child protection through the Office for Child Safety and Families SA, and health and wellbeing services through the Women's and Children's Health Network, which are aimed at all newborn babies and children up to four years old.

Our Role

To oversee early childhood care and development services for South Australian families

The Department oversees the provision of local family day care, preschool education, children's centres, out of school hours care programs, plus health and wellbeing services that support parents, carers and children. We partner with the Australian Government as well as the community sector and local government to integrate all services, with a focus on providing high quality teaching and learning.

To provide services that benefit children and families

The Department works with all families early in their journey to support parents and ensure the individual needs of each child are met, fostering the best development and learning outcomes for each child to maximise their potential.

To lead and manage South Australia's education system

The Department manages South Australia's public education system, with the goal of delivering world-class primary and secondary education in all areas of the curriculum. At the local level, we want every child to achieve their potential, and we see families as our partners to ensure each and every child leaves school with strong skills and a positive outlook.

To provide the State's statutory child protection service

The Department works with families to keep children safe from harm and to build parents' capacity to care safely for their children. If children and young people are not able to remain safely in the care of their birth family, we are responsible for the care and support of these children as they enter out-of-home care, and for children under the Guardianship of the Minister.

Department for Education and Child Development

Notes to and forming part of the financial statements

Our Strategic Intent

The Department's new strategic plan, released in July 2014, outlines six priority areas for improvement that will be delivered to the South Australian community over the next four years.

- Higher standards of learning achievement
- Improve health and wellbeing
- Improve and integrate child safety
- Engage children, families and communities
- Right service at the right time
- Build a better system

The Department is guided in our work by the strategic plan and includes working collaboratively with our partners to provide a safe environment for the wellbeing of children and young people. In addition, the Department will continue to publish performance data and report on the progress toward our strategic commitments.

The strategic plan is supported by two detailed companion documents. *Building a High Performing System* is a business improvement plan that sets out critical short-term priorities for lifting the capability, performance, integrity and effectiveness of South Australia's public education and care system over the next two years.

The *Families SA Service Plan* outlines the changes to the delivery of child protection services aimed at providing practical assistance to families that focus on their strengths, supports and protective factors to ensure that contact with the child protection system adds value to children, young people and their families.

These three core documents signal new ways of working together and taking individual and collective responsibility for improving outcomes for children, young people and families.

2 Summary of significant accounting policies

(a) Statement of compliance

The financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The Department has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Department is a not-for-profit entity.

Except for AASB 2015-7 which the Department has early adopted, Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Department for the reporting period ending 30 June 2015. Refer to note 3.

(b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Department's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- that accounting policies be selected and applied in a manner which ensures the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring the substance of the underlying transactions or other events are reported; and

Department for Education and Child Development

Notes to and forming part of the financial statements

(b) Basis of preparation (continued)

- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in this financial report:
 - a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature
 - b) expenses incurred as a result of engaging consultants (as reported in the Statement of Comprehensive Income);
 - c) employee targeted voluntary separation package information;
 - d) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees; and
 - e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that were valued in accordance with the applicable valuation policy.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

(c) Reporting entity

The Department is a government department of the State of South Australia established pursuant to the *Public Sector Act 2009*. The Department is an administrative unit acting on behalf of the Crown.

The financial statements and accompanying notes include all the controlled activities of the Department (refer to the disaggregated schedule for details of the Department's controlled activities).

The Department does not control any other entity and has no interests in unconsolidated structured entities.

In making this assessment, the Department considered its power over the entity, its exposure of rights (eg protective and substantive rights) to variable returns from its involvement with the entity and the ability to use its power to affect return amounts (eg ability to direct relevant major activities).

The Department has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

Transactions and balances relating to administered resources are not recognised as departmental income, expenses, assets and liabilities. As administered items are significant in relation to the Department's overall financial performance and position, they are disclosed in the administered financial statements at the back of the controlled general purpose financial statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items.

Transactions within DECD columns

The values in the DECD columns in the financial statements incorporate the activities of the corporate department.

Corporate department activities include transactions that relate to the operations of government controlled schools and preschools including:

- expenses such as salaries and wages, salary related on-costs and utilities expenses;
- infrastructure assets including land, buildings and major improvements; and
- liabilities recorded in the corporate department's financial systems such as employee benefits.

Income earned and expenses incurred directly by government controlled schools and preschools which are accounted for locally in their general ledgers are excluded from the DECD column.

Department for Education and Child Development

Notes to and forming part of the financial statements

Transactions within Consolidated column

The values in the Consolidated columns in the financial statements incorporate the activities of the corporate department as discussed above and government controlled schools. All material transactions between the corporate department and government controlled schools have been eliminated as required by Australian Accounting Standards.

Financial data was collected from government schools for the school year ended 31 December 2014 for the purpose of consolidating it with data from the corporate department. Where material, adjustments have been made to the consolidated figures to take into account the effect of schools having a different reporting period to the corporate department.

Administered items

The Department is responsible for the administration of specific funds on behalf of the Minister for Education and Child Development. The Department does not have control over how these funds are to be spent and operates in the capacity as an agent responsible for the administration of the transfer process to third parties. The Administered Financial Statements include the income, expenses, assets and liabilities of these funds.

The main administered funds are:

- *Minister for Education and Child Development*

Funds are appropriated to the Minister for Education and Child Development and are disbursed at the discretion of the Minister. The principal payments are:

- the State Government contribution to the operation of the SACE Board of South Australia;
- the State and Commonwealth Government contributions to the operation of the Education and Early Childhood Services Registration and Standards Board of South Australia;
- payments to the Department of Planning, Transport and Infrastructure for the purposes of student travel;
- the State Government contribution to the operation of non-government schools, organisations and services to students with disabilities; and
- the Commonwealth Government contribution to the operation of non-government schools, organisations and services to students with disabilities.

- *Minister's salary and allowances*

The Minister's salary and allowances are funded by specific legislation and the Department has no control over this part of the annual appropriation.

(d) Budgeted amounts

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes. The budget process is not subject to audit.

(e) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or Accounting Policy Statements have required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

(f) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

(g) Taxation

The Department is not subject to income tax. The Department is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

Department for Education and Child Development
Notes to and forming part of the financial statements

(g) Taxation (continued)

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO. If GST is not payable to, or recoverable from, the ATO, the commitments and contingencies are disclosed on a gross basis.

(h) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed as at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

(i) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the Department will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Fees and charges

Revenue from fees and charges is derived from the provision of goods and services to other SA Government agencies and to the public. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Contributions received

Contributions are recognised as an asset and income when the Department obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (ie the amount can be reliably measured and the flow of resources is probable).

Generally, the Department has obtained control or the right to receive for:

- Contributions with unconditional stipulations - this will be when the agreement becomes enforceable ie the earlier of when the receiving entity has formally been advised that the contribution (eg grant application) has been approved; agreement/contract is executed; and/or the contribution is received.
- Contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

All contributions received by the Department have been contributions with unconditional stipulations attached and have been recognised as an asset and income upon receipt.

Department for Education and Child Development
Notes to and forming part of the financial statements

Resources received free of charge

Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

Revenues from SA Government

Appropriation for program funding is recognised as revenue when the Department obtains control over the funding. Control over appropriation is obtained upon receipt.

Gain from disposal of non-current assets

Income from the disposal of non-current assets is recognised when the control of the asset has passed to the buyer and determined by comparing proceeds with carrying amount. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

Gains on disposal of land, buildings, improvements and buses are recognised at the date the control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time.

Other income

Other income consists of fundraising and donations, assets recognised for the first time, and recoveries.

(j) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Department will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Department to the superannuation plan in respect of current service of current departmental staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government financial statements.

Depreciation and amortisation of non-current assets

All non-current assets having a limited useful life are systematically depreciated/ amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

Assets' residual values, useful lives and depreciation/amortisation methods are reviewed and adjusted if appropriate on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

The value of leasehold improvements is amortised over the estimated useful life of each improvement or the unexpired period of the relevant lease, whichever is shorter.

Land and non-current assets held for sale are not depreciated.

Department for Education and Child Development
Notes to and forming part of the financial statements

Depreciation and amortisation of non-current assets (continued)

Depreciation/Amortisation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful life (years)
Buildings and improvements	10-170
Residential Accommodation Housing	30-50
Leasehold improvements	Life of lease
Buildings under finance lease	45-60
Buses / Motor vehicles	12-20
Computing, communications, furniture and equipment	3-20
Intangible assets	3-30
Other assets	5-10

Grants and Subsidies

For contributions payable, the contribution will be recognised as a liability and expense when the entity has a present obligation to pay the contribution and the expense recognition criteria are met.

Grants and subsidies paid by the Department are primarily contributions with unconditional stipulations attached.

Resources provided free of charge

Resources provided free of charge are recorded as expenditure in the Statement of Comprehensive Income at their fair value and in the expense line items to which they relate.

Borrowing costs

All borrowing costs are recognised as expenses.

Payments to SA Government

Payments to the SA Government include the return of surplus cash pursuant to the cash alignment policy and paid directly to the Consolidated Account.

(k) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

(l) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand and in other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Cash is measured at nominal value.

Department for Education and Child Development
Notes to and forming part of the financial statements

Receivables

Receivables include amounts receivable from goods and services, GST input tax credits recoverable, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Loan receivables are recorded at historical cost.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence the Department will not be able to collect the debt. Bad debts are written off when identified.

Other financial assets

The Department measures financial assets and debt at historical cost.

Inventories

Inventories include goods and other property held either for sale or distribution at no or nominal cost in the ordinary course of business.

Inventories held for distribution at no or nominal consideration are measured at cost and adjusted when applicable for any loss of service potential. Inventories held for sale are measured at the lower of cost or their net realisable value.

Bases used in assessing the loss of service potential for inventory held for distribution at no or minimal cost include current replacement cost and technological or functional obsolescence.

Cost for all other inventory is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

The amount of any inventory write-down to net realisable value or inventory losses are recognised in the Statement of Comprehensive Income as an expense in the period the write-down or loss occurred. Any write-down reversals are also recognised in the Statement of Comprehensive Income.

Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale is expected to be completed within one year from the date of classification.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Statement of Financial Position.

Non-current assets

Acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Where assets are acquired at no value or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements then the assets are recognised at book value ie the amount recorded by the transferor public authority immediately prior to the restructure.

All non-current tangible assets with a value equal to or in excess of \$5 000 are capitalised.

Componentisation of complex assets is only performed when the complex asset's fair value at the time of acquisition is equal to or in excess of \$5 million for infrastructure assets and \$1 million for other assets.

Land

Land is valued at fair value as at 30 June 2015. Refer to note 23.

Department for Education and Child Development
Notes to and forming part of the financial statements

Buildings and improvements

Buildings and improvements are valued at current replacement cost less accumulated depreciation. Current replacement cost information on asset holdings was obtained from the Strategic Asset Management Information System (SAMIS) maintained by the Department of Planning, Transport and Infrastructure. Replacement costs have been established by reference to quantity surveyors estimates and updated through the application of a relevant building index. The valuations for buildings are current as at 30 June 2014, paved areas are current as at 30 June 2014 and swimming pools are current as at 30 June 2015. The building data excludes landscaping, infrastructure, pergolas, playground equipment, sheds and some paving and fencing because they either cannot be reliably measured or no information is recorded in SAMIS.

Buildings under construction are reported as work in progress and are valued at cost.

Where buildings and improvements are destroyed by fire during the year, the written down value of the buildings and improvements is treated as an expense in the Statement of Comprehensive Income.

Buildings under finance lease

Buildings under finance lease are valued at fair value as at 30 June 2014.

Leasehold improvements

Leasehold improvements are valued at fair value as at 30 June 2014.

Residential accommodation

Residential accommodation is valued at fair value as at 30 June 2015. Refer to note 23 for further details.

Buses

Buses are recorded at current replacement cost (deemed fair value) less accumulated depreciation as at 30 June 2015.

Computing, communications, furniture and equipment and other assets

Items are recorded at historical cost (deemed fair value) less accumulated depreciation.

Revaluation of non-current assets

All non-current tangible assets are valued at fair value and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

The Department revalues its buildings and improvements, buildings under finance lease, residential accommodation and bus fleet at least every three years. However if at any time, management considers the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Land is revalued annually. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation where they are revalued to fair value.

Any revaluation increment is credited to the revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income. Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the revaluation surplus to the extent of the credit balance existing in revaluations surplus for that asset class.

Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement costs. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the respective revaluation surplus.

Department for Education and Child Development

Notes to and forming part of the financial statements

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The Department only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of internally developed software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10,000.

All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 are expensed.

Subsequent expenditure on intangible assets has not been capitalised because the Department has been unable to attribute this expenditure to the intangible asset rather than to the Department as a whole.

Fair value measurement

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principle or most advantageous market, at the measurement date.

The Department classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent valuation.

Level 1: traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities the entity can access at measurement date.

Level 2: not traded in an active market and are derived from inputs (input other than quoted prices included within level 1) that are observable for the asset either directly or indirectly.

Level 3: not traded in an active market and are derived from unobservable inputs.

Non-financial assets

In determining fair value, the Department has taken into account the characteristic of the asset (eg condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

The Department's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the Department did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or had an estimated useful life that was less than three years is deemed to approximate fair value.

Refer to notes 23 and 25 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

Financial assets/liabilities

The Department does not recognise any financial assets or financial liabilities at fair value.

(m) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Department for Education and Child Development
Notes to and forming part of the financial statements

Payables

Payables include creditors, accrued expenses, GST payable, employment on-costs and Paid Parental Leave Scheme payables.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Department.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

The Paid Parental Leave Scheme payable represents amounts which the Department has received from the Commonwealth Government to forward onto eligible employees via the Department's standard payroll processes. That is, the Department is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employee benefit on-costs include payroll tax, Return to Work SA levies and superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave, country incentive leave, annual leave and skills and experience retention leave.

The Department makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

Borrowings / Financial liabilities

The Department measures financial liabilities including borrowings/debt at historical cost.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

The Department has entered into finance leases and operating leases.

Finance leases

Finance leases which transfer to the Department substantially all the risks and benefits/rewards incidental to ownership of the leased assets, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments.

Finance leases (continued)

Minimum lease payments are allocated between interest expense/borrowing costs and reduction of the lease liability to each period during the lease term, so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Where there is no reasonable assurance the Department will obtain ownership of the capitalised asset at the end of the lease term, the asset is amortised over the shorter of the lease term and its useful life.

In July 2009 the State of South Australia entered into a 30 year agreement under the Partnership's SA policy for the financing, design, construction and maintenance of six schools that opened during the 2010-11 financial year. At the completion of construction for each school a commitment in regard to these assets was recognised as a finance lease with related finance lease assets.

Operating Leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

Department for Education and Child Development

Notes to and forming part of the financial statements

Employee benefits

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave, country incentive leave, skills and experience retention leave and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability, country incentive leave and the skills and experience retention leave liability are expected to be payable within 12 months and are measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The estimated liability for long service is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the education sector across government. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

Provisions

Provisions are recognised when the Department has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Department expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2015 provided by a consulting actuary engaged through the Office for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The Department is responsible for the payment of workers compensation claims.

(n) Insurance

The Department has insured for risks through SAICORP, a division of the South Australian Government Finance Authority. Under these insurance arrangements the Department will meet the relevant deductible of a loss or claim arising from property damage or civil liability (including public liability, products liability, professional indemnity and Directors' and Officers' liability).

For the Families SA division of the Department, the deductible amount is \$10 000 and for the rest of the Department the deductible amount is \$200 000 (except for fire claims \$1 million).

(o) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating and capital arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Department for Education and Child Development

Notes to and forming part of the financial statements

(p) Public Private Partnership

In July 2009 the State of South Australia entered into a 30 year agreement with Pinnacle Education SA2 Pty Ltd, under the Partnerships SA policy, for the financing, design, construction, and maintenance of six schools. This agreement includes the provision of operational and maintenance services by the operator for a specified period of time, and is referred to as a Public Private Partnership (PPP).

Under the PPP agreement, the Department pays the operator over the period of the arrangement, subject to specified performance criteria being met. These estimated periodic payments are allocated between:

- a component related to the design and construction that is accounted for as a finance lease payment;
- a component for the provision and replacement of equipment and infrastructure accounted for as a service right liability payment; and
- a component related to the ongoing operation and maintenance of the facilities accounted for as operating costs which are expensed in the Statement of Comprehensive Income.

The construction of all six schools was completed during the 2010-11 financial year and the State assumed responsibility for education provision, staffing, curriculum and teacher practice. On completion of construction, a finance leased asset was recognised for the facility assets and an intangible asset was recognised for the service right relating to the supply and use of equipment.

Applicable liability and future commitment disclosures relating to the components of the arrangements are provided in notes 26, 29 and 31.

3 New or revised accounting standards and policies

In accordance with the new AASB 1055 *Budgetary Reporting*, which became effective for the first time in 2014-15, the Department has:

- included a comprehensive new note 'Budgetary reporting and explanations of major variances' (notes 37 and A20). These notes disclose, in respect of the Statement of Comprehensive Income and Investing Expenditure Summary for both controlled and administered amounts:
 - the Department's original budget as published in Budget Paper 4;
 - a comparison of the original budget information to actual results; and
 - explanations of major variances.

In accordance with the new AASB 10 *Consolidated Financial Statements* and AASB 11 *Joint Arrangements*, which became effective for the first time in 2014-15, the Department has reviewed its control assessments (ie the Department's involvement with the entity; protective and substantive rights; ability to direct major relevant activities etc) in accordance with AASB 10 and its classification assessments in accordance with AASB 11 and has concluded there is no impact. The Department does not currently control another entity and does not have any joint arrangements within the scope of AASB11.

The Department will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10 and 11 for future years.

Except for AASB 2015-7 which the Department has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Department for the period ending 30 June 2015. The Department has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Department.

Department for Education and Child Development
Notes to and forming part of the financial statements

4 Activities of the Department

In achieving its objectives, the Department provides a range of services classified into the following activities:

Activity 1: *Early Childhood Development*

The Department is responsible for the delivery of early childhood education and care, child protection, health and wellbeing services encompassing the provision of family day care, rural and occasional care, preschool education, children's centres, out of school hours care programs, plus health and wellbeing services that support parents, carers and children. We partner with the Australian Government as well as the community sector and local government to integrate all services, with a focus on providing high quality teaching and learning.

This activity recognises the importance of the parent's role in their child's development and builds upon establishing relationships with families to support every child to grow, learn and develop. The implementation of national and state early childhood reform agendas to improve outcomes for all South Australian children and families underpins the program. There is a key focus on ensuring the most vulnerable children and young people at risk of disadvantage are supported. The establishment of children's centres across the state in areas of highest need, the provision of preschool for all four-year olds, continued collaboration across agencies and the delivery of targeted family support programs contribute to achieving this goal.

Activity 2: *School Education*

Public education is at the core of the Department and we recognise that the success of public education depends on mutually beneficial partnerships with parents and families, community, tertiary providers, industry, government and non-government organisations. The Department is responsible for the delivery of public primary and secondary education across the state to all children and students within the compulsory education age range and for supporting young people to be active and productive members of society. Through a focus on high achievement, growth, challenge, engagement and equity the Department seeks to maximise every child and young person's learning and help them to become successful learners, confident and creative individuals and informed citizens.

The Department continues to build the capability of our teachers and leaders and maintains high expectations of schools to raise standards of achievement and reduce the gap between the highest and lower achievers.

Activity 3: *Care and Protection*

The Department is focused on the critical function of child protection through the Office for Child Safety and Families SA. The Department works with families to keep children safe from harm and to build parents' capacity to care safely for their children by ensuring that the most vulnerable children and young people at risk of abuse, neglect and disadvantage are protected from harm. If children and young people are not able to remain safely in the care of their birth family, we are responsible for the care and support of these children as they enter out-of-home care, foster care, kinship care, residential care and support to families and children under the Guardianship of the Minister.

The Department undertakes this activity in partnership with families, other government partners, the non-government sector and communities. By providing family support and child safety responses to vulnerable families, children's safety is enhanced, which addresses the risk of harm and builds on parents' capacity to care for their children.

The disaggregated disclosures schedules present expenses, income, assets and liabilities information attributable to each of the activities for the years ended 30 June 2014 and 30 June 2015.

Department for Education and Child Development
Notes to and forming part of the financial statements

5 Employee benefits expenses

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Salaries and wages (including annual leave)	1 819 051	1 755 260	1 792 168	1 727 187
Employment on-costs - superannuation	193 823	205 638	191 012	202 995
Employment on-costs - payroll tax	102 580	100 474	102 580	100 474
Long service leave	74 178	64 939	73 503	64 444
Workers Compensation	16 797	36 411	16 797	36 411
Targeted voluntary separation payments	5 751	14 410	5 751	14 410
Country incentive leave	457	510	457	510
Board and committee fees	26	28	26	28
Skills and experience retention leave	11 535	7 941	11 535	7 941
Other employee related expenses	2 674	3 087	2 535	2 992
Total employee benefits expenses	2 226 872	2 188 698	2 196 364	2 157 392

Targeted voluntary separation packages (TVSPs)

Amounts paid to separated employees:

TVSPs	6 738	10 472	6 738	10 472
Annual leave and Long Service Leave Paid	2 186	2 817	2 186	2 817
Total amount paid	8 924	13 289	8 924	13 289

Recovery from the Department of Treasury and Finance

	-	2 735	-	2 735
Net cost to the department	8 924	10 554	8 924	10 554

Number of employees who were paid TVSPs during the reporting period

49	71	49	71
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Department for Education and Child Development
Notes to and forming part of the financial statements

5 Employee benefits expenses (continued)

Remuneration of employees	2015	2015	2014	2014
The number of employees whose remuneration received or receivable falls within the following bands:	Consolidated Number of Executives *	Consolidated Number of Employees **	Consolidated Number of Executives *	Consolidated Number of Employees **
\$141 500 to \$151 499	-	95	-	120
\$151 500 to \$161 499	2	85	3	64
\$161 500 to \$171 499	1	58	1	48
\$171 500 to \$181 499	4	31	3	34
\$181 500 to \$191 499	1	19	1	13
\$191 500 to \$201 499	5	21	3	7
\$201 500 to \$211 499	7	13	8	15
\$211 500 to \$221 499	2	5	3	6
\$221 500 to \$231 499	2	4	-	1
\$231 500 to \$241 499	2	3	1	1
\$241 500 to \$251 499	2	4	1	1
\$251 500 to \$261 499	1	1	3	3
\$261 500 to \$271 499	2	4	2	3
\$271 500 to \$281 499	1	1	-	-
\$281 500 to \$291 499	-	1	1	1
\$291 500 to \$301 499	-	-	-	2
\$301 500 to \$311 499	-	1	2	2
\$311 500 to \$321 499	2	3	-	1
\$331 500 to \$341 499	-	-	-	1
\$351 500 to \$361 499	-	-	-	1
\$361 500 to \$371 499	-	-	1	1
\$371 500 to \$381 499	-	-	-	3
\$381 500 to \$391 499	-	-	-	2
\$391 500 to \$401 499	-	-	-	2
\$401 500 to \$411 499	1	1	-	-
\$411 500 to \$421 499	-	-	-	1
\$441 500 to \$451 499	-	1	-	1
\$501 500 to \$511 499	-	1	-	-
\$511 500 to \$521 499	-	-	-	1
\$611 500 to \$621 499	-	1	-	-
\$1 131 500 to \$1 141 499	-	-	-	1
Total number of executives / employees	35	353	33	336

* The number of executive officers disclosed in the above table includes employees appointed on a South Australian Executive Service (SAES) contract as at 30 June 2015 and 30 June 2014 respectively. The numbers of executive officers separately disclosed are also included in the number of employee totals for 2015 and 2014.

** Includes resigned and retired executives not included in the executive column.

Department for Education and Child Development
Notes to and forming part of the financial statements

5 Employee benefits expenses (continued)

The table includes all employees who received remuneration equal to, or greater than, the base executive remuneration level during the year. The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (ie there has been no increase in executive remuneration since 1 July 2013). Remuneration of these employees reflect all costs of employment including salary and wages, payments in lieu of leave, employer's superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of these benefits.

Of the employees that were remunerated over the base executive remuneration level, 39 (30) also received country incentive payments. There were 39 (33) individuals that retired with 5 (13) receiving an amount under the TVSP scheme. All individuals in reference are included in the above employee numbers.

Remuneration received or due and receivable by the above employees was \$61.5 million (\$60 million), which is included in employee benefits expenses. Salary rates during 2014-15 increased by 3 percent for *Education Act 1972* and 2.5 percent for *Public Sector Act 2009* employees effective the first pay period on or after 1 October 2014. Remuneration for Executives did not increase during 2014-15.

Number of employees as at the reporting date

As at 30 June, the Department employed 23 538 (23 136) full-time equivalents.

6 Supplies and services

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Minor works and maintenance	130 824	136 713	95 081	98 313
Rentals and leases	30 198	29 860	28 166	27 309
Management fees and charges	14 705	18 448	17 728	22 071
Utilities	45 851	47 307	44 909	46 288
Cleaning	36 656	35 199	5 304	4 913
Printing, postage and consumables	77 926	81 062	5 468	5 691
Training and development	11 064	11 625	4 912	4 875
Shared Services SA charges	14 793	13 460	14 793	13 460
Vehicle and travelling expenses	35 734	35 381	33 690	33 273
Security	7 165	5 948	6 719	5 651
Insurance (including self-insurance)	5 720	5 998	5 985	6 397
Contractors and other outsourced services	24 941	26 210	25 660	26 610
Telecommunications	16 957	17 113	15 191	15 532
Legal costs	3 024	2 089	3 031	2 089
Residential and client related costs	2 671	2 507	2 677	2 511
Computer communications	16 567	19 408	13 402	16 259
Copyright	4 360	4 179	4 355	4 174
Bus contractors	24 727	24 332	24 727	24 336
Excursions and camps	21 006	20 890	-	-
Cost of goods sold	14 559	14 975	-	-
Student learning materials	28 919	31 335	-	-
PPP Service Fee	5 262	5 167	5 262	5 167
Other	78 708	78 135	8 643	6 484
Total supplies and services	652 337	667 341	365 703	371 403

The total supplies and services amount disclosed includes GST amounts not recoverable from the ATO due to the Department not holding a valid tax invoice or payments relating to third party arrangements.

Department for Education and Child Development
Notes to and forming part of the financial statements

6 Supplies and services (continued)

Consultancy fees	2015	2015	2014	2014
The number and dollar amount of consultancies paid/payable (included in supplies and services expense) that fell within the following bands:	Consolidated	Consolidated	Consolidated	Consolidated
	No.	\$'000	No.	\$'000
Below 10 000	2	12	-	-
Above \$10 000	3	380	5	317
Total paid/payable to consultants engaged	5	392	5	317

7 Grants and subsidies

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Recurrent grants paid to schools and units	-	-	138 037	165 333
Capital grants paid to schools and units	-	-	2 772	9 311
Recurrent grants paid to preschools	5 089	5 675	5 089	5 675
Recurrent grants paid to other organisations	199 612	183 135	199 612	183 135
Total grants and subsidies	204 701	188 810	345 510	363 454

8 Depreciation and amortisation expense

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings and improvements	93 214	89 728	93 136	89 705
Residential accommodation housing	825	669	825	669
Computing, communication, furniture and equipment	4 518	3 896	407	211
Buses and motor vehicles	3 361	2 827	2 521	2 153
Other	654	457	129	139
Total depreciation	102 572	97 577	97 018	92 877
Amortisation				
Leasehold improvements	1 230	1 284	1 230	1 284
Buildings under finance lease	3 293	4 420	3 293	4 420
Internally developed computer software	961	1 167	961	1 167
Externally provided software	10	-	10	-
Service right for equipment	799	799	799	799
Total amortisation	6 293	7 670	6 293	7 670
Total depreciation and amortisation expense	108 865	105 247	103 311	100 547

Department for Education and Child Development
Notes to and forming part of the financial statements

9 Borrowing costs

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Interest paid/payable on borrowings	56	272	-	-
Finance lease costs	22 332	22 391	22 332	22 391
Total borrowing costs	22 388	22 663	22 332	22 391

Finance lease costs relate to the interest expenses associated with the PPP agreement.

10 Other expenses

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Auditor's remuneration				
– Auditor-General's Department *	527	684	527	684
Auditor's remuneration – other	970	1 045	918	984
Allowance for doubtful debts and debt write-offs	2 150	2 096	66	140
Non-current assets written off	15 128	8 504	15 128	8 504
Revaluation decrement of buildings under finance lease and leasehold improvement assets	-	4 228	-	4 228
Other expenses	3 311	2 354	3 339	2 354
Total other expenses	22 086	18 911	19 978	16 894

* Audit fees paid / payable to the Auditor-General's Department relate to the audit of the financial statements. No other services were provided by the Auditor-General's Department.

Department for Education and Child Development
Notes to and forming part of the financial statements

11 Commonwealth revenues

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
National Partnership - Universal Access to Early Childhood Development	24 890	26 289	24 890	26 289
National Partnership - Communities Making a Difference	-	11 076	-	11 076
Family Day Care Scheme	24 733	24 287	24 733	24 287
National Partnership - Digital Education Revolution	-	4 682	-	4 682
National Partnership - Aboriginal Children and Family Centres	2 093	5 497	2 093	5 497
National Partnership - Improving Teacher Quality - Principal Professional Development	-	832	-	832
National Partnership - Rewards for Great Teachers	1 371	1 915	1 371	1 915
Trade Training Centres	3 363	8 923	3 363	8 923
National Partnership - Improving Literacy and Numeracy	2 450	4 684	2 450	4 684
National Partnership - Literacy and Numeracy	-	5 540	-	5 540
National Partnership - Teacher Quality	2 089	2 089	2 089	2 089
Family Day Care Administration	4 177	4 343	4 177	4 343
Detainee Minors	2 730	5 386	2 730	5 386
National Solar Schools	-	924	-	924
National Partnership - Youth Attainment and Transition Program	-	968	-	968
National Partnership - More Support for Students with Disabilities	4 600	5 248	4 600	5 248
Unaccompanied Humanitarian Minors	487	688	487	688
National Partnership - Advanced Technology	947	547	947	547
National Partnership - Investing in Focus Schools	-	1 000	-	1 000
Supplementary Recurrent Assistance Scheme	240	1 021	240	1 021
National Education Reform Agenda	371 819	-	371 819	-
ESL New Arrivals (Bridging Visa E050)	1 452	1 452	1 452	1 452
National School Chaplaincy Program	2 934	-	2 934	-
Rural Care Worker Program	1 369	1 154	1 369	1 154
Independent Public Schools	401	-	401	-
Other specific Commonwealth revenue	2 422	1 416	2 422	1 416
Total Commonwealth revenues	454 567	119 961	454 567	119 961

Commitments

The Universal Access to Early Childhood Development program received \$24.9 million (\$26.3 million) of Commonwealth revenue in 2014-15 of which \$0.8 million (nil) was unspent as at 30 June 2015.

The Family Day Care Scheme received \$24.7 million (\$24.3 million) of Commonwealth revenue in 2014-15 of which \$0.5 million (\$0.5 million) was unspent as at 30 June 2015. The funding was provided to childcare providers as a Commonwealth subsidy to fund childcare services on behalf of parents.

The Aboriginal Children and Family Centres program received \$2.1 million (\$5.5 million) of Commonwealth revenue in 2014-15 of which \$0.5 million (\$0.2 million) was unspent as at 30 June 2015. The funding is for increased support for Aboriginal children with the establishment of four Aboriginal Children and Family centres.

Department for Education and Child Development
Notes to and forming part of the financial statements

Commitments (continued)

The Rewards for Great Teachers program received \$1.4 million (\$1.9 million) of Commonwealth revenue in 2014-15 of which \$1.0 million (\$0.2 million) was unspent as at 30 June 2015. The purpose of this funding is to provide one-off Teacher Reward Payments to teachers who achieve certification at the Highly Accomplished and Lead Levels of the National Professional Standards for Teachers from 2014 to 2018.

The Trade Training Centres program received \$3.4 million (\$8.9 million) of Commonwealth revenue in 2014-15 of which \$1.2 million (\$0.7 million) was unspent as at 30 June 2015. The funds are for the provision and development of training centres assisting young South Australians to pursue vocational pathways.

The Improving Literacy and Numeracy program received \$2.5 million (\$4.7 million) of Commonwealth revenue in 2014-15 which was fully spent (\$0.02 million) as at 30 June 2015. The funding is to improve literacy and numeracy in schools and improving teaching capability and effectiveness.

The Teacher Quality program received \$2.1 million (\$2.1 million) of Commonwealth revenue in 2014-15 of which \$1.3 million (\$0.3 million) was unspent as at 30 June 2015. The funding is for schools to improve the quality of teaching and leadership, with a specific focus on principals, in Australian schools and maintaining a quality teaching workforce.

The Family Day Care Administration program received \$4.2 million (\$4.3 million) of Commonwealth revenue in 2014-15 which was fully spent (2013-14 was also fully spent). The funding is provided to assist the Family Day Care Administration program to administer the state wide family day care centres in South Australia.

The Detainee Minors program received \$2.7 million (\$5.4 million) of Commonwealth revenue in 2014-15 which was fully spent (\$0.5 million) as at 30 June 2015. The Commonwealth (Department of Immigration and Border Protection) provides funding for Community Detention and Bridging Visa E school age students attending South Australian Government schools.

The More Support for Students with Disabilities program received \$4.6 million (\$5.2 million) of Commonwealth revenue in 2014-15 of which \$2.4 million (\$0.5 million) was unspent as at 30 June 2015. The funding will assist schools through a range of initiatives including professional support of teachers and school support staff to build their capacity to deliver special education programs through support and use of assistive learning technology and a range of other learning modes.

The Unaccompanied Humanitarian Minors program received \$0.5 million (\$0.7 million) of Commonwealth revenue in 2014-15 which was fully spent (2013-14 was also fully spent). The funding is for Families SA to provide appropriate care and supervision services to the unaccompanied humanitarian minors who are referred to it by the Commonwealth.

The Advanced Technology program received \$0.9 million (\$0.5 million) of Commonwealth revenue in 2014-15 of which \$0.4 million (\$0.08 million) was unspent as at 30 June 2015. The funding is for schools to achieve sustained improvements for pathways for young people into the defence industry sector in educational outcomes in participating schools / school communities that align with those in the National Education Agreement.

The Supplementary Recurrent Assistance Scheme (*Indigenous Education (Targeted Assistance) Act 2000*) received \$0.2 million (\$1.0 million) of Commonwealth revenue in 2014-15 which was fully spent (\$0.5 million) as at 30 June 2015. The funding is provided to support indigenous preschool students improve attendance, literacy and numeracy awareness prior to primary school.

The National Education Reform Agenda received \$371.8 million (nil) of Commonwealth revenue in 2014-15 which was fully spent as at 30 June 2015.

The ESL New Arrivals program received \$1.5 million (\$1.5 million) of Commonwealth revenue in 2014-15 which was fully spent. This funding is providing access to education, counselling and language services to refugee students on bridging visas.

The National School Chaplaincy Program received \$2.9 million (\$0 million) of Commonwealth revenue in 2014-15 of which \$0.2 million was unspent as at 30 June 2015. The objective of the Program is to provide chaplaincy services in Australian schools, to support the emotional wellbeing of students by providing pastoral care services; and strategies that support the emotional wellbeing of the broader school community.

Department for Education and Child Development
Notes to and forming part of the financial statements

Commitments (continued)

The Rural Care Worker program received \$1.4 million (\$1.2 million) of Commonwealth revenue in 2014-15 of which \$0.3 million (\$0.6 million) was unspent as at 30 June 2015. The funding is provided to enable child care centres to provide quality child care services that meet the needs of families and the communities of rural South Australia.

The Independent Public Schools program received \$0.4 million (nil) of Commonwealth revenue in 2014-15 of which \$0.4 million was unspent as at 30 June 2015. The Agreement supports the increased autonomy in government schools across Australia through greater engagement of parents and local communities in school decision making and the provision of professional development for principals, school leaders and school communities through focus on local governance; increased accountability to the local community, the use of streamline or one-line budgets; local management of school facilities; and increased delegation over staffing for school principals.

Other programs received \$2.4 million (\$1.4 million) of which \$0.6 million (\$0.2 million) was unspent as at 30 June 2015.

12 Student and other fees and charges

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Sales / fee for service revenue	13 597	13 684	2 702	2 436
Student enrolment fees and charges	102 977	99 894	3 434	2 749
Other user fees and charges	11 200	14 400	11 882	15 471
Canteen sales	15 978	15 840	-	-
Total student and other fees and charges	143 752	143 818	18 018	20 656

13 Other grants and contributions

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Grants and subsidies revenue	21 571	24 454	14 444	14 204
Donations	678	713	-	5
Total other grants and contributions	22 249	25 167	14 444	14 209

14 Interest revenues

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Interest from entities within the SA Government	116	400	496	823
Other	11 839	9 788	7 401	7 427
Total interest revenues	11 955	10 188	7 897	8 250

Department for Education and Child Development
Notes to and forming part of the financial statements

15 Net gain from disposal of non-current assets

	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Land and buildings				
Proceeds from disposal	14 438	3 544	14 438	3 544
Net book value of assets disposed	(11 812)	(1 652)	(11 812)	(1 652)
Net gain from disposal of land and buildings	2 626	1 892	2 626	1 892
Vehicles, plant and equipment				
Proceeds from disposal	369	278	70	38
Net book value of assets disposed	(511)	(316)	(84)	(60)
Net loss from disposal of vehicles, plant and equipment	(142)	(38)	(14)	(22)
Non-current assets classified as held for sale				
Proceeds from disposal	12 736	7 242	12 736	7 242
Net book value of assets disposed	(7 216)	(4 421)	(7 216)	(4 421)
Net gain from disposal of non-current assets classified as held for sale	5 520	2 821	5 520	2 821
Total Assets				
Total proceeds from disposal	27 543	11 064	27 244	10 824
Total value of assets disposed	(19 539)	(6 389)	(19 112)	(6 133)
Total net gain from disposal of non-current assets	8 004	4 675	8 132	4 691

16 Other revenues

	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Commission received	1 273	2 006	3 671	3 423
Fundraising revenue	7 553	7 583	-	-
Assets recognised for the first time	4 900	9 272	4 900	9 272
Recoveries - other	9 398	12 686	13 751	17 781
Other revenue	31 270	31 518	7 136	6 928
Contributed assets	-	48	-	48
Total other revenues	54 394	63 113	29 458	37 452

Department for Education and Child Development
Notes to and forming part of the financial statements

17 Revenues from / payments to SA Government

	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Revenues from SA Government				
Appropriations from the Consolidated Account pursuant to the <i>Appropriation Act</i>	2 609 531	2 821 749	2 609 531	2 821 749
Transfers from contingencies	883	19 404	883	19 404
Total revenues from SA Government	2 610 414	2 841 153	2 610 414	2 841 153
Payments to SA Government				
Return of surplus cash pursuant to cash alignment policy	(17 172)	(45 573)	(17 172)	(45 573)
Total Payments to SA Government	(17 172)	(45 573)	(17 172)	(45 573)

18 Cash and cash equivalents

	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Deposits with the Treasurer - at call	144 624	79 011	144 624	79 011
Deposits with the Treasurer (AAEFA)	354 021	252 892	354 021	252 892
SA School Investment Fund (SASIF)	335 118	353 034	-	-
Cash at bank and on hand	28 596	30 268	779	898
Section 21 Deposit Accounts	381	377	381	377
Total cash and cash equivalents	862 740	715 582	499 805	333 178

Deposits with the Treasurer

Funds held in the Accrual Appropriation Excess Funds Account (AAEFA) are not available for general use, ie the funds can only be used in accordance with the Treasurer's / Under Treasurer's approval.

SA School Investment Fund

Represents the amount held in schools SASIF accounts at 31 December 2014, adjusted to account for additional grant revenue and other material movements that occurred between the school's calendar year and the Department's financial year.

The physical amount held in schools and units SASIF accounts as at 30 June 2015 was \$357.2 million (\$362.7 million) and does not include \$26.4 million (\$23.2 million) held in the account for preschools and some units as these have been treated as transactions with third parties.

Department for Education and Child Development
Notes to and forming part of the financial statements

19 Receivables

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Current				
Fees, charges and other receivables	32 564	24 247	23 948	19 919
Allowance for doubtful debts	(4 210)	(4 083)	(125)	(107)
GST recoverable from the ATO	9 684	11 350	7 321	8 779
Accrued revenues	2 083	3 277	2 338	6 103
Prepayments	4 413	3 221	2 840	1 870
Loan receivables	-	-	671	653
Total current receivables	44 534	38 012	36 993	37 217
Non-current				
Workers compensation receivable	851	841	851	841
Loan receivables	14	15	5 147	5 820
Total non-current receivables	865	856	5 998	6 661
Total receivables	45 399	38 868	42 991	43 878

Movement in the allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (ie calculated on past experience and current and expected changes in client rating) that a receivable is impaired.

An allowance for impairment loss has been recognised in other expenses in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

Movement in the allowance for doubtful debts (impairment loss)	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	4 083	3 831	107	36
Increase in the allowance	2 150	2 096	66	140
Amounts written off	(2 023)	(1 844)	(48)	(69)
Carrying amount at 30 June	4 210	4 083	125	107

Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables and accrued revenues are non-interest bearing.

Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

- a) Categorisation and maturity analysis of financial instruments – refer table 36.3 in note 36
- b) Ageing analysis of financial assets – refer table 36.4 in note 36
- c) Risk exposure information – refer note 36

Department for Education and Child Development
Notes to and forming part of the financial statements

20 Inventories

	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Current				
Materials at net realisable value	5 746	5 389	171	139
Total current inventories	5 746	5 389	171	139
Total inventories	5 746	5 389	171	139

21 Other financial assets

	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Current				
Term deposits	2 050	1 976	-	-
Total current investments	2 050	1 976	-	-
Non-current				
Term deposits	80	120	-	-
Total non-current investments	80	120	-	-
Total other financial assets	2 130	2 096	-	-

The term deposits are carried at cost and are to be held to their maturity.

22 Non-current assets classified as held for sale

	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Land	2 991	4 695	2 991	4 695
Buildings and improvements	4 305	2 362	4 305	2 362
Buses	-	160	-	160
Total non-current assets classified as held for sale	7 296	7 217	7 296	7 217

As a result of school closures and amalgamations, the land and buildings located at these sites are surplus to requirements. It is anticipated the land and buildings will be sold within the next 12 months. There were no indications of impairment of the land and buildings transferred to held for sale.

Department for Education and Child Development
Notes to and forming part of the financial statements

22 Non-current assets classified as held for sale (continued)

The following table shows the movement of non-current assets classified as held for sale:

	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Land held for Sale				
Carrying amount at the beginning of the period	4 695	9 807	4 695	9 807
Asset disposals	(4 695)	(4 405)	(4 695)	(4 405)
Assets reclassified to / (from) assets held for sale	2 991	(707)	2 991	(707)
Carrying amount at the end of the period	2 991	4 695	2 991	4 695
Buildings and improvements				
Carrying amount at the beginning of the period	2 362	3 875	2 362	3 875
Asset derecognition / disposals	(2 361)	(183)	(2 361)	(183)
Assets reclassified to / (from) assets held for sale	4 304	(1 330)	4 304	(1 330)
Carrying amount at the end of the period	4 305	2 362	4 305	2 362
Buses				
Carrying amount at the beginning of the period	160	16	160	16
Asset disposals	(160)	(16)	(160)	(16)
Assets reclassified to / (from) assets held for sale	-	160	-	160
Carrying amount at the end of the period	-	160	-	160
Total non-current assets classified as held for sale	7 296	7 217	7 296	7 217

Department for Education and Child Development
Notes to and forming part of the financial statements

23 Property, plant and equipment

	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Land				
Land	1 339 122	1 315 692	1 338 723	1 315 293
Total land	1 339 122	1 315 692	1 338 723	1 315 293
Buildings and improvements				
Buildings and improvements	6 095 058	5 963 259	6 094 354	5 962 713
Accumulated depreciation	(3 697 930)	(3 681 151)	(3 697 680)	(3 680 956)
Total buildings and improvements	2 397 128	2 282 108	2 396 674	2 281 757
Residential accommodation housing				
Residential accommodation housing	38 395	32 418	38 395	32 418
Accumulated depreciation	(15 589)	(14 382)	(15 589)	(14 382)
Total Residential accommodation housing	22 806	18 036	22 806	18 036
Buildings under finance lease				
Buildings under finance lease	189 756	189 756	189 756	189 756
Accumulated amortisation	(15 091)	(11 798)	(15 091)	(11 798)
Total buildings under finance lease	174 665	177 958	174 665	177 958
Construction work in progress				
Construction work in progress	14 704	181 700	14 704	181 700
Total construction work in progress	14 704	181 700	14 704	181 700
Leasehold improvements				
Leasehold improvements	39 910	31 419	39 910	31 419
Accumulated amortisation	(29 561)	(28 330)	(29 561)	(28 330)
Total leasehold improvements	10 349	3 089	10 349	3 089
Buses / motor vehicles				
Buses / motor vehicles	68 028	59 119	55 415	47 416
Accumulated depreciation	(36 684)	(34 530)	(29 161)	(27 613)
Total buses / motor vehicles	31 344	24 589	26 254	19 803
Computing, communications, furniture and equipment				
Computing, communications, furniture and equipment	55 302	51 016	14 707	13 898
Accumulated depreciation	(34 296)	(31 315)	(13 095)	(12 874)
Total computing, communications, furniture and equipment	21 006	19 701	1 612	1 024
Other assets				
Other assets	10 468	10 196	4 138	4 138
Accumulated depreciation	(7 359)	(6 912)	(3 988)	(3 859)
Total other assets	3 109	3 284	150	279
Total property, plant and equipment	4 014 233	4 026 157	3 985 937	3 998 939

Department for Education and Child Development
Notes to and forming part of the financial statements

23 Property, plant and equipment (continued)

Valuation of non-current assets

The independent valuation of land held for education related services was performed by the Valuer-General as at 30 June 2015.

Buildings, pavings and swimming pools used for the provision of education related services are valued through reference to SAMIS which is maintained by the DPTI. These building and paving valuations were valued as at 30 June 2014 and the swimming pools were valued as at 30 June 2015.

The independent valuation of residential accommodation was performed as at 30 June 2015 by Fred Taormina, B.App.Sc. (Val), A.A.P.I. Certified Practicing Valuer of Valcorp Australia Pty Ltd. The valuation was performed by reference to market selling price utilising comparable sales evidence.

The independent valuation of buildings under finance lease was performed as at 30 June 2014 by Fred Taormina, B.App.Sc. (Val), A.A.P.I. Certified Practicing Valuer of Valcorp Australia Pty Ltd. The valuer adopted depreciated replacement cost when valuing the buildings due to there not being an active market for purchasing such buildings. The depreciated replacement cost considered the need for ongoing provision of government services; the specialised nature of the assets including the restricted use of the assets; size, condition, location and current use of the asset. The valuation was based on cost data from construction manuals and projects costs of buildings recently erected.

The independent valuation of leasehold improvements was performed by Fred Taormina, B.App.Sc. (Val), A.A.P.I. Certified Practicing Valuer of Valcorp Australia Pty Ltd as at 30 June 2014. The valuer adopted depreciated replacement cost when valuing the assets as quoted prices in an active liquid market was not available.

Bus values are determined on an internal estimate of current depreciated replacement cost for each bus category based on recent acquisitions, a review of useful lives and residual values.

All computing, communications, furniture and equipment and other assets had a fair value at time of acquisition that was less than \$1 million and have not been revalued in accordance with APF III. The carrying values of these assets are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustment to their fair value, except for management assumptions about condition and remaining useful life.

Impairment

There were no indications of impairment of property, plant and equipment at 30 June 2015.

Department for Education and Child Development
Notes to and forming part of the financial statements

23 Property, plant and equipment (continued)

The following table shows the movement of property, plant and equipment during 2014-15.

RECONCILIATION OF NON-CURRENT ASSETS										
DECD 2014-15										
	Land	Buildings and Improvements	Buildings under Finance Lease	Residential Accommodation Housing	Construction Work In Progress	Leasehold Improvements	Buses / Motor Vehicles	Computing, Communications, Furniture and Equipment	Other Assets	Tangible Assets Total
DECD 2014-15	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1 315 293	2 281 757	177 958	18 036	181 700	3 089	19 803	1 024	279	3 998 939
Additions	16	176	-	-	75 680	-	6 086	828	-	82 786
Disposals	(4 983)	(6 829)	-	-	-	-	(84)	-	-	(11 896)
Assets derecognised	(121)	(14 921)	-	-	-	-	(60)	(26)	-	(15 128)
Assets reclassified to / (from) assets held for sale	(2 991)	(4 304)	-	-	-	-	-	-	-	(7 295)
Transfers (to) / from WJP	-	229 952	-	4 207	(242 676)	8 490	-	27	-	-
Revaluation increment / (decrement)	30 622	473	-	1 388	-	-	2 689	-	-	35 172
Depreciation and amortisation	-	(93 136)	(3 293)	(825)	-	(1 230)	(2 521)	(407)	(129)	(101 541)
Assets recognised for the first time	887	3 506	-	-	-	-	341	166	-	4 900
Carrying amount at the end of the period	1 338 723	2 396 674	174 665	22 806	14 704	10 349	26 254	1 612	150	3 985 937

The above reconciliation of non-current assets is for the DECD entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

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Department for Education and Child Development
Notes to and forming part of the financial statements

23 Property, plant and equipment (continued)

The following table shows the movement of property, plant and equipment during 2013-14.

RECONCILIATION OF NON-CURRENT ASSETS DECD 2013-14										
DECD 2013-14	Land	Buildings and Improvements	Buildings under Finance Lease	Residential Accommodation Housing	Construction Work in Progress	Leasehold Improvements	Buses / Motor Vehicles	Computing, Communications, Furniture and Equipment	Other Assets	Tangible Assets Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1 300 882	2 357 342	166 473	18 459	113 557	18 496	20 586	942	419	3 997 156
Additions	572	-	-	-	144 136	-	1 590	291	-	146 589
Disposals	(1 652)	-	-	-	-	-	(60)	-	-	(1 712)
Assets derecognised	-	(8 083)	-	-	-	(217)	-	(21)	-	(8 321)
Assets reclassified to / (from) assets held for sale	707	1 330	-	-	-	-	(160)	-	-	1 877
Transfers (to) / from WIP	-	69 765	-	-	(75 993)	6 228	-	-	-	-
Transfers between asset classes	-	-	20 007	-	-	(20 007)	-	-	-	-
Revaluation increment / (decrement)	14 784	(57 942)	(4 101)	-	-	(127)	-	-	-	(47 386)
Depreciation and amortisation	-	(89 705)	(4 420)	(669)	-	(1 284)	(2 153)	(211)	(139)	(98 581)
Assets recognised for the first time	-	9 003	-	246	-	-	-	23	-	9 272
Transfers from third parties	-	48	-	-	-	-	-	-	-	48
Other changes	-	(1)	(1)	-	-	-	-	-	(1)	(3)
Carrying amount at the end of the period	1 315 293	2 281 757	177 958	18 036	181 700	3 089	19 803	1 024	279	3 998 939

The above reconciliation of non-current assets is for the DECD entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

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Department for Education and Child Development
Notes to and forming part of the financial statements

24 Intangible assets

	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Internally developed computer software				
Internally developed computer software	12 668	12 668	12 668	12 668
Accumulated amortisation	(9 417)	(8 456)	(9 417)	(8 456)
Total internally developed computer software	3 251	4 212	3 251	4 212
Externally provided software				
Externally provided software	256	117	256	117
Accumulated amortisation	(127)	(117)	(127)	(117)
Total externally provided software	129	-	129	-
Service right for the right to use equipment				
Service right for equipment	22 691	22 691	22 691	22 691
Accumulated amortisation	(3 477)	(2 678)	(3 477)	(2 678)
Total service right for the right to use equipment	19 214	20 013	19 214	20 013
Total intangible assets	22 594	24 225	22 594	24 225

The internally developed computer software relates to the Department's human resource management system (Valeo) and the Connected Client and Case Management System (C3MS) for case management of children.

The service right to use equipment relates to the provision, maintenance and replacement of equipment under the PPP over the period of the agreement. The service right is amortised over the remaining period of the PPP agreement. The PPP arrangements have been detailed in note 2(p) above.

Impairment

There were no indications of impairment on intangible assets as at 30 June 2015.

The following tables show the movement of intangible assets:

RECONCILIATION OF INTANGIBLE ASSETS				
DECD 2014-15				
DECD 2014-15	Internally Developed Computer Software \$'000	Other computer software \$'000	Service Right for Equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	4 212	-	20 013	24 225
Additions	-	139	-	139
Depreciation and amortisation	(961)	(10)	(799)	(1 770)
Carrying amount at the end of the period	3 251	129	19 214	22 594
The above reconciliation of intangible assets is for the DECD entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.				

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RECONCILIATION OF INTANGIBLE ASSETS				
DECD 2013-14				
DECD 2013-14	Internally Developed Computer Software \$'000	Other computer software \$'000	Service Right for Equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	5 379	-	20 812	26 191
Depreciation and amortisation	(1 167)	-	(799)	(1 966)
Carrying amount at the end of the period	4 212	-	20 013	24 225
The above reconciliation of intangible assets is for the DECD entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.				

25 Fair value measurement

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The Department categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement.

The Department classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent valuation.

Level 1: traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities the entity can access at measurement date.

Level 2: not traded in an active market and are derived from inputs (input other than quoted prices included within level 1) that are observable for the asset either directly or indirectly.

Level 3: not traded in an active market and are derived from unobservable inputs.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2015.

The Department had no valuations categorised into level 1.

Department for Education and Child Development
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<i>Fair value measurements at 30 June 2015</i>	DECD	DECD	DECD
	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land	1 338 723	-	1 338 723
Buildings and improvements	-	2 396 674	2 396 674
Residential accommodation housing	22 806	-	22 806
Buildings under finance lease	-	174 665	174 665
Leasehold improvements	-	10 349	10 349
Buses / Motor vehicles	-	26 254	26 254
Computing, communications, furniture and equipment	-	1 612	1 612
Other assets	-	150	150
Total recurring fair value measurements	1 361 529	2 609 704	3 971 233
Non-recurring fair value measurements			
Land held for sale	2 991	-	2 991
Buildings and improvements held for sale	4 305	-	4 305
Total non-recurring fair value measurements	7 296	-	7 296
Total fair value measurements	1 368 825	2 609 704	3 978 529

The above disclosure of fair value measurement is for the DECD entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

<i>Fair value measurements at 30 June 2014</i>	DECD	DECD	DECD
	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land	1 315 293	-	1 315 293
Buildings and improvements	-	2 281 757	2 281 757
Residential accommodation housing	18 036	-	18 036
Buildings under finance lease	-	177 958	177 958
Leasehold improvements	-	3 089	3 089
Buses/Motor vehicles	-	19 803	19 803
Computing, communications, furniture and equipment	-	1 024	1 024
Other assets	-	279	279
Total recurring fair value measurements	1 333 329	2 483 910	3 817 239
Non-recurring fair value measurements			
Land held for sale	4 695	-	4 695
Buildings and improvements held for sale	2 362	-	2 362
Buses held for sale	160	-	160
Total non-recurring fair value measurements	7 217	-	7 217
Total fair value measurements	1 340 546	2 483 910	3 824 456

The above disclosure of fair value measurement is for the DECD entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

There were no transfers of assets between level 1 and 2 fair value hierarchy levels in 2015. The Department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Department for Education and Child Development
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Valuation techniques and inputs

Valuation techniques used to derive level 2 and 3 fair values are disclosed in note 23. There were no changes in valuation techniques during 2014-15 financial year.

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

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RECONCILIATION OF RECURRING FAIR VALUE MEASUREMENT - LEVEL 3						
DECD 2014-15						
	Buildings and Improvements	Buildings under Finance Lease	Leasehold Improvements	Buses / Motor Vehicles	Computing, Communications, Furniture and Equipment	Other Assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	2 281 757	177 958	3 089	19 803	1 024	279
Additions	176	-	-	6 086	828	-
Disposals	(6 829)	-	-	(84)	-	-
Assets derecognised	(14 921)	-	-	(60)	(26)	-
Assets reclassified to / (from) assets held for sale	(4 304)	-	-	-	-	-
Transfers (to) / from WIP	229 952	-	8 490	-	27	-
Assets recognised for the first time	3 506	-	-	341	166	-
Gains / (losses) for the period recognised in net result						
Depreciation and amortisation	(93 136)	(3 293)	(1 230)	(2 521)	(407)	(129)
Total gains / (losses) recognised in net result	(93 136)	(3 293)	(1 230)	(2 521)	(407)	(129)
Gains / (losses) for the period in other comprehensive income (OCI)						
Revaluation increment / (decrement)	473	-	-	2 689	-	-
Total gains / (losses) recognised in OCI	473	-	-	2 689	-	-
Closing balance at the end of the period	2 396 674	174 665	10 349	26 254	1 612	150

The above reconciliation of non-current assets is for the DECD entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

Department for Education and Child Development
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RECONCILIATION OF RECURRING FAIR VALUE MEASUREMENT - LEVEL 3						
DECD 2013-14						
	Buildings and Improvements \$'000	Buildings under Finance Lease \$'000	Leasehold Improvements \$'000	Buses / Motor Vehicles \$'000	Computing, Communications , Furniture and Equipment \$'000	Other Assets \$'000
Opening balance at the beginning of the period	2 357 342	166 473	18 496	20 586	942	419
Additions	-	-	-	1 590	291	-
Disposals	-	-	-	(60)	-	-
Assets derecognised	(8 083)	-	(217)	-	(21)	-
Assets reclassified to / (from) assets held for sale	1 330	-	-	(160)	-	-
Transfers (to) / from WIP	69 765	-	6 228	-	-	-
Transfers between asset classes	-	20 007	(20 007)	-	-	-
Assets recognised for the first time	9 003	-	-	-	23	-
Transfers from third parties	48	-	-	-	-	-
Other changes	(1)	(1)	-	-	-	(1)
Gains / (losses) for the period recognised in net result						
Revaluation decrement	-	(4 101)	(127)	-	-	-
Depreciation and amortisation	(89 705)	(4 420)	(1 284)	(2 153)	(211)	(139)
Total gains / (losses) recognised in net result	(89 705)	(8 521)	(1 411)	(2 153)	(211)	(139)
Gains / (losses) for the period in other comprehensive income (OCI)						
Revaluation increment / (decrement)	(57 942)	-	-	-	-	-
Total gains / (losses) recognised in OCI	(57 942)	-	-	-	-	-
Closing balance at the end of the period	2 281 757	177 958	3 089	19 803	1 024	279

The above reconciliation of non-current assets is for the DECD entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

Department for Education and Child Development
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26 Payables

	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Current				
Creditors	49 597	42 119	61 318	57 957
Employment on-costs	53 202	48 996	53 170	48 992
Accrued expenses	19 109	12 474	12 624	8 134
Accrued interest on PPP finance lease	2 816	2 878	2 816	2 878
Total current payables	124 724	106 467	129 928	117 961
Non-current				
Employment on-costs	53 229	52 779	53 229	52 779
Accrued interest on PPP finance lease	6 202	4 711	6 202	4 711
Creditors	-	2	-	2
Total non-current payables	59 431	57 492	59 431	57 492
Total payables	184 155	163 959	189 359	175 453

As a result of an actuarial assessment performed by DTF, the percentage of the proportion of long service leave taken as leave changed in 2015 to a rate of 63% (64%) and the average factor for the calculation of employer superannuation remained the same at a rate of 10.3%. These rates are used in the employment on-cost calculation.

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

- a) Categorisation of financial instruments and maturity analysis of payables – refer Table 36.3 in note 36
- b) Risk exposure information – refer note 36

Department for Education and Child Development
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27 Borrowings

	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Current				
Obligations under finance leases - PPP ⁽¹⁾	1 453	1 301	1 453	1 301
Obligations under finance leases - other	4	4	-	-
Borrowings	7	36	-	-
Total current borrowings	1 464	1 341	1 453	1 301
Non-current				
Obligations under finance leases - PPP ⁽¹⁾	170 950	172 403	170 950	172 403
Obligations under finance leases - other	2	-	-	-
Borrowings	79	85	-	-
Advance ⁽²⁾	285	285	285	285
Total non-current borrowings	171 316	172 773	171 235	172 688
Total borrowings	172 780	174 114	172 688	173 989

⁽¹⁾ This finance lease is related to the public private partnership agreement and is interest bearing.

⁽²⁾ The advance was to establish the imprest account and is non-interest bearing.

Finance leases are recognised at cost, and the interest rate implied based on the total payments due over the life of the PPP finance lease is 11.26%. Refer to note 32(a)(ii)).

a) Categorisation of financial instruments and maturity analysis of borrowings – refer Table 36.3 in note 36

b) Risk exposure information – refer note 36

c) Defaults and breaches – There were no defaults or breaches on any of the above liabilities throughout the year.

28 Employee benefits

	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Current				
Annual leave	130 630	112 186	129 632	111 244
Accrued salaries and wages	61 110	51 806	60 523	51 279
Long service leave	62 587	59 599	62 519	59 560
Skills and experience retention leave	18 253	14 500	18 253	14 500
Country incentive leave	612	795	612	795
Total current employee benefits	273 192	238 886	271 539	237 378
Non-current				
Long service leave	451 706	441 486	448 627	438 631
Country incentive leave	2 642	2 686	2 642	2 686
Total non-current employee benefits	454 348	444 172	451 269	441 317
Total employee benefits	727 540	683 058	722 808	678 695

Department for Education and Child Development
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28 Employee benefits (continued)

AASB 119 contains the calculation methodology for long service leave liability. An actuarial assessment performed by DTF was used to calculate the liability.

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds applied decreased from 2014 (3.5%) to 2015 (3.0%) for Families SA employees and from 2014 (3.25%) to 2015 (2.75%) for all other employees due to differing profiles of employee leave usage.

This decrease in bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

The net financial effect of the changes in methodology and actuarial assumptions in the current financial year is an increase of \$15.6 million in total long service leave liability and an increase of \$17.5 million in the total employee benefits expense (which includes on-costs). The impact on future periods is impracticable to estimate as the benchmark is calculated using a number of assumptions - a key assumption is the long-term discount rate.

The actuarial assessment performed by DTF left the salary inflation rate at 4% for long service leave liability and revised the salary inflation rate down by 1% from 2014 (4%) to 2015 (3%) for annual leave and skills, experience and retention leave liability.

29 Provisions

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Current				
Provision for workers compensation	25 470	24 605	25 470	24 605
Provision for legal claims	919	782	919	782
Provision for fire claims	-	-	351	80
Total current provisions	26 389	25 387	26 740	25 467
Non-current				
Provision for workers compensation	75 927	92 537	75 927	92 537
Provision for legal claims	3 566	3 748	3 566	3 748
Total non-current provisions	79 493	96 285	79 493	96 285
Total provisions	105 882	121 672	106 233	121 752

Department for Education and Child Development
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29 Provisions (continued)

	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Movements in provisions				
Provision for workers compensation				
Carrying amount at 1 July	117 142	109 872	117 142	109 872
Reductions arising from payments	(30 948)	(26 921)	(30 948)	(26 921)
Additional provision recognised	15 203	34 191	15 203	34 191
Carrying amount at 30 June	101 397	117 142	101 397	117 142

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Office for the Public Sector. These claims are expected to be settled within the next financial year.

	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Provision for legal claims				
Carrying amount at 1 July	4 530	4 302	4 530	4 302
Reductions arising from payments	(45)	(753)	(45)	(753)
Additional provision recognised	-	981	-	981
Carrying amount at 30 June	4 485	4 530	4 485	4 530

Provision for fire claims				
Carrying amount at 1 July	-	-	80	34
Reductions arising from payments	-	-	(102)	(1 021)
Additional provision recognised	-	-	373	1 067
Carrying amount at 30 June	-	-	351	80

30 Other liabilities

	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Current				
Deposits	12 467	9 678	11 788	8 735
Unearned revenue	11 143	5 554	347	556
Equipment service right	346	478	346	478
Other liabilities	4 487	5 403	269	348
Total current other liabilities	28 443	21 113	12 750	10 117
Non-current				
Deposits	446	481	-	-
Equipment service right	21 402	21 748	21 402	21 748
Other liabilities	628	613	468	468
Total non-current other liabilities	22 476	22 842	21 870	22 216
Total other liabilities	50 919	43 955	34 620	32 333

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31 Equity

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Retained earnings	2 267 713	2 194 977	1 882 124	1 787 742
Revaluation surplus	1 451 149	1 437 799	1 450 962	1 437 612
Total equity	3 718 862	3 632 776	3 333 086	3 225 354

The revaluation surplus is used to record increments and decrements in the fair value of land, buildings and plant and equipment to the extent they offset one another within each asset class. Relevant amounts are transferred to retained earnings when an asset is disposed.

32 Unrecognised contractual commitments

(a) Public private partnership related commitments

In July 2009 the State of South Australia entered into a 30 year agreement with Pinnacle Education SA2 Pty Ltd under the Partnerships SA policy, for the financing, design, construction and maintenance of six schools.

The construction of all six schools was completed and achieved commercial acceptance during the 2010-11 financial year, at which point the State assumed responsibility for education provision, staffing, curriculum and teacher practice.

(i) PPP operations and maintenance commitments

Future operations and maintenance commitments are payable in nominal terms as follows:

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Within one year	5 402	5 318	5 402	5 318
Later than one year but not later than five years	22 985	22 643	22 985	22 643
Later than five years	146 702	154 152	146 702	154 152
Total PPP operations and maintenance commitments	175 089	182 113	175 089	182 113

(ii) PPP Finance lease commitments

Future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	2015	2015	2014	2014
	Minimum	Present	Minimum	Present
	lease	value	lease	value
	payments	of lease	payments	of lease
		payments		payments
	\$'000	\$'000	\$'000	\$'000
Within one year	21 014	18 891	21 016	18 891
Later than one year but not later than five years	84 027	58 293	84 039	58 276
Later than five years	400 798	95 219	421 801	96 537
Total minimum lease payments	505 839	172 403	526 856	173 704
Less amounts representing finance charges	333 436	-	353 152	-
Present value of minimum lease payments	172 403	172 403	173 704	173 704

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(ii) PPP Finance lease commitments (continued)

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Included in the financial statements as:				
Current borrowings (note 27)	1 453	1 301	1 453	1 301
Non-current borrowings (note 27)	170 950	172 403	170 950	172 403
Total included in borrowings	172 403	173 704	172 403	173 704

The PPP arrangements have been detailed in note 2(p) above. The weighted average interest rate implicit in the leases is 11.26%.

(b) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial statements are payable as follows:

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Within one year	7 417	57 157	7 417	57 157
Later than one year but not later than five years	-	4 075	-	4 075
Total capital commitments	7 417	61 232	7 417	61 232

The Department's capital commitments are for commitments under the investing program.

(c) Remuneration commitments

Commitments for the payment of salaries and other remuneration under fixed term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Within one year	7 894	7 185	7 894	7 185
Later than one year but not later than five years	18 029	16 034	18 029	16 034
Total remuneration commitments	25 923	23 219	25 923	23 219

Amounts disclosed include commitments arising from executive and other service contracts. The Department does not offer fixed-term remuneration contracts greater than five years.

(d) Operating lease commitments for vehicles

Commitments in relation to operating leases for vehicles contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Within one year	5 501	5 765	5 501	5 765
Later than one year but not later than five years	4 329	3 160	4 329	3 160
Total operating lease commitments for vehicles	9 830	8 925	9 830	8 925

The Department has non-cancellable operating lease commitments for the provision of vehicles to senior executive officers or sections (ie pool vehicles) with SAFA through their agent LeasePlan Australia Ltd. There are no purchase options available to the Department.

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(e) Operating lease commitments for facilities

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2015	2014	2015	2014
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Within one year	16 106	16 272	16 106	16 272
Later than one year but not later than five years	39 711	35 522	39 711	35 522
Later than five years	9 194	11 958	9 194	11 958
Total operating lease commitments for facilities	65 011	63 752	65 011	63 752

The Department has entered into a number of operating leases for the provision of office accommodation and facilities used for the provision of educational services. Office accommodation is leased from DPTI. The property leases include both cancellable and non-cancellable leases and are for varied terms. Contingent rentals are based upon changes in market rental rates, the CPI or a specified rate of increase in the rental payments. Options exist to renew the leases at the end of the lease term. Some leases have no option to renew.

33 Contingent assets and contingent liabilities

The Department has received advice from the Crown Solicitor that Departmental bus drivers were eligible for long service leave under the former *Public Sector Management Act 1995* from 10 March 1994. Payment from this date is being applied to each application for long service leave that is received however, a sufficiently reliable estimate of the potential liability cannot be made at this time.

On 29 February 2012 the High Court of Australia determined that contract teachers and temporary relieving teachers in the period 1972 to 2005 should have been appointed under the same section of the Education Act as permanent teachers. This matter is still subject to legal proceedings and at this stage a sufficiently reliable estimate of the potential liability cannot be made.

34 Remuneration of board and committee members

Members of the boards and committees during the 2014-15 financial year were:

Animal Ethics Committee

Ms Julia Abdic* (appointed 30 July 2014, resigned 21 January 2015)	Dr David Mason
Ms Jan Brooks*	Ms Kay McGrath
Mr Simon Fitzpatrick* (appointed 22 October 2014, resigned 30 June 2015)	Dr Denise Noonan
Mr John Hatch	Ms Patricia Sprague
Mr Manfred Heide	Mr Ross Templeman*
Ms Anne Kibble* (resigned 21 October 2014)	Ms Amanda Vishnich* (appointed 22 January 2015)
	Ms Kymberly Warren*

Child Death and Serious Injury Review Committee

Professor Roger Byard* (resigned 9 October 2015)	Mr Barry Jennings QC
Ms Angela Davis	Dr Margaret Kyrkou**
Ms Dymphna Eszenyi	Mr Thomas Osborn*
Dr Mark Fuller (appointed 25 June 2015)	Dr Nigel Stewart*
Ms Diane Gursansky	Ms Patricia Strachan*
Ms Michelle Hasani**	Ms Barbara Tiffin*

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34 Remuneration of board and committee members (continued)

DECD Audit and Risk Committee

Ms Angela Allison	Mr Etienne Scheepers* (appointed 3 November 2014)
Ms Jayne Johnston*	Ms Patricia Strachan*
Ms Julieann Riedstra*	Mr David Waterford*** (resigned 28 July 2014)
Mr Coenraad Robberts*	

Council for the Care of Children Committee

Ms Fiona Arney	Mr Thomas Manning**
Ms Alison Baker (resigned 22 June 2015)	Ms Joslene Mazel*
Ms Sonja Brown (appointed 9 October 2014)	Ms Catherine Ryan
Ms Elisabeth Burtnik (appointed 30 April 2015)	Ms Nerida Saunders*
Ms Barbara Chapman	Mr Simon Schrapel
Ms Jesse Frick	Professor Phillip Slee
Mr Anthony Harrison*	Mr David Swan*
Mr Thomas Manning**	

SA Institute for Education Leadership

Ms Jane Booth (term ended 26 February 2015)	Mr Phil O'Loughlin*
Ms Susan Cameron*	Ms Kate Ryan* (appointed 30 October 2014)
Mr John Hill (appointed 12 February 2015)	Ms Patricia Strachan*
Ms Jayne Johnston*	Mr David Tonkin
Ms Pam Kent*	Dr Niki Vincent (appointed 24 October 2014)
Mr Kevin Lee* (resigned 23 September 2014)	Ms Tammy Williams* (appointed 16 January 2015)

SA Teacher Certification Committee

Dr Kerry Ann Kavanagh*	Ms Lynda Seacombe
Mr Michael Kenny	Dr Vincent Thomas (resigned 1 February 2015)
Dr Lynda MacLeod	Mr Bruno Viecei (appointed 1 March 2015)
Dr Janette Patterson*	Ms Erica Womersley*

The number of members whose remuneration received/receivable falls within the following bands:	2015 Number	2014 Number
\$0	50	47
\$1 - \$9 999	19	17
\$10 000 - \$19 999	1	1
Total number of members	70	65

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, FBT and any other salary sacrifice arrangements. The total remuneration, including employer superannuation contributions, received or receivable by members was \$35 409 (\$40 847).

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

* In accordance with DPC Circular 16, government employees did not receive any remuneration for board/committee duties during the financial year.

** Part-time government employee who gained approval to receive remuneration for board/committee duties during the financial year.

*** Resigned from government employment during the 2014-15 financial year.

Department for Education and Child Development
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35 Cash flow reconciliation

	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 DECD \$'000	2014 DECD \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:				
Cash and cash equivalents disclosed in the Statement of Financial Position	862 740	715 582	499 805	333 178
Balance as per Statement of Cash Flows	862 740	715 582	499 805	333 178
Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services				
Net cash provided by operating activities	224 673	106 541	236 661	99 022
Revenues from SA Government	(2 610 414)	(2 841 153)	(2 610 414)	(2 841 153)
Payments to SA Government	17 172	45 573	17 172	45 573
Non-cash items				
Depreciation and amortisation expense	(108 865)	(105 247)	(103 311)	(100 547)
Bad and doubtful debts	(2 150)	(2 096)	(66)	(140)
Non-current assets derecognised / written off	(15 128)	(8 504)	(15 128)	(8 504)
Assets recognised for the first time	4 900	9 272	4 900	9 272
Net gain from disposal of non-current assets	8 004	4 675	8 132	4 691
Net revaluation decrement recognised in Profit and Loss	-	(4 228)	-	(4 228)
Movements in assets and liabilities				
(Decrease) / increase in receivables	8 682	(7 843)	(166)	(1 748)
Increase / (Decrease) in inventories	357	387	32	4
Decrease / (increase) in payables	(33 425)	9 899	(27 135)	2 259
Decrease / (increase) in employee benefits	(44 482)	(23 524)	(44 113)	(23 164)
(Increase) / Decrease in provisions	15 790	(7 498)	15 519	(7 544)
(Increase) / Decrease in other liabilities	(7 442)	(1 002)	(2 765)	(655)
Net cost of providing services	(2 542 328)	(2 824 748)	(2 520 682)	(2 826 862)

36 Financial instruments / financial risk management

The following tables are for the DECD entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

36.1 Financial risk management

Risk management is managed by the Department's corporate services section and Departmental risk management policies are in accordance with the Risk Management Policy Statement issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Department is exposed to financial risk – liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

Department for Education and Child Development

Notes to and forming part of the financial statements

36.2 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 2 Summary of Significant Accounting Policies.

Refer Table 36.3 for the carrying amounts of each of the following categories of financial assets and liabilities: Cash and cash equivalents; receivables; and financial liabilities measured at cost.

The Department does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable.

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes 2, 19 and 26).
- Borrowings are initially recognised at fair value, plus any transaction cost directly attributable to the borrowings, then subsequently held at amortised cost. The fair value of borrowings approximates the carrying amount, as the impact of discounting is not significant (refer notes 2 and 27).

36.3 Liquidity Risk

Liquidity risk arises from the possibility the Department is unable to meet its financial obligations as they fall due. The Department is funded principally from appropriation by the SA Government. The Department works with DTF to determine the cash flows associated with its government approved program of work and to ensure funding is provided through the SA Government budgetary processes to meet the expected cash flows.

The Department settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made within 30 days from resolution.

The Department's exposure to liquidity risk is not considered a material issue based on past experience and current assessment of risk.

The carrying amount recorded in table 36.3 represents the Department's maximum exposure.

The following table discloses the carrying amount of each category of financial instrument held by the Department including the contractual maturity analysis for financial assets and liabilities (ie liquidity risk).

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Department for Education and Child Development
Notes to and forming part of the financial statements

36 Financial instruments / financial risk management (continued)

Table 36.3 Categorisation and maturity analysis of financial assets and liabilities (DECD)

Category of financial asset and financial liability	Notes	2015 Carrying amount/fair value \$'000	2015 Contractual Maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalent						
- Cash and cash equivalent	18	499 805	499 805	-	-	-
Loans and receivables						
- Receivables ⁽¹⁾⁽²⁾	19	31 979	-	26 135	2 716	3 128
Total financial assets		531 784	499 805	26 135	2 716	3 128
Financial liabilities						
Financial liabilities held at cost						
- Payables ⁽²⁾	26	82 960	-	76 758	6 202	-
- Borrowings	27	172 688	-	1 453	7 763	163 472
- Other liabilities	30	34 620	-	12 750	3 488	18 382
Total financial liabilities		290 268	-	90 961	17 453	181 854

Category of financial asset and financial liability	Notes	2014 Carrying amount/fair value \$'000	2014 Contractual Maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalent						
- Cash and cash equivalent	18	333 178	333 178	-	-	-
Loans and receivables						
- Receivables ⁽¹⁾⁽²⁾	19	32 388	-	26 568	2 692	3 128
Total financial assets		365 566	333 178	26 568	2 692	3 128
Financial liabilities						
Financial liabilities held at cost						
- Payables ⁽²⁾	26	73 681	-	68 968	4 713	-
- Borrowings	27	173 989	-	1 301	6 938	165 750
- Other liabilities	30	32 333	-	10 118	2 725	19 490
Total financial liabilities		280 003	-	80 387	14 376	185 240

(1) Receivables and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

(2) Receivables amounts disclosed here exclude prepayments. Prepayments are presented in note 19 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

Department for Education and Child Development
Notes to and forming part of the financial statements

36 Financial instruments / financial risk management (continued)

36.4 Credit risk

Credit risk arises when there is a possibility of the Department's debtors defaulting on their contractual obligations resulting in financial loss to the Department. The Department measures credit risk on a fair value basis and monitors risk on a regular basis.

The Department has minimal concentration of credit risk. The Department has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Department does not engage in high risk hedging for its financial assets. No collateral is held as security and no credit enhancements relate to financial assets held by the Department.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer note 19 for information on the allowance for impairment in relation to receivables.

The following table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets.

Table 36.4 Ageing analysis of financial assets (DECD)

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			Impaired financial assets \$'000
			Overdue for less than 30 days \$'000	Overdue for 30 - 60 days \$'000	Overdue for more than 60 days \$'000	
2015						
Receivables ⁽¹⁾	31 979	27 434	1 788	106	2 776	(125)
Total financial assets	31 979	27 434	1 788	106	2 776	(125)
2014						
Receivables ⁽¹⁾	32 388	25 909	3 603	739	2 244	(107)
Total financial assets	32 388	25 909	3 603	739	2 244	(107)

⁽¹⁾ Receivables amounts disclosed here exclude amounts relating to statutory receivables (amounts owing to Government). They are carried at cost.

36.5 Market risk

Market risk for the Department is primarily through interest rate risk. Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. The Department's interest bearing liabilities are managed through SAFA and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

Sensitivity disclosure analysis

A sensitivity disclosure analysis has not been undertaken for the interest rate risk of the Department as it has been determined that the possible impact on the net result or total equity from fluctuations in interest rates is immaterial.

Department for Education and Child Development
Notes to and forming part of the financial statements

37 Budgetary reporting and explanations of major variances between budget and actual amounts

The following are brief explanations of variances between original budget and actual amounts. Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

	Original Budget ¹ 2015 \$'000	Consolidated Actual 2015 \$'000	Variance 2015 \$'000
Statement of Comprehensive Income			
Expenses			
Employee benefits expenses	2 238 249	2 226 872	(11 377)
Supplies and services	727 068	652 337	(74 731)
Grants and subsidies	168 747	204 701	35 954
Depreciation and amortisation expense	109 383	108 865	(518)
Borrowing costs	22 561	22 388	(173)
Other expenses	3 990	22 086	18 096
Total Expenses	3 269 998	3 237 249	(32 749)
Income			
Commonwealth revenues	446 896	454 567	7 671
Student and other fees and charges	134 005	143 752	9 747
Other grants and contributions	46 078	22 249	(23 829)
Interest revenues	8 158	11 955	3 797
Net gain from disposal of non-current assets	213	8 004	7 791
Other revenues	45 607	54 394	8 787
Total Income	680 957	694 921	13 964
Net cost of providing services	2 589 041	2 542 328	(46 713)
Revenues from / (Payments to) SA Government			
Revenues from SA Government	2 614 395	2 610 414	(3 981)
Payments to SA Government	-	(17 172)	(17 172)
Net Revenues from / (payments to) SA Government	2 614 395	2 593 242	(21 153)
Net result	25 354	50 914	25 560
Other Comprehensive Income			
Changes in revaluation surplus	-	35 172	35 172
Total comprehensive result	25 354	86 086	60 732

¹ The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

No variances exceed the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

Department for Education and Child Development
Notes to and forming part of the financial statements

37 Budgetary reporting and explanations of major variances between budget and actual amounts (continued)

		Original Budget ¹ 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000
	Note			
Investing Expenditure Summary				
Total new projects		9 438	6 837	(2 601)
Total existing projects	1	79 295	60 761	(18 534)
Total annual programs	2	7 935	23 406	15 471
Total investing expenditure		96 668	91 004	(5 664)

¹ The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

- 1 Further consultation was required in the design phase of the National Quality Agenda – Preschools and Preschool Relocation projects due to the implementation of new design principals for outdoor learning areas. This has resulted in significant delay in expenditure as the construction phase of the projects are shifted forward.
- 2 Additional expenditure on annual programs primarily relates to expenditure in relation to remediation works of a significant fire at Lameroo Regional Community school, expenditure in relation to the provision of transportable buildings to address capacity issues at a number of schools and general investing expenditure by schools on equipment and building improvements.

38 Events after the end of the reporting period

There were no events occurring after the end of the reporting period that have material financial implications on these financial statements.

Department for Education and Child Development
Notes to and forming part of the financial statements

39 Transactions with SA Government – Consolidated

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty / transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

	Note	SA Government		Non-SA Government		Total	
		2015 Consolidated \$'000	2014 Consolidated \$'000	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 Consolidated \$'000	2014 Consolidated \$'000
Expenses							
Employee benefits expenses	5						
Salaries and wages (including annual leave)		-	-	1 819 051	1 755 260	1 819 051	1 755 260
Employment on-costs - superannuation		-	-	193 823	205 638	193 823	205 638
Employment on-costs - payroll tax		102 580	100 474	-	-	102 580	100 474
Long service leave		-	-	74 178	64 939	74 178	64 939
Workers Compensation		1 512	2 157	15 285	34 254	16 797	36 411
TVSPs		-	-	5 751	14 410	5 751	14 410
Country incentive leave		-	-	457	510	457	510
Board and committee fees		-	-	26	28	26	28
Skills and experience retention leave		-	-	11 535	7 941	11 535	7 941
Other employee related expenses		-	-	2 674	3 087	2 674	3 087
Supplies and services	6						
Minor works and maintenance		78 674	89 818	52 150	46 895	130 824	136 713
Rentals and leases		27 883	26 101	2 315	3 759	30 198	29 860
Management fees and charges		10 691	11 618	4 014	6 830	14 705	18 448
Utilities		15 893	17 812	29 958	29 495	45 851	47 307
Cleaning		281	280	36 375	34 919	36 656	35 199
Printing, postage and consumables		17	-	77 909	81 062	77 926	81 062
Training and development		427	546	10 637	11 079	11 064	11 625
Shared Services SA charges		14 793	13 460	-	-	14 793	13 460
Vehicle and travelling expenses		8 341	8 708	27 393	26 673	35 734	35 381
Security		5 700	4 767	1 465	1 181	7 165	5 948
Insurance (including self-insurance)		5 702	4 944	18	1 054	5 720	5 998

Department for Education and Child Development
Notes to and forming part of the financial statements

39 Transactions with SA Government - Consolidated (continued)

	Note	SA Government		Non-SA Government		Total	
		2015 Consolidated \$'000	2014 Consolidated \$'000	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 Consolidated \$'000	2014 Consolidated \$'000
Supplies and services (continued)	6						
Contractors and other outsourced services		1 446	-	23 495	26 210	24 941	26 210
Telecommunications		2 522	2 536	14 435	14 577	16 957	17 113
Legal costs		2 448	880	576	1 209	3 024	2 089
Residential and client related costs		11	66	2 660	2 441	2 671	2 507
Computer communications		2 959	-	13 608	19 408	16 567	19 408
Copyright		-	-	4 360	4 179	4 360	4 179
Bus contractors		8	-	24 719	24 332	24 727	24 332
Excursions and camps		-	-	21 006	20 890	21 006	20 890
Cost of goods sold		-	-	14 559	14 975	14 559	14 975
Student learning materials		-	-	28 919	31 335	28 919	31 335
PPP Service Fee		-	-	5 262	5 167	5 262	5 167
Other		(1 881)	5 117	80 589	73 018	78 708	78 135
Grants and subsidies	7						
Recurrent grants paid to preschools		5 089	5 675	-	-	5 089	5 675
Recurrent grants paid to other organisations		2 881	2 051	196 731	181 084	199 612	183 135
Depreciation and amortisation expense	8						
Buildings and improvements		-	-	93 214	89 728	93 214	89 728
Residential accommodation housing		-	-	825	669	825	669
Computing, communication, furniture and equipment		-	-	4 518	3 896	4 518	3 896
Buses and motor vehicles		-	-	3 361	2 827	3 361	2 827
Other		-	-	654	457	654	457
Leasehold improvements		-	-	1 230	1 284	1 230	1 284
Internally developed computer software		-	-	961	1 167	961	1 167
Buildings under finance lease		-	-	3 293	4 420	3 293	4 420

Department for Education and Child Development
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39 Transactions with SA Government - Consolidated (continued)

	Note	SA Government		Non-SA Government		Total	
		2015 Consolidated \$'000	2014 Consolidated \$'000	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 Consolidated \$'000	2014 Consolidated \$'000
Depreciation and amortisation expense (continued)	8						
Externally provided software		-	-	10	-	10	-
Service right for equipment		-	-	799	799	799	799
Borrowing costs	9						
Interest paid/payable on borrowings		-	-	56	272	56	272
Finance lease costs		-	-	22 332	22 391	22 332	22 391
Other expenses	10						
Auditor's remuneration – Auditor-General's Department		527	684	-	-	527	684
Auditor's remuneration – other		-	-	970	1 045	970	1 045
Allowance for doubtful debts and debt write-offs		-	-	2 150	2 096	2 150	2 096
Non-current assets written off		-	-	15 128	8 504	15 128	8 504
Revaluation decrement of buildings under finance lease and leasehold improvement assets		-	-	-	4 228	-	4 228
Other expenses		2 211	696	1 100	1 658	3 311	2 354
Total expenses		290 715	298 390	2 946 534	2 893 280	3 237 249	3 191 670
Income							
Commonwealth revenues	11						
Student and other fees and charges	12			454 567	119 961	454 567	119 961
Sales / fee for service revenue		368	298	13 229	13 386	13 597	13 684
Student enrolment fees and charges		-	-	102 977	99 894	102 977	99 894
Other user fees and charges		63	572	11 137	13 828	11 200	14 400
Canteen sales		-	-	15 978	15 840	15 978	15 840
Other grants and contributions	13						
Grants and subsidies revenue		(6 752)	13 079	28 323	11 375	21 571	24 454
Donations		-	-	678	713	678	713

Department for Education and Child Development
Notes to and forming part of the financial statements

39 Transactions with SA Government - Consolidated (continued)

	Note	SA Government		Non-SA Government		Total	
		2015 Consolidated \$'000	2014 Consolidated \$'000	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 Consolidated \$'000	2014 Consolidated \$'000
Interest revenues	14						
Interest		116	400	-	-	116	400
Other		-	-	11 839	9 788	11 839	9 788
Net gain from disposal of non-current and other assets	15						
Total proceeds from disposal		-	-	-	-	-	-
Total value of assets disposed		-	-	27 543	11 064	27 543	11 064
Other revenues	16			(19 539)	(6 389)	(19 539)	(6 389)
Commission received		-	-	1 273	2 006	1 273	2 006
Fundraising revenue		-	-	7 553	7 583	7 553	7 583
Assets recognised for the first time		-	-	4 900	9 272	4 900	9 272
Recoveries - other		314	-	9 084	12 686	9 398	12 686
Other revenue		11	530	31 259	30 988	31 270	31 518
Contributed assets		-	48	-	-	-	48
Revenues from / payments to SA Government	17						
Revenues from SA Government		2 610 414	2 841 153	-	-	2 610 414	2 841 153
Payments to SA Government		(17 172)	(45 573)	-	-	(17 172)	(45 573)
Total income		2 587 362	2 810 507	700 801	351 995	3 288 163	3 162 502
Net result		2 296 647	2 512 117	(2 245 733)	(2 541 285)	50 914	(29 168)

Department for Education and Child Development
Notes to and forming part of the financial statements

39 Transactions with SA Government – Consolidated (continued)

	Note	SA Government		Non-SA Government		Total	
		2015 Consolidated \$'000	2014 Consolidated \$'000	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 Consolidated \$'000	2014 Consolidated \$'000
Financial Assets							
Cash and cash equivalents	18						
Deposits with the Treasurer - at call		144 624	79 011	-	-	144 624	79 011
Deposits with the Treasurer - Accrual Appropriation Excess Funds Account		354 021	252 892	-	-	354 021	252 892
SA School Investment Fund (SASIF)		-	-	335 118	353 034	335 118	353 034
Cash at bank and on hand		-	-	28 596	30 268	28 596	30 268
Section 21 Deposit Accounts		381	377	-	-	381	377
Receivables	19						
Fees, charges and other receivables		1 840	791	30 724	23 456	32 564	24 247
Allowance for doubtful debts		(85)	(2)	(4 125)	(4 081)	(4 210)	(4 083)
GST recoverable from the ATO		-	-	9 684	11 350	9 684	11 350
Accrued revenues		37	153	2 046	3 124	2 083	3 277
Prepayments		3	-	4 410	3 221	4 413	3 221
Loan receivables		-	-	14	15	14	15
Workers compensation receivable		-	-	851	841	851	841
Other financial assets	21						
Term deposits		-	-	2 130	2 096	2 130	2 096
Total financial assets		500 821	333 222	409 448	423 324	910 269	756 546

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Notes to and forming part of the financial statements

39 Transactions with SA Government – Consolidated (continued)

	Note	SA Government		Non-SA Government		Total	
		2015 Consolidated \$'000	2014 Consolidated \$'000	2015 Consolidated \$'000	2014 Consolidated \$'000	2015 Consolidated \$'000	2014 Consolidated \$'000
Financial liabilities							
Payables	26						
Creditors		21 924	19 654	27 673	22 467	49 597	42 121
Employment on-costs		46 971	44 883	59 460	56 892	106 431	101 775
Accrued expenses		4 783	4 447	14 326	8 027	19 109	12 474
Accrued interest on PPP finance lease		-	-	9 018	7 589	9 018	7 589
Borrowings	27						
Obligations under finance leases - PPP		-	-	172 403	173 704	172 403	173 704
Obligations under finance leases - other		-	-	6	4	6	4
Borrowings		-	-	86	121	86	121
Advance		-	-	285	285	285	285
Other liabilities	30						
Deposits		-	-	12 913	10 159	12 913	10 159
Unearned revenue		15	9	11 128	5 545	11 143	5 554
Equipment service right		-	-	21 748	22 226	21 748	22 226
Other liabilities		-	-	5 115	6 016	5 115	6 016
Total financial liabilities		73 693	68 993	334 161	313 035	407 854	382 028

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40 Transactions with SA Government - DECD

	Note	SA Government		Non-SA Government		Total	
		2015 DECD \$'000	2014 DECD \$'000	2015 DECD \$'000	2014 DECD \$'000	2015 DECD \$'000	2014 DECD \$'000
Expenses							
Employee benefits expenses	5						
Salaries and wages (including annual leave)		-	-	1 792 168	1 727 187	1 792 168	1 727 187
Employment on-costs - superannuation		-	-	191 012	202 995	191 012	202 995
Employment on-costs - payroll tax		102 580	100 474	-	-	102 580	100 474
Long service leave		-	-	73 503	64 444	73 503	64 444
Workers Compensation		1 512	2 157	15 285	34 254	16 797	36 411
TVSPs		-	-	5 751	14 410	5 751	14 410
Country incentive leave		-	-	457	510	457	510
Board and committee fees		-	-	26	28	26	28
Skills and experience retention leave		-	-	11 535	7 941	11 535	7 941
Other employee related expenses		-	-	2 535	2 992	2 535	2 992
Supplies and services	6						
Minor works and maintenance		88 544	90 326	6 537	7 987	95 081	98 313
Rentals and leases		27 886	26 118	280	1 191	28 166	27 309
Management fees and charges		13 714	15 241	4 014	6 830	17 728	22 071
Utilities		15 924	17 843	28 985	28 445	44 909	46 288
Cleaning		427	359	4 877	4 554	5 304	4 913
Printing, postage and consumables		40	-	5 428	5 691	5 468	5 691
Training and development		1 688	2 305	3 224	2 570	4 912	4 875
Shared Services SA charges		14 793	13 460	-	-	14 793	13 460
Vehicle and travelling expenses		8 658	8 855	25 032	24 418	33 690	33 273
Security		5 700	4 767	1 019	884	6 719	5 651
Insurance (including self-insurance)		5 967	5 343	18	1 054	5 985	6 397
Contractors and other outsourced services		4 718	-	20 942	26 610	25 660	26 610
Telecommunications		2 529	2 535	12 662	12 997	15 191	15 532

Department for Education and Child Development
Notes to and forming part of the financial statements

40 Transactions with SA Government – DECD (continued)

	Note	SA Government		Non-SA Government		Total	
		2015 DECD \$'000	2014 DECD \$'000	2015 DECD \$'000	2014 DECD \$'000	2015 DECD \$'000	2014 DECD \$'000
Supplies and services (continued)	6						
Legal costs		2 455	880	576	1 209	3 031	2 089
Residential and client related costs		16	70	2 661	2 441	2 677	2 511
Computer communications		2 973	-	10 429	16 259	13 402	16 259
Copyright		-	-	4 355	4 174	4 355	4 174
Bus contractors		8	4	24 719	24 332	24 727	24 336
PPP Service Fee		-	-	5 262	5 167	5 262	5 167
Other		2 288	2	6 355	6 482	8 643	6 484
Grants and subsidies	7						
Recurrent grants paid to schools and units		138 037	165 333	-	-	138 037	165 333
Capital grants paid to schools and units		2 772	9 311	-	-	2 772	9 311
Recurrent grants paid to preschools		5 089	5 675	-	-	5 089	5 675
Recurrent grants paid to other organisations		2 881	2 051	196 731	181 084	199 612	183 135
Depreciation and amortisation expense	8						
Buildings and improvements		-	-	93 136	89 705	93 136	89 705
Residential accommodation housing		-	-	825	669	825	669
Computing, communication, furniture and equipment		-	-	407	211	407	211
Buses and motor vehicles		-	-	2 521	2 153	2 521	2 153
Other		-	-	129	139	129	139
Leasehold improvements		-	-	1 230	1 284	1 230	1 284
Internally developed computer software		-	-	961	1 167	961	1 167
Buildings under finance lease		-	-	3 293	4 420	3 293	4 420
Externally provided software		-	-	10	-	10	-
Service right for equipment		-	-	799	799	799	799

Department for Education and Child Development
Notes to and forming part of the financial statements

40 Transactions with SA Government – DECD (continued)

	Note	SA Government		Non-SA Government		Total	
		2015 DECD \$'000	2014 DECD \$'000	2015 DECD \$'000	2014 DECD \$'000	2015 DECD \$'000	2014 DECD \$'000
Borrowing costs	9						
Finance lease costs		-	-	22 332	22 391	22 332	22 391
Other expenses	10			-			
Auditor's remuneration – Auditor-General's Department		527	684	-	-	527	684
Auditor's remuneration – other		-	-	918	984	918	984
Allowance for doubtful debts and debt write-offs		-	-	66	140	66	140
Non-current assets written off		-	-	15 128	8 504	15 128	8 504
Revaluation decrement of buildings under finance lease and leasehold improvement assets		-	-	-	4 228	-	4 228
Other expenses		2 239	696	1 100	1 658	3 339	2 354
Total expenses		453 965	474 489	2 599 233	2 557 592	3 053 198	3 032 081
Income							
Commonwealth revenues	11	-	-	454 567	119 961	454 567	119 961
Student and other fees and charges	12						
Sales / fee for service revenue		759	303	1 943	2 133	2 702	2 436
Student enrolment fees and charges		-	-	3 434	2 749	3 434	2 749
Other user fees and charges		745	1 642	11 137	13 829	11 882	15 471
Other grants and contributions	13						
Grants and subsidies revenue		12 923	13 079	1 521	1 125	14 444	14 204
Donations		-	-	-	5	-	5
Interest revenues	14						
Interest		496	823	-	-	496	823
Other		-	-	7 401	7 427	7 401	7 427

Department for Education and Child Development
Notes to and forming part of the financial statements

40 Transactions with SA Government – DECD (continued)

	Note	SA Government		Non-SA Government		Total	
		2015 DECD \$'000	2014 DECD \$'000	2015 DECD \$'000	2014 DECD \$'000	2015 DECD \$'000	2014 DECD \$'000
Net gain from disposal of non-current and other assets	15						
Total proceeds from disposal		-	-	27 244	10 824	27 244	10 824
Total value of assets disposed		-	-	(19 112)	(6 133)	(19 112)	(6 133)
Other revenues	16						
Commission received		2 903	1 819	768	1 604	3 671	3 423
Assets recognised for the first time		-	-	4 900	9 272	4 900	9 272
Recoveries - other		4 667	5 095	9 084	12 686	13 751	17 781
Other revenue		4 736	1 876	2 400	5 052	7 136	6 928
Contributed assets		-	48	-	-	-	48
Revenues from / payments to SA Government	17						
Revenues from SA Government		2 610 414	2 841 153	-	-	2 610 414	2 841 153
Payments to SA Government		(17 172)	(45 573)	-	-	(17 172)	(45 573)
Total income		2 620 471	2 820 265	505 287	180 534	3 125 758	3 000 799
Net result		2 166 506	2 345 776	(2 093 946)	(2 377 058)	72 560	(31 282)
Cash and cash equivalents	18						
Deposits with the Treasurer - at call		144 624	79 011	-	-	144 624	79 011
Deposits with the Treasurer - Accrual Appropriation		354 021	252 892	-	-	354 021	252 892
Excess Funds Account		-	-	779	898	779	898
Cash at bank and on hand		381	377	-	-	381	377
Section 21 Deposit Accounts							

Department for Education and Child Development
Notes to and forming part of the financial statements

40 Transactions with SA Government – DECD (continued)

	Note	SA Government		Non-SA Government		Total	
		2015 DECD \$'000	2014 DECD \$'000	2015 DECD \$'000	2014 DECD \$'000	2015 DECD \$'000	2014 DECD \$'000
Receivables	19						
Fees, charges and other receivables		12 627	9 003	11 321	10 916	23 948	19 919
Allowance for doubtful debts		(85)	(2)	(40)	(105)	(125)	(107)
GST recoverable from the ATO		-	-	7 321	8 779	7 321	8 779
Accrued revenues		2 124	4 865	214	1 238	2 338	6 103
Prepayments		3	-	2 837	1 870	2 840	1 870
Loan receivables		5 804	6 458	14	15	5 818	6 473
Workers compensation receivable		-	-	851	841	851	841
Total financial assets		519 499	352 604	23 297	24 452	542 796	377 056
Financial liabilities							
Payables	26						
Creditors		36 516	40 546	24 802	17 413	61 318	57 959
Employment on-costs		46 971	44 883	59 428	56 888	106 399	101 771
Accrued expenses		4 783	4 447	7 841	3 687	12 624	8 134
Accrued Interest on PPP finance lease		-	-	9 018	7 589	9 018	7 589
Borrowings	27						
Obligations under finance leases - PPP		-	-	172 403	173 704	172 403	173 704
Advance		-	-	285	285	285	285
Other liabilities	30						
Deposits		-	-	11 788	8 735	11 788	8 735
Unearned revenue		15	9	332	547	347	556
Equipment service right		-	-	21 748	22 226	21 748	22 226
Other liabilities		-	-	737	816	737	816
Total financial liabilities		88 285	89 885	308 382	291 890	396 667	381 775

Department for Education and Child Development
Statement of Administered Comprehensive Income
for the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Expenses			
Employee benefits expenses	A3	1 715	1 495
Supplies and services	A4	314	359
Transfer payments	A5	1 012 856	979 143
Depreciation expense	A6	1	6
Total expenses		1 014 886	981 003
Income			
Revenues from SA Government	A7	241 047	229 974
Commonwealth revenue	A8	776 867	751 802
Other revenue	A9	209	5
Total income		1 018 123	981 781
Net result		3 237	778
Total comprehensive result		3 237	778

The above statement should be read in conjunction with the accompanying notes.

Department for Education and Child Development
Statement of Administered Financial Position
as at 30 June 2015

	Note	2015 \$'000	2014 \$'000
Current assets			
Cash and cash equivalents	A10	28 471	33 392
Receivables	A11	295	120
Total current assets		28 766	33 512
Non-current assets			
Plant and equipment	A12	3	4
Total non-current assets		3	4
Total assets		28 769	33 516
Current Liabilities			
Payables	A13	1 043	9 082
Employee benefits	A14	217	192
Total current liabilities		1 260	9 274
Non-current liabilities			
Payables	A13	52	50
Employee benefits	A14	444	416
Total non-current liabilities		496	466
Total liabilities		1 756	9 740
Net assets		27 013	23 776
Equity			
Accumulated surplus	A15	27 013	23 776
Total equity		27 013	23 776

Total equity is attributable to the SA Government as owner

Contingent assets and liabilities

A16

The above statement should be read in conjunction with the accompanying notes.

Department for Education and Child Development
Statement of Administered Changes in Equity
for the year ended 30 June 2015

	Note	Retained earnings \$'000	Total \$'000
Balance at 30 June 2013		22 998	22 998
Net result for 2013-14		778	778
Total comprehensive result for 2013-14		778	778
Balance at 30 June 2014		23 776	23 776
Net result for 2014-15		3 237	3 237
Total Comprehensive Result for 2014-15		3 237	3 237
Balance at 30 June 2015	A15	27 013	27 013

All changes in equity are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes.

Department for Education and Child Development
Statement of Administered Cash Flows
for the year ended 30 June 2015

		2015 \$'000	2014 \$'000
	Note	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Cash outflows			
Employee benefits payments		(1 657)	(1 791)
Supplies and services		(230)	(660)
Transfer payments		(1 041 278)	(988 553)
Borrowing costs		-	(6)
Cash used in operations		(1 043 165)	(991 010)
Cash inflows			
Receipts from SA Government		241 047	229 974
Receipts from Commonwealth		776 867	751 802
GST recovered from the ATO		20 121	18 919
Other receipts		209	5
Cash generated from operations		1 038 244	1 000 700
Net cash provided by / (used in) operating activities	A18	(4 921)	9 690
Net increase / (decrease) in cash and cash equivalents		(4 921)	9 690
Cash and cash equivalents at the beginning of the period		33 392	23 702
Cash and cash equivalents at the end of the period	A18	28 471	33 392

The above statement should be read in conjunction with the accompanying notes.

Department for Education and Child Development
Schedule of Expenses and Income
attributable to Administered Activities
for the year ended 30 June 2015

	Minister's Other Payments		Minister's Salary and Allowances		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Expenses						
Employee benefits expenses	1 425	1 199	290	296	1 715	1 495
Supplies and services	314	359	-	-	314	359
Transfer payments	1 012 856	979 143	-	-	1 012 856	979 143
Depreciation expense	1	6	-	-	1	6
Total expenses	1 014 596	980 707	290	296	1 014 886	981 003
Income						
Revenues from SA Government	240 757	229 685	290	289	241 047	229 974
Commonwealth revenue	776 867	751 802	-	-	776 867	751 802
Other revenue	209	5	-	-	209	5
Total income	1 017 833	981 492	290	289	1 018 123	981 781
Net result	3 237	785	-	(7)	3 237	778

Department for Education and Child Development
Schedule of Assets and Liabilities
attributable to Administered Activities
for the year ended 30 June 2015

	Minister's Other Payments		Minister's Salary and Allowances		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Assets						
Cash and cash equivalents	28 471	33 392	-	-	28 471	33 392
Receivables	295	120	-	-	295	120
Plant and equipment	3	4	-	-	3	4
Total assets	28 769	33 516	-	-	28 769	33 516
Liabilities						
Payables	1 095	9 132	-	-	1 095	9 132
Employee benefits	661	608	-	-	661	608
Total liabilities	1 756	9 740	-	-	1 756	9 740

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A1 Summary of significant accounting policies

All Department for Education and Child Development (the Department) accounting policies are contained in note 2. The policies outlined in note 2 apply to both the Department and administered financial statements.

Reporting Entity

The Department is responsible for the administration of specific funds on behalf of the Minister for Education and Child Development. The Department does not have control over how these funds are to be spent and operates in the capacity as an agent responsible for the administration of the transfer process to third parties. The Administered Financial Statements include the income, expenses, assets and liabilities of these funds.

The main administered funds are:

- *Minister for Education and Child Development*

Funds are appropriated to the Minister for Education and Child Development and are disbursed at the discretion of the Minister. The principal payments are:

- the State Government contribution to the operation of the SACE Board of South Australia;
- the State and Commonwealth Government contributions to the operation of the Education and Early Childhood Services Registration and Standards Board of South Australia;
- payments to the Department of Planning, Transport and Infrastructure for the purposes of student travel;
- the State Government contribution to the operation of non-government schools, organisations and services to students with disabilities; and
- the Commonwealth Government contribution to the operation of non-government schools, organisations and services to students with disabilities.

- *Minister's salary and allowances*

The Minister's salary and allowances are funded by specific legislation and the Department has no control over this part of the annual appropriation.

A2 Changes in accounting policies

All Department changes in accounting policies are contained in note 3. The changes outlined in note 3 apply to both the Department and administered financial statements.

A3 Employee benefits expenses

	2015	2014
	\$'000	\$'000
Salaries and wages (including annual, long service and skills and experience retention leave expense)	1 497	1 260
Superannuation expense	120	137
Payroll tax expense	61	53
Workers compensation	4	1
Board and committee fees	33	43
Other employee related expenses	-	1
Total employee benefits expenses	1 715	1 495

Targeted Voluntary Separation Packages

No employees were paid TVSPs during the reporting period

Department for Education and Child Development
Notes to and forming part of the administered financial statements

Remuneration of employees	2015	2015	2014	2014
The number of employees whose remuneration received or receivable falls within the following bands:	Number of Executives*	Number of Employees**	Number of Executives*	Number of Employees**
\$151 500 to \$161 499	1	1	1	1
\$431 500 to \$441 499	-	-	-	1
Total number of executives / employees	1	1	1	2

* The number of executive officers disclosed in the above table includes employees appointed on a South Australian Executive Service (SAES) contract as at 30 June 2015 and 30 June 2014 respectively. The numbers of executive officers separately disclosed are also included in the number of employee totals for 2015 and 2014.

** Includes resigned and retired executives not included in the Executive column.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (ie there has been no increase in executive remuneration since 1 July 2013). Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and any fringe benefit tax associated with those benefits.

Remuneration received or due and receivable by the above employees was \$160 000 (\$600 000) which is included in employee benefits expenses. Salary rates during 2014-15 increased by 3 percent for Education Act 1972 and 2.5 percent for Public Sector Act 2009 employees effective the first pay period on or after 1 October 2014. Remuneration for Executives did not increase during 2014-15.

Number of employees as at the reporting date

As at 30 June 2015, 13 (14) full time equivalents were employed to manage the Department's administered items.

A4 Supplies and services

	2015	2014
	\$'000	\$'000
Contractors and other outsourced services	232	152
Fees and charges	-	98
Printing, postage and consumables	15	22
Minor works, maintenance and equipment	1	7
Vehicle and travelling expenses	6	9
Conference expenses	2	6
Other supplies and services	58	65
Total supplies and services	314	359

The total supplies and services amount disclosed includes GST amounts not recoverable from the ATO due to the Department not holding a valid tax invoice or payments relating to third party arrangements.

There were no consultancy fees incurred in the 2014-15 or 2013-14 financial years.

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A5 Transfer payments

	2015	2014
	\$'000	\$'000
Non-government schools	962 070	928 874
SACE Board of South Australia	18 932	18 652
Transport concessions	16 212	15 856
Special schools	7 229	7 000
Education and Early Childhood Services Registration and Standards Board of SA	5 205	5 285
Other organisations	1 583	1 948
Multicultural grants	1 475	1 316
Government schools	89	182
Government pre-schools	61	30
Total transfer payments	1 012 856	979 143

A6 Depreciation

	2015	2014
	\$'000	\$'000
Computing, furniture and equipment	1	6
Total depreciation	1	6

A7 Revenues from SA Government

	2015	2014
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	240 710	228 818
Appropriations under other Acts	290	289
Transfers from contingencies	47	867
Total Revenues from SA Government	241 047	229 974

A8 Commonwealth revenues

	2015	2014
	\$'000	\$'000
Recurrent grants	776 867	740 421
Capital grants	-	11 381
Total Commonwealth revenues	776 867	751 802

A9 Other revenues

	2015	2014
	\$'000	\$'000
Grants and subsidies revenue	209	-
Sundry revenue	-	5
Total other revenues	209	5

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A10 Cash and cash equivalents

	2015	2014
	\$'000	\$'000
Deposits with the Treasurer - at call	28 471	33 392
Total cash and cash equivalents	28 471	33 392

A11 Receivables

	2015	2014
	\$'000	\$'000
Current		
GST recoverable from ATO	295	120
Total current receivables	295	120
Total receivables	295	120

A12 Plant and equipment

	2015	2014
	\$'000	\$'000
Computing, furniture and equipment		
Computing, furniture and equipment at cost	48	53
Accumulated depreciation	(45)	(49)
Total computing, furniture and equipment	3	4
Total plant and equipment	3	4

Valuation of non-current assets

Valuations of computing, furniture and equipment are based on depreciated cost (a proxy for fair value).

Fair Value

All valuations are considered to be level 3 valuations based on historical cost, useful life and condition assessments.

Impairment

There were no indications of impairment of plant and equipment at 30 June 2015.

Reconciliation of plant and equipment

The following table shows the movement of plant and equipment

	Computer, furniture and equipment	
	2015	2014
	\$'000	\$'000
Carrying amount at 1 July	4	10
Depreciation	(1)	(6)
Carrying amount at 30 June	3	4

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A13 Payables

	2015	2014
	\$'000	\$'000
Current		
Creditors	1 006	9 047
Employment on-costs	33	30
Accrued expenses	4	5
Total current payables	1 043	9 082
Non-Current		
Employment on-costs	52	50
Total non-current payables	52	50
Total payables	1 095	9 132

A14 Employee benefits

	2015	2014
	\$'000	\$'000
Current		
Accrued salaries and wages	28	30
Annual leave	107	76
Long service leave	55	70
Skills and experience retention leave	27	16
Total current employee benefits	217	192
Non-current		
Long service leave	444	416
Total non-current employee benefits	444	416
Total employee benefits	661	608

A15 Equity

	2015	2014
	\$'000	\$'000
Accumulated surplus	27 013	23 776
Total equity	27 013	23 776
Accumulated Surplus		
Balance at 1 July	23 776	22 998
Net result for the year	3 237	778
Balance at 30 June	27 013	23 776

A16 Contingent assets and liabilities

The Department is not aware of any contingent assets or liabilities and has made no guarantees in relation to its administered activities.

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A17 Remuneration of board and committee members

Members of the boards and committees during the 2014-15 financial year were:

Ministerial Advisory Committee: Students with Disabilities

Ms Jacqueline Ah Kit*	Ms Deborah George*
Ms Gabby Aschberger (resigned 29 January 2015)	Ms Stephanie Grant
Ms Susan Bailey	Ms Aimee Harwood
Ms Mary Bambacas	M Ms Nicole Kyrkou*
Dr Kerry Bissaker	Ms Deidre Le Maistre
Ms Vivian Cagliuso	Ms Pamela Linke (appointed 11 March 2015)
Ms Elizabeth Cohen	Ms Rennie Strawbridge*
Ms Jillian Denys*	Ms Linda Turpin (resigned 18 January 2015)
Ms Alice Duffield (appointed 11 March 2015)	Ms Margaret Wallace

Multicultural Education Coordination Committee

Ms Jeannette Barrachina* (term ended 30 June 2015)	Ms Tala Sabri
Mr Edgar Bliss	Associate Professor Angela Scarino
Mr Trevor Buzzacott*	Ms Lynda Secombe
Ms Wendy Engliss* (appointed 1 July 2014, term ended 30 June 2015)	Ms Vivien Shae
Mr John Kiosoglous	Dr Lawrence Udo-Ekpo*
Ms Panayoula Parha*	Ms Samantha Williams* (appointed 1 July 2014, term ended 30 June 2015)
Ms Renee Singh (term ended 30 June 2015)	

Ethnic Schools Board

Mr Giancarlo Chiro (resigned 9 July 2014)	Ms Binh Nguyen
Ms Rania Daou (appointed 1 July 2014)	Ms Karmen Petric*
Ms Giuseppina Fitzharris	Associate Professor Angela Scarino
Mr John Kiosoglous	Ms Sumeja Skaka
Ms Juan Li**	Mr Kostyantyn Todorashko
Mr Ker Wol Mading**	

Ministerial Planning Committee for Non-Government Schools

(Committee concluded on 31st December 2014 and will not be reconvening)

Mr Michael Angley*	Mr Andrew Grear*
Ms Wendy Bruce	Mr Dean Lambert (appointed 1 July 2014)
Mr David Chadwick* (appointed 1 July 2014)	Mr Raymond Lambert
Mr Garry Costello (appointed 1 July 2014)	Ms Deb O'Riley* (appointed 1 July 2014)
Ms Judith Day	Mr Christopher Rudd
Ms Georgia Dennis (appointed 1 July 2014)	Ms Lynda Secombe
Dr Bronwyn Donaghey	

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A17 Remuneration of board and committee members (continued)

Ministerial Advisory Committee on Non-government Schools

(Committee concluded on 31st December 2014 and will not be reconvening)

Ms Ann Bliss	Mr Barry Kahl
Ms Louise Firrell	Mr Simon Murray
Ms Carolyn Grantskalns	Ms Clare Nocka (appointed 1 July 2014)
Mr Donald Grimmet	Mr Paul Roocke
Ms Amanda Hore	Ms Margaret Rouggos
Mr Nat Izzo (appointed 1 July 2014)	Mr Glen Seidel
Ms Jane Jarvis	Ms Katherine Teague

The number of members whose remuneration received or receivable falls within the following bands:	2015	2014
\$0	33	38
\$1 - \$9 999	33	34
\$10 000 - \$19 999	1	1
Total number of members	67	73

* Government employee that did not receive any remuneration for board / committee duties during the financial year.

** Part-time government employee who gained approval to receive remuneration for board / committee duties during the financial year.

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, out of hours fees, retention fees, superannuation contributions, FBT and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$34 228 (\$43 178).

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

A18 Cash flow reconciliation

	2015	2014
Reconciliation of cash and cash equivalents	\$'000	\$'000
Cash and cash equivalents disclosed in the Statement of Administered Financial Position	28 471	33 392
Balance as per the Statement of Administered Cash Flows	28 471	33 392

Reconciliation of net cash provided by / (used in) operating activities to net result:

Net cash provided by / (used in) operating activities	(4 921)	9 690
Non-cash Items		
Depreciation	(1)	(6)
Movements in assets and liabilities		
Increase / (decrease) in receivables	175	(166)
(Increase) / decrease in payables	8 037	(9 038)
(Increase) / decrease in employee benefits	(53)	298
Net result	3 237	778

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A19 Financial risk management / Financial instruments

A19.1 Financial risk management

Risk management is managed by the Department's corporate services section and departmental risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Department is exposed to financial risk – liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

A19.2 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 2. The policies outlined in note 2 apply to both the Department and administered financial statements.

Refer Table A19.3 for the carrying amounts of each of the following categories of financial assets and liabilities: Cash and cash equivalents; loans and receivables; and financial liabilities measured at cost.

The Department does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable.

The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes 2, A11 and A13).

A19.3 Liquidity Risk

Liquidity risk arises from the possibility the Department is unable to meet its financial obligations as they fall due. The Department is funded principally from appropriation by the SA Government. The Department works with the Department of Treasury and Finance to determine the cash flows associated with its government approved program of work and to ensure funding is provided through the SA Government budgetary processes to meet the expected cash flows.

The Department settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made within 30 days from resolution.

The Department's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount recorded in table A19.3 represents the Department's maximum exposure.

The following table discloses the carrying amount of each category of financial instrument held by the Department including the contractual maturity analysis for financial assets and liabilities (ie liquidity risk).

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Table A19.3 Categorisation and maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Note	2015 Carrying amount / Fair value \$'000	2015 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and equivalent						
- Cash and cash equivalents	A10	28 471	28 471	-	-	-
Total financial assets		28 471	28 471	-	-	-
Financial liabilities						
Financial liabilities at cost						
- Payables ⁽¹⁾	A13	1 006	-	1 006	-	-
Total financial liabilities		1 006	-	1 006	-	-

Department for Education and Child Development
Notes to and forming part of the administered financial statements

Table A19.3 Categorisation and maturity analysis of financial assets and liabilities (continued)

Category of financial asset and financial liability	Note	2014 Carrying amount / Fair value \$'000	2014 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and equivalent						
- Cash and cash equivalents	A10	33 392	33 392	-	-	-
Total financial assets		33 392	33 392	-	-	-
Financial liabilities						
Financial liabilities at cost						
- Payables ⁽¹⁾	A13	9 047	-	9 047	-	-
Total financial liabilities		9 047	-	9 047	-	-

⁽¹⁾ Payable amounts disclosed here exclude amounts relating to statutory payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

A19.4 Credit risk

Credit risk arises when there is a possibility of the Department's debtors defaulting on their contractual obligations resulting in financial loss to the Department. The Department measures credit risk on a fair value basis and monitors risk on a regular basis.

The Department has minimal concentration of credit risk. The Department has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Department does not engage in high risk hedging for its financial assets. No collateral is held as security and no credit enhancements relate to financial assets held by the Department.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. There is no evidence to indicate that financial assets are impaired.

The carrying amount recorded in table A19.3 represents the Department's maximum exposure to credit risk.

A19.5 Market risk

Sensitivity disclosure analysis

A sensitivity disclosure analysis has not been undertaken for the interest rate risk of the Department as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A20 Budgetary reporting and explanations of major variances between budget and actual amounts

The following are brief explanations of variances between original budget and actual amounts.

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

	Original Budget ⁽¹⁾ 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000
Statement of Comprehensive Income			
Expenses			
Employee benefits expenses	1 859	1 715	(144)
Supplies and services	275	314	39
Transfer payments	1 004 023	1 012 856	8 833
Depreciation expense	-	1	1
Total expenses	1 006 157	1 014 886	8 729
Income			
Revenues from SA Government	238 853	241 047	2 194
Commonwealth revenue	767 311	776 867	9 556
Other revenue	-	209	209
Total income	1 006 164	1 018 123	11 959
Net result	7	3 237	3 230
Total comprehensive result	7	3 237	3 230

⁽¹⁾ The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

No variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

A21 Events after the end of the reporting period

There were no events occurring after the end of the reporting period that have material financial implications on these financial statements.

A22 Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature:

Expenses	Note	SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Employee benefits expenses	A3						
Salaries and wages (including annual, long service and skills and experience retention leave expense)		-	-	1 497	1 260	1 497	1 260
Superannuation expense		-	-	120	137	120	137
Payroll tax expense		61	53	-	-	61	53
Workers compensation		4	1	-	-	4	1
Board and committee fees		-	-	33	43	33	43
Other employee related expenses		-	-	-	1	-	1
Supplies and services	A4						
Contractors and other outsourced services		1	1	231	151	232	152
Fees and charges		-	-	-	98	-	98
Printing, postage and consumables		-	-	15	22	15	22
Minor works, maintenance and equipment		-	-	1	7	1	7
Vehicle and travelling expenses		1	3	5	6	6	9
Conference expenses		-	-	2	6	2	6
Other supplies and services		19	14	39	51	58	65
Transfer payments	A5						
SACE Board of South Australia		18 932	18 652	-	-	18 932	18 652
Transport concessions		16 212	15 856	-	-	16 212	15 856
Special schools		2 956	2 839	4 273	4 161	7 229	7 000
Education and Early Childhood Services Registration and Standards Board of SA		5 205	5 285	-	-	5 205	5 285

A22 Transactions with SA Government (continued)

	Note	SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Transfer payments (continued)	A5						
Government schools		89	182	-	-	89	182
Government pre-schools		61	30	-	-	61	30
Non-government schools		-	-	962 070	928 874	962 070	928 874
Multicultural grants		3	-	1 472	1 316	1 475	1 316
Other organisations		52	58	1 531	1 890	1 583	1 948
Depreciation	A6						
Computing, furniture and equipment		-	-	1	6	1	6
Total Expenses		43 596	42 974	971 290	938 029	1 014 886	981 003
Income							
Revenues from SA Government	A7						
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>		240 710	228 818	-	-	240 710	228 818
Appropriations under other Acts		290	289	-	-	290	289
Transfers from contingencies		47	867	-	-	47	867
Commonwealth revenues	A8						
Recurrent grants		-	-	776 867	740 421	776 867	740 421
Capital grants		-	-	-	11 381	-	11 381
Other revenues	A9						
Grants and subsidies revenue		209	-	-	-	209	-
Sundry revenue		-	-	-	5	-	5
Total Income		241 256	229 974	776 867	751 807	1 018 123	981 781
Net Result		197 660	187 000	(194 423)	(186 222)	3 237	778

A22 Transactions with SA Government (continued)

	Note	SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial Assets							
Cash and cash equivalents	A10						
Deposits with the Treasurer - at call		28 471	33 392	-	-	28 471	33 392
Receivables	A11						
GST recoverable from ATO		-	-	295	120	295	120
Total Financial Assets		28 471	33 392	295	120	28 766	33 512
Financial Liabilities							
Payables	A13						
Creditors		293	3 899	713	5 148	1 006	9 047
Employment on-costs		85	80	-	-	85	80
Accrued expenses		4	5	-	-	4	5
Total Financial Liabilities		382	3 984	713	5 148	1 095	9 132

Certification of the Financial Report

We certify that the attached General Purpose Financial Statements for the Department for Education and Child Development:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Department; and
- present a true and fair view of the financial position of the Department as at 30 June 2015 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Department for Education and Child Development for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Julieann Riedstra
A/CHIEF EXECUTIVE

18.9/2015



Chris Bernardi
CHIEF FINANCIAL OFFICER

18.9/2015



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To the Chief Executive Department for Education and Child Development

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Department for Education and Child Development for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- Disaggregated Disclosures – Expenses and Income for the year ended 30 June 2015
- Disaggregated Disclosures – Assets and Liabilities as at 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2015
- a Statement of Administered Financial Position as at 30 June 2015
- a Statement of Administered Changes in Equity for the year ended 30 June 2015
- a Statement of Administered Cash Flows for the year ended 30 June 2015
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2015
- a Schedule of Assets and Liabilities attributable to administered activities as at 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from the Acting Chief Executive and the Chief Financial Officer.

The Chief Executive's Responsibility for the Financial Report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

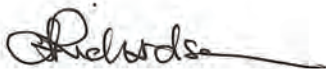
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Department for Education and Child Development as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson
Auditor-General
21 September 2015

Environment Protection Authority

Financial report
for the year ended
30 June 2015

Environment Protection Authority
Statement of Comprehensive Income
For the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Expenses			
Employee benefits expenses	5	22,506	22,130
Supplies and services	6	8,658	6,616
Depreciation and amortisation	7	878	880
Grants and subsidies	8	20,834	19,541
Other expenses	9	339	1,266
Total expenses		53,215	50,433
Income			
Revenues from fees and charges	11	57,414	54,997
Grants and contributions	12	1,693	1,465
Interest revenues	13	153	161
Net gain/(loss) from the disposal of non-current assets	14	-	1
Other income	15	33	20
Total income		59,293	56,644
Net cost/(benefit) of providing service		(6,078)	(6,211)
Payments to SA Government			
Payments to SA Government	16	7,331	5,371
Total revenues from SA Government		7,331	5,371
Net result		(1,253)	840
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in asset revaluation surplus		-	495
Total other comprehensive income		-	495
Total comprehensive result		(1,253)	1,335

The net result and total comprehensive result are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes

Environment Protection Authority
Statement of Financial Position
As at 30 June 2015

	Note	2015 \$'000	2014 \$'000
Current assets			
Cash and cash equivalents	17	15,776	16,473
Receivables	18	7,667	6,781
Total current assets		23,443	23,254
Non-current assets			
Receivables	18	1	6
Property, plant and equipment	19	6,714	7,052
Intangible assets	20	541	619
Total non-current assets		7,256	7,677
Total assets		30,699	30,931
Current liabilities			
Payables	22	1,591	1,142
Employee benefits	23	2,401	2,209
Provisions	24	11	45
Other liabilities	25	244	137
Total current liabilities		4,247	3,533
Non-current liabilities			
Payables	22	450	431
Employee benefits	23	4,642	4,166
Provisions	24	29	150
Other liabilities	25	511	578
Total non-current liabilities		5,632	5,325
Total liabilities		9,879	8,858
Net assets		20,820	22,073
Equity			
Asset revaluation surplus		932	932
Retained earnings		19,888	21,141
Total equity		20,820	22,073
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	26		
Contingent assets and liabilities	27		

The above statement should be read in conjunction with the accompanying notes

Environment Protection Authority
Statement of Changes in Equity
For the year ended 30 June 2015

	Contributed Capital	Asset Revaluation Surplus	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2013	-	437	20,301	20,738
Net result for 2013-14	-	-	840	840
Gain on revaluation of land, buildings, infrastructure and furniture	-	495	-	495
Total comprehensive result for 2013-14	-	495	840	1,335
Balance at 30 June 2014	-	932	21,141	22,073
Net result for 2014-15	-	-	(1,253)	(1,253)
Gain on revaluation of land, buildings, infrastructure and furniture	-	-	-	-
Total comprehensive result for 2014-15	-	-	(1,253)	(1,253)
Balance at 30 June 2015	-	932	19,888	20,820

All changes in equity are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes

Environment Protection Authority
Statement of Cash Flows
For the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Cash outflows:			
Employee benefit payments		(21,928)	(21,346)
Payments for supplies and services		(8,017)	(5,417)
Payment of grants and subsidies		(20,834)	(19,541)
Other payments		(2,987)	(117)
Cash used in operations		(53,766)	(46,421)
Cash inflows:			
Fees and charges		58,981	52,431
Receipts from grant and contributions		1,693	1,465
Interest received		155	163
Other receipts		33	20
Cash generated from operations		60,862	54,079
Cash flows from SA Government			
Payments to SA Government		(7,331)	(5,371)
Cash generated from SA Government		(7,331)	(5,371)
Net cash provided by/(used in) operating activities	29	(235)	2,287
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(462)	(808)
Cash used in investing activities		(462)	(808)
Cash Inflows			
Proceeds from the sale of property, plant and equipment		-	2
Cash generated from investing activities		-	2
Net cash provided by/(used in) investing activities		(462)	(806)
Net increase / (decrease) in cash and cash equivalents		(697)	1,481
Cash and cash equivalents at the beginning of the period		16,473	14,992
Cash and cash equivalents at the end of the period	17	15,776	16,473

The above statement should be read in conjunction with the accompanying notes

Environment Protection Authority
Notes to and forming part of the Financial Statements
For the year ended 30 June 2015

1 Objectives of the Environment Protection Authority (the Authority)

(a) Reporting Entity

The Authority comprises the following:

- the Environment Protection Authority – a statutory authority with an appointed board established by the *Environment Protection Act 1993*
- an administrative unit also named the Environment Protection Authority established under the PSA
- the Environment Protection Fund (the Fund) established under the *Environment Protection Act 1993*.

Under the *Environment Protection Act 1993*, the Chief Executive of the administrative unit is also taken to be the Chief Executive of the statutory authority. The Chief Executive is subject to the control and direction of the Minister in relation to the activities of the administrative unit, and is subject to the control and direction of the Board in relation to giving effect to its policies and decisions under the *Environment Protection Act 1993*.

The statutory authority is South Australia's primary environmental regulator for the protection, restoration and enhancement of our environment. The statutory authority makes use of the services of the administrative unit's employees and facilities in performing its statutory obligations.

The administrative unit also has responsibility for radiation protection functions under the *Radiation Protection and Control Act 1982*. The Authority's financial statements include assets, liabilities, revenues and expenses attributable to Radiation Protection. The income and expenses (excluding overheads) attributable to radiation protection are disclosed in Note 35. However assets and liabilities have not been separately disclosed as they cannot be reliably attributed to radiation protection functions.

The consolidated financial statements have been prepared by combining the financial statements of all entities that comprise the consolidated entity being the Authority and the Fund, in accordance with AASB 10 *Consolidated Financial Statements*.

In forming the view that the Fund is controlled, the Authority considered its involvement with the entity and determined that its substantive rights give the Authority the current ability to direct the major relevant activities of the entity and the Authority is exposed or has rights to variable returns from its involvement as the entity contributes to furtherance of the Authority's objective.

Consistent accounting policies have been applied and all inter-entity balances and transactions arising within the consolidated entity have been eliminated in full.

(b) Strategic Context

The Authority promotes the principles of ecologically sustainable development and works with government, industry and the people of South Australia, with key roles to:

- review, develop and draft environmental protection policies and national environment protection measures
- authorise activities of environmental significance through an authorisation system aimed at the control and minimisation of pollution and waste
- conduct compliance investigations and institute environmental monitoring and evaluation programmes
- provide advice and assistance regarding best environmental management practice.

The Authority has a key advocacy and engagement role across government and with the people of South Australia, business and communities throughout South Australia, to achieve a healthy and valued environment.

(c) Financial Arrangements

The Department of Environment, Water and Natural Resources (DEWNR) provides some professional, technical and administrative support to the Authority. The identifiable direct costs of providing these services are met by the Authority. In addition, certain services are provided by DEWNR at no charge to the Authority and have not been recognised in the financial statements as it is impractical to determine a value for these items. The costs of these services include salaries and overheads relating to the provision of various administrative services.

A memorandum of understanding was signed on 13 March 2013 between DEWNR and the Authority relating to the provision of these services.

The Authority's sources of funds consist of income derived primarily from fees, levies and licences. These fees, levies and licences include:

- waste levies from landfill depots
- environmental authorisation fees
- radiation licence fees
- fines and penalties
- section 7 enquiries

The financial activities of the Authority are primarily conducted through deposit accounts with the Department of Treasury and Finance (DTF) pursuant to Section 8 and Section 21 of the *Public Finance and Audit Act 1987 (PFAA)*. The deposit accounts are used for funds provided by Parliamentary appropriation together with revenues from services provided and from fees and charges.

Environment Protection Authority
Notes to and forming part of the Financial Statements
For the year ended 30 June 2015

2 Summary of significant accounting policies

(a) Statement of compliance

These statements have been prepared in compliance with section 23 of the PFAA.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and accounting policy statements promulgated under the provisions of the PFAA.

The Authority has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Authority is a not-for-profit entity.

Except for AASB 2015-7 which the Authority has early adopted, Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Authority for the reporting period ending 30 June 2015 (refer to note 3).

(b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and management to exercise its judgment in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported
- compliance with accounting policy statements issued pursuant to section 41 of the PFAA. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, that have been included in these financial statements:

- (a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100,000 for separate identification of these items applies
- (b) expenses incurred as a result of engaging consultants
- (c) employee targeted voluntary separation package information
- (d) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees
- (e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Authority's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

(c) Budgeted amounts

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes. The budget process is not subject to audit.

(d) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements has been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

Where the Authority has applied an accounting policy retrospectively; retrospectively restated items in the financial statements; reclassified items in the financial statements, it has provided three Statements of Financial Position and related notes.

The restated comparative amounts do not replace the original financial statements for the preceding period.

(e) Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

Environment Protection Authority
Notes to and forming part of the Financial Statements
For the year ended 30 June 2015

(f) Taxation

The Authority is not subject to income tax. The Authority is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

Shared Services SA prepares a Business Activity Statement on behalf of the Authority under the grouping provisions of the GST legislation. Under these provisions, DEWNR is liable for the payments and entitled to the receipts associated with GST. Therefore, the Authority's net GST receivable/payable is recorded in DEWNR's Statement of Financial Position. GST cash flows applicable to the Authority are recorded in DEWNR's Statement of Cash Flows.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

(g) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

(h) Income and expenses

Income and expenses are recognised to the extent that it is probable that the flow of economic benefits to or from the Authority will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Income

The following are specific recognition criteria:

Fees and Charges

Environmental Authorisation Fees received under the *Environment Protection Act 1993* are recognised as revenue when invoiced. All other license fees, including those received under the *Radiation Protection and Control Act 1982*, are recognised as revenue upon receipt.

Waste Levies are recognised by the Authority on an accrual basis.

Contributions received

Contributions are recognised as an asset and income when the Authority obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (i.e. the amount can be reliably measured and the flow of resources is probable).

Generally, the Authority has obtained control or the right to receive for:

- Contributions with unconditional stipulations - this will be when the agreement becomes enforceable i.e. the earlier of when the receiving entity has formally been advised that the contribution (e.g. grant application) has been approved; agreement/contract is executed; and/or the contribution is received.
- Contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

All contributions received by the Authority have been contributions with unconditional stipulations attached and have been recognised as an asset and income upon receipt.

Gain from disposal of non-current assets

Income from the disposal of non-current assets is recognised when the control of the asset has passed to the buyer and has been determined by comparing proceeds with carrying amount. When revalued assets are sold, the revaluation increments are transferred to retained earnings.

Gains/Losses on disposal of non-current assets are recognised at the date control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time.

Other income

Other income consists of sundry expense reimbursements.

Environment Protection Authority
Notes to and forming part of the Financial Statements
For the year ended 30 June 2015

Expenses

The following are specific recognition criteria:

Employee benefits

Employee benefits expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Authority to the superannuation plan in respect of current services of current Authority staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government financial statements.

Depreciation and amortisation

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Land assets are not depreciated.

Depreciation/Amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

<u>Class of Asset</u>	<u>Useful Life</u>
Computing equipment	3-10 years
Intangibles	3-14 years
Infrastructure	15-50 years
Plant and equipment	5-15 years
Moveable vehicles	10-25 years
Furniture and fittings	5-15 years
Buildings and improvements	30-50 years
Other	7-10 years

Grants and subsidies

For contributions payable, the contribution will be recognised as a liability and expense when the Authority has a present obligation to pay the contribution and the expense recognition criteria are met.

All contributions paid by the Authority have been contributions with unconditional stipulations attached.

Payments to SA Government

Payments to the SA Government include the return of surplus cash pursuant to the cash alignment policy and paid directly to the Consolidated Account.

(i) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Authority has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

(j) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where an asset line item combines amounts expected to be settled within 12 months and more than 12 months, the Authority has separately disclosed the amounts expected to be recovered after more than 12 months.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position include cash at bank and on hand.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Cash is measured at nominal value.

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Receivables

Receivables include amounts receivable from fees and charges, interest, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Trade receivables are generally due within 30 days after the issue of an invoice.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Authority will not be able to collect the debt. Bad debts are written off when identified.

Non-Current Assets

Acquisition and Recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recognised at book value i.e. the amount recorded by the transferor public authority immediately prior to the restructure.

All non-current tangible assets with a value over \$10,000 are capitalised.

Revaluation of Non Current Assets

All non-current tangible assets are valued at fair value and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

At least every five years, the Authority revalues its land, buildings and infrastructure via (an independent) Certified Practising Valuer.

If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, when they are revalued to fair value.

Any revaluation increment is credited to the revaluation surplus except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income.

Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the revaluation surplus to the extent of the credit balance existing in revaluation surplus for that asset class.

Any accumulated depreciation as at the revaluation date is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

Impairment

All non-current tangible and intangible assets are tested for indications of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the respective revaluation surplus.

Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The Authority only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10,000.

All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 are expensed.

Fair value measurement

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

The Authority classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.

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- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market and are derived from unobservable inputs.

The valuation processes and fair value changes are reviewed by the Chief Financial Officer and Audit Committee at each reporting date.

Non-financial assets

In determining fair value, the Authority has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset) and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

The Authority's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible within the next five years. As the Authority did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to note 19 and 21 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

Financial assets/liabilities

The Authority does not recognise any financial assets or financial liabilities at fair value.

(k) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where a liability line item combines accounts expected to be settled within 12 months and more than 12 months, the Authority has separately disclosed the amounts expected to be settled after more than 12 months.

Payables

Payables include creditors, accrued expenses, employment on-costs and Paid Parental Leave Scheme payable.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Authority.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

The Paid Parental Leave Scheme payable represents amounts which the Authority has received from the Commonwealth Government to forward onto eligible employees via the Authority's standard payroll processes. That is, the Authority is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or the date the invoice is first received.

Employee benefits on-costs include payroll tax, WorkCover levies and superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave.

The Authority makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. The Authority has entered into operating leases.

Operating Leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

Lease Incentive

All incentives for the agreement of new or renewed operating leases are recognised as an integral part of the net consideration agreed for the use of the leased asset. Incentives received to enter into operating leases are recognised as a liability.

The aggregate benefit of lease incentives received by the Authority in respect of operating leases has been recorded as a reduction of rental expense over the lease term, on a straight-line basis.

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Lease incentives in the form of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

Employee benefits

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave, SERL and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the SERL liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of sick leave.

LSL

The liability for LSL is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The estimated liability for LSL is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months based on previous experience including expected terminations and known applications for leave.

Provisions

Provisions are recognised when the Authority has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Authority expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2015 provided by a consulting actuary engaged through the Office of the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The Authority is responsible for the payment of workers compensation claims.

(i) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating lease and remuneration commitments arising from contractual or statutory sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

3 New and revised accounting standards and policies

In accordance with the new AASB 1055 *Budgetary Reporting*, which became effective for the first time in 2014-15, the Authority has:

- included a comprehensive new note 'Budgetary reporting and explanations of major variances' (note 31). This note discloses, in respect of the Statement of Comprehensive Income and Investing Expenditure Summary for both controlled and administered amounts:
 - the Authority's original budget as published in Budget Paper 4
 - a comparison of the original budget information to actual results
 - explanations of major variances

In accordance with the new AASB 10 *Consolidated Financial Statements* which became effective for the first time in 2014-15, the Authority has concluded that it will continue to have control over the Fund. Accordingly AASB 10 does not impact on the Authority's economic entity. The transactions of the Fund are disclosed at Note 34.

In forming this view, the Authority considered its involvement with the entity; protective and substantive rights; ability to direct major relevant activities etc. in accordance with AASB 10.

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In relation to AASB 11 *Joint Arrangement* which became effective for the first time in 2014-15, the Authority has reviewed its contractual arrangements and concluded that no joint arrangement exists.

The Authority will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10 and 11 for future years.

Except for AASB 2015-7 which the Authority has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Authority for the period ending 30 June 2015. The Authority has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Authority.

4 Activities of the Authority

The Authority, in 2014-15 was funded by fees and charges for the provision of environment protection, policy and regulatory services. In line with the objectives of establishing the Authority to focus on environment protection activities, the Authority conducts its services through a single program, Environment and Radiation Protection. The purpose of this program is to achieve a clean, healthy and valued environment that supports social and economic policy for all South Australians. As the Authority conducts its services through a single program, a Statement of Disaggregated Disclosures has not been prepared.

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5 Employee benefits expenses

	2015 \$'000	2014 \$'000
Salaries and wages	16,662	16,411
LSL	1,018	793
Annual leave	1,565	1,562
SERL	85	67
Employment on-costs - superannuation	2,007	1,967
Employment on-costs - other	1,064	1,048
Board and committee fees	161	161
Workers compensation	(136)	32
Other employee related expenses	80	89
Total: Employee benefits expenses	22,506	22,130

Remuneration of employees

The number of employees whose remuneration received or receivable falls within the following bands:

	2015 No. of employees	2014 No. of employees
\$141,500 – 151,499	-	1
\$161,500 – 171,499	2	-
\$181,500 – 191,499	2	1
\$201,500 – 211,499	2	2
\$221,500 – 231,499	-	1
\$301,500 – 311,499	1	-
\$331,500 – 341,499	-	1
Total	7	6

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (i.e. there has been no increase in executive remuneration since 1 July 2013). Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$1.431 million (\$1.311m).

6 Supplies and services

	2015 \$'000	2014 \$'000
Accommodation and property management expenses	2,391	2,311
Consultants	10	-
Contractors	250	224
Fee for service	1,909	375
General administration	1,199	971
Information technology & communication expenses	427	449
Minor works, maintenance & equipment	214	378
Monitoring fees	177	160
Scientific and technical services	785	471
Staff development	350	337
Transportation	151	145
Travel and accommodation	214	234
Vehicle and aircraft	314	350
Other	267	211
Total: Supplies and services	8,658	6,616

Consultants

The number and dollar amount of consultancies paid/payable (included in supplies and services expense) that fell within the following bands:

	2015 Number	\$'000	2014 Number	\$'000
Below \$10,000	1	10	-	-
Total paid/payable to the consultants engaged		10		-

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7 Depreciation and amortisation

	2015 \$'000	2014 \$'000
Depreciation		
Buildings and Improvements	1	1
Computing Equipment	32	33
Furniture and Fittings	457	479
Moveable Vehicles	8	8
Infrastructure	22	21
Plant and Equipment	182	175
Total: Depreciation	702	717
Amortisation		
Intangible Assets	176	163
Total: Amortisation	176	163
Total Depreciation and Amortisation	878	880

8 Grants and subsidies

	2015 \$'000	2014 \$'000
Grants and subsidies		
Adelaide and Mt Lofty Ranges NRM	15	-
Community organisations and associations	237	188
Department of Environment, Water and Natural Resources	114	138
Department of Premier and Cabinet	6	5
Local Government	255	210
Zero Waste SA * ^	20,207	19,000
Total: Grants and subsidies	20,834	19,541

* As per section 113 of the Environment Protection Act 1993 the Authority earns and collects 100 percent of waste levies, however is then required to transfer 50 percent of solid waste levies collected to Zero Waste SA as per section 17 of the Zero Waste SA Act 2004. This transfer represents the payment of waste levies monies to Zero Waste SA in accordance with the Zero Waste SA Act 2004.

^ As from 1 July 2015 the title of Zero Waste SA has been altered to Green Industries SA.

9 Other expenses

	2015 \$'000	2014 \$'000
Bad and doubtful debts	211	1,157
Other (including audit fees - see note 10)	128	109
Total: Other expenses	339	1,266

10 Auditor's remuneration

	2015 \$'000	2014 \$'000
Audit fees paid/payable to the Auditor-General's Department	115	100
Total: Audit fees	115	100

Other services:

No other services were provided by the Auditor-General's Department

Auditor's remuneration costs are recognised in the Statement of Comprehensive Income and included in the balance of 'other expense - other' (refer note 9).

11 Revenues from fees and charges

	2015 \$'000	2014 \$'000
Fines and Penalties	316	274
Environmental Authorisation Fees	10,884	11,677
Radiation Licence Fees	3,147	3,538
Other Licence Fees	747	706
Waste Levies	42,253	38,691
Other fees and charges	67	111
Total: Fees and charges	57,414	54,997

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12 Grants and contributions

	2015 \$'000	2014 \$'000
SA Government Grants	(i) 846	1,015
Commonwealth Government	(ii) 547	442
Private Industry and Community Grants	(iii) 300	8
Total: Grants and contributions	1,693	1,465

(i) State Government Grants and Contributions

	2015 \$'000	2014 \$'000
Department of Environment, Water and Natural Resources (DEWNR)	581	854
Department of State Development	222	100
Primary Industries and Regions SA	43	2
SA Water Corporation	-	36
Other	-	23
	846	1,015

(ii) Commonwealth Government

	2015 \$'000	2014 \$'000
Department of Industry	25	24
Department of the Environment	515	379
Department of the Prime Minister and Cabinet	7	14
Murray Darling Basin Authority	-	25
	547	442

(iii) Private Industry and Community Grants

	2015 \$'000	2014 \$'000
Environment by Design	-	8
EPA Victoria	229	-
Other	71	-
	300	8

Contributions with conditions of expenditure

Contributions which have conditions of expenditure still to be met as at reporting date were \$7.106 million (\$6.760m).

The Authority is engaged in a variety of funding programs involving State and Commonwealth sources who provide monies to the Authority on the premise that these funds are expended in a manner consistent with the terms of the agreement. At reporting date these contributions relate to:

	2015 \$'000	2014 \$'000
Environment Protection Fund	6,947	6,686
AELERT	100	-
National Pollutant Inventory	30	45
Externally Funded Projects	29	29
	7,106	6,760

The Environment Protection Fund is established under section 24 of the *Environment Protection Act 1993*. The Fund must be kept as directed by the Treasurer. Prescribed percentages of waste levies and licence fees are paid into the Fund under section 8 of the *Environment Protection Regulations 2009*. The Fund may be applied by the Minister or by the Authority with the approval of the Minister.

13 Interest revenues

	2015 \$'000	2014 \$'000
Interest from entities within the SA Government	153	161
Total: Interest revenues	153	161

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14 Net gain/(loss) from the disposal of non-current assets

	2015 \$'000	2014 \$'000
Plant and equipment:		
Proceeds from disposal	-	2
Less: Net book value of assets disposed	-	-
Net gain/(loss) from disposal	<u>-</u>	<u>2</u>
Intangible assets:		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	-	(1)
Net gain/(loss) from disposal	<u>-</u>	<u>(1)</u>
Total: Assets		
Total proceeds from disposal	-	2
Less: Total value of assets disposed	-	(1)
Total: Net gain/(loss) from disposal of assets	<u>-</u>	<u>1</u>

15 Other income

	2015 \$'000	2014 \$'000
Other income received/receivable		
Salaries and wages recoveries	-	3
Other sundry revenue	33	17
Total: Other income	<u>33</u>	<u>20</u>

16 Payments to SA Government

	2015 \$'000	2014 \$'000
Payments to SA Government		
Return of surplus cash pursuant to cash alignment policy	7,331	5,371
Total payments to SA Government	<u>7,331</u>	<u>5,371</u>

17 Cash and cash equivalents

	2015 \$'000	2014 \$'000
Deposits with the Treasurer	8,824	9,782
Environment Protection Fund Deposit Account	6,947	6,686
Cash on hand/Imprest accounts	5	5
Total: Cash and Cash Equivalents	<u>15,776</u>	<u>16,473</u>

Interest rate risk

Cash on hand is non-interest bearing. The Environment Protection Fund Deposit Account earns a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

18 Receivables

	2015 \$'000	2014 \$'000
Current:		
Receivables	7,610	9,388
Less: Allowance for doubtful debts	(61)	(2,709)
	<u>7,549</u>	<u>6,679</u>
Prepayments	106	87
Accrued revenues	12	14
Workers compensation recoveries	-	1
Total: current receivables	<u>7,667</u>	<u>6,781</u>
Non-Current:		
Workers compensation recoveries	1	6
Total: non-current receivables	<u>1</u>	<u>6</u>

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Movement in allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (i.e. calculated on past experience and current and expected changes in client credit rating) that a receivable is impaired.

An allowance for impairment loss has been recognised in other expenses in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

Movements in the allowance for doubtful debts (impairment loss)

	2015 \$'000	2014 \$'000
Carrying amount at the beginning of the period	2,709	1,560
Increase in the allowance	211	1,157
Amounts written off	(2,857)	(8)
Amounts recovered during the year	(2)	-
Carrying amount at the end of the period	<u>61</u>	<u>2,709</u>

Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables and accrued revenues are non-interest bearing. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

- (a) Categorisation and maturity analysis of financial instruments - refer note 32
- (b) Ageing analysis of financial assets - refer note 32
- (c) Risk exposure information - refer note 32

19 Property, plant and equipment

	2015 \$'000	2014 \$'000
Land		
Independent valuation	278	278
Total: Land	<u>278</u>	<u>278</u>
Buildings and improvements		
Independent valuation	40	40
Less: Accumulated depreciation	(24)	(23)
Total: Buildings and improvements	<u>16</u>	<u>17</u>
Infrastructure		
Independent valuation	522	522
Less: Accumulated depreciation	(172)	(150)
Total: Infrastructure	<u>350</u>	<u>372</u>
Capital works in progress		
Capital works in progress	2,154	2,160
Total: Capital works in progress	<u>2,154</u>	<u>2,160</u>
Moveable vehicles		
At cost (deemed fair value)	171	182
Less: Accumulated depreciation	(100)	(103)
Total: Moveable vehicles	<u>71</u>	<u>79</u>
Computing equipment		
At cost (deemed fair value)	208	268
Less: Accumulated depreciation	(134)	(162)
Total: Computing equipment	<u>74</u>	<u>106</u>
Furniture and fittings		
Independent valuation	5,903	5,903
Less: Accumulated depreciation	(2,990)	(2,533)
Total: Furniture and fittings	<u>2,913</u>	<u>3,370</u>
Plant and equipment		
At cost (deemed fair value)	4,088	3,833
Less: Accumulated depreciation	(3,230)	(3,163)
Total: Plant and equipment	<u>858</u>	<u>670</u>

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Other		
At cost (deemed fair value)	19	19
Less: Accumulated depreciation	(19)	(19)
Total: Other	-	-
Total: Property, plant and equipment	6,714	7,052

Valuation of land

An independent valuation of land was performed in October and November 2013 by a Certified Practising Valuer from Valcorp Australia Pty Ltd, as at 1 July 2013.

The valuer arrived at fair value using the market approach. The valuation was based on recent market transactions for similar land in the area and includes factors specific to the land being valued such as size, location and current use.

Valuation of buildings and improvements, infrastructure and furniture and fittings

The valuation of buildings and improvements, infrastructure and furniture and fittings was performed in October and November 2013 by a Certified Practising Valuer from Valcorp Australia Pty Ltd, as at 1 July 2013.

As there is no active market for these, the valuer used the cost approach (i.e. depreciated replacement cost) taking into account the assets characteristics and restrictions. The valuation was based on a combination of internal records, specialised knowledge and market information about materials.

Carrying amount of other items, moveable vehicles, computing equipment and plant and equipment

All items of moveable vehicles, computing equipment and plant and equipment had a fair value at the time of acquisition that was less than \$1 million or had an estimate useful life that was less than three years, and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustments to their value except for management assumptions about the asset condition and remaining useful life.

Impairment

There were no indications of impairment of property, plant and equipment at 30 June 2015.

Asset Movement Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment and intangible assets is displayed in the following table.

Asset Movement Reconciliation 2014-2015

	Land \$'000	Buildings and Improvements \$'000	Infrastructure \$'000	Moveable Vehicles \$'000	Computing Equipment \$'000	Furniture and Fittings \$'000
Carrying amount at beginning of the period	278	17	372	79	106	3,370
Additions	-	-	-	-	-	-
Additions - Transfers to/(from) CWIP	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Subtotal	278	17	372	79	106	3,370
Gains/(losses) for the period recognised in net result:						
Depreciation / Amortisation expense	-	(1)	(22)	(8)	(32)	(457)
Subtotal	-	(1)	(22)	(8)	(32)	(457)
Gains/(losses) for the period recognised in other comprehensive income:						
Net revaluation increment / (decrement)	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Carrying amount at end of the period	278	16	350	71	74	2,913

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	Plant & Equipment \$'000	Sub Total \$'000	Capital Works in Progress \$'000	Intangible Assets \$'000	2015 Total \$'000
Carrying amount at beginning of the period	670	4,892	2,160	619	7,671
Additions	135	135	327	-	462
Additions - Transfers to/(from) CWIP	235	235	(333)	98	-
Disposals	-	-	-	-	-
Subtotal	1,040	5,262	2,154	717	8,133
Gains/(losses) for the period recognised in net result:					
Depreciation / Amortisation expense	(182)	(702)	-	(176)	(878)
Subtotal	(182)	(702)	-	(176)	(878)
Gains/(losses) for the period recognised in other comprehensive income:					
Net revaluation increment / (decrement)	-	-	-	-	-
Subtotal	-	-	-	-	-
Carrying amount at end of the period	858	4,560	2,154	541	7,255

Asset Movement Reconciliation 2013-2014

	Land \$'000	Buildings and Improvements \$'000	Infrastructure \$'000	Moveable Vehicles \$'000	Computing Equipment \$'000	Furniture and Fittings \$'000
Carrying amount at beginning of the period	200	16	337	87	118	3,490
Additions	-	-	-	-	21	-
Additions - Transfers to/(from) CWIP	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Subtotal	200	16	337	87	139	3,490
Gains/(losses) for the period recognised in net result:						
Depreciation / Amortisation expense	-	(1)	(21)	(8)	(33)	(479)
Subtotal	-	(1)	(21)	(8)	(33)	(479)
Gains/(losses) for the period recognised in other comprehensive income:						
Net revaluation increment / (decrement)	78	2	56	-	-	359
Subtotal	78	2	56	-	-	359
Carrying amount at end of the period	278	17	372	79	106	3,370

	Plant & Equipment \$'000	Sub Total \$'000	Capital Works in Progress \$'000	Intangible Assets \$'000	2014 Total \$'000
Carrying amount at beginning of the period	693	4,941	1,565	743	7,249
Additions	82	103	705	-	808
Additions - Transfers to/(from) CWIP	70	70	(110)	40	-
Disposals	-	-	-	(1)	(1)
Subtotal	845	5,114	2,160	782	8,056
Gains/(losses) for the period recognised in net result:					
Depreciation / Amortisation expense	(175)	(717)	-	(163)	(880)
Subtotal	(175)	(717)	-	(163)	(880)
Gains/(losses) for the period recognised in other comprehensive income:					
Net revaluation increment / (decrement)	-	495	-	-	495
Subtotal	-	495	-	-	495
Carrying amount at end of the period	670	4,892	2,160	619	7,671

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20 Intangible assets

	2015 \$'000	2014 \$'000
Internally developed intangible assets		
At cost (deemed fair value)	98	-
Less: Accumulated amortisation	(2)	-
Total: Internally developed intangible assets	96	-
Electronic Environment Licensing Forms (E-ELF)		
At cost (deemed fair value)	167	167
Less: Accumulated amortisation	(167)	(167)
Total: Electronic Environment Licensing Forms (E-ELF)	-	-
Integrated Information System (IIS)		
At cost (deemed fair value)	474	474
Less: Accumulated amortisation	(474)	(474)
Total: Integrated Information System (IIS)	-	-
General Environment Information System (GENI)		
At cost (deemed fair value)	1,789	1,789
Less: Accumulated amortisation	(1,481)	(1,376)
Total: General Environment Information System (GENI)	308	413
Complaints and Reports of Environmental Significance System (CARES)		
At cost (deemed fair value)	281	281
Less: Accumulated amortisation	(260)	(241)
Total: Complaints and Reports of Environmental Significance System (CARES)	21	40
Other		
At cost (deemed fair value)	425	425
Less: Accumulated amortisation	(309)	(259)
Total: Other	116	166
Total: Intangible Assets	541	619

Impairment

There were no indications of impairment of intangible assets at 30 June 2015.

21 Fair value measurement

Fair Value Hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The Authority categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2015.

The Authority had no valuations categorised into level 1 or level 2.

Fair value measurements as at 30 June 2015

	Level 3 \$'000
Recurring fair value measurements	
Land (note 19)	278
Buildings (note 19)	16
Infrastructure (note 19)	350
Moveable vehicles (note 19)	71
Computer equipment (note 19)	74
Furniture and fittings (note 19)	2,913
Plant and equipment (note 19)	858
Total: recurring fair value measurements	4,560

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Fair value measurements as at 30 June 2014	Level 3 \$'000
Recurring fair value measurements	
Land (note 19)	278
Buildings (note 19)	17
Infrastructure (note 19)	372
Moveable vehicles (note 19)	79
Computer equipment (note 19)	106
Furniture and fittings (note 19)	3,370
Plant and equipment (note 19)	670
Total: recurring fair value measurements	4,892

There were no transfers of assets between level 1 and 2 fair value hierarchy levels in 2015. The Authority's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques and inputs

Valuation techniques and inputs used to derive level 3 fair values together with the reconciliation of level 3 fair value measurements are detailed at note 19. There were no changes in valuation techniques during 2015.

22 Payables

	2015 \$'000	2014 \$'000
Current:		
Creditors	965	576
Accrued Expenses	169	156
Employment on-costs	450	410
Paid Parental Leave Scheme payable	7	-
Total: current payables	1,591	1,142
Non-Current:		
Employment on-costs	450	431
Total: non-current payables	450	431

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has decreased from 2014 (40%) to 2015 (37%). This rate is used in the employment oncost calculation.

Interest rate and credit risk

Creditors and accruals are raised for all amounts due but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefits that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

(a) Categorisation of financial instruments and maturity analysis of payables - refer note 32

(b) Risk exposure information - refer note 32

23 Employee benefits

	2015 \$'000	2014 \$'000
Current:		
Annual Leave	1,573	1,426
Long Service Leave	573	613
Accrued Salaries and Wages	142	77
Skills and experience retention leave	113	93
Total: Current Employee benefits	2,401	2,209
Non-Current:		
Long Service Leave	4,642	4,166
Total: Non-Current Employee benefits	4,642	4,166
Total: Employee Benefits	7,043	6,375

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AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 2014 (3.50%) to 2015 (3%).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a increase in the reported long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and revised the salary inflation rate down by 1% from 2014 (4%) to 2015 (3%) for annual leave and skills, experience and retention leave liability.

24 Provisions	2015	2014
	\$'000	\$'000
Current:		
Provision for Workers Compensation	11	45
Total: Current Provisions	11	45
Non-Current:		
Provision for Workers Compensation	29	150
Total: Non-Current Provisions	29	150
Total Provisions	40	195
Carrying amount at the beginning of the period	195	215
Additional provisions recognised	(155)	(20)
Carrying amount at the end of the period	40	195

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Office of the Public Sector.

25 Other liabilities	2015	2014
	\$'000	\$'000
Current:		
Lease incentive	67	67
Unearned revenue	-	53
Other	177	17
Total: Current other liabilities	244	137
Non-Current:		
Lease incentive	511	578
Total: Non-current other liabilities	511	578
Total other liabilities	755	715

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

26 Unrecognised contractual commitments	2015	2014
	\$'000	\$'000
Expenditure commitments - Remuneration		
Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	1,098	612
Later than one year but not later than five years	2,054	1,769
Total: Remuneration commitments	3,152	2,381

Amounts disclosed include commitments arising from executive and other service contracts. The Authority does not offer fixed-term remuneration contracts greater than five years.

Expenditure commitments- other:	2015	2014
	\$'000	\$'000
Commitments in relation to other expenditure contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	178	155
Total: Other commitments	178	155

The Authority's other commitments relate to the purchase of goods and services for the Licensing Administration Modernisation Project.

Environment Protection Authority
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	2015 \$'000	2014 \$'000
Operating lease commitments:		
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	2,394	2,310
Later than one year but not later than five years	10,240	9,898
Later than five years	10,309	12,874
Total: Operating lease commitments	22,943	25,082
Representing:		
Non-cancellable operating leases	22,943	25,082
Total: Operating lease commitments	22,943	25,082

The operating leases held by the Authority are mainly property leases with penalty clauses equal to the amount of the residual payments remaining for the lease terms. The leases are payable one month in advance and the Authority has the right of renewal. There are no existing or contingent rental provisions.

27 Contingent assets and liabilities

The Authority is not aware of the existence of any contingent assets or contingent liabilities as at 30 June 2015.

28 Remuneration of Board and Committee Members

Members during the 2015 financial year were:

Board of the Environment Protection Authority (EPA)

Ms Linda Bowes
Dr Robert Fowler
Ms Mia Handshin
Mr Mark Withers
Dr Helen Macdonald
Ms Roslyn DeGaris
Mr Allan Holmes*

*This member resigned as an employee within the public sector but continued to be a member of the Board, and therefore entitled to remuneration.

Radiation Protection Committee

Ms Sharon Paulka
Ms Jill Fitch
Dr Michael Lardelli
Ms Jessica Burckhardt
Mr Alex Eadie
Dr Pam Sykes
Ms Cara Kirsten
Ms Melissa Holzberger
Ms Judith Pollard
Mr Nigel Spooner
A/Prof Eva Bezak*

*This member resigned as employee within the public sector but continued to be a member on the Radiation Committee, and therefore entitled to remuneration.

The number of members whose remuneration received or receivable falls within the following bands:

	2015 No. of members	2014 No. of members
\$nil	5	7
\$1 - \$9,999	7	4
\$10,000 - \$19,999	-	1
\$20,000 - \$29,999	5	4
\$40,000 - \$49,999	1	1
Total number of Board and Committee members	18	17

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, super contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$0.181m (\$0.159m).

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In accordance with the Premier and Cabinet Circular No. 16, government employees did not receive any remuneration for board/committee duties during the financial year.

Unless otherwise disclosed, transactions between members and the Authority are on conditions no more favourable than those it is reasonable to expect the Authority would have adopted if dealing with the related party at arm's length in the same circumstances.

29 Cash flow reconciliation

	2015 \$'000	2014 \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	15,776	16,473
Cash and cash equivalents disclosed in the Statement of Cash Flows	15,776	16,473
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by operating activities	(235)	2,287
Add payments to SA Government	7,331	5,371
Add/less non cash items:		
Depreciation and amortisation expense	(878)	(880)
Net gain/(loss) on disposal of assets	-	1
Movement in assets and liabilities		
Increase/(decrease) in receivables	862	128
Increase/(decrease) in other assets	19	(29)
Decrease/(increase) in payables	(468)	(133)
Decrease/(increase) in employee benefits	(668)	(682)
Decrease/(increase) in provisions	155	20
Decrease/(increase) in other liabilities	(40)	128
Net benefit/(cost) of providing services	<u>6,078</u>	<u>6,211</u>

30 Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Note	16.15	SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
	Expenses						
5	Employee benefits expenses	1,070	1,053	21,436	21,077	22,506	22,130
6	Supplies and services						
	Accommodation and property management	2,310	2,226	81	85	2,391	2,311
	Consultants	-	-	10	-	10	-
	Contractors	-	-	250	224	250	224
	Fee for service	-	-	1,909	375	1,909	375
	General administration	815	627	384	344	1,199	971
	Information technology & communication	-	-	427	449	427	449
	Minor works, maintenance & equipment	-	-	214	378	214	378
	Monitoring fees	-	-	177	160	177	160
	Scientific and technical services	(29)	2	814	469	785	471
	Staff development	-	-	350	337	350	337
	Transportation	-	-	151	145	151	145
	Travel and accommodation	-	-	214	234	214	234
	Vehicle and aircraft	278	303	36	47	314	350
	Other	-	-	267	211	267	211
7	Depreciation and amortisation	-	-	878	880	878	880
8	Grants and subsidies	20,342	19,143	492	398	20,834	19,541
9	Other expenses						
	Bad and doubtful debts	-	-	211	1,157	211	1,157
	Other (excluding audit fees)	9	-	4	9	13	9
10	Auditor's remuneration	115	100	-	-	115	100
16	Payments to SA Government	7,331	5,371	-	-	7,331	5,371
	Total Expenses	<u>32,241</u>	<u>28,825</u>	<u>28,305</u>	<u>26,979</u>	<u>60,546</u>	<u>55,804</u>

Environment Protection Authority
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Income						
11	Revenues from fees and charges					
	Fines and Penalties	7	4	309	270	316
	Environmental Authorisation Fees	1,919	2,058	8,965	9,619	10,884
	Radiation Licence Fees	369	356	2,778	3,182	3,147
	Other Licence Fees	8	7	739	699	747
	Waste Levies	-	-	42,253	38,691	42,253
	Other fees and charges	-	-	67	111	67
12	Grants and contributions	846	1,015	847	450	1,693
13	Interest revenues	153	161	-	-	153
15	Other income					
	Salaries and wages recoveries	-	3	-	-	3
	Other sundry revenue	16	7	17	10	33
	Total Income	3,318	3,611	55,975	53,032	59,293
Financial Assets						
18	Receivables					
	Receivables	49	36	7,500	6,643	7,549
	Prepayments	-	-	106	87	106
	Accrued revenues	12	14	-	-	12
	Workers compensation recoveries	-	-	1	7	1
	Total Financial Assets	61	50	7,607	6,737	7,668
Financial Liabilities						
22	Payables					
	Creditors	187	115	778	461	965
	Accrued Expenses	130	120	39	36	169
	Employment on-costs	900	841	-	-	900
	Paid Parental Leave Scheme payable	-	-	7	-	7
	Total Financial Liabilities	1,217	1,076	824	497	2,041

31 Budgetary reporting and explanations of major variances between budget and actual amounts

The following are brief explanations of variances between original budget and actual amounts. Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

	Note	Original budget ¹ 2015 \$'000	Actual 2015 \$'000	Variance \$'000
Statement of Comprehensive Income				
Expenses				
Employee benefits expenses		21,519	22,506	987
Supplies and services		6,770	8,658	1,888
Depreciation and amortisation		780	878	98
Grants and subsidies		21,509	20,834	(675)
Other expenses		153	339	186
Total expenses		50,731	53,215	2,484
Income				
Revenues from fees and charges		57,395	57,414	19
Grants and contributions		1,089	1,693	604
Interest revenues		102	153	51
Other income		-	33	33
Total income		58,586	59,293	707
Net cost of providing services		(7,855)	(6,078)	1,777
Payments to SA Government				
Payments to SA Government	a	-	7,331	7,331
Total payments to SA Government		-	7,331	7,331
Net result		7,855	(1,253)	(9,108)
Other comprehensive income				
<i>Items that will not be reclassified to net result</i>				
Changes in asset revaluation surplus		-	-	-
Total other comprehensive income		-	-	-
Total comprehensive result		7,855	(1,253)	(9,108)

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¹The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

- (a) Payments to SA Government was greater than original budget due to a review of the Authority's operating account balances as at 30 June 2014 in accordance with the cash alignment policy. The amount of surplus cash as advised by the Department of Treasury and Finance was \$7.331 million.

	Note	Original budget ¹	Actual	Variance
		2015	2015	
Investing expenditure summary				
Total existing projects	b	200	110	(90)
Total annual programs	c	538	352	(186)
Total investing expenditure		738	462	(276)

¹The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

- (b) Investing expenditure for existing projects was under the original budget due to payments being deferred to 2015-16 financial year as a result of a delay in implementation of Licensing Administration Modernisation Project. Carryover will be sought for the unspent amount.
- (c) Investing expenditure for annual programs was under the original budget. This was mainly due to a transfer of funds to the operating budget.

32 Financial risk management/Financial instruments

32.1 Financial risk management

Risk management is managed by the Authority's corporate services section and the Authority's risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Authority is exposed to financial risk - liquidity risk and credit risk. There have been no changes in risk exposure since the last reporting

32.2 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 2.

Refer note 32.3 for the carrying amounts of each of the following categories of financial assets and liabilities: loans and receivables; and financial liabilities measured at cost.

The Authority does not recognise any financial assets or liabilities at fair value, but does disclose fair value in the notes.

- o The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short term nature of these. Refer to Notes 2, 18 and 22.

32.3 Liquidity risk

Liquidity risk arises from that possibility that the Authority is unable to meet its financial obligations as they fall due. The Authority is funded principally from waste levies and annual licence fees. The Authority works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows. The Authority settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The Authority's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount of financial liabilities recorded in the table represent the Authority's maximum exposure to financial liabilities.

The following table discloses the carrying amount of each category of financial instrument held by the Authority including the contractual maturity analysis for financial assets and liabilities (i.e. liquidity risk).

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

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Categorisation and maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Note number	2015 Carrying amount / Fair value \$'000	2015 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and equivalent						
Cash and cash equivalent	17	15,776	15,776	-	-	-
Loans and receivables						
Receivables (1) (2)	18	16	16	-	-	-
Total financial assets		15,792	15,792	-	-	-
Financial liabilities						
Financial liabilities at cost						
Payables (1)	22	1,004	1,004	-	-	-
Total financial liabilities		1,004	1,004	-	-	-

Category of financial asset and financial liability	Note number	2014 Carrying amount / Fair value \$'000	2014 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and equivalent						
Cash and cash equivalent	17	16,473	16,473	-	-	-
Loans and receivables						
Receivables (1) (2)	18	15	15	-	-	-
Total financial assets		16,488	16,488	-	-	-
Financial liabilities						
Financial liabilities at cost						
Payables (1)	22	612	612	-	-	-
Total financial liabilities		612	612	-	-	-

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Govt taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

(2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 18 in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

32.4 Credit risk

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations resulting in a financial loss to the Authority. The Authority measures credit risk on a fair value basis and monitors risk on a regular basis.

The Authority has minimal concentration of credit risk. The Authority has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Authority does not engage in high risk hedging for its financial assets. No collateral is held as security and no credit enhancements relate to financial assets held by the Authority.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in credit rating. Other than receivables, there is no evidence to indicate that the financial assets are impaired. Refer to note 18 for information on the allowance for impairment in relation to receivables.

The carrying amount of financial assets as detailed in note 32.3 represents the Authority's maximum exposure to credit risk.

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Ageing analysis of financial assets

The following table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets.

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			Impaired financial assets \$'000
			Overdue for less than 30 days \$'000	Overdue for 30–60 days \$'000	Overdue for more than 60 days \$'000	
2015						
Cash and cash equivalents	15,776	15,776	-	-	-	-
Receivables (1)	16	16	-	-	-	-
2014						
Cash and cash equivalents	16,473	16,473	-	-	-	-
Receivables (1)	15	15	-	-	-	-

(1) Receivable amounts disclosed here exclude amounts relating to statutory receivables (amounts owing to Govt). They are carried at cost.

32.5 Market risk

The Authority has no interest bearing liabilities as at the end of the reporting period. There is no exposure to foreign currency or other price risks.

32.6 Sensitivity analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Authority as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

33 Events after the reporting period

There were no events that occurred after the reporting period for the year ended 30 June 2015.

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34 The Environment Protection Fund

The following is a summary of the amounts included in the Fund. In reflecting these amounts in the Authority's financial statements, transactions between the Fund and the Authority have been eliminated.

Statement of Comprehensive Income for the year ended 30 June 2015

	2015 \$'000	2014 \$'000
Expenses		
Employee benefits	283	275
Supplies and services	2,611	2,503
Grants and subsidies	27	48
Total: Expenses	2,921	2,826
Income		
Fees and Charges	2,852	2,640
Interest revenue	153	161
Total: Income	3,005	2,801
Net result	84	(25)

Statement of Financial Position as at 30 June 2015

	2015 \$'000	2014 \$'000
Current assets		
Cash and cash equivalents	6,947	6,686
Receivables	327	287
Total: Current Assets	7,274	6,973
Total: Assets	7,274	6,973
Current liabilities		
Payables	228	11
Total: Current Liabilities	228	11
Total: Liabilities	228	11
Net Assets	7,046	6,962
Equity		
Retained earnings	7,046	6,962
Total: Equity	7,046	6,962

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

	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2013	6,987	6,987
Net result for 2013/2014	(25)	(25)
Balance at 30 June 2014	6,962	6,962
Net result for 2014/2015	84	84
Balance at 30 June 2015	7,046	7,046

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Statement of Cash Flows for the year ended 30 June 2015

	2015	2014
	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Fees and charges	2,810	2,639
Interest received	155	162
Total: Cash Inflows	2,965	2,801
Cash outflows		
Employee benefit payments	(283)	(275)
Payments for supplies and services	(2,394)	(2,755)
Grant and contribution payments	(27)	(48)
Total: Cash Outflows	(2,704)	(3,078)
Net Cash Inflows from operating activities	261	(277)
Cash at the beginning of the financial year	6,686	6,963
Cash at the end of the financial year	6,947	6,686

35 Radiation Protection Function

The administrative unit has responsibility for radiation protection functions under the *Radiation Protection and Control Act 1982*.

The following summarises income and expenditure attributable to radiation protection functions within the administrative unit excluding the allocation of overheads. In reflecting these amounts in the Authority's financial statements, transactions between Radiation Protection and the Statutory Authority have been eliminated.

Statement of Comprehensive Income for the year ended 30 June 2015
Radiation Protection Division

	2015	2014
	\$'000	\$'000
Expenses		
Employee benefits	1,312	1,340
Supplies and Services	73	107
Total: Expenses	1,385	1,447
Income		
Radiation license fees	3,147	3,537
Sales	15	7
Grants and contributions	24	24
Total: Income	3,186	3,568
Net cost of / (benefit from) providing services	(1,801)	(2,121)

Environment Protection Authority

Certification of the financial statements

We certify that the:

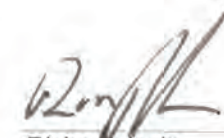
- financial statements of the Environment Protection Authority:
 - are in accordance with the accounts and records of the Authority; and
 - comply with relevant Treasurer's instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Authority at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Authority over its financial reporting and its preparation of the financial statements have been effective throughout the financial year



Tony Circelli
Chief Executive
8th September 2015



Mia Handshin
Presiding Member
8th September 2015



Richard Jacka
Chief Financial
Officer
8th September 2015



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**To the Presiding Member
Environment Protection Authority**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Environment Protection Authority for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Presiding Member, Chief Executive and the Chief Financial Officer.

The Board's Responsibility for the Financial Report

The Members of the Board are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Presiding Member determines is necessary to enable the preparation of financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The Auditing Standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Members of the Board, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Environment Protection Authority as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

A handwritten signature in black ink, appearing to read 'A. Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

14 September 2015

Department of Environment,
Water and Natural Resources

Financial report
for the year ended
30 June 2015

Department of Environment, Water and Natural Resources

Statement of Comprehensive Income

For the Year Ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Expenses			
Employee benefits expenses	5	147 694	171 323
Supplies and services	6	92 931	90 110
Grants and subsidies	7	31 561	46 703
Water recovery / acquisition expenses	8	738	13 134
Depreciation and amortisation expense	9	20 861	21 959
Net loss from disposal of non-current assets	10	12 826	78
Other expenses	11	1 256	490
Total expenses		307 867	343 797
Income			
Revenues from fees and charges	13	75 834	73 282
Grant revenues	14	55 707	75 044
Interest revenues	15	1 061	648
Other income	16	33 636	31 073
Total income		166 238	180 047
Net cost of providing services		141 629	163 750
Revenues from / payments to SA Government			
Revenues from SA Government	17	141 670	181 779
Payments to SA Government	17	(1 200)	-
Total net revenues from SA Government		140 470	181 779
Net result		(1 159)	18 029
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus	23	11 914	3 803
Total other comprehensive income		11 914	3 803
Total comprehensive result		10 755	21 832

The net result and total comprehensive result are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes.

Department of Environment, Water and Natural Resources
Statement of Financial Position
As at 30 June 2015

	Note	2015 \$'000	2014 \$'000
Current assets			
Cash and cash equivalents	18	134 450	105 449
Receivables	19	12 651	33 076
Inventories	20	2 365	1 947
Other assets	21	1 257	999
Total current assets		150 723	141 471
Non-current assets			
Receivables	19	64	73
Other financial assets	22	3	3
Property, plant and equipment	23	511 923	505 966
Intangible assets	24	4 813	5 443
Total non-current assets		516 803	511 485
Total assets		667 526	652 956
Current liabilities			
Payables	26	25 544	24 497
Employee benefits	27	12 419	12 031
Provisions	28	584	626
Other current liabilities	29	213	698
Total current liabilities		38 760	37 852
Non-current liabilities			
Payables	26	2 894	2 618
Employee benefits	27	31 724	28 704
Provisions	28	1 846	2 277
Other non-current liabilities	29	95	53
Total non-current liabilities		36 559	33 652
Total liabilities		75 319	71 504
Net assets		592 207	581 452
Equity			
Contributed capital	30	22 612	22 612
Retained earnings	30	278 938	280 097
Asset revaluation surplus	30	290 657	278 743
Total equity		592 207	581 452
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	34		
Contingent assets and liabilities	35		

The above statement should be read in conjunction with the accompanying notes.

Department of Environment, Water and Natural Resources

Statement of Changes in Equity

For the Year Ended 30 June 2015

	Note	Contributed Capital \$'000	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2013	30	22 612	275 988	265 297	563 897
Error correction - property, plant and equipment		-	-	1 426	1 426
Error correction - intangible assets		-	-	180	180
Error correction - payables		-	-	283	283
Error correction - receivables		-	-	(444)	(444)
Restated balance at 30 June 2013		22 612	275 988	266 742	565 342
Net result for 2013-14		-	-	18 029	18 029
Gain on revaluation of property, plant and equipment		-	3 803	-	3 803
Total comprehensive result for 2013-14		-	3 803	18 029	21 832
Balance at 30 June 2014	30	22 612	279 791	284 771	587 174
Error correction - property, plant and equipment		-	(1 048)	-	(1 048)
Error correction - other liabilities		-	-	(59)	(59)
Error correction - receivables		-	-	(245)	(245)
Error correction - employee benefits		-	-	(4 370)	(4 370)
Restated balance at 30 June 2014		22 612	278 743	280 097	581 452
Net result for 2014-15		-	-	(1 159)	(1 159)
Gain on revaluation of property, plant and equipment		-	11 914	-	11 914
Total comprehensive result for 2014-15		-	11 914	(1 159)	10 755
Balance at 30 June 2015	30	22 612	290 657	278 938	592 207

All changes in equity are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes.

Department of Environment, Water and Natural Resources

Statement of Cash Flows

For the Year Ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Cash outflows			
Employee benefits payments		(144 557)	(178 129)
Payments for supplies and services		(109 328)	(110 775)
Payments of grants and subsidies		(34 950)	(52 537)
Water recovery / acquisition expenses		(738)	(19 291)
Other payments		(252)	(276)
Cash used in operations		<u>(289 825)</u>	<u>(361 008)</u>
Cash inflows			
Fees and charges		99 189	66 486
Receipts from grants		57 280	76 480
Interest received		1 024	680
GST recovered from the Australian Taxation Office		12 596	12 248
Other receipts		37 000	34 176
Cash generated from operations		<u>207 089</u>	<u>190 070</u>
Cash flows from SA Government			
Receipts from SA Government		141 670	181 779
Payments to SA Government		(1 200)	(6 694)
Cash generated from SA Government		<u>140 470</u>	<u>175 085</u>
Net cash provided by operating activities	31	<u>57 734</u>	<u>4 147</u>
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(28 983)	(20 460)
Cash used in investing activities		<u>(28 983)</u>	<u>(20 460)</u>
Cash inflows			
Proceeds from the sale of property, plant and equipment		250	37
Cash generated from investing activities		<u>250</u>	<u>37</u>
Net cash used in investing activities		<u>(28 733)</u>	<u>(20 423)</u>
Net increase/(decrease) in cash and cash equivalents		<u>29 001</u>	<u>(16 276)</u>
Cash and cash equivalents at the beginning of the period		105 449	121 725
Cash and cash equivalents at the end of the period	18	<u>134 450</u>	<u>105 449</u>

The above statement should be read in conjunction with the accompanying notes.

Department of Environment, Water and Natural Resources
Disaggregated disclosures - expenses and income
For the Year Ended 30 June 2015

	Sustainability		Water		Parks and Public Assets		Total	
	2015 R'000	2014 R'000	2015 R'000	2014 R'000	2015 R'000	2014 R'000	2015 R'000	2014 R'000
Expenses								
Employee benefits expenses	53 902	64 840	33 972	36 212	59 820	70 271	147 694	171 323
Supplies and services	22 754	23 023	31 442	31 480	38 735	35 607	92 931	90 110
Grants and subsidies	3 348	4 527	26 798	40 085	1 415	2 091	31 561	46 703
Water recovery / acquisition expenses	-	-	738	13 134	-	-	738	13 134
Depreciation and amortisation expense	3 150	3 316	6 258	6 588	11 453	12 055	20 861	21 959
Net loss from disposal of non-current assets	1 030	-	369	-	11 427	78	12 826	78
Other expenses	377	434	737	144	142	(88)	1 256	490
Total expenses	84 561	96 140	100 314	127 643	122 992	120 014	307 867	343 797
Income								
Revenues from fees and charges	5 057	5 685	47 165	44 949	23 592	22 648	75 834	73 282
Grant revenues	8 047	9 466	41 992	61 191	5 668	4 387	55 707	75 044
Interest revenues	13	15	1 014	593	34	40	1 061	648
Other income	32 003	29 405	1 339	1 432	294	236	33 636	31 073
Total income	45 120	44 571	91 530	108 165	29 588	27 311	166 238	180 047
Net cost of providing services	39 441	51 569	8 784	19 478	93 404	92 703	141 629	163 750
Revenues from / payments to SA Government								
Revenues from SA Government	55 188	71 570	24 154	29 231	62 328	80 978	141 670	181 779
Payments to SA Government	(482)	-	(173)	-	(545)	-	(1 200)	-
Total net revenues from SA Government	54 706	71 570	23 981	29 231	61 783	80 978	140 470	181 779
Net result	15 265	20 001	15 197	9 753	(31 621)	(11 725)	(1 159)	18 029

Department of Environment, Water and Natural Resources

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For the Year Ended 30 June 2015

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Department of Environment, Water and Natural Resources

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For the Year Ended 30 June 2015

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Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2015

1 Objectives of the Department of Environment, Water and Natural Resources

The Department of Environment, Water and Natural Resources' (DEWNR) purpose is to help South Australians conserve, sustain and prosper. DEWNR achieves this by being:

- a facilitator of community involvement in, and shared responsibility for, the environment
- a steward of the state's natural resources to enable sustainable development
- the custodian of public places (parks, gardens, heritage places and Crown lands) for public benefit and enjoyment, and their intrinsic value
- an authority on the state's environment and natural resources to help governments, businesses and individuals make good long-term decisions.

2 Summary of significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

DEWNR has applied Australian Accounting Standards that are applicable to non-for-profit entities, as the department is a non-for-profit entity.

Except for AASB 2015-7 which the department has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by DEWNR for the reporting period ending 30 June 2015 (refer to note 3).

(b) Basis of preparation

The preparation of the financial statements requires:

- The use of certain accounting estimates and requires management to exercise its judgement in the process of applying DEWNR's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes.
- The selection and application of accounting policies in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.
- Compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in these financial statements:
 - (a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100 000 for separate identification of these items may be utilised. DEWNR has elected to utilise this threshold in relation to transactions applicable to revenue and expense items. The threshold has not been applied to financial assets and financial liabilities, i.e. all financial assets and financial liabilities relating to SA Government have been separately disclosed
 - (b) expenses incurred as a result of engaging consultants
 - (c) employee targeted voluntary separation package information
 - (d) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees
 - (e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

DEWNR's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

(c) Reporting entity

DEWNR is a government department of the State of South Australia, established pursuant to the *Public Sector Act 2009*. DEWNR is an administrative unit acting on behalf of the Crown.

The Minister administers the State's interest in the Murray-Darling Basin Authority (MDBA). Joint ventures are contractual arrangements between the department or a subsidiary entity and one or more other party to undertake an economic activity that is subject to joint control. Joint control only exists when the strategic, financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers). Further information is disclosed in note A12 in the administered financial statements.

Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2015

2 (c) Reporting entity (continued)

The financial statements and accompanying notes include all the controlled activities of DEWNR (refer to the disaggregated schedule for details of the department's controlled activities). Transactions and balances relating to administered resources are not recognised as departmental income, expenses, assets and liabilities. As administered items are significant in relation to DEWNR's overall financial performance and position, they are disclosed in the administered financial statements (schedule of administered items) at the back of the controlled general purpose financial statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items.

(d) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial statements for the preceding period.

(e) Budgeted amounts

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes. The budget process is not subject to audit.

(f) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

(g) Taxation

DEWNR is not subject to income tax. DEWNR is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position.

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

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

DEWNR prepares a Business Activity Statement on behalf of its controlled entities, administered items and other clients to which it provides business services under the grouping provisions of the GST legislation. Under the grouping provisions, DEWNR is liable for the GST payments and entitled to the GST receipts associated with these entities and items. The GST applicable forms part of the receivables and payables recorded in DEWNR's Statement of Financial Position and the GST cash flows recorded in DEWNR's Statement of Cash Flows.

(h) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

(i) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to DEWNR will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Fees and charges

Revenues from fees and charges are derived from the provision of goods and services to other SA Government agencies and to the public. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Contributions received

Contributions are recognised as an asset and income when DEWNR obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (i.e. the amount can be reliably measured and the flow of resources is probable).

Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2015

2 (i) Income (continued)

Generally, DEWNR has obtained control or the right to receive for:

- Contributions with unconditional stipulations - this will be when the agreement becomes enforceable i.e. the earlier of when the receiving entity has formally been advised that the contribution (e.g. grant application) has been approved; agreement/contract is executed; and/or the contribution is received.
- Contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

Resources received free of charge

Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

Gain from disposal of non-current assets

Income from the disposal of non-current assets is recognised when the control of the asset has passed to the buyer and is determined by comparing proceeds with carrying amount. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

Gains/Losses on disposal of assets are recognised at the date control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time.

Revenues from SA Government

Appropriations for program funding are recognised as revenues when DEWNR obtains control over the funding. Control over appropriations is normally obtained upon receipt.

Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the department and the appropriation is recorded as contributed equity.

Other income

Other income consists of salaries and wages recoveries, sponsorships and donations, recoveries of insurance claims and other sundry income.

(j) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from DEWNR will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements and non-monetary benefits. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by DEWNR to the superannuation plan in respect of current services of current departmental staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government financial statements. Refer to note 2(m).

Depreciation and amortisation

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as computer software, while depreciation is applied to tangible assets such as property, plant and equipment.

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Land is not depreciated.

Depreciation/Amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful Life (years)
Property, plant and equipment	
Buildings and improvements	5-60
Groundwater monitoring wells	10-50
Lower Murray embankments	200
Park infrastructure	3-60
Patawalonga seawater circulation and Barcoo Outlet	6-99
Plant and equipment	2-50
Roads, tracks and trails	2-35
Salinity disposal schemes	15-99
Surface water monitoring network	5-80
Waste disposal stations	50
Sand Pumping Infrastructure	10-50
Other	3-60

Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2015

2 (j) Expenses (continued)

Class of asset	Useful Life (years)
Intangible assets	
Externally acquired	2-5
Internally generated	3-12
War services leases	44

Grants and subsidies

For contributions payable, the contribution will be recognised as a liability and expense when DEWNR has a present obligation to pay the contribution and the expense recognition criteria are met.

Payments to SA Government

Payments to the SA Government include the return of surplus cash pursuant to the cash alignment policy, taxation revenues and expiation fees received on behalf of the government and paid directly to the Consolidated Account.

(k) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, DEWNR has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

(l) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand and in other short-term, highly liquid investments with maturities of 3 months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above. Cash is measured at nominal value.

Receivables

Receivables include amounts receivable from goods and services, GST input tax credits recoverable and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled within 30 days after the issue of an invoice.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that DEWNR will not be able to collect the debt. Bad debts are written off when identified.

Error correction

An error correction of \$0.444 million has been disclosed in the Statement of Changes in Equity in respect of the 2012-13 financial year. The error correction has been retrospectively restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net decrease to receivables. The error correction related to a balance incorrectly carried over from the 2009-10 and 2010-11 administrative restructures.

An error correction of \$0.245 million has also been disclosed in the Statement of Changes in Equity in respect of the 2013-14 financial year in relation to a de-recognition of a receivable.

Inventories

Inventories include goods held either for sale or distribution at no or nominal cost in the ordinary course of business.

Inventories held for distribution at no or nominal consideration, are measured at cost and adjusted when applicable for any loss of service potential. Inventories held for sale are measured at the lower of cost or their net realisable value.

Bases used in assessing loss of service potential for inventory held for distribution at no or minimal cost include current replacement cost and technological or functional obsolescence.

Cost for all inventory is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

The amount of any inventory write-down to net realisable value/replacement cost or inventory losses are recognised in the Statement of Comprehensive Income as an expense in the period the write-down or loss occurred. Any write-down reversals are recognised as an expense reduction in the Statement of Comprehensive Income.

Other financial assets

DEWNR measures financial assets at historical cost.

Non-current assets

Acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recognised at book value, i.e. the amount recorded by the transferor public authority immediately prior to the restructure.

Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2015

2 (I) Assets (continued)

All non-current tangible assets with a value of \$10 000 or greater are capitalised.

Minor assets with an individual value of less than \$10 000 are expensed in the Statement of Comprehensive Income at the time of acquisition, with the exception of Groundwater Monitoring Wells due to the significant number and long useful lives of the assets contained within this class. All assets for this class have been recognised in the Statement of Financial Position regardless of their initial cost of acquisition.

Componentisation of complex assets is only performed when the complex asset's fair value at the time of acquisition is equal to or in excess of \$5 million for infrastructure assets and \$1 million for other assets.

Revaluation of non-current assets

All non-current tangible assets are valued fair value; and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

DEWNR revalues its land, buildings and improvements, and other infrastructure assets via a Certified Practising Valuer or internal estimates based on indices or recent transactions. A valuation appraisal by a Certified Practising Valuer is performed at least every 6 years.

If at any time, management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, when they are revalued to fair value.

Any revaluation increment is credited to the revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income. Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the revaluation surplus to the extent of the credit balance existing in revaluation surplus for that asset class.

Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement costs. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the respective asset revaluation surplus.

Error correction

An error correction of \$1.426 million (property, plant and equipment) and \$0.180 million (intangible assets) has been disclosed in the Statement of Changes in Equity. The error correction has been retrospectively restated in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net increase to the carrying values of property, plant and equipment assets and intangible assets. The error correction relates to first time recognition of assets, data dictionary asset revisions and asset de-recognised.

An error correction of \$1.048 million has also been disclosed in the Statement of Changes in Equity in respect of the 2013-14 financial year, and comprises a decrease to the asset revaluation surplus as a result of a revaluation adjustment for Waste disposal station assets.

Heritage assets

In accordance with APF III Asset Accounting Framework, heritage assets are recognised in the Statement of Financial Position as part of the aggregate value of classes of assets to which they belong. Certain heritage assets and works of art that are unique due to their historical or cultural interest are not depreciated due to their long and indeterminate useful lives. Heritage assets that provide a functional service are recorded at depreciable fair value.

Land

Land comprising National, Conservation and Recreation Parks and Wilderness Protection Areas and Reserves, generally has restrictions on use imposed by statute or regulation. These restrictions have been taken into account by the independent valuers.

Administered property, plant and equipment relates to the Crown's interest in land leased to third parties under perpetual and other leases and annual licenses. However, limitations exist on the reliability of the base information used to determine the valuation of this land.

DEWNR is also custodian of unallotted Crown Land, by virtue of its responsibilities under the *Crown Land Management Act 2009*. This land is considered to be an administered asset. Unallotted Crown Land is not included in the Statement of Administered Financial Position as DEWNR has not been able to formulate a suitable methodology for determining a reliable measure of the value of these holdings.

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

For the War Services Leases the rate of amortisation has been determined after reference to both the unexpired period of the leases and the rate of extinguishment of the leases.

No amortisation is applied to water entitlements (included in acquired intangible assets) as these have been assessed as having an indefinite term of future economic benefits.

Department of Environment, Water and Natural Resources
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For the Year Ended 30 June 2015

2. (l) Assets (continued)

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10 000.

All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 *Intangible Assets* are expensed.

Fair value measurement

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

The department classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 - traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 - not traded in an active market and derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 - not traded in an active market and are derived from unobservable inputs.

Non-financial assets

In determining fair value, the department has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

The department's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the department did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a 'fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years' are deemed to approximate fair value.

Refer notes 23 and 25 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

Financial assets

DEWNR does not recognise any financial assets at fair value.

(m) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Payables

Payables include creditors, accrued expenses, GST payable, employment on-costs and Paid Parental Leave Scheme payable.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of DEWNR.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

The Paid Parental Leave Scheme payable represents amounts which DEWNR has received from the Commonwealth Government to forward onto eligible employees via the department's standard payroll processes. That is, DEWNR is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or the date the invoice is first received.

Employee benefits on-costs include payroll tax, WorkCover levies and superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave.

DEWNR makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed superannuation schemes. Refer to note 2(j).

Error correction

An error correction of \$0.283 million has been disclosed in the Statement of Changes in Equity. The error correction has been retrospectively restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net decrease to payables. The error correction related to a balance incorrectly carried over from the 2010-11 administrative restructure.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

DEWNR has entered into operating leases.

Operating leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
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2 (m) Liabilities (continued)

Lease incentives

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset. Incentives received to enter into operating leases are recognised as a liability.

The aggregate benefit of lease incentives received by DEWNR in respect of operating leases have been recorded as a reduction of rental expense over the lease term, on a straight line basis.

Error correction

An error correction of \$0.059 million has been disclosed in the Statement of Changes in Equity. The error correction has been retrospectively restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net increase to other liabilities. The error correction related to a lease incentive relating to the Tasman Terrace site.

Employee benefits

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

The liability for salaries and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the SERL liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

The unconditional portion of the long service leave provision is classified as current as DEWNR does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of the long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service.

Error correction

The Statement of Changes in Equity contains an error correction to long service leave liabilities and associated employment on-costs of \$4.370 million. This error relates to changes in employment conditions (full-time to part-time) and incorrect calculation of liabilities in the prior year. The error correction has been retrospectively restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The effect in the prior period is an increase to liabilities and a decrease to the Net Result and Retained Earnings of \$4.370 million.

Provisions

Provisions are recognised when the department has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When DEWNR expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2015 provided by a consulting actuary engaged through the Office for the Public Sector. The provision is for the estimated cost of the ongoing payments to employees as required under current legislation.

DEWNR is responsible for the payment of workers compensation claims.

(n) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating lease, capital, remuneration and other outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office. If GST is not payable to, or recoverable from, the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

(o) Interest in Joint Operation

Murray Darling Basin Authority

The Minister administers the State's interest in the Murray-Darling Basin Authority (MDBA). These transactions are reflected in the Administered Statements. Note A12 of the Administered Statements refers to changes in accounting for the MDBA, which came into being on 15 December 2008.

Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2015

3 New and revised accounting standards and policies

Accounting Policy Framework

In accordance with amendments to Accounting Policy Framework II *General Purpose Financial Statements Framework*, effective for the year ended 30 June 2015, the Botanic Gardens and State Herbarium; the Coast Protection Board; the Dog and Cat Management Board; and the Native Vegetation Fund are no longer considered administered items of DEWNR. Accordingly, DEWNR will no longer aggregate these entities in its administered financial statements, schedules or explanatory notes.

Previously, DEWNR included the the Botanic Gardens and State Herbarium; the Coast Protection Board; the Dog and Cat Management Board; and the Native Vegetation Fund within its aggregated administered financial statements. This change is reflected in note A4 in the administered financial statements at the back of the controlled financial statements.

Accounting Standards

In accordance with the new AASB 1055 *Budgetary Reporting*, which became effective for the first time in 2014-15, the department has:

- Included a comprehensive new note 'Budgetary reporting and explanations of major variances' (notes 33 and A5). These notes disclose, in respect of the Statement of Comprehensive Income and Investing Expenditure Summary for both controlled and administered amounts:
 - the department's original budget as published in Budget Paper 4 volume 2
 - a comparison of the original budget information to actual results
 - explanations of major variances.

In accordance with the new AASB 10 *Consolidated Financial Statements* and AASB 11 *Joint Arrangements*, which became effective for the first time in 2014-15, the department has reviewed its control assessments (i.e. the department's involvement with the entity; protective and substantive rights; ability to direct major relevant activities etc.) in accordance with AASB 10 and its classification assessments in accordance with AASB 11 and has concluded that in terms of AASB 10, DEWNR does not currently control another entity and therefore no consolidation is required. However, the Minister is a party to a joint arrangement involving the Murray-Darling Basin Authority falling within the scope of AASB 11. This joint arrangement is reported in DEWNR's administered financial statements. Refer to note A12.

DEWNR will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10 and AASB 11 for future years.

Except for AASB 2015-7 which the department has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by DEWNR for the period ending 30 June 2015. DEWNR has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on accounting policies or the financial statements of the department.

4 Activities of the department

In achieving its objectives, DEWNR provides a range of services classified into the following activities:

Activity 1: Sustainability

Ensure the effective management of the state's natural resources through strategic planning, state-wide policy and frontline service delivery for the benefit of the community, our economy and ecosystems.

Activity 2: Water

Ensure good quality, sustainable water supplies and management of the River Murray and state water resources for the benefit of our economy, community and environment.

Activity 3: Parks and Public Assets

Conserve, sustain and build the state's reserve system to enhance visitor experiences, improve management practices and help mitigate against the impacts of bushfire.

The disaggregated disclosures schedules presents expenses and income information attributable to each of the activities for the years ended 30 June 2015 and 30 June 2014.

AASB 1052 *Disaggregated Disclosures* requires government departments to disclose the assets deployed and liabilities incurred that are reliably attributable to each of their activities. DEWNR cannot currently reliably attribute assets and liabilities across activities. Hence this disclosure has not been made.

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2015

5 Employee benefits expenses

	2015	2014
	\$'000	\$'000
Salaries and wages	111 057	115 465
Annual leave	9 863	10 440
LSL	4 179	3 538
SERL	555	398
Employment on-costs - superannuation	12 695	13 025
Employment on-costs - other	7 561	8 072
TVSPs (refer below)	1 117	19 478
Board and committees fees	242	340
Other employee related expenses	425	566
Total Employee benefits expenses	147 694	171 323

TVSPs

	2015	2014
	\$'000	\$'000
Amount paid during the reporting period to separated employees:		
TVSPs	1 117	19 478
Annual leave, LSL and SERL paid to those employees	354	7 003
	1 471	26 481
Recovery from the Department of Treasury and Finance	(8 465)	(13 036)
Net cost to the department	(6 994)	13 445

Number of employees who received a TVSP during the reporting period

11 172

Remuneration of employees

The number of employees whose remuneration received or receivable falls within the following bands:

	2015	2014
\$141 500 – 151 499	-	3
\$151 500 – 161 499	8	5
\$161 500 – 171 499	4	6
\$171 500 – 181 499	5	6
\$181 500 – 191 499	2	2
\$191 500 – 201 499 *	1	4
\$201 500 – 211 499	1	1
\$211 500 – 221 499	1	1
\$221 500 – 231 499	1	-
\$231 500 – 241 499	1	-
\$241 500 – 251 499 *	1	3
\$251 500 – 261 499 *	-	1
\$261 500 – 271 499 *	-	2
\$271 500 – 281 499	-	1
\$281 500 – 291 499 *	1	2
\$291 500 – 301 499 *	-	1
\$301 500 – 311 499 *	-	2
\$311 500 – 321 499 *	1	2
\$321 500 – 331 499 *	-	1
\$331 500 – 341 499	1	1
\$341 500 – 351 499 *	-	1
\$351 500 – 361 499 *	-	1
\$371 500 – 381 499 *	-	1
\$381 500 – 391 499	-	1
\$391 500 – 401 499 *	-	5
\$401 500 – 411 499 *	1	3
\$411 500 – 421 499 *	-	2
\$421 500 – 431 499 *	-	1
\$441 500 – 451 499 *	-	1
\$451 500 – 461 499 *	-	1
\$461 500 – 471 499 *	-	2
Total	27	63

* This remuneration band includes an employee who received a TVSP payment.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (i.e. there has been no increase in executive remuneration since 1 July 2013).

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$5.554 million (2014: \$17.186 million).

The table includes TVSPs paid where the employee's normal remuneration exceeds the executive base level threshold. In 2014-15, nil employees (2013-14: 30 employees) in the table received a TVSP.

6 Supplies and services

	2015	2014
	\$'000	\$'000
Accommodation and property management	15 313	13 684
Consultants	165	196
Contractors	4 776	5 075
Cost of goods sold	1 674	1 807
Fee for service	26 208	30 038
General administration	12 125	9 618
Information technology & communication expenses	8 967	8 365
Minor works, maintenance & equipment	7 163	4 408
Monitoring fees	143	150
Sand replenishment	3 140	2 472
Scientific and technical services	130	313
Transportation	373	421
Travel and accommodation	1 819	1 859
Vehicle and aircraft	5 557	6 022
Staff development	1 896	1 768
Other	3 682	3 904
Total Supplies and services	92 931	90 110

Department of Environment, Water and Natural Resources
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For the Period Ended 30 June 2015

6 Supplies and services (continued)

Consultants

The number and dollar amount of consultancies paid/payable (included in supplies and services expense) that fell within the following bands:

	2015 Number	2014 Number	2015 \$'000	2014 \$'000
Below \$10 000	7	11	25	51
Above \$10 000	5	3	140	145
Total paid/payable to consultants engaged	12	14	165	196

7 Grants and subsidies

Administration of the *Animal Welfare Act 1985*
Coorong, Lower Lakes and Murray Mouth - Long Term Plan
Goyder Facilitating Long-term Outback Water Solutions (G-FLOWS)
Goyder Institute
Great Artesian Basin Sustainability Initiative
Murray Darling Basin Authority
Nature Play SA
NRM community grants
One Million Trees
River Murray Improvement Program
State Heritage Fund - grants program
Stormwater projects
Other

Total Grants and subsidies

2015 \$'000	2014 \$'000
1 025	-
4 961	8 525
1 000	-
5 000	5 000
-	359
13 031	26 445
-	875
-	1 554
-	143
2 000	300
-	150
-	113
4 544	5 239
31 561	46 703

Grants and subsidies paid/payable to entities within the SA Government

Coorong, Lower Lakes and Murray Mouth - Long Term Plan
River Murray Improvement Program
Other

Total Grants and subsidies - SA Government entities

2015 \$'000	2014 \$'000
290	209
2 000	300
264	592
2 554	1 101

8 Water recovery / acquisition expenses

Environmental water purchase

Total Water recovery / acquisition expenses

2015 \$'000	2014 \$'000
738	13 134
738	13 134

9 Depreciation and amortisation expense

Depreciation

Buildings and improvements
Park infrastructure
Roads, tracks and trails
Groundwater monitoring wells
Salinity disposal schemes
Patawalonga seawater circulation and Barcoo outlet
Sand pumping infrastructure
Surface water monitoring network
Waste disposal stations
Lower Murray embankments
Plant and equipment
Other

Total Depreciation

2015 \$'000	2014 \$'000
3 206	3 284
4 137	3 556
5 131	5 881
2 228	2 171
456	549
711	495
1 006	1 008
157	121
156	137
69	50
2 450	2 423
19	18
19 726	19 691

Amortisation

Application software - internally generated
Application software - externally purchased
Other - war services leases

Total Amortisation

2015 \$'000	2014 \$'000
1 113	2 238
-	8
22	22
1 135	2 268

Total Depreciation and amortisation

2015 \$'000	2014 \$'000
20 861	21 959

Revision of accounting estimates

DEWNR altered the useful lives of various assets in accordance with normal periodic assessment procedures. In accordance with AASB108, the resulting adjustments have been applied prospectively in the current year.

The change in the useful lives has had the effect of increasing / (decreasing) depreciation expense in the financial year as follows:

	2015 \$'000	2014 \$'000
Buildings and Improvements	-	(339)
Park Infrastructure	-	(163)
Roads, Tracks and Trails	-	(600)
	-	(1 102)

10 Net loss from disposal of non-current assets

Land

Proceeds from disposal
Less net book value of assets disposed
Net (loss)/gain from disposal

2015 \$'000	2014 \$'000
61	-
(94)	-
(33)	-

Buildings

Proceeds from disposal
Less net book value of assets disposed
Net (loss)/gain from disposal

2015 \$'000	2014 \$'000
-	-
-	(43)
-	(43)

Department of Environment, Water and Natural Resources
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10 Net loss from disposal of non-current assets (continued)

	2015 \$'000	2014 \$'000
Park infrastructure		
Proceeds from disposal	-	1
Less net book value of assets disposed *	(12 624)	(10)
Net (loss)/gain from disposal	(12 624)	(9)
Roads, tracks and trails		
Proceeds from disposal	-	-
Less net book value of assets disposed	(162)	(5)
Net (loss)/gain from disposal	(162)	(5)
Plant and equipment		
Proceeds from disposal	9	36
Less net book value of assets disposed	(16)	(57)
Net (loss)/gain from disposal	(7)	(21)
Externally acquired intangible assets		
Proceeds from disposal	180	-
Less Net book value of assets disposed	(180)	-
Net (loss)/gain from disposal	-	-
Total Assets		
Total proceeds from disposal	250	37
Less total net book value of assets disposed	(13 076)	(115)
Total Net (loss) from disposal of non-current assets	(12 826)	(78)

Assets transferred free of charge *

During the current year, assets to the value of \$10.270m (2014: \$0.020m) was transferred to the Board of the Botanic Gardens and State Herbarium free of charge. Assets transferred in the current year related to the Aquifer Storage and Redraw - First Creek Wetlands (\$10.094m), 90 Foot Road Upgrade (\$0.110m); and Summer House Path (\$0.052m), and (\$0.014m) other.

	2015 \$'000	2014 \$'000
Park infrastructure	10 094	-
Roads, tracks and trails	182	-
Plant and equipment	14	20
Total Assets transferred free of charge *	10 270	20

11 Other expenses

	2015 \$'000	2014 \$'000
Bad and doubtful debts	196	1
Capital project costs not capitalised	809	240
Audit fees	480	522
Movement in Inventory	(229)	(283)
Other	-	10
Total Other expenses	1 256	490

12 Auditors remuneration

	2015 \$'000	2014 \$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements	454	434
Total audit fees	454	434

No other services were provided by the Auditor-General's Department.

13 Revenues from fees and charges

	2015 \$'000	2014 \$'000
Admissions and guided tours	8 353	7 981
Fees, levies and licences	2 467	2 169
Property rental and related income	6 085	5 826
Taxation revenue - River Murray rehabilitation levy	24 958	24 591
Service recoveries	17 128	16 710
Other property related income	212	150
Sale of goods	3 580	3 888
Sale of professional services	5 090	4 792
Sale of support services	6 885	6 150
Sale of spatial information	1 014	942
Sale of freehold titles	82	103
Total Revenues from fees and charges	75 834	73 282

14 Grant revenues

	2015 \$'000	2014 \$'000
(a) Grant revenues from the Commonwealth		
Common Registry System	-	635
Coorong, Lower Lakes and Murray Mouth - Long Term Plan	18 719	25 905
Goolwa Channel Water Level Management	-	437
Great Artesian Basin Sustainability Initiative	273	2 297
Implementing the Murray Darling Basin reform	2 322	2 396
National Partnership Agreement - Bioregional Assessment Lake Eyre Basin	1 026	1 700
Murray Futures - Lower Lakes, Coorong Adaptive Management	-	712
Murray Futures - Riverine Recovery	6 394	16 174
National framework for compliance and enforcement systems	1 559	1 514
Nature Links	409	286
National Partnership Agreement - Bioregional Assessment Arckaringa/Pedirka	450	1 950
SA Riverland Floodplain Infrastructure Program	7 000	3 000
The Living Murray - Chowilla	827	1 151
The Living Murray - Lower Lakes, Coorong and Murray Mouth	538	1 118
Water and wastewater in remote communities	-	300
Other	1 429	1 204
Total grant revenues from the Commonwealth	40 946	60 779

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2015

14 Grant revenues (continued)

	2015 \$'000	2014 \$'000
<i>(b) Grant revenues from SA Government</i>		
Adelaide Living Beaches strategy	2 512	2 436
Biodiversity Assessments	-	100
Botanic Gardens - Aquifer Storage and Redraw	655	655
Bushfire Mitigation Program	-	282
Community Emergency Services Funding	2 700	2 634
Compliance and Monitoring	624	527
Highbury Aqueduct fire prevention	275	301
Nature Play	-	250
National Partnership Agreement - Coal Seam Gas and Coal mining project	-	500
One million trees	250	1 150
Priority habitat enhancement	-	286
Water Industry Act	79	155
Other	5 597	3 489
Total grant revenues from SA Government	12 692	12 745
<i>(c) Grant revenues from private industry and local government</i>		
Implementing the Limestone Coast and Coorong Coastal Action Plan	479	672
Other	1 590	848
Total grant revenues from private industry and local government	2 069	1 520
Total Grant revenues	55 707	75 044

Contributions with conditions of expenditure

The department received grants from various funding sources, expressly for the purposes of undertaking specific projects. As at 30 June 2015 \$39,526m (2014: \$62,698m) of grants, which have been recognised as revenues in the Statement of Comprehensive Income, are yet to be spent in the manner specified by the contributors.

15 Interest revenues

	2015 \$'000	2014 \$'000
Interest	1 061	648
Total Interest revenues	1 061	648

16 Other income

	2015 \$'000	2014 \$'000
Insurance recoveries	38	201
Salaries and wages recoveries	33 295	30 483
Sponsorships, donations, commissions and bequests	19	45
Other sundry revenue	284	364
Total Other income	33 636	31 073

17 Revenues from / payments to SA Government

	2015 \$'000	2014 \$'000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the Appropriation Act	132 698	166 466
Appropriations from contingency funds	8 972	15 313
Total Revenues from SA Government	141 670	181 779
Payments to SA Government		
Return to consolidated account	(1 200)	-
Total Payments to SA Government	(1 200)	-

Total revenues from government consist of \$120,581m (2014: \$152,945m) for operational funding and \$12,117m (2014 \$13,521m) for capital projects. There was no material variance between the amount appropriated and the expenditure associated with this appropriation.

18 Cash and cash equivalents

	2015 \$'000	2014 \$'000
Deposits with the Treasurer	134 265	105 267
Imprest account / cash on hand	185	182
Total Cash and cash equivalents	134 450	105 449

Deposits with the Treasurer

This includes \$50,513m (2014: \$49,449m) held within the Accrual Appropriation Excess Funds Account. The balance of these funds is not available for general use and can only be used in accordance with the Treasurer's or Under-Treasurer's approval.

Other short-term deposits

These are funds held on an "at call" basis with various commercial banking entities, and result from banking deposits in regional locations. Funds are only held in these accounts pending imminent transfer to DEWNR's normal banking arrangements with Treasury.

Interest rate risk

Cash deposits are recognised at their nominal amounts and interest is credited to revenue as it accrues. DEWNR invests surplus funds with the Treasurer. Interest is earned on the average monthly balances of the Wildlife Conservation Fund, General Reserves Trust account, SA Lower Lakes Bioremediation and Revegetation (CLMM) account, Adelaide Stormwater Project Fund, Murray Futures Fund and the SA Riverland Floodplains Integrated Infrastructure Program. Interest is paid quarterly at the Department of Treasury and Finance's 90 day average overnight cash interest rate. All other deposits with the Treasurer do not earn interest.

19 Receivables

	2015 \$'000	2014 \$'000
Current		
Receivables	8 195	28 822
Less allowance for doubtful debts	(435)	(234)
	7 760	28 588
Accrued revenues	87	50
GST input tax recoverable	4 785	4 417
Workers compensation recoveries	19	21
Total Current receivables	12 651	33 076

Department of Environment, Water and Natural Resources
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For the Period Ended 30 June 2015

19 Receivables (continued)

	2015 \$'000	2014 \$'000
Non-current		
Workers compensation recoveries	64	73
Total Non-current receivables	64	73

Movement in the allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (i.e. calculated on past experience and current and expected changes in client credit rating) that a receivable is impaired. An allowance for impairment loss has been recognised in 'other expenses' in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2015 \$'000	2014 \$'000
Carrying amount at the beginning of the period	234	235
Amounts written off	-	(1)
Increase in the allowance	201	-
Carrying amount at the end of the period	435	234

Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Trade receivables and accrued revenues are non-interest bearing. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

- (a) Maturity analysis of receivables - refer to table 38.3 in note 38.
(b) Categorisation of financial instruments and risk exposure information - refer to table 38.3 in note 38.

20 Inventories

	2015 \$'000	2014 \$'000
Inventories held for distribution at no or nominal amount		
Inventories held for distribution - at cost	538	476
Total Inventories held for distribution at no or nominal amount	538	476
Inventories held for resale - at cost		
Finished goods held for resale - at cost	1 827	1 471
Total Inventories held for resale - at cost	1 827	1 471
Total Inventories	2 365	1 947

21 Other assets

	2015 \$'000	2014 \$'000
Current		
Prepaid supplies and services	1 253	996
Other	4	3
Total Other current assets	1 257	999

22 Other financial assets

	2015 \$'000	2014 \$'000
Non-current		
Equity in listed entities	3	3
Total Non-current other financial assets	3	3

23 Property, plant and equipment

	2015 \$'000	2014 \$'000
Land		
Independent valuation ⁽¹⁾	209 941	206 104
At cost ⁽²⁾	7 951	11 688
Total Land	217 892	217 790
Buildings and improvements		
Independent valuation ⁽¹⁾	145 491	144 344
At cost ⁽²⁾	8 251	9 668
Less accumulated depreciation	(104 842)	(101 889)
Total Buildings and improvements	48 900	52 123
Park infrastructure		
Independent valuation ⁽¹⁾	174 267	178 092
At cost ⁽²⁾	18 613	9 536
Less accumulated depreciation	(163 483)	(160 650)
Total Park infrastructure	29 397	26 978
Roads, tracks and trails		
Independent valuation ⁽¹⁾	194 721	194 272
At cost ⁽²⁾	8 066	7 477
Less accumulated depreciation	(179 230)	(174 100)
Total Roads, tracks and trails	23 557	27 649
Groundwater monitoring wells		
Independent valuation	130 256	130 256
At cost ⁽²⁾	2 064	984
Less accumulated depreciation	(88 288)	(86 060)
Total Groundwater monitoring wells	44 032	45 180

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23 Property, plant and equipment (continued)	2015 \$'000	2014 \$'000
Salinity disposal schemes		
Independent valuation	44 314	44 751
At cost ⁽²⁾	568	-
Less accumulated depreciation	(13 162)	(18 609)
Total Salinity disposal schemes	31 720	26 142
Patawalonga seawater circulation and Barcoo outlet		
Independent valuation	45 451	30 774
At cost ⁽³⁾	-	546
Less accumulated depreciation	(13 994)	(8 662)
Total Patawalonga seawater circulation and Barcoo outlet	31 457	22 658
Sand pumping infrastructure		
At cost ⁽³⁾	20 544	20 544
Less accumulated depreciation	(2 431)	(1 425)
Total Sand pumping infrastructure	18 113	19 119
Surface water monitoring network		
Independent valuation	8 469	8 469
At cost ⁽³⁾	1 033	183
Less accumulated depreciation	(3 865)	(3 708)
Total Surface water monitoring network	5 637	4 944
Waste disposal stations		
Independent valuation	7 752	7 752
At cost ⁽³⁾	638	-
Less accumulated depreciation	(2 861)	(2 505)
Total Waste disposal stations	5 529	5 247
Lower Murray embankments		
Independent valuation	13 760	13 760
Less accumulated depreciation	(6 811)	(6 742)
Total Lower Murray embankments	6 949	7 018
Plant and equipment		
At cost (deemed fair value) ⁽¹⁾⁽⁴⁾	35 547	33 422
Less accumulated depreciation	(24 480)	(22 459)
Total Plant and equipment	11 067	10 963
Other		
At cost (deemed fair value) ⁽⁴⁾	1 867	1 867
Less accumulated depreciation	(650)	(831)
Total Other	1 217	1 236
Capital works in progress		
Capital works in progress	36 256	38 919
Total Capital works in progress	36 256	38 919
Total Property, plant and equipment	511 923	505 966

Carrying amounts of property, plant and equipment

Classes of property, plant and equipment are valued as follows:

- i Independent valuation:
Generic assets are valued using the Data Dictionary model. Unique assets are items which cannot be categorised within the standard Data Dictionary groups. These assets are valued separately by independent professional valuers. Refer to Note 2(i) for further details.
- ii At cost (acquisition cost):
This class includes one or more items that have an acquisition cost exceeding \$1 million. All assets within this class are temporarily held at cost pending revaluation.
- iii At cost (deemed fair value):
These assets have an acquisition cost below \$1 million or have an estimated useful life of less than three years, and have not been revalued in accordance with APF II) and are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the assets condition and remaining useful life.

Asset Revaluations

The valuation of the DEWNR's Salinity disposal schemes and the Patawalonga seawater circulation and Barcoo outlet assets were performed by a Certified Practising Valuer (Mr F. Taormina, BAppSc (Val), AAPI) from Valcorp Pty Ltd as at 1 July 2014. The revaluation of these assets resulted in changes in replacement values, as well as changes to some of the useful lives of componentry assets.

As there is no active market for the revalued assets, the valuer used the cost approach (i.e. depreciated replacement cost) having regard to the specialised nature of the assets by virtue of the type of improvement, location or scale. The valuer included the costs of various inputs in the assets' replacement costs, such as preliminaries, earthworks, site preparation, initial delivery and handling costs, installation costs and professional fees. In relation to the Salinity disposal schemes and the Patawalonga seawater circulation and Barcoo outlet, the valuation included available information and departmental internal records of current construction costs from recent refurbished sites. All revalued assets fall within level 3 inputs as the quoted prices are generally specialised and unobservable.

The impact of the completed asset revaluations have resulted in adjustments being recognised in the financial statements and are further disclosed in the Statement of Comprehensive Income and the Statement of Changes in Equity. Changes relating to the Salinity disposal schemes amounted to \$5.466 million, and changes relating to the Patawalonga seawater circulation and Barcoo outlet amounted to \$6.448 million.

DEWNR uses the Data Dictionary model to value generic building, infrastructure and road assets. The Data Dictionary model is contained within DEWNR's Asset Register and Management Information System (ARAMIS) and calculates a value for an asset based on description, grade / composition, condition and size / quantity. The model value is adjusted by a locality factor to take into account climatic conditions. The valuation model itself is reviewed every three years by a Certified Practising Valuer. The application of the Data Dictionary model results in the classification of these assets into level 3 as the measurements / outputs from the model are deemed unobservable.

The fair value of unique items was determined by identifying a market buying price, estimated as written down modern equivalent replacement cost. The fair value of land and buildings was based on recent market transactions for similar land and buildings in the area taking into account zoning and restricted use.

Other specialised assets have been revalued per the schedule below.

The valuers used by DEWNR are as follows:

Department of Environment, Water and Natural Resources
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23 Property, plant and equipment (continued)

Class of Asset	Date of Last Independent Valuation	Name of Valuer
Buildings, infrastructure and roads	1 July 2011	Valcorp Pty Ltd
Land, building and park infrastructure	1 July 2011	Herron Todd White
Groundwater monitoring wells	30 June 2012	Sinclair Knight Merz
Surface water monitoring network	30 June 2012	Valcorp Pty Ltd
Waste disposal stations	30 June 2014	Valcorp Pty Ltd
Patawalonga seawater circulation and Barcoo outlet	1 July 2014	Valcorp Pty Ltd
Salinity disposal schemes	1 July 2014	Valcorp Pty Ltd
Lower Murray embankments	30 June 2014	Valcorp Pty Ltd
Plant and equipment*	-	-

* Plant and equipment have been brought to account at cost or at officers' valuation for initial recognition purposes.

Movement reconciliation of property, plant and equipment

	Land	Buildings	Park infrastructure	Roads, tracks & trails	Ground-water Monitoring Wells	Salinity Disposal Schemes	Patawalonga Seawater Circulation		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
2015									
Carrying amount at the start of period	217 790	52 123	26 978	27 649	45 180	26 142	22 658		
Acquisitions	196	-	-	-	-	-	-		
Transfers between classes	-	(17)	-	-	-	-	-		
Disposals - transfers for nil consideration	-	-	(10 094)	(162)	-	-	-		
Disposals	(94)	-	(2 530)	-	-	-	-		
Transfers to/from capital works in progress	-	-	19 180	1 201	1 080	568	3 052		
Capital WIP - expensed in current period	-	-	-	-	-	-	-		
Subtotal	102	(17)	6 556	1 039	1 080	568	3 052		
Gains/(losses) for the period recognised in net result:									
Depreciation expense	-	(3 206)	(4 137)	(5 131)	(2 228)	(456)	(711)		
Subtotal	-	(3 206)	(4 137)	(5 131)	(2 228)	(456)	(711)		
Gains/(losses) for the period recognised in other comprehensive income:									
Net revaluation (decrement)/increment	-	-	-	-	-	5 466	6 448		
Subtotal	-	-	-	-	-	5 466	6 448		
Carrying amount at the end of period	217 892	48 900	29 397	23 557	44 032	31 720	31 457		
	Sand pumping infrastructure	Surface Water Monitoring Network	Waste Disposal Stations	Lower Murray Embankments	Plant & equipment	Other	Subtotal	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of period	19 119	4 944	5 247	7 018	10 963	1 236	467 047	38 919	505 966
Acquisitions	-	-	-	-	31	-	227	27 932	28 159
Transfers between classes	-	-	-	-	17	-	-	-	-
Disposals - transfers for nil consideration	-	-	-	-	(14)	-	(10 270)	-	(10 270)
Disposals	-	-	-	-	(2)	-	(2 626)	-	(2 626)
Transfers to/from capital works in progress	-	850	638	-	2 522	-	29 101	(29 786)	(685)
Capital WIP - expensed in current period	-	-	-	-	-	-	-	(809)	(809)
Subtotal	-	650	638	-	2 554	-	16 432	(2 663)	13 769
Gains/(losses) for the period recognised in net result:									
Depreciation expense	(1 006)	(157)	(156)	(69)	(2 450)	(19)	(19 726)	-	(19 726)
Subtotal	(1 006)	(157)	(156)	(69)	(2 450)	(19)	(19 726)	-	(19 726)
Gains/(losses) for the period recognised in other comprehensive income:									
Net revaluation (decrement)/increment	-	-	-	-	-	-	11 914	-	11 914
Subtotal	-	-	-	-	-	-	11 914	-	11 914
Carrying amount at the end of period	18 113	5 637	5 729	6 949	11 067	1 217	475 667	36 256	511 923

Movement reconciliation of property, plant and equipment

	Land	Buildings	Park infrastructure	Roads, tracks & trails	Ground-water Monitoring Wells	Salinity Disposal Schemes	Patawalonga Seawater Circulation
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2014							
Carrying amount at the start of period	215 168	54 875	30 335	33 518	47 299	26 691	23 163
Acquisitions	2 632	575	-	-	-	-	-
Disposals	-	(43)	(10)	(5)	-	-	-
Disposals - transfers for nil consideration	-	-	-	-	-	-	-
Transfers to/from capital works in progress	-	-	209	17	52	-	-
Capital WIP - expensed in current period	-	-	-	-	-	-	-
Subtotal	2 632	532	199	12	52	-	-
Gains/(losses) for the period recognised in net result:							
Depreciation expense	-	(3 284)	(3 556)	(5 881)	(2 171)	(549)	(495)
Subtotal	-	(3 284)	(3 556)	(5 881)	(2 171)	(549)	(495)
Gains/(losses) for the period recognised in other comprehensive income:							
Net revaluation increment	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
Carrying amount at the end of period	217 790	52 123	26 978	27 649	45 180	26 142	22 658

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23 Property, plant and equipment (continued)

	Sand pumping Infrastru- cture \$'000	Surface Water Monitoring Network \$'000	Waste Disposal Stations \$'000	Lower Murray Embank- ments \$'000	Plant & equipment \$'000	Other \$'000	Subtotal \$'000	Capital work in progress \$'000	Total \$'000
Carrying amount at the start of period	20 125	4 954	3 466	5 183	12 310	1 254	478 321	21 861	500 182
Acquisitions	-	-	-	-	1 095	-	4 302	17 725	22 027
Disposals	-	-	-	-	(37)	-	(95)	-	(95)
Disposals - transfers for nil consideration	-	-	-	-	(20)	-	(20)	-	(20)
Transfers to/(from) capital works in progress	-	111	-	-	38	-	427	(427)	-
Capital WIP - expensed in current period	-	-	-	-	-	-	-	(240)	(240)
Subtotal	-	111	-	-	1 076	-	4 614	17 058	21 672
Gains/(losses) for the period recognised in net result:									
Depreciation expenses	(1 006)	(121)	(137)	(50)	(2 423)	(18)	(19 691)	-	(19 691)
Subtotal	(1 006)	(121)	(137)	(50)	(2 423)	(18)	(19 691)	-	(19 691)
Gains/(losses) for the period recognised in other comprehensive income:									
Net revaluation increment	-	-	1 918	1 685	-	-	3 603	-	3 603
Subtotal	-	-	1 918	1 685	-	-	3 603	-	3 603
Carrying amount at the end of period	19 119	4 944	5 247	7 018	10 963	1 236	487 047	38 919	505 966

24 Intangible assets

	2015 \$'000	2014 \$'000
Internally developed intangible assets		
Computer software - at cost (deemed fair value)	20 238	19 553
Less accumulated amortisation	(18 546)	(17 433)
Total Internally developed intangible assets	1 692	2 120
Externally acquired intangible assets		
Computer software and water licences	2 918	3 098
Less accumulated amortisation	(590)	(590)
Total Externally acquired intangible assets	2 328	2 508
Other		
Revenue stream (War services freehold leases) - At cost (deemed fair value)	1 000	1 000
Less accumulated amortisation	(207)	(185)
Total Other	793	816
Total Intangible assets	4 813	5 443

The department recognises the following intangible assets:
Computer software

The internal development of software is capitalised by the department when the expenditure meets the definition and recognition criteria of an intangible asset outlined in AASB 138 and when the amount of expenditure is greater than or equal to \$10 000, in accordance with APF III Asset Accounting Framework APS 2.15. All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 are expensed. Subsequent expenditure on intangible assets has not been capitalised. The department has capitalised the internal development of software for the Crown Lands System, Water Information and Licensing and Management Application system (WILMA) and ARAMIS Solution Software. In addition, certain costs have been capitalised in respect of the Water Connect Portal (Natural Resources Management Information System) and other software specific to the department's core activities. Some intangibles are currently included in work in progress. Externally acquired computer software relates to ARCGIS software.

Water licenses - acquired at no cost

An intangible asset for water licences has been recognised. The asset was initially acquired for nil consideration prior to 1 July 2005. A reliable fair value at the time of acquisition was not available. The assets were recognised for the first time at fair value as at 30 June 2006. Fair value was determined by observing prices in the water trading market as at 30 June 2006.

Revenue stream

The revenue stream relates to various property leases that were offered by the Commonwealth Government to ex-service personnel with Australian War Service history. A contract to purchase the right to this revenue stream from the Commonwealth Government by DEWNR was negotiated during the 2005-06 year, and is being amortised in accordance with the expected life of the revenue stream.

Intangible asset movement reconciliation schedule

	Internally developed \$'000	Externally acquired \$'000	Revenue stream \$'000	2015 Sub-total \$'000
2015				
Carrying amount at the start of the period	2 120	2 508	816	5 443
Transfers from capital works in progress	685	-	-	685
Disposals	-	(180)	-	(180)
Amortisation	(1 113)	-	(22)	(1 135)
Carrying amount at the end of the period	1 692	2 328	793	4 813
	Internally Developed \$'000	Externally Developed \$'000	Revenue stream \$'000	2014 Sub-total \$'000
2014				
Carrying amount at the start of the period	4 358	2 516	837	7 711
Amortisation	(2 238)	(8)	(22)	(2 268)
Carrying amount at the end of the period	2 120	2 508	815	5 443

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24 Intangible assets (continued)

Assets Not Recognised

Acquisition of Water Licences for Environmental Flows

While the department recognises certain water licences controlled by the Minister for the River Murray as intangible assets at 30 June 2013, the acquisition and / or transfer of water licences for environmental purposes is generally expensed when such expenditure is incurred.

The decision not to capitalise these expenditures is linked to the provisions of two Intergovernmental Agreements to which the state of South Australia is a party as follows:

(i) The Intergovernmental Agreement on Addressing Water Over-allocation and Achieving Environmental Objectives in the Murray-Darling Basin (June 2004) gives effect to a decision by the southern Murray-Darling Basin jurisdictions to commit \$500 million over five years to address water over-allocation in the Murray-Darling Basin with an initial focus on achieving specific environmental outcomes for six significant ecological assets along the River Murray.

The Living Murray Business Plan provided for under Clause 13 of the above Agreement describes how the actions and milestones in the Agreement in relation to the acquisition and transfer of water licences are to be achieved.

(ii) The Agreement on Murray-Darling Basin Reform (July 2008) gives effect that a Commonwealth-State National Management Partnership will be in a form of a bilateral agreement between the Commonwealth and each Basin jurisdiction known as the National Partnership Agreement on Water for the Future (Partnership Agreement). The Implementation Plan for Augmentation of the Adelaide Desalination Plant is created subject to the provisions of the Partnership Agreement.

The Implementation Plan describes the actions and milestones in relation to the acquisition of water licences and the establishment of an Environmental Provision for environmental purposes.

The transactions pertaining to the acquisition of water licences and subsequent application of these licences have been expensed on the basis that the future economic benefits attached to these transactions are not expected to flow directly to the department.

25 Fair value measurement

Fair value hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. DEWNR categorises non-financial assets measured at fair value into hierarchy based on the level of inputs use in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2015.

DEWNR had no valuations categorised into level 1 or level 2.

Fair value measurements at 30 June 2015

Recurring fair value measurements

	Level 3
	\$'000
Land	217 892
Buildings and improvements	43 900
Park infrastructure	29 397
Roads, tracks and trails	23 557
Groundwater monitoring wells	44 032
Salinity disposal schemes	31 720
Patawalonga seawater circulation and Barcoo outlet	31 457
Surface water monitoring network	5 637
Waste disposal stations	5 729
Lower Murray embankments	6 949
Sand pumping infrastructure	18 113
Plant and equipment	11 067
Other	1 217
Total recurring fair value measurements	475 667

Fair value measurements at 30 June 2014

Recurring fair value measurements

	Level 3
	\$'000
Land	217 790
Buildings and improvements	52 123
Park infrastructure	26 978
Roads, tracks and trails	27 649
Groundwater monitoring wells	45 180
Salinity disposal schemes	26 142
Patawalonga seawater circulation and Barcoo outlet	22 658
Surface water monitoring network	4 944
Waste disposal stations	5 247
Lower Murray embankments	7 018
Sand pumping infrastructure	19 119
Plant and equipment	10 983
Other	1 236
Total recurring fair value measurements	467 047

There were no transfers of assets between level 1 and 2 fair value hierarchy levels in 2015. DEWNR's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques and inputs

Valuation techniques used to derive level 3 fair values together with the reconciliation of level 3 fair value measurements are detailed at Note 23. There were no changes in valuation techniques during 2015.

26 Payables

	2015	2014
	\$'000	\$'000
Current		
Accrued expenses	1 148	1 126
Creditors	21 860	20 745
Employment on-costs	2 507	2 592
Paid Parental Leave Scheme payable	29	34
Total Current payables	25 544	24 497
Non-current		
Employment on-costs	2 894	2 618
Total Non-current payables	2 894	2 618

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26 Payables (continued)

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the percentage of the proportion of long service leave taken as leave has decreased from 2014 (40%) to 2015 (37%). This rate is used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is a decrease in the employment on-cost of \$0.113m and employee benefits expense of \$0.113m.

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

(a) Maturity analysis of payables - refer to table 38.3 in note 38.

(b) Categorisation of financial instruments and risk exposure information - refer to table 38.3 in note 38

27 Employee benefits

	2015 \$'000	2014 \$'000
Current		
Accrued salaries and wages	902	395
Annual leave	8 970	8 895
Long service leave	1 724	2 147
Skills and experience retention leave	823	593
Total Current employee benefits	12 419	12 031
Non-current		
Long service leave	31 724	28 704
Total Non-current employee benefits	31 724	28 704

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave. AASB 119 requires the use of yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 2014 (3.50%) to 2015 (3.00%).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

The net financial effect of the changes in the current financial year is an increase in the long service leave liability of \$1.133m and employee benefit expense of \$1.133m. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and revised the salary inflation rate down by 1% from 2014 (4%) to 2015 (3%) for annual leave and skills, experience and retention leave liability. The net financial effect of the changes in the current financial year is immaterial.

28 Provisions

	2015 \$'000	2014 \$'000
Current		
Provision for workers compensation	584	626
Total Current provisions	584	626
Non-current		
Provision for workers compensation	1 846	2 277
Total Non-current provisions	1 846	2 277
Provision movement		
Carrying amount at the beginning of the period	2 903	2 979
Reductions resulting from re-measurement or settlement without cost	(473)	(76)
Carrying amount at the end of the period	2 430	2 903

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Office for the Public Sector. These claims are expected to be settled within the next financial year.

29 Other liabilities

	2015 \$'000	2014 \$'000
Current		
Lease incentive	20	251
Unearned revenue	136	81
Other	57	366
Total Current other liabilities	213	698
Non-current		
Lease incentive	95	53
Total Non-current other liabilities	95	53

30 Equity

	2015 \$'000	2014 \$'000
Contributed capital	22 612	22 612
Retained earnings	278 938	280 097
Asset revaluation surplus	290 657	278 743
Total Equity	592 207	581 452

The asset revaluation surplus is used to record increments and decrements in the fair value of property, plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

Department of Environment, Water and Natural Resources
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31 Cash flow reconciliation

	2015 \$'000	2014 \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	134 450	105 449
Balance as per the Statement of Cash Flows	134 450	105 449
Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash provided by operating activities	57 734	4 147
Less revenues from SA Government	(141 670)	(181 779)
Add payments to SA Government	1 200	-
Add/less non-cash items		
Depreciation and amortisation expense of non-current assets	(20 861)	(21 959)
Capital work in progress expensed	(809)	(240)
(Loss) on disposal of non-current assets	(12 828)	(78)
Movement in assets and liabilities		
(Decrease)/increase in receivables	(20 434)	10 340
(Decrease)/increase in inventories	418	(2)
Increase in other assets	258	87
(Increase)/decrease in payables	(2 147)	19 397
(Increase)/decrease in employee benefits	(3 408)	6 247
Decrease in provisions	473	78
Decrease in other liabilities	443	14
Net cost of providing services	(141 629)	(163 750)

32 Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature. Transactions with SA Government entities below the threshold of \$100 000 have been included with the non-government transactions, classified according to their nature.

		SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Expenses	Note						
Employee benefits expenses	5	-	-	147 694	171 323	147 694	171 323
Supplies and services	6						
Accommodation and property management		11 456	11 071	3 857	2 613	15 313	13 684
Consultants		-	-	165	196	165	196
Contractors		-	-	4 776	5 075	4 776	5 075
Cost of goods sold		-	-	1 674	1 607	1 674	1 607
Fee for service		2 471	4 149	23 737	25 889	26 208	30 038
General administration		3 324	6 797	8 801	2 821	12 125	9 618
Information technology & communication expenses		2 456	2 557	6 511	5 808	8 967	8 366
Minor works, maintenance & equipment		363	410	6 800	3 998	7 163	4 408
Monitoring fees		-	-	143	150	143	150
Sand replenishment		-	-	3 140	2 472	3 140	2 472
Scientific and technical services		-	-	130	313	130	313
Transportation		-	-	373	421	373	421
Travel and accommodation		-	-	1 819	1 869	1 819	1 869
Vehicle and aircraft		3 300	4 445	2 257	1 577	5 557	6 022
Staff development		-	-	1 695	1 768	1 695	1 768
Other		347	395	3 335	3 509	3 682	3 904
Grants and subsidies	7	2 554	1 101	29 007	45 602	31 561	46 703
Water recovery / acquisition expenses	8	-	8 542	738	4 592	738	13 134
Depreciation and amortisation expense	9	-	-	20 861	21 959	20 861	21 959
Net loss from disposal of non-current assets	10	-	-	12 828	78	12 826	78
Other expenses (excluding Auditors remuneration)	11						
Bad and doubtful debts		-	-	196	1	196	1
Capital project costs not capitalised		-	-	809	240	809	240
Audit fees		-	-	26	88	26	88
Inventory revaluation decrement		-	-	(229)	(283)	(229)	(283)
Other		-	-	-	10	-	10
Auditors remuneration	12	454	434	-	-	454	434
Total expenses		26 725	39 901	281 142	303 896	307 867	343 797
Income							
Revenues from fees and charges	13						
Admissions and guided tours		-	-	8 353	7 961	8 353	7 961
Fees, levies and licences		-	-	2 467	2 169	2 467	2 169
Property rental and related income		-	-	6 085	5 826	6 085	5 826
Taxation revenue - River Murray rehabilitation levy		-	-	24 958	24 591	24 958	24 591
Service recoveries		17 128	16 710	-	-	17 128	16 710
Other property related income		-	-	212	150	212	150
Sale of goods		178	177	3 402	3 711	3 580	3 888
Sale of professional services		1 837	1 284	3 253	3 508	5 090	4 792
Sale of support services		4 456	4 194	2 409	1 956	6 865	6 150
Sale of spatial information		181	114	833	828	1 014	942
Sale of freehold titles		-	-	82	103	82	103
Grant revenues	14	12 692	12 745	43 015	62 299	55 707	75 044
Interest revenues	15	1 054	845	7	3	1 061	848
Other income	16						
Insurance recoveries		-	130	38	71	38	201
Salaries and wages recoveries		33 295	30 463	-	-	33 295	30 463
Sponsorships, donations, commissions and bequests		-	-	19	45	19	45
Other sundry revenue		-	-	284	364	284	364
Revenues from SA Government	17	140 470	181 779	-	-	140 470	181 779
Total income		211 291	248 241	95 417	113 585	306 708	361 826

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32 Transactions with SA Government (continued)

	Note	SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assets							
Receivables	19	5 033	11 365	2 727	17 223	7 760	28 588
Accrued revenues		-	-	87	50	87	50
GST input tax recoverable		-	-	4 785	4 417	4 785	4 417
Workers compensation recoveries		-	-	83	- 84	83	94
Other assets	21						
Prepaid supplies and services		-	-	1 253	996	1 253	996
Other		-	-	4	3	4	3
Other financial assets	22						
Equity in listed entities		-	-	3	3	3	3
Total financial assets		5 033	11 365	8 942	22 786	13 975	34 151
Financial liabilities							
Payables	26						
Accrued expenses		489	415	659	711	1 148	1 126
Creditors		4 615	3 273	17 245	17 472	21 860	20 745
Employment on-costs		2 787	1 360	2 614	3 564	5 401	4 924
Paid Parental Leave Scheme payable		-	-	29	34	29	34
Other liabilities	29						
Lease incentive		-	-	115	304	115	304
Unearned revenue		-	-	136	81	136	81
Other		-	-	57	366	57	366
Total financial liabilities		7 891	5 048	20 855	22 532	28 746	27 580

33 Budgetary reporting and explanations of major variances between budget and actual amounts

The following are brief explanations of variances between original budget and actual amounts. Explanations are provided for variances where the variance exceeds the greater of 10 per cent of the original budgeted amount and 5 per cent of original budgeted total expenses or revenues.

		Original Budget ¹ 2015 \$'000	Actual 2015 \$'000	Variance \$'000
Statement of Comprehensive Income	Note			
Expenses				
Employee benefits expenses		140 696	147 894	6 998
Supplies and services		89 518	92 931	3 413
Grants and subsidies		34 206	31 581	(2 645)
Water recovery / acquisition expenses		10 485	738	(9 747)
Depreciation and amortisation expense		23 939	20 881	(3 078)
Net loss from disposal of non-current assets		-	12 826	12 826
Other expenses		391	1 256	865
Total Expenses		299 235	307 867	8 632
Income				
Revenues from fees and charges	a	111 944	75 834	(36 110)
Grant revenues	b	41 246	55 707	14 461
Interest revenues		124	1 081	937
Other income	c	15 977	33 636	17 659
Total Income		169 291	166 238	(3 053)
Net cost of providing services		129 944	141 629	11 685
Revenues from / payments to SA Government				
Revenues from SA Government	d	117 130	141 670	24 540
Payments to SA Government		-	(1 200)	(1 200)
Total net revenues from SA Government		117 130	140 470	23 340
Net result		(12 814)	(1 159)	11 655
Other comprehensive income				
<i>Items that will not be reclassified to net result:</i>				
Changes in property, plant and equipment asset revaluation surplus	e	-	11 914	11 914
Total other comprehensive income		-	11 914	11 914
Total comprehensive result		(12 814)	10 755	23 569

¹ The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

a Revenues from fees and charges were lower than original budget primarily due to reclassification treatments (budgeted salary recoups reflected in Other Income, and budgeted water planning and management cost recovery funded through State Appropriation and reflected in Revenues from SA Government)

b Grant revenues were higher than original budget primarily due to the recognition of additional Commonwealth funding

c Other income was higher than original budget primarily due to the reclassification of revenue from Fees and charges, and the non-achievement of planned water sales

d Revenues from SA Government were higher than original budget primarily due to reclassification of income from fees and charges, and from the reimbursement of TVSP payments

e This variance is due to the non budgeting of impacts from a revaluation of property, plant and equipment performed during the year

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33 Budgetary reporting and explanations of major variances between budget and actual amounts (continued)

Investing expenditure summary	Note	Original Budget ¹ 2015 \$'000	Actual 2015 \$'000	Variance \$'000
Total new projects		2 750	1 779	(971)
Total existing projects	a	18 305	15 807	(2 498)
Total annual programs		9 589	10 509	920
Total investing expenditure		30 644	28 095	(2 549)

¹ The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

a The variance in existing investment projects was primarily due to underspends in Commonwealth funded projects and from a project to have been funded from a planned land sale that did not proceed.

34 Unrecognised contractual commitments

Operating lease commitments

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2015 \$'000	2014 \$'000
Within one year	11 241	9 355
Later than one year but not longer than five years	12 294	9 441
Later than five years	17 232	7 845
Total Operating lease commitments	40 767	26 641

During the 2005-06 financial year, DEWNR received lease incentives for two leased properties amounting to \$3.28 million. These lease incentives were amortised at a rate of \$245 000 per annum and expired during 2014-15. Additional lease incentives were received for \$0.063m in 2013-14 and \$0.070m in 2014-15 for newly leased properties. These lease incentives are being amortised at a rate of \$0.020m per annum.

The operating leases held by DEWNR are related to property leases with penalty clauses equal to the amount of the residual payments remaining for the lease terms. The leases are payable one month in advance and DEWNR has the right of renewal. There are no existing or contingent rental provisions.

Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is payable as follows:

	2015 \$'000	2014 \$'000
Within one year	2 250	4 815
Total Capital commitments	2 250	4 815

DEWNR's capital commitments include amounts associated with the Kangaroo Island Multi-Day Walk (\$2.250m). In 2013-14, capital commitments also included Heysern Trail upgrade (\$1.100m), Belair National Park Facilities Upgrade (\$0.900m), and the Seal Bay Facilities Upgrade (\$0.565m).

Expenditure commitments - remuneration

Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:

	2015 \$'000	2014 \$'000
Within one year	3 776	5 528
Later than one year but not longer than five years	5 563	6 234
Total Remuneration commitments	9 339	11 762

Amounts disclosed include commitments arising from executive and other service contracts. DEWNR does not offer fixed-term remuneration contracts greater than five years.

Expenditure commitments - Other

Other expenditure contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2015 \$'000	2014 \$'000
Within one year	19 054	15 500
Later than one year but not longer than five years	48 189	-
Total Other commitments	67 243	15 500

The department's other commitments are for contributions to the Murray Darling Basin Authority.

35 Contingent assets and liabilities

The department is not aware of the existence of any contingent assets.

At the time of this report the outcomes of any pending legal cases are not known and the effects are not quantifiable.

The Minister has a statutory obligation under the *Upper South East Dryland Salinity and Flood Management Act 2002* (USE Act) to consider landholders' requests for compensation and pay landholders, if it is deemed that they are entitled to compensation. As at reporting date, the outcomes of any compensation claims that have been lodged by eligible landholders are not known and the effects are not quantifiable.

Department of Environment, Water and Natural Resources
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36 Remuneration of board and committee members

Members of the board and committees during the 2014-15 financial year were:

South Australian National Parks & Wildlife Council

Abolished 30 June 2015 ⁽²⁾
Carr P F (retired 07/03/15)
Humann D G
McIntosh W R (retired 07/03/15)
Munday B
Podoliak J
Schutz J E ^(new)
Williams S L
Woodlands J F

South Australian Heritage Council

Carr J M *
Donaldson R T
Harry D B (deputy; retired 01/02/15)
Leydon G J
Mackinnon AG
McClurg J J (retired 09/11/14)
O'Connell M B (retired 01/02/15)
Polson L (retired 01/02/15)
Queale M (deputy)
Schulz J
Wigg C A
Beazley S L (appointed 02/04/15)
Ben Kahn A (deputy; appointed 02/04/15)
Hartnell C C (appointed 02/04/15)

South Australian Heritage Council Register Committee

Abolished 12 December 2014
Beazley S L
Ben Kahn A
Butland R
Carr J M *
Leadbater P D
McDougall K
Prest W
Wigg C A

Witjira National Park Board of Management

Ah Chee A
Ah Chee M R
Magor A B *
Fuschtei V T
Pelton G A *
Doolan D (appointed 31/01/14)
Walton J

**Vulkathunha-Gammon Ranges National Park
Cooperative Management Committee**

Coulthard C C
Coulthard J M
Coulthard R R
McKenzie P J
Mooney P A *
Naismith T L *
Paul S A M *
Toscano M *

Animal Welfare Advisory Committee

Bigwood S (retired 14/09/14)
Carmichael I H (retired 14/09/14) *
Evans D L
Hazel S J
Noonan D E
Ogilvie A D (retired 14/09/14)
Peters M D (observer) *
Starick W J (retired 14/09/14)
Basham D K B (appointed 19/03/15)
Moses K D (appointed 19/03/15)
Warren P S (appointed 19/03/15)
Mussell R I (appointed 19/03/15)
Tilbrook A J (appointed 19/03/15) *

Adelaide Dolphin Sanctuary Advisory Board

Abolished 30 June 2015 ⁽²⁾
Andrews D J
Bossley M I
Cugley J A
Ditter S S
Gassmanis K B
Gibbs S E
Gregory J
Higgins-Desbiolles B F
Hughes J A
Kavina C B
Osborne M W *

Kangaroo Management Reference Group

Ackland T M	Naal J
Ashby D	Reddy X (retired 01/11/15) *
Borda R	Milne T
Dunn E *	Mould J
Evans D	Smith C
Gerschwitz T *	Tansell G
Stringer J *	Turner M
Dean P *	Vickery F J (retired 23/12/14)
Moore M *	Winen M
Wigg T *	Wright L
Greenfields C (retired 03/07/14)	Lewis A G
McBride M P	Linton V *

Wilderness Advisory Committee

Abolished 30 June 2015 ⁽²⁾
Bills C E M
Cohen B L
Schutz J E ***
Whalen M A

Wildlife Ethics Committee

Davis K L (retired 11/07/14) *
Gillam S *
Griffith J
Hutchinson M N *
Johnson L M
Kemper C M (retired 20/05/15) *
Males K G
Manning B C *
McGrath K R
McLelland D J
O'Connor J *
Peters M D *
Richards A J
Smith I G
Taylor L U

Marine Parks Council of SA

Abolished 30 June 2015 ⁽²⁾
Dittmann S R
Ellis D C
Grady M A (retired 20/07/15)
Grear B *
James G (retired 20/07/15)
Lewis R K (retired 20/07/15)
Miller S L (retired 20/07/15)
Riseley P R (retired 20/07/15)
Warhurst K J
Wright L (retired 20/07/15)
Burch L (retired 09/01/15) *

Department of Environment, Water and Natural Resources
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36 Remuneration of board and committee members (continued)

Ngaut Ngaut Conservation Park Co-management Board
(Committee abolished 22 April 2014 and transitioned to Board on 20/11/2014)
Campbell I L
Campbell I M
Dominelli S T *
Gillen P G *
Hutchinson C M
Tesoriero J (appointed 06/12/14)

Scientific Working Group
Abolished 30 June 2015 ⁽²⁾
Beheregaray L B
Cheshire A C
Connell S D
Fairweather P G
Fernandes M B *
Gillanders B M
Huveners C
Kirkman H
Moller L M
Shepherd S A *
Vandeleur H M

Natural Resources Management Council
Abolished 30 June 2015
Cooper C S
Crisp A
Gartrell G (deputy)
Inglis A R
Keynes J L
Lamont H K
Lewis F A (retired 10/03/15)
Milne T I
Riseley P R
Walker D

Natural Resource Management Council - Aboriginal Statewide Advisory Committee
Abolished 5 December 2014
Agius P (retired 30/11/14)
Chester J (retired 30/11/14) ***
Hartman T J *
McKenzie P
Smith C L
Thomas K K (retired 30/11/14) *
Vickery F J
Walker D G
Telfer K A (retired 30/11/14)

Border Groundwater Review Committee
(South Australian and Victorian members) ⁽¹⁾
Grant J C *
Mensforth L J *
Nott R (Victorian Govt)
Spall A (Victorian Govt)

YYPAC Committee Coongie Lakes National Park
Allen C
Bottrell T
Brown M *
Dodd L A *
Haynes J M
Linton V M *
Magor A B *
Singleton R *

Pastoral Board
Anderson B J (deputy)
Bellette K J
Johnson A W *
Lillicrap D G
Linton V M *
Mills G D
Mould J A
Williams S L (deputy)

Premier's Climate Change Council
Bellette K J
Carter B J
Degaris R H
Foster B J
Halsey N M
Holmes A N (retired 32/04/15) *
O'Brien J K
Tucker M
Pitcher S J (appointed 25/05/15) *

Nullarbor Parks Advisory Committee
Committee formed 1 January 2015
Miller D
Lawrie C L
Anderson M J *
Graham J K
Keen S F *
Kerdel K *
Reynolds B
Ward M J *

Yumbarrá Conservation Park Co-management Board
Board formed 22 January 2015
Haseldine S R
Newchurch W (deputy)
Miller L G
Miller W
Ware W E (deputy)
Roberts E
Graham J K
Anderson M J *
Keen S F *
Ward M J *
Smart M J (deputy)

* Denotes government employees

** Denotes government Minister

*** Denotes statutory employee

⁽¹⁾ The reference group is transferred every two years between DEWNR South Australia and the Department of Environment and Primary Industries (DEPI) Victoria. Therefore, from 2014 to 2016 the Border Groundwater Review committee falls under the responsibility of DEWNR and will return to DEPI in 2017 for a further two years.

⁽²⁾ The functions of this Board have transitioned to the Parks and Wilderness Council.

The number of members whose remuneration received or receivable falls within the following bands:

	2015 No. of members	2014 No. of members
\$nil	84	93
\$1 - \$9 999	95	91
\$10 000 - \$19 999	7	8
\$20 000 - \$29 999	1	2
Total number of members	187	197

Individuals may be members of more than one Board, Committee or Group associated with the department.

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees and super contributions, salary sacrifice benefits and fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$204 000 (2014: \$225 800).

* In accordance with the Premier and Cabinet's Circular Number 16, government employees did not receive any remuneration for board/committee duties during the financial year.

Unless otherwise disclosed, transactions between members and DEWNR are on conditions no more favourable than those that it is reasonable to expect DEWNR would have adopted if dealing with the related party at arm's length in the same circumstances.

For the purposes of this table, travel allowances and other out-of-pocket expenses paid to members have not been included as remuneration as it is considered to be reimbursement of direct out-of-pocket expenses incurred by relevant members.

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37 Events after the reporting period

The department is not aware of any event occurring after balance date that would materially affect the financial statements.

38 Financial risk management/financial instruments

38.1 Financial risk management

Risk management is managed by the department's corporate services section and departmental risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The department is exposed to financial risk - liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

38.2 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 2.

Refer note 38.3 for the carrying amounts of each of the following categories of financial assets and liabilities: Held-to-maturity investments; receivables; and payables measured at cost.

DEWNR does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable.

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes 2, 19 and 26).

38.3 Liquidity risk

Liquidity risk arises from the possibility that DEWNR is unable to meet its financial obligations as they fall due. DEWNR is funded principally from appropriations by the SA Government. DEWNR works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows. DEWNR settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

DEWNR's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount recorded in note 38.3 represent DEWNR's maximum exposure.

The following table discloses the carrying amount of each category of financial instrument held by DEWNR including the contractual maturity analysis for financial assets and liabilities (i.e. liquidity risk).

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Table 38.3: Categorisation and maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Notes	2015 Carrying amount / Fair value \$'000	2015 Contractual maturities			
			Current	Within 1 year	1-5 years	More than 5 years
			\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and cash equivalents	18	134 450	134 450	-	-	-
Receivables ^{(1) (2)}	19	7 847	7 847	-	-	-
Financial assets	22	3	-	3	-	-
Total financial assets		142 300	142 297	3	-	-
Financial liabilities						
Payables ⁽¹⁾	26	22 543	22 543	-	-	-
Total financial liabilities		22 543	22 543	-	-	-
Category of financial asset and financial liability	Notes	2014 Carrying amount / Fair value \$'000	2014 Contractual maturities			
			Current	Within 1 year	1-5 years	More than 5 years
			\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and cash equivalents	18	105 449	105 449	-	-	-
Receivables ^{(1) (2)}	19	28 638	28 638	-	-	-
Financial assets	22	3	-	-	3	-
Total financial assets		134 090	134 087	-	3	-
Financial liabilities						
Payables ⁽¹⁾	26	21 423	21 423	-	-	-
Total financial liabilities		21 423	21 423	-	-	-

⁽¹⁾ Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Govt taxes, fees and charges; Auditor-General's Department audit fees. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

⁽²⁾ Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 21 as prepaid supplies and services in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of those assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

38.4 Credit risk

Credit risk arises when there is the possibility of DEWNR's debtors defaulting on their contractual obligations resulting in financial loss to the department. DEWNR measures credit risk on a fair value basis and monitors risk on a regular basis.

DEWNR has minimal concentration of credit risk. DEWNR has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. DEWNR does not engage in high risk hedging for its financial assets. No collateral is held as security and no credit enhancements relate to financial assets held by the department.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer note 19 for information on the allowance for impairment in relation to receivables.

The carrying amount of financial assets as detailed in note 38.3 represents the department's maximum exposure to credit risk.

Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Period Ended 30 June 2015

38 Financial risk management/financial instruments (continued)

The following table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets.

Table 38.4: Ageing analysis of financial assets

Financial assets item	Carrying amount	Not past due and not impaired	Past due but not impaired			Impaired financial assets
			Overdue for less than 30 days	Overdue for 30–60 days	Overdue for more than 60 days	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2015						
Receivables ⁽¹⁾	7 847	5 925	478	179	1 265	(435)
Financial assets	3	3	-	-	-	-
2014						
Receivables ⁽¹⁾	28 638	15 181	8 201	3 715	1 541	(234)
Financial assets	3	3	-	-	-	-

⁽¹⁾ Receivable amounts disclosed here exclude amounts relating to statutory receivables (amounts owing to government). They are carried at cost.

38.5 Market risk

Market risk for DEWNR is primarily through interest rate risk. Exposure to interest rate risk may arise through its interest bearing liabilities. DEWNR's interest bearing liabilities are managed through SAFA and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

Sensitivity disclosure analysis

A sensitivity analysis has not been undertaken for the interest rate risk of DEWNR as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

39 South Australian Heritage Fund

The South Australian Heritage Fund (formerly the "State Heritage Fund") was established under the *Heritage Places Act 1993* to conserve places of heritage value. The revenues, expenses, assets, liabilities, changes in equity and cash flows of the Fund are disclosed below. It is noted that these amounts also form part of and are incorporated within the department's Financial Statements. When incorporating these amounts into the department's Financial Statements all transactions between the Fund and the department have been eliminated.

Statement of Comprehensive Income for the Year Ended 30 June 2015

	2015 \$'000	2014 \$'000
Expenses		
Grants and subsidies	-	150
	-	150
Net cost of providing services	-	150
Revenues from SA Government	-	150
Net result	-	-

Statement of Financial Position as at 30 June 2015

	2015 \$'000	2014 \$'000
Current assets		
Cash	350	350
	350	350
Total assets	350	350
Net assets	350	350
Equity		
Retained earnings	350	350
Total Equity	350	350

Statement of Changes in Equity for the Year Ended 30 June 2015

	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2013	350	350
Net Result for 2013-14	-	-
Balance at 30 June 2014	350	350
Net result for 2014-15	-	-
Balance at 30 June 2015	350	350

Statement of Cash Flows for the Year Ended 30 June 2015

	2015 \$'000	2014 \$'000
Cash flows from operating activities		
Cash outflows		
Payments of grants and subsidies	-	(167)
Total Cash used in operations	-	(167)
Cash generated from SA Government	-	150
Net cash (used in)/provided by operating activities	-	(17)
Cash at the beginning of the period	350	367
Cash at the end of the period	350	350

Department of Environment, Water and Natural Resources

Statement of Administered Comprehensive Income

For the Year Ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Expenses			
Employee benefits expenses		299	296
Supplies and services		237	142
Grants and subsidies	A6	48 433	57 039
Depreciation expense		2	3
Other expenses		(133)	(672)
Total expenses		48 838	56 808
Income			
Revenues from fees and charges	A7	17 345	13 764
Grant revenues	A8	17 311	17 195
Interest revenues		110	149
Net gain from disposal of non-current assets		2 889	9 413
Total income		37 655	40 521
Net cost of providing services		11 183	16 287
Revenues from / payments to SA Government			
Revenues from SA Government	A9	17 805	33 517
Payments to SA Government	A9	(9 951)	(17 424)
Total revenues from / payments to SA Government		7 854	16 093
Net result		(3 329)	(194)
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus		10 656	3 668
Gain on revaluation of interest in joint operation	A12	29 530	11 000
Total other comprehensive income		40 186	14 668
Total comprehensive result		36 857	14 474

The above statement should be read in conjunction with the accompanying notes.

Department of Environment, Water and Natural Resources
Statement of Administered Financial Position
As at 30 June 2015

	Note	2015 \$'000	2014 \$'000
Current assets			
Cash and cash equivalents	A10	6 505	23 482
Receivables	A11	8 712	4 978
Total current assets		<u>15 217</u>	<u>28 460</u>
Non-current assets			
Property, plant and equipment	A3	87 969	77 315
Interest in joint operation	A12	834 835	805 305
Total non-current assets		<u>922 804</u>	<u>882 620</u>
Total assets		<u>938 021</u>	<u>911 080</u>
Current liabilities			
Payables		2 914	12 830
Total current liabilities		<u>2 914</u>	<u>12 830</u>
Total liabilities		<u>2 914</u>	<u>12 830</u>
Net assets		<u>935 107</u>	<u>898 250</u>
Equity			
Asset revaluation surplus		432 193	392 007
Retained earnings		502 914	506 243
Total equity		<u>935 107</u>	<u>898 250</u>

The above statement should be read in conjunction with the accompanying notes.

Department of Environment, Water and Natural Resources
Statement of Administered Changes in Equity
For the Year Ended 30 June 2015

	Note	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2013		391 211	548 858	940 069
Changes in accounting policy		(13 872)	(43 891)	(57 763)
Restated balance at 30 June 2013		<u>377 339</u>	<u>504 967</u>	<u>882 306</u>
Net result for 2013-14		-	(194)	(194)
Gain on revaluation of property, plant and equipment		3 668	-	3 668
Revaluation adjustment - interest in joint operation	A12	11 000	-	11 000
Total comprehensive result for 2013-14		<u>14 668</u>	<u>(194)</u>	<u>14 474</u>
Balance at 30 June 2014		<u>392 007</u>	<u>504 773</u>	<u>896 780</u>
Error correction		-	1 470	1 470
Restated balance at 30 June 2014		<u>392 007</u>	<u>506 243</u>	<u>898 250</u>
Net result for 2014-15		-	(3 329)	(3 329)
Gain on revaluation of property, plant and equipment		10 656	-	10 656
Revaluation adjustment - interest in joint operation	A12	29 530	-	29 530
Total comprehensive result for 2014-15		<u>40 186</u>	<u>(3 329)</u>	<u>36 857</u>
Balance at 30 June 2015		<u>432 193</u>	<u>502 914</u>	<u>935 107</u>

The above statement should be read in conjunction with the accompanying notes.

Department of Environment, Water and Natural Resources

Statement of Administered Cash Flows

For the Year Ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Cash outflows			
Employee benefits payments		(299)	(296)
Payments for supplies and services		(237)	(467)
Payments of grants and subsidies		(48 462)	(57 351)
Other payments		-	(22)
Cash used in operations		<u>(48 998)</u>	<u>(58 136)</u>
Cash inflows			
Fees and charges		17 345	13 764
Receipts from grants		13 710	17 684
Interest received		110	149
Cash generated from operations		<u>31 165</u>	<u>31 597</u>
Cash flows from SA Government			
Receipts from SA Government		17 805	33 517
Payments to SA Government		<u>(19 838)</u>	<u>(7 537)</u>
Cash generated from SA Government		<u>(2 033)</u>	<u>25 980</u>
Net cash used in operating activities	A10	<u>(19 866)</u>	<u>(559)</u>
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		-	(84)
Cash used in investing activities		<u>-</u>	<u>(84)</u>
Cash inflows			
Proceeds from the sale of property, plant and equipment		2 889	17 316
Cash generated from investing activities		<u>2 889</u>	<u>17 316</u>
Net cash provided by investing activities		<u>2 889</u>	<u>17 232</u>
Net (decrease)/increase in cash and cash equivalents		<u>(16 977)</u>	<u>16 673</u>
Cash and cash equivalents at the beginning of the period		23 482	6 809
Cash and cash equivalents at the end of the period	A10	<u>6 505</u>	<u>23 482</u>

The above statement should be read in conjunction with the accompanying notes.

Department of Environment, Water and Natural Resources

Schedule of Administered Expenses and Income attributable to Administered Activities
For the Year Ended 30 June 2015

	Crown Lands	Minister's Other Payments	Special/ Acts Allocation	Caring For Our Country	Natural Heritage Trust					
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Expenses										
Employee benefits expenses	3	-	-	-	296	296	-	-	-	-
Board member expenses	-	-	-	-	-	-	-	-	-	-
Supplies and services	237	142	-	-	-	-	-	-	-	-
Grants and subsidies	688	7 680	13 891	13 605	-	-	17 014	17 015	221	182
Depreciation expense	2	3	-	-	-	-	-	-	-	-
Net loss from disposal of non-current assets	-	-	-	-	-	-	-	-	-	-
Net loss/(gain) from disposal of land held for sale	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Total expenses	930	7 825	13 891	13 605	296	296	17 014	17 015	221	182
Income										
Revenues from fees and charges	8	(58)	-	-	-	-	-	-	-	-
Grant revenues	143	17	-	-	-	-	17 168	17 178	-	-
Interest revenues	-	-	-	-	-	-	15	21	-	-
Resources received free of charges	-	-	-	-	-	-	-	-	-	-
Net gain from disposal of land held for sale	2 889	9 413	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
Total income	3 040	9 372	-	-	-	-	17 183	17 199	-	-
Net cost/(surplus) of providing services	(2 110)	(1 547)	13 891	13 605	296	296	(169)	(164)	221	182
Revenues from/(payments to) SA Government										
Revenues from SA Government	688	15 360	13 899	13 614	296	289	-	-	-	-
Payments to SA Government	(9 701)	(17 424)	-	-	-	-	-	-	-	-
Total revenues from/(payments to) SA Government	(9 013)	(2 064)	13 899	13 614	296	289	-	-	-	-
Net result	(6 903)	(517)	8	8	-	(7)	169	184	(221)	(182)
Other comprehensive income										
Changes in property, plant and equipment asset revaluation surplus	-	3 668	-	-	-	-	-	-	-	-
Gain on revaluation of interest in joint venture	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	3 668	-	-	-	-	-	-	-	-
Total comprehensive result	(6 903)	3 151	8	8	-	(7)	169	184	(221)	(182)

The net result and total comprehensive result are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

Department of Environment, Water and Natural Resources
Schedule of Administered Expenses and Income attributable to Administered Activities
For the Year Ended 30 June 2015

	NRM Fund		Pastoral Board		National Action Plan for Salinity and Water Quality		Qualco Sunlands		DEWNR Corporate Admin Items		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Expenses												
Employee benefits expenses	-	-	-	-	-	-	-	-	-	-	299	296
Board member expenses	-	-	-	-	-	-	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-	-	-	-	-	237	142
Grants and subsidies	16 619	13 355	-	-	-	170	-	-	-	-	48 433	57 039
Depreciation expense	-	-	-	-	-	-	-	-	-	-	2	3
Net loss from disposal of non-current assets	-	-	-	-	-	-	-	-	-	-	-	-
Net loss/(gain) from disposal of land held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	(133)	(248)	-	-	-	-	-	-	(424)	(133)	(672)	(672)
Total expenses	16 486	13 138	-	-	-	170	-	-	(424)	(133)	48 838	56 808
Income												
Revenues from fees and charges	17 337	13 843	-	-	-	-	-	-	(21)	17 345	13 764	13 764
Grant revenues	-	-	-	-	-	-	-	-	-	17 311	17 195	17 195
Interest revenues	94	126	-	-	1	2	-	-	-	110	149	149
Resources received free of charge	-	-	-	-	-	-	-	-	-	-	-	-
Net gain from disposal of land held for sale	-	-	-	-	-	-	-	-	-	2 389	9 413	9 413
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Total income	17 431	13 969	-	-	1	2	-	-	(21)	37 655	40 521	40 521
Net cost/(surplus) of providing services	(945)	4 169	-	-	(1)	168	-	-	(403)	11 183	16 287	16 287
Revenues from/(payments to) SA Government												
Revenues from SA Government	2 908	3 990	14	14	-	-	-	250	-	-	17 805	33 517
Payments to SA Government	-	-	-	-	-	-	(250)	-	-	-	(9 951)	(17 424)
Total revenues from/(payments to) SA Government	2 908	3 990	14	14	-	-	(250)	250	-	-	7 854	16 093
Net result	3 853	(179)	14	14	1	(168)	(250)	250	-	(403)	(3 329)	(194)
Other comprehensive income												
Changes in property, plant and equipment asset revaluation surplus	-	-	10 656	-	-	-	-	-	-	-	10 656	3 668
Gain on revaluation of interest in joint venture	-	-	-	-	-	-	-	-	29 530	11 000	29 530	11 000
Total other comprehensive income	-	-	10 656	-	-	-	-	-	29 530	11 000	40 186	14 668
Total comprehensive result	3 853	(179)	10 670	14	1	(168)	(250)	250	29 530	11 403	36 657	14 474

The net result and total comprehensive result are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

Department of Environment, Water and Natural Resources
Notes to and forming part of the Administered Financial Statements
For the Year Ended 30 June 2015

Administered items of the Department of Environment, Water and Natural Resources

A1 Reporting entities and strategic context

The activities of the administered items are:

Crown Lands

Crown Lands is comprised of an account established by the Treasurer of South Australia to record receipts and payments associated with the sale of Crown land and other surplus South Australian government land and property. The net revenues from these sales are returned to the Department of Treasury and Finance's Consolidated Account.

Minister's Other Payments

Grants and subsidies payments of \$13.891m (2014: \$13,606m) approved by the Minister for Sustainability, Environment and Conservation were made to community organisations, associations and local government. This includes grants made to Zoo SA \$5.365m (2014: \$5.277m); Adelaide City Council \$1.471m (2014: \$1.447m); Stormwater Management Authority \$4.873m (2014: \$4.754m); South Eastern Water Conservation and Drainage Board \$2.182m (2014: \$2.128m).

Special Acts Allocation

This item comprises salary and allowance payments for the Minister for Sustainability, Environment and Conservation.

Caring for our Country

The Caring for our Country Program is administered by the Commonwealth and South Australia Governments pursuant to clause 19(2) of the *Natural Heritage Trust of Australia Act 1997* (Commonwealth) and Section 5 of the *Natural Resources Management (Financial Assistance) Act 1992* (Commonwealth).

In March 2008 the Commonwealth announced Caring for our Country as an ongoing and integrated program, bringing together the delivery of the Natural Heritage Trust, National Landcare Program, Environmental Stewardship and Working on Country Programs. This program is fully Commonwealth funded and disbursed based on Commonwealth approval.

The goal of Caring for our Country is to provide an environment that is healthy, better protected, well-managed, resilient and provides essential ecosystem services in a changing climate. Caring for our Country has six National Priority Areas for Investment:

- (a) a national reserve system;
- (b) biodiversity and natural icons;
- (c) coastal environments and critical aquatic habitats;
- (d) sustainable farm practices;
- (e) natural resource management in remote and northern Australia;
- (f) community skills, knowledge and engagement.

Natural Resources Management Fund

The Natural Resources Management Fund (NRM Fund) was established pursuant to subsection 117(1) of the *Natural Resources Management Act 2004* (NRM Act). The Minister for Sustainability, Environment and Conservation administers the NRM Fund and may apply any part of the NRM Fund in making payments to the regional NRM Boards; in paying subsidies or making grants or other payments to NRM authorities or other persons or bodies for the purposes of the NRM Act. This may also include making any payment required, or authorised by or under the NRM Act or any other law. The balance of the NRM Fund at 30 June was \$2.289m (2014: \$2.249m).

Some activities have been restructured to assist in the interpretation of the financial transactions relating to the NRM Fund.

Natural Resources Management Boards

The Natural Resources Management Boards (NRM Boards) were established pursuant to subsection 23(1) of the NRM Act. The department administers various revenues and expenses on account of the NRM Boards.

Specific provisions of the NRM Act require that the following revenues be paid into the NRM Fund prior to being applied for the purposes of the NRM Act:

- Government appropriations (controlled and administered allocated in respect of the regional NRM Boards);
- Water levies;
- Penalties relating to water levies;
- Expiation fees and other penalties.

(i) Government appropriations

The department receives recurrent funding, which is administered through the NRM Fund and provided to regional NRM Boards to support business operations and the administration of the NRM Act.

Regional NRM Board	2015 \$'000	2014 \$'000
Alinytjara Wilurara NRM Board	994	970
Eyre Peninsula NRM Board	-	500
Kangaroo Island NRM Board	994	970
Northern and Yorke NRM Board	-	380
South Australian Arid Lands NRM Board	920	970
South East NRM Board	-	200
	2 908	3 990

(ii) Water Levies

Water levies are collected for prescribed water resources under section 101 of the NRM Act. The levies are subsequently paid to the regional NRM Boards pursuant to subsection 116(1)(a)(ii)(A) of the NRM Act.

(iii) Penalties

Penalties declared in relation to the unauthorised or unlawful taking or use of water were raised pursuant to section 115 of the NRM Act.

(iv) Expiation Fees and other Penalties

Expiation fees and penalties are recovered in respect of offences against the NRM Act (e.g. for unlawful possession of animals or plants). Unlike penalties declared under section 115 of the NRM Act, they are not required to be paid to regional NRM Boards.

Department of Environment, Water and Natural Resources
Notes to and forming part of the Administered Financial Statements
For the Year Ended 30 June 2015

A1 Reporting entities and strategic context (continued)

Pastoral Board

The Pastoral Board is responsible for the administration of the *Pastoral Land Management and Conservation Act 1989*. The Board provides advice to the Minister for Sustainability, Environment and Conservation on the policies that should govern the administration of pastoral land.

National Action Plan for Salinity and Water Quality

The National Action Plan (NAP) is a bilateral agreement between the Commonwealth and SA Governments signed in 2001 providing funds to address issues associated with salinity and water quality in priority regions in South Australia. The Commonwealth and the SA Governments make progressive contributions to a single holding account. Disbursement of funds from the account is by agreement between the parties. Funding for NAP ceased on 30 June 2008 with the majority of projects completed by 31 December 2009.

The Commonwealth requested that the Commonwealth share of unspent funds held be returned and elected to allocate remaining funds held in the NAP holding account to existing State agency and Natural Resources Management Board competitive projects approved under the Caring for our Country Program in accordance with clause 13.2c and 20.4 of the 'Transitional Arrangement and Financial Agreement between the Australian Government and State of South Australia for implementation of Caring for our Country' during 2011-12.

Qualco Sunlands

The *Ground Water (Qualco-Sunlands) Control Act 2000* established a scheme managed by a Trust to prevent, and reverse, the salinisation and water logging of horticultural land due to irrigation induced factors. Upon request from the Trust, the department provides a temporary grant, sourced from the Department of Treasury and Finance (DTF), to carry out the specified works. The Trust facilitates the required work, and recharges irrigators for the work undertaken. Once fully collected, the Trust returns the temporary funds to the Department, for on-passing back to DTF.

South Eastern Water Conservation and Drainage Board

The South Eastern Water Conservation and Drainage Board was established pursuant to Division 1 of the South Eastern Water Conservation and Drainage Act 1992. The department supplies funding to the Board on a quarterly basis; the funding is sourced from appropriations provided by the department of Treasury and Finance.

Stormwater Management Authority (SMA)

The SMA was established on 1 July 2007 under Schedule 1A of the *Local Government Act 1999* in accordance with and to implement the Stormwater Management Agreement dated 14 March 2006. The SMA's functions include to liaise with relevant public authorities to ensure the proper functioning of the State's stormwater management system; and to facilitate and co-ordinate stormwater management planning by local councils. The department provides a resource to manage the day-to-day operations of the SMA – relevant costs are fully recovered from the SMA. The department also supplies funding to the SMA on an annual basis; the funding is sourced from appropriations provided by DTF.

A2 Administered items' financial arrangements

The financial activities of the administered items are conducted through a number of deposit accounts with the Department of Treasury and Finance pursuant to the *Public Finance and Audit Act 1987*. The financial activities of Administered Items that do not have their own deposit account are conducted through the department's deposit account.

The department conducts a large number of activities directed towards meeting the administered items' objectives and responsibilities as specified in the legislation and/or other authoritative documentation that establishes the administered items. Many of the administered items, in accordance with the Acts, have delegated certain functions to officers within the department who provide technical and administrative support including the use of plant and equipment, office accommodation and various administrative services. The cost of the services provided that can be identified with the activities of the administered items and can be measured reliably are met by the administered items. Other support services that are not identifiable and/or cannot be measured reliably are provided free of charge and have not been recognised in the Administered Financial Statements.

A3 Administered items' summary of significant accounting policies

The Administered Financial Statements detail the sum of the individual administered items' revenues, expenses, assets, liabilities, changes in equity and cash flows. As such the principles of consolidation have not been applied in preparing the financial statements as the definition of an economic entity has not been satisfied. Accordingly, transactions between the individual administered items have not been eliminated.

In general, the administered items adopt the accounting policies of the department, as detailed in note 2 of the department's financial statements. Deviations from these policies are as follows:

Property, plant and equipment

Administered property, plant and equipment includes the Crown's interest in land leased to third parties under perpetual and other leases and annual licenses. However limitations exist on the reliability of the base information used to determine the valuation of this land.

The department is also custodian of unallotted Crown Land, by virtue of its responsibilities under the Crown Land Management Act 2009. This land is considered to be an administered asset. Unallotted Crown Land is not included in the Statement of Administered Financial Position as the department has not been able to formulate a suitable methodology for determining a reliable measure of the value of these holdings.

Total property, plant & equipment as disclosed in the Statement of Administered Financial Position consists of assets belonging to Crown Lands \$33.853m (2014: \$33.855m) and Pastoral Board \$54.116m (2014: \$43.460m).

Pastoral land revaluation

Under the *Pastoral Land Management and Conservation Act 1989* the Valuer-General must determine the rents to be paid on all pastoral leases. This requires the Valuer-General to determine the unimproved value of each pastoral lease and the appropriate rate of return for the land as a percentage of the unimproved value, considering the purpose for which it is used.

The land lease assets were revalued at \$54.116m as at 1 November 2014 by Mark William Kay, Acting Assistant Valuer-General, Office of the Valuer-General, Department of Planning, Transport and Infrastructure. Rentals and unimproved values for the period 1 November 2013 to 31 October 2014 were determined with regards to:

- the most recent land type classifications and associated information
- carrying capacities
- property sales and price movements within the pastoral industry
- prevailing market conditions
- climatic conditions
- property locations
- access to markets.

Department of Environment, Water and Natural Resources
Notes to and forming part of the Administered Financial Statements
For the Year Ended 30 June 2015

A3 Administered items' summary of significant accounting policies (continued)

Employee benefits

In general, administered items utilise the services of contractors or DEWNR employees rather than recruiting and appointing employees in their own right. In the majority of cases, the services provided by DEWNR employees are provided free of charge. If, however, the services provided by DEWNR employees are directly attributable to the activities of an administered item and can be reliably measured, the services are charged to the administered item on a fee for service (cost recovery) basis. The liability for employee benefits arising from services rendered by DEWNR employees is not recognised in the administered financial statements as DEWNR is obligated to pay employees for services provided. Accordingly, employee benefits are recognised in DEWNR's financial statements.

Net gain from disposal of non current assets

The net gain from disposal of non-current assets is determined by comparing proceeds with carrying amount. Given a suitable methodology for determining a reliable measure of the value of unallotted Crown Land has not been identified, the carrying amount of all unallotted Crown Land sold is nil.

A4 Accounting policy change

In accordance with amendments to Accounting Policy Framework II *General Purpose Financial Statements Framework*, the Botanic Gardens and State Herbarium; the Coast Protection Board; the Dog and Cat Management Board; and the Native Vegetation Fund are no longer considered administered items of DEWNR. Accordingly, DEWNR will no longer aggregate these entities in its administered financial statements, schedules or explanatory notes.

Previously, DEWNR included the Botanic Gardens and State Herbarium; the Coast Protection Board; the Dog and Cat Management Board; and the Native Vegetation Fund within its aggregated administered financial statements.

The impact of this change on Total Income is \$15.931m (\$3.715m); Total Expense is \$8.223m (\$8.819m), Total Assets is \$63.253m (\$54.920m) and Total Liabilities is \$0.700m (\$0.708m) for 2015 and 2014 respectively.

A5 Budgetary reporting and explanations of major variances between budget and actual amounts

The following are brief explanations of variances between restated budget and actual amounts. Explanations are provided for variances where the variance exceeds the greater of 10 per cent of the restated budgeted amount and 5 per cent of restated budgeted total expenses.

		Original Budget ¹ 2015 \$'000	Restated Budget ² 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000
Statement of Administered Comprehensive Income					
Expenses					
Employee benefits expenses		467	295	299	4
Supplies and services		4 235	9	237	228
Grants and subsidies		49 196	46 498	48 433	1 935
Depreciation expense		3 606	-	2	2
Other expenses		2 010	1 950	(133)	(2 083)
Total expenses		59 514	48 752	48 838	86
Income					
Revenues from fees and charges	a	15 485	12 128	17 345	5 217
Grant revenues		19 322	17 015	17 311	296
Interest revenues		364	-	110	110
Net gain from disposal of non-current assets	b	-	-	2 889	2 889
Other income		260	250	-	(250)
Total income		35 431	29 393	37 655	8 262
Net cost of providing services		24 083	19 359	11 183	(8 176)
Revenues from / payments to SA Government					
Revenues from SA Government		19 208	17 663	17 805	142
Payments to SA Government	c	-	-	(9 951)	(9 951)
Total revenues from / payments to SA Government		19 208	17 663	7 854	(9 809)
Net result		(4 875)	(1 696)	(3 329)	(1 633)
Other comprehensive income					
<i>Items that will not be reclassified to net result</i>					
Changes in property, plant and equipment asset revaluation surplus	d	-	-	10 656	10 656
Gain on revaluation of interest in joint operation	e	-	-	29 530	29 530
Total other comprehensive income		-	-	40 186	40 186
Total comprehensive result		(4 875)	(1 696)	36 857	38 553

¹ The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements.

² The original budgeted amounts have been adjusted to reflect the accounting policy change discussed in note A4. The original budget has been restated to reflect the removal of the Botanic Gardens and State Herbarium; the Coast Protection Board; the Dog and Cat Management Board; and the Native Vegetation Fund from the DEWNR administered financial statements.

- a Revenues from fees and charges were higher than the original budget primarily due to the receipt of unbudgeted fines and penalties and budget revisions made during the year
- b Net gains from disposal of non-current assets was higher than original budget due to the unbudgeted sale of Crown Land
- c Payments to SA Government were higher than original budget due to the unbudgeted return of funds to the Department of Treasury and Finance
- d This variance is due to the non budgeting of impacts from a revaluation of property, plant and equipment performed during the year
- e This variance is due to the non budgeting of impacts from the gain on revaluation of the interest in the joint operation realised during the year

Department of Environment, Water and Natural Resources
Notes to and forming part of the Administered Financial Statements
For the Year Ended 30 June 2015

A5 Budgetary reporting and explanations of major variances between budget and actual amounts (continued)

		Original Budget ¹ 2015	Actual 2015	Variance
	Note	\$'000	\$'000	\$'000
Investing expenditure summary				
Total new projects		-	-	-
Total existing projects		-	-	-
Total annual programs	a	4	-	(4)
Total investing expenditure		4	-	(4)

¹ The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

a The variance in annual investing programs was primarily due to a project underspend

A6 Grants and subsidies

	2015 \$'000	2014 \$'000
Caring for our Country	17 014	17 015
Crown Lands	688	7 680
Minister's Other Payments	13 891	13 606
Natural Heritage Trust	221	182
National Action Plan for Salinity and Water Quality	-	170
Payments to Natural Resource Management Boards	16 619	18 386
Total Grants and subsidies	48 433	57 039

A7 Revenues from fees and charges

	2015 \$'000	2014 \$'000
Water levies received from licence holders	13 011	11 766
Penalties	4 326	2 077
Crown Lands	8	(58)
DEWNR Corporate Administered Items	-	(21)
Total Revenues from fees and charges	17 345	13 764

A8 Grant revenues

	2015 \$'000	2014 \$'000
Caring for our Country	17 168	17 178
Crown Lands	143	17
Total Grant revenues	17 311	17 195

A9 Revenues from / payments to SA Government

	2015 \$'000	2014 \$'000
Recurrent Appropriations	17 805	33 517
Payments to Consolidated Account	(9 951)	(17 424)
Total Revenues from / payments to SA Government	7 854	16 093

A10 Administered cash flow reconciliation

Reconciliation of cash and cash equivalents at the end of the reporting period:

	2015 \$'000	2014 \$'000
Caring for our Country	660	490
Crown Lands	1 253	18 027
Natural Heritage Trust	142	362
Natural Resource Management Fund	2 289	2 249
Pastoral Board	71	57
National Action Plan for Salinity and Water Quality	35	34
Qualco Sunlands	-	250
The Department's Corporate Administrative Items	2 055	2 013
Cash and cash equivalents disclosed in the Statement of Financial Position	6 505	23 482
Balance as per Administered Cash Flows	6 505	23 482

Department of Environment, Water and Natural Resources
Notes to and forming part of the Administered Financial Statements
For the Year Ended 30 June 2015

A10 Administered cash flow reconciliation (continued)

	2015	2014
Reconciliation of net cash provided by / (used in) operating activities to net result:	\$'000	\$'000
Net cash used in operating activities	(19 866)	(559)
Less revenues from SA Government	(17 805)	(33 517)
Add payments to SA Government	9 951	17 424
Add/(less) non-cash items		
Depreciation expense of non-current assets	(2)	(3)
Bad debts expense	133	694
Net gain from disposal of land held for sale	2 889	9 413
Movement in Assets and Liabilities		
Increase/(decrease) in receivables	3 601	(489)
Decrease/(increase) in payables	9 916	(9 575)
Decrease in other liabilities	-	325
Net cost of providing services	(11 183)	(16 287)

A11 Receivables

	2015	2014
Receivables reflected as current assets at 30 June comprised the following:	\$'000	\$'000
Water levies	1 895	1 956
Penalties	6 973	3 274
Accrued interest	7	12
Other	41	73
Less Allowance for doubtful debts	(204)	(337)
Total Receivables	8 712	4 978

A12 Interest in joint operation

The Minister, on behalf of the State of South Australia has an interest in a joint operation, the Murray-Darling Basin Authority (MDBA) represented by the River Murray Operations and the Living Murray Initiative.

On 3 July 2008, the Commonwealth Government and the Government of New South Wales, Victoria, Queensland, South Australia and the Australian Capital Territory (the participants) entered into the Intergovernmental agreement for the *Murray-Darling Basin Forms* (the Reform IGA). The Reform involved the government participants entering into a new *Murray-Darling Basin Agreement* (MDB Agreement) and the Intergovernmental Agreement on *Murray-Darling Basin Reform - referral* (the Referral IGA).

The MDB Agreement essentially dissolved the Murray-Darling Basin Commission (MDBC) and established the Murray-Darling Basin Authority (MDBA), Ministerial Council, Basin Officials Committee and the Basin Community Committee. Under the revised arrangement, the participants have a joint interest in the infrastructure assets and water rights. The state of South Australia's interest in the arrangement is 26.67 percent.

The MDBA was established under the Commonwealth *Water Act 2007* as an independent, expertise based statutory agency and are responsible for developing, implementing and monitoring the Basin Plans. The MDBA undertakes activities that support the sustainable and integrated management of the water resources of the Murray-Darling Basin in a way that meets the social, economic and environmental needs of the Basin and its communities.

Two unincorporated joint arrangements were established under the MDBA to hold assets on behalf of the participants through separate agreements called the "Asset Agreement for River Murray Operations Assets" (RMO) and the "Further Agreement on Addressing Over Allocation and Achieving Environmental Objectives in the Murray-Darling Basin - Control and Management of Living Murray Assets" (LMI). The principal place of the operation is in Australia. The participants are obliged to provide funding to the MDBA for the management of the RMO and LMI assets and operations.

The agreements in relation to the Murray Darling Basin Agreement joint arrangement require unanimous consent from all parties for all relevant activities. The participants own the infrastructure assets and water rights of the joint arrangements which are being managed through the RMO and LMI and there are no liabilities held for either RMO and LMI. The arrangement is therefore classified as a joint operation and DEWNR recognises, on behalf of the state, its direct right to the jointly held assets, revenues and expenses based on the percentage interest as described in the table below.

Name of entity	Principal activity	Country of incorporation	Ownership interest	
			2015 %	2014 %
Murray Darling Basin Authority	To undertake activities that support the sustainable and integrated management of water resources of the Murray-Darling Basin.	Australia	26.67	26.67

Joint operation assets

DEWNR's interest in net assets employed in the above joint operation is detailed below:

	2015	2014
	\$'000	\$'000
Interest in joint operation		
Infrastructure Assets	683 433	651 912
Work in Progress	16 350	45 921
Other property, plant and equipment assets	5 619	5 447
Intangibles - Water entitlements	129 433	102 025
Total interest in joint operation	834 835	805 305

Department of Environment, Water and Natural Resources
Notes to and forming part of the Administered Financial Statements
For the Year Ended 30 June 2015

A12 Interest in joint operation (continued)

Refer note 7 of the DEWNR Controlled financial statements for details of the State's grant payment made to the MDBA.

The 2014 figures were based on RMO and LMI financial statements audited by the Australian National Audit Office (ANAO). Whilst the 2015 RMO and LMI financial statements have been provided to the ANAO by the MDBA, DEWNR is expecting a final sign-off thereof after the department's 2014-15 financial statements are signed-off by the Auditor-General.

Contingencies and commitments

There are no contingencies or commitments arising from DEWNR's interest in the joint operation.

For the year ended 30 June 2015, DEWNR recognised an increase in its joint interest in MDBA assets of \$29.530m, bringing DEWNR's total recognition in the MDBA assets to \$834.835m.

Error correction

In accordance with the provisions of *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*, an error correction of \$1.470m has been adjusted against retained earnings for 2013-14, disclosed in the Statement of Changes in Equity. This comprises an increase in the carrying value of the joint venture net assets. The revised joint venture interest in MDBA assets has been restated to \$805.305m as at 30 June 2014.

The error correction was required as a result of the department receiving final audited advice regarding the RMO net equity from the MDBA. This advice was received after management and the Auditor-General had signed off on the department's 2013-14 financial statements. The impact of the change is further disclosed in the Statement of Changes in Equity.

A13 Contingent assets and liabilities

A contingent asset is acknowledged whereby the Minister for Water and the River Murray has an exclusive right to access 40ML per day from the Langhorne and Currency Creek pipeline. The Minister has not exercised this right. The department is not aware of the existence of any other contingent liabilities.

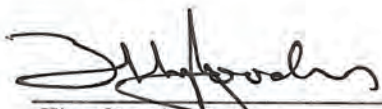
Department of Environment, Water and Natural Resources

Certification of the Financial Statements

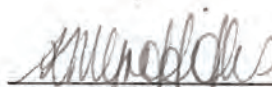
We certify that the attached general purpose financial statements for the Department of Environment, Water and Natural Resources:

- comply with relevant Treasurer's Instructions issued under Section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the department; and
- present a true and fair view of the financial position of the Department of Environment, Water and Natural Resources as at 30 June 2015 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Department of Environment, Water and Natural Resources for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.


Tim Goodes
A/Chief Executive
Department of Environment,
Water and Natural Resources

18 September 2015


Michelle Griffiths
Chief Financial Officer
Department of Environment,
Water and Natural Resources

18 September 2015



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**To the Chief Executive
Department of Environment, Water and Natural Resources**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Department of Environment, Water and Natural Resources for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2015
- a Statement of Administered Financial Position as at 30 June 2015
- a Statement of Administered Changes in Equity for the year ended 30 June 2015
- a Statement of Administered Cash Flows for the year ended 30 June 2015
- Schedule of Administered Expenses and Income attributable to administered activities for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from the Acting Chief Executive and the Chief Financial Officer

The Chief Executive's Responsibility for the Financial Report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as the overall presentation of the financial report.

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

Basis for Qualified Opinion

Property, plant and equipment reported in the Statement of Administered Financial Position excludes unallotted Crown land, as the Department of Environment, Water and Natural Resources has not been able to formulate a suitable methodology for determining a reliable measure of the value of these holdings.

In addition, limitations exist on the reliability of the base information used to determine the valuation of Crown land included in property, plant and equipment recognised in the Statement of Administered Financial Position.

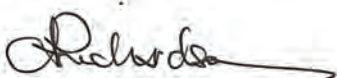
Disclosure of property, plant and equipment is contained in note A3 to the administered financial statements.

It is not practicable to quantify the financial effect of the excluded Crown land or the unreliable base information used to determine the valuation of Crown land included in property, plant and equipment recognised in the administered financial statements.

As the integrity of Crown land holdings and values administered by the Department of Environment, Water and Natural Resources has not been established, I am unable to form an opinion on the reasonableness of the values of property, plant and equipment relating to Crown lands, brought to account in the Statement of Administered Financial Position.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraphs, the financial report gives a true and fair view of the financial position of the Department of Environment, Water and Natural Resources as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson
Auditor-General
21 September 2015

Flinders University
of South Australia

Financial report
for the year ended
30 June 2015

Income Statement for the year ended 31 December 2014

		<i>Consolidated</i>		<i>University</i>	
	<i>Notes</i>	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	227,513	222,859	227,513	222,859
HELP - Australian Government payments	3	89,468	79,909	89,468	79,909
State and Local Government financial assistance	4	9,012	14,682	8,937	14,682
HECS-HELP - Student payments		8,230	9,012	8,230	9,012
Fees and charges	5	72,236	63,071	72,102	63,023
Investment revenue	6	9,588	13,340	9,410	12,945
Royalties, trademarks & licences	7	1,030	549	492	210
Consultancy and contracts	8	9,172	8,554	9,123	8,394
Other revenue and income	9	15,227	18,226	9,834	12,170
Total revenue from continuing operations		441,476	430,202	435,109	423,204
Gains on disposal of assets		-	474	-	474
Share of profit or loss on investments accounted for using the equity method	21	641	274	-	-
Other investment income	6	-	5,727	-	5,529
Total income from continuing operations		641	6,475	-	6,003
Total revenue and income from continuing operations		442,117	436,677	435,109	429,207
Expenses from continuing operations					
Employee related expenses	10	290,176	269,094	284,593	263,722
Depreciation and amortisation	11	23,080	21,266	22,930	21,066
Repairs and maintenance	12	12,432	11,529	12,335	11,455
Borrowing Costs	13	459	-	459	-
Impairment of assets	14	285	320	282	320
Losses on disposal of assets		980	-	763	-
Investment losses	6	3,130	-	377	-
Other expenses	15	99,413	100,107	97,509	97,499
Total expenses from continuing operations		429,955	402,316	419,248	394,062
Net result for the year		12,162	34,361	15,861	35,145
Net result attributable to non-controlling interest		(54)	(48)	-	-
Net result attributable to members of The Flinders University of South Australia		12,216	34,409	15,861	35,145

The above Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income for the year ended 31 December 2014

	Notes	Consolidated		University	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
Net result for the year		12,162	34,361	15,861	35,145
Gain / (loss) on revaluation of land, buildings, library and artwork	29	(1,940)	7,577	(1,242)	7,577
Gain / (loss) on value of available for sale financial assets	29	224	164	(4,554)	1,019
Total comprehensive income		10,446	42,102	10,065	43,741
Total comprehensive income attributable to non-controlling interest		(54)	(48)	-	-
Total comprehensive income attributable to the University		10,500	42,150	10,065	43,741
Total comprehensive income attributable to The Flinders University of South Australia		10,446	42,102	10,065	43,741

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 31 December 2014

		Consolidated		University	
	Notes	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	16	27,999	25,368	26,628	23,871
Receivables	17	23,619	22,184	23,521	20,922
Inventories	18	434	461	250	207
Other financial assets	19	49,546	154,455	49,546	154,455
Other non-financial assets	20	8,121	6,421	8,095	6,392
Total current assets		109,719	208,889	108,040	205,847
Non-current assets					
Receivables	17	52,005	43,814	52,005	43,814
Investments accounted for using the equity method	21	974	333	-	-
Other financial assets	19	49,025	50,992	51,662	56,014
Property, plant and equipment	22	545,676	436,824	544,719	435,569
Investment properties	23	9,203	9,400	9,203	9,400
Intangible assets	24	12,873	5,083	12,069	4,333
Other non-financial assets	20	6,537	5,580	6,537	5,580
Total non-current assets		676,293	552,026	676,195	554,710
Total assets		786,012	760,915	784,235	760,557
LIABILITIES					
Current liabilities					
Trade and other payables	25	27,785	33,515	26,780	32,821
Borrowings	26	1,549	-	1,549	-
Provisions	27	18,735	17,442	18,072	16,929
Other liabilities	28	8,705	8,412	9,667	9,439
Total current liabilities		56,774	59,369	56,068	59,189
Non-current liabilities					
Trade and other payables	25	4,660	4,035	4,660	4,035
Borrowings	26	5,236	-	5,236	-
Provisions	27	79,730	68,939	79,689	68,816
Total non-current liabilities		89,626	72,974	89,585	72,851
Total liabilities		146,400	132,343	145,653	132,040
Net assets		639,612	628,572	638,582	628,517
EQUITY					
University interest					
Reserves	29	143,852	145,568	149,936	155,732
Retained earnings	29	495,636	482,722	488,646	472,785
Total University interest		639,488	628,290	638,582	628,517
Non-controlling interest		124	282	-	-
Total equity		639,612	628,572	638,582	628,517

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year ended 31 December 2014

	Reserves \$'000	Retained Earnings \$'000	Total University Interest \$'000	Non- controlling Interest \$'000	Total \$'000
Consolidated					
Balance as at 1 January 2013	137,827	448,313	586,140	15	586,155
Net operating result	-	34,409	34,409	(48)	34,361
Gain / (Loss) on revaluation of land, buildings, infrastructure, library and artwork	7,577	-	7,577	-	7,577
Gain / (Loss) on revaluation of available-for-sale financial assets	164	-	164	-	164
Total comprehensive income	7,741	34,409	42,150	(48)	42,102
Recognition of non-controlling interest	-	-	-	315	315
Balance at 31 December 2013	145,568	482,722	628,290	282	628,572
Balance at 1 January 2014	145,568	482,722	628,290	282	628,572
Net operating result	-	12,216	12,216	(54)	12,162
Gain / (Loss) on revaluation of land, buildings, infrastructure, library and artwork	(1,242)	-	(1,242)	-	(1,242)
Transfer from revaluation reserve on sale of aircraft	(698)	698	-	-	-
Gain / (Loss) on revaluation of available-for-sale financial assets	224	-	224	-	224
Total comprehensive income	(1,716)	12,914	11,198	(54)	11,144
Recognition of non-controlling interest	-	-	-	(104)	(104)
Balance at 31 December 2014	143,852	495,636	639,488	124	639,612
University					
	Notes	Reserves \$'000	Retained Earnings \$'000	Total \$'000	
Balance as at 1 January 2013		147,136	437,640	584,776	
Net operating result		-	35,145	35,145	
Gain / (Loss) on revaluation of land, buildings, infrastructure, library and artwork		7,577	-	7,577	
Gain / (Loss) on revaluation of available-for-sale financial assets		1,019	-	1,019	
Total comprehensive income		8,596	35,145	43,741	
Balance at 31 December 2013		155,732	472,785	628,517	
Balance at 1 January 2014		155,732	472,785	628,517	
Net operating result		-	15,861	15,861	
Gain / (Loss) on revaluation of land, buildings, infrastructure, library and artwork		(1,242)	-	(1,242)	
Gain / (Loss) on revaluation of available-for-sale financial assets		(4,554)	-	(4,554)	
Total comprehensive income		(5,796)	15,861	10,065	
Balance at 31 December 2014		149,936	488,646	638,582	

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows for the year ended 31 December 2014

	Notes	Consolidated		University	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Inflows:					
Australian Government Grants	3(g)	315,833	307,774	315,833	307,774
OS-HELP (net)	3(g)	(297)	116	(297)	116
Superannuation Supplementation	3(g)	2,436	2,807	2,436	2,807
State Government Grants		6,599	14,507	6,524	14,507
Local Government Grants		30	175	30	175
HECS-HELP – Student payments		8,230	9,012	8,230	9,012
Receipts from student fees and other customers		105,246	98,817	98,405	91,972
Dividends received		899	3,169	544	2,652
Interest received		7,555	8,121	7,510	8,029
Other investment income		2,438	2,325	2,661	2,539
GST recovered		15,847	6,919	15,847	6,919
Outflows:					
Payments to suppliers and employees (inclusive of GST)		(424,664)	(401,069)	(417,650)	(393,165)
Interest and costs of finance paid		(459)	-	(459)	-
Net cash provided by / (used in) operating activities	40	39,693	52,673	39,614	53,337
Cash flows from investing activities					
Inflows:					
Proceeds from sale of property, plant & equipment		770	1,967	770	1,967
Proceeds from maturation of term deposits		104,908	-	104,908	-
Proceeds from sale of financial assets		3,385	12,359	3,385	10,589
Repayment of loans by related parties		-	118	-	118
Increase/(Decrease) in funds held on behalf of other entities		(24)	(95)	(24)	(252)
Outflows:					
Payments for property, plant and equipment		(140,245)	(57,150)	(140,121)	(56,514)
Payments for term deposits		-	(25,406)	-	(25,406)
Payments for financial assets		(4,396)	-	(3,815)	-
Loans to related parties		-	-	(500)	-
Net cash provided by / (used in) investing activities		(35,602)	(68,207)	(35,397)	(69,498)
Cash flows from financing activities					
Outflows:					
Repayment of finance leases		(1,460)	-	(1,460)	-
Net cash provided by / (used in) financing activities		(1,460)	-	(1,460)	-
Net increase/ (decrease) in cash and cash equivalents		2,631	(15,534)	2,757	(16,161)
Cash and cash equivalents at beginning of the financial year		25,368	40,902	23,871	40,032
Cash and cash equivalents at the end of the financial year	1(e)(i), 16	27,999	25,368	26,628	23,871
Financing arrangements	26				
Non-cash investing and financing activities	41				

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Note 1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented unless otherwise stated. The financial statements include separate statements for Flinders University as the parent entity and the consolidated entity consisting of Flinders University and its subsidiaries.

The principal address of Flinders University is:

Sturt Road
Bedford Park
South Australia 5042

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of Flinders University. They have been prepared on an accrual basis and comply with the Australian Accounting Standards.

Flinders University applies Tier 1 reporting requirements.

Additionally, the statements have been prepared in accordance with the following statutory requirements:

- *Higher Education Support Act 2003* (Financial Statement Guidelines)
- *relevant provisions of the Treasurer's Instructions issued pursuant to the Public Finance and Audit Act 1987 and the Accounting Policy Framework issued pursuant to the Treasurer's Instructions, except where they conflict with the Department of Education Guidelines.*

Flinders University is a not-for-profit entity and these statements have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with the IFRS requirements.

The financial report has been prepared based on a twelve month operating cycle and is presented in Australian dollars.

Date of authorisation for issue

The financial statements were authorised for issue by the Council members of Flinders University on 14 May 2015.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The main items with critical assumptions are superannuation receivable and provision, valuation of property, plant and equipment, long service leave liability and depreciation.

(b) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December and the results of all subsidiaries for the financial years shown. The financial statements of the consolidated entity comprise the accounts of Flinders University (the Parent entity) and all of its subsidiaries. A subsidiary is any entity controlled by the University. Control exists where the University is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. A list of subsidiaries is contained in Note 35.

Intercompany transactions, balances and unrealised gains on transactions between members of the Consolidated entity are eliminated to the extent of the Consolidated entity's interest in the subsidiaries. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. If material, investments in associates are accounted for in the University's financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

There were no material associates at balance date.

(iii) Joint Arrangements

Joint operations

The University has a material interest in one joint operation. The University's share of assets, liabilities, revenue and expenses have been incorporated in the University's financial statements under the appropriate headings. Details of joint operations are set out in Note 36.

Joint ventures

The University has a material interest in a number of joint venture entities.

If material, the interest in a joint venture entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the University. Under the equity method, the share of profits or losses of the entity is recognised in the Income Statement, and the share of movements in reserves is recognised in reserves in the Statement of Comprehensive Income and the Statement of Changes in Equity. Details relating to the entity are set out in Note 36.

Note 1 Summary of significant accounting policies

(c) Foreign currency

i. Functional and presentation currency

The consolidated financial statements are presented in Australian dollars which is the Consolidated entity's functional and presentation currency.

ii. Transactions and balances

Foreign currency transactions were converted to Australian currency at the rates of exchange prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement. Note 42 discloses foreign currency monetary items outstanding at balance date.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

i. Government financial assistance

Grant revenue is recognised in the year that the University gains control of the revenue which is generally when it is received. Where the University obtains control of the right to receive the grant and when revenue recognition criteria are met, the grant revenue is recognised in the period to which it relates.

Note disclosure is made in Notes 3 & 4.

ii. Consultancy and contract research

Revenue from consultancy and contract research is recognised in the period in which the consultancies/contract services are provided. Research grant revenue is recognised as revenue when received. Note disclosure is made in Note 8.

iii. Donations

Donations are received in cash and non-cash forms. Non cash donations are recognised at the University's estimate of the fair value of the items donated. Note disclosure is made in Note 9.

iv. Student fees and charges

Student tuition fees and charges are recognised as income in the year in which the service is provided. Note disclosure is made in Note 5.

v. Investment revenue and income

Interest revenue is recognised as it accrues. Dividend revenue and imputation credits are recognised only when declared before the 31 December reporting date.

Income distributions from Managed Funds are recognised on receipt of official advice from investment companies of the University's entitlement to distributions. All movements in the value of investments classified as "financial assets at fair value through profit and loss" are included in the Net Operating Result. For "Available for sale investments" and investments classified as "Other financial assets", realised gains are included in the Net Operating Result while unrealised gains and losses are taken to the Available for Sale Revaluation Surplus for Investments except to the extent that unrealised losses exceed previous revaluation

increments for all investments held in that reserve. Note disclosure is made in Note 6.

(e) Financial instruments

i. Cash and cash equivalents

For Statement of Cash Flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank accounts are recognised at nominal amounts. Note disclosure is made in Note 16.

ii. Receivables

Receivables are shown at amounts due from customers, inclusive of GST and reduced for expected credit losses (provision for doubtful debts). The University's credit terms are net 30 days. Note disclosure is made in Note 17.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that amounts due according to the original terms will not be able to be collected. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

Details regarding the receivable from the Australian Government relating to the State Super Scheme are disclosed in Note 1(g)(v) Superannuation.

iii. Financial assets (Investments)

Subsequent to initial recognition, investments in subsidiaries are measured at fair value. Subsequent to initial recognition, investments in associates are accounted for under the equity method in the consolidated financial statements and the cost method in the University's financial statements.

In accordance with AASB 139 *Financial Instruments: Recognition and Measurement* other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. In the case of assets classified as held-to-maturity, the University re-evaluates this designation at each reporting date.

Financial assets at fair value through profit or loss

The consolidated entity has classified certain shares as financial assets at fair value through profit or loss. Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

Note 1 Summary of significant accounting policies

Interest on term deposits is recognised at balance date based on the proportion of the term that has elapsed.

Available-for-sale financial assets

Certain shares held are classified as being available-for-sale and are stated at fair value less impairment. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in profit or loss for the period. This category includes investments classified as "Available-for-sale" and any investments that do not fit the definitions for inclusion in the previous categories. Consequently it should not be assumed that the University has plans to dispose of these assets.

They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Loans and receivables

Trade receivables, loans, and other receivables are recorded at cost less impairment.

The carrying amount of investments is reviewed annually by the University to ensure that all items are carried at fair value. Note disclosure for other financial assets (investments) is made in Note 19.

Fair value

The fair value of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques that maximise the use of relevant data. These include reference to the estimated price in an orderly transaction that would take place between market participants at the measurement date. Other valuation techniques used are the cost approach and the income approach based on the characteristics of the asset and the assumptions made by market participants.

iv. Payables

Payables are shown at amounts due to suppliers, inclusive of GST and exclusive of any applicable discounts that will be taken. Note disclosure is made in Note 25. The amounts are unsecured and the standard University terms of trade is payment within 30 days of invoice.

v. Borrowings

Finance leases are allocated under borrowings as prescribed by the Department of Education Guidelines. The current liability portion represents the amount expected to be paid in the following 12 months with the balance greater than 12 months reported in the non-current portion. Note disclosure is made in Note 26.

vi. Borrowing costs

Finance charges in respect of finance leases represent the interest charges implicit in the finance lease and are included in the definition of borrowing costs. Note disclosure is made in Note 13.

vii. Interest bearing liabilities

The University has no loans. However the University receives deposits from subsidiaries, certain joint ventures and related

external entities for group investment along with University funds and shares the investment income with those entities. Note disclosure is made in Note 28.

viii. Other liabilities: Funds held on behalf of external entities

Funds held on behalf of external entities are shown at amounts due. These do not incur any interest charges. Note disclosure is made in Note 28.

(f) Investment property

Investment properties exclude properties held to meet service delivery objectives of the University. The University holds investment properties which are measured on a fair value basis, which is based on active market prices of similar properties, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, alternative valuation methods such as recent prices in less active markets or discounted cash flow projections are used.

Independent valuations are undertaken annually. At each reporting date, the reported value is reviewed to ensure that it does not differ materially from the property's fair value at that date. Changes to fair value are recorded in the Income Statement as other income.

The investment properties were independently valued at fair value as at 31 December 2014 by Richard Wood AAPI CPV, B.App.Sc (Val) of Opteon Pty Ltd.

Rental revenue from the leasing of investment properties is recognised in the income statement in the periods in which it is receivable, as this represents the pattern of service rendered through the provision of the properties.

(g) Employee benefits

Employee expenses expected to be settled within one year have been recognised at their nominal amount. These liabilities are measured at the amounts expected to be paid when the liability is settled. Oncosts on the leave liabilities accruing to employees are recognised as provisions and on costs not accruing to employees are classed as payables as required under SA State Government Accounting Policy Framework - Part IV (APS 5.23). Benefits expected to be settled later than one year have been measured at the present value of the estimated applicable future cash flows to be made for those benefits and related on costs.

i Salaries

Liabilities for short-term employee benefits including salaries, non-monetary benefits and bonuses due to be settled within 12 months after the end of the period are measured at the amount expected to be paid when the liability is settled and recognised in Trade and other payables.

ii. Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

The long service leave liability is independently actuarially estimated each year in accordance with AASB 119 Employee Benefits. The last update was performed at 31 December 2014

Note 1 Summary of significant accounting policies

by Stuart Mules, FIAA, of Mercer (Australia) Pty Ltd. The assumptions used by the actuary include:

- investment earnings rate of 2.4% pa (2013: 3.9%) pa. Impact of the 2014 earnings rate resulted in an increase in long service leave provision of \$2.1m.
- salary inflation rate of 3.0% pa (2013: 3.5%).
- on costs have been applied at the rate of 16.15% (2013: 15.8%).
- the proportion of leave taken in service is 73% (2013: 73%), the balance at termination of service.

The current portion represents the amount expected to be paid in the following 12 months. Note disclosure is made in Notes 25 and 27.

iii. Annual leave

The calculation to measure the value of annual leave has assumed a 3.0 % salary inflation factor, as recommended by the SA State Government Accounting Policy Framework - Part IV (APS 5.5). The current portion represents the amount expected to be paid in the following 12 months. Note disclosure is made in Notes 25 and 27.

iv. Sick leave

No provision has been made for sick leave as all sick leave is non vesting and the average sick leave taken each year is expected to be less than the annual entitlement for sick leave.

v. Superannuation

Superannuation schemes

Superannuation schemes exist to provide benefits to University employees and their dependents upon resignation, retirement, disability or death. The contributions made to these schemes by the University and the emerging costs from unfunded schemes are expensed in the Income Statement. Except in the case of multi-employer schemes such as UniSuper, the University recognises, as an asset or a liability, the difference between the employer established defined benefit superannuation scheme's accrued benefits and the net market value of the scheme's assets. Note 44 provides details in respect of the individual schemes.

Unfunded superannuation - State Superannuation Scheme

An arrangement exists between the Australian Government and the State Government to share the unfunded liability for the University's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the *State Grants (General Revenue) Amendment Act 1987*, *Higher Education Funding Act 1988* and subsequent amending legislation. Accordingly the unfunded liabilities have been recognised in the Statement of Financial Position under Provisions with a corresponding asset recognised under Receivables. The recognition of both the asset and the liability consequently does not affect the year end net asset position of the University or the Consolidated entity. Refer to Note 44 (ii).

Superannuation Supplementation funding received from the Australian Government must not be shown as revenue as this is a partial settlement of an asset recognised in accordance with AASB 119.116. The net difference between the gross expense and the amount received from the Australian Government is shown as an expense within employee related expense.

vi. Severance

Provision is made for severance payments where it is probable payments will be made under industrial awards for fixed-term staff. The current portion represents the amount expected to be paid in the following 12 months. Severance payments are included under Salaries within Employee related expenses. Note disclosure of the Provision is made in Note 27.

vii. Redundancy benefits

Redundancy benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The University recognises redundancy benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing redundancy benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance date are discounted to present value. Expenses are disclosed in Note 10. Amounts unpaid at balance are included under Trade and Other Payables.

(h) Workers' compensation

The University is responsible for payments of workers' compensation and is registered with WorkCover SA as an exempt employer. Lawsons Risk Management Services Pty Ltd administers workers' compensation arrangements on behalf of the University.

The provision for workers' compensation liability is actuarially determined each year. The valuation as at 31 December 2014 was performed by Laurie Brett, FIA, FIAA. The method used is the claims paid development method where all past claims are brought to current values with an allowance for late claims reporting and administration costs. The liability for workers' compensation is disclosed in Note 27.

(i) Goods and services tax (GST)

The University recognises revenues, expenses and assets net of the amount of associated (GST), except where the amount of GST incurred by the University is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows included in the Cash Flow Statement are on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows.

Commitments and contingencies are disclosed net of GST recoverable from or payable to the ATO.

(j) Inventories

Inventories are stores of consumable items including printing and maintenance materials and are measured at cost. Annual stocktakes are used to verify inventory account balances. Other small inventories of consumable items including stationery, fuel

Note 1 Summary of significant accounting policies

and antisera are expensed as purchased. Note disclosure is made in Note 18.

(k) Leased assets

University as lessee

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are classified as borrowings. Note disclosure is made in Note 26. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term. Note disclosure is made in Note 22.

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under an operating lease are expensed in the period to which the payment relates. Note disclosure is made in Note 33(b).

University as lessor

The University leases space in its investment property to external entities. Accommodation on campus is leased to students. The University also leases a small amount of space on its main campus to commercial entities for provision of services to students and staff. The leases are all classified as operating leases.

Note disclosure is made in Note 33(b).

(l) Property, plant and equipment

Property, plant and equipment are shown on a fair value basis. At each reporting date, the value of each asset class is reviewed to ensure that it does not differ materially from the asset class' fair value at that date. Where necessary, the asset class is revalued to reflect its fair value. Note disclosure is made in Note 22.

i. Land

Land is owned by the University in its own right and by the State and Northern Territory Governments. The value of land owned by the State Government is reflected in the University's financial statements on the basis that the University effectively controls the land occupied. Land controlled by the University was independently revalued as at 31 December 2013 by Richard Wood B.App.Sc (Val) AAPI CPV, of Opteon Pty Ltd. Comprehensive independent land valuations are undertaken triennially with an annual update based on relevant price movements if material.

ii. Buildings and infrastructure

Buildings and above ground infrastructure controlled by the University were independently revalued as at 31 December 2013 by Richard Wood B.App.Sc (Val) AAPI CPV of Opteon Pty Ltd. Comprehensive independent valuations are undertaken triennially

with an annual update based on relevant price movements if material.

Below ground Infrastructure is not included as an asset as the value is not able to be reliably estimated.

Buildings under construction are measured at cost.

iii. Leased Buildings

The University has entered into various arrangements with other entities to occupy buildings on land not owned by the University. The University initially recognises a lease asset as the value of its contribution to construction costs plus any future amounts payable under the lease agreement and revalues it to fair value each year. The University depreciates the asset over the lease period.

iv. Library collection

The Library collection was internally revalued on 31 December 2010 to fair value based on the written down cost of the most recent price inputs. The University has determined that subsequent acquisitions are measured at historical cost which approximates fair value with the University no longer revaluing the library collection. The value is depreciated over a 10 year period on a straight-line basis.

v. Equipment

This class of assets includes computer hardware (not software), furniture, vehicles, marine and general equipment. Individual items costing \$10,000 or more are capitalised and recorded in the Statement of Financial Position initially at cost. Items costing less than \$10,000 are recognised as an expense in the Income Statement in the period acquired. The depreciated value of equipment is deemed to be its fair value.

vi. Works of art

The value of the Works of Art collection is assessed annually at fair value at Council valuation. However the Works of Art collection was independently revalued as at 31 December 2013 by Helen Miller BA SYD AVAA CPV NCJV (Fine Arts Division) Rodney Hyman Asset Services Pty Ltd and is reported at fair value.

vii. Revaluations

Increases in the carrying amounts arising on revaluation of land, buildings & infrastructure, library and works of art are recognised, under revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset class are also recognised in under revaluation surplus to the extent of the remaining reserve attributable to the asset class. All other decreases are charged to the income statement.

(m) Depreciation and amortisation

The basis for depreciation and the depreciation rates are reviewed annually. Depreciation is calculated on a straight line basis on all property, plant and equipment, other than land and works of art, which are not depreciated. The following rates are based on the estimated useful life of the assets to the University:

Note 1 Summary of significant accounting policies

Item	Percentage
Depreciation:	
Buildings and infrastructure	2.5 - 20.0
Equipment	
- Motor vehicles	20.0
- General equipment	10.0 - 33.3
- Computer hardware	16.6 - 33.3
- Furniture	10.0
- Aircraft	10.0
- Marine	10.0
Library collection	10.0
Amortisation:	
Computer software	20.0

The gross amount of depreciable assets and the related accumulated depreciation is provided within Note 22. Depreciation expense by asset class is shown in Note 11.

(n) Impairment of assets

At each reporting date, the University undertakes an assessment of its significant assets to determine if there is any evidence of impairment. Where impairment exists, the University recognises an impairment loss in the Income Statement. This is calculated as the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

(o) Derivatives

The Group enters into foreign currency hedges (derivative financial instruments) to manage its exposure to movements in exchange rates for library purchases and certain equipment acquisitions.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at balance date. Changes in the fair value of derivatives are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Where the maturity date of a hedge is more than 12 months, the asset and liability are classified as non-current, otherwise they are classified as current.

(p) Intangible assets**i. Research and development**

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the Income Statement as an expense when it is incurred.

Expenditure on development activities, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if

the product or service is technically and commercially feasible and adequate resources are available to complete development. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the Income Statement as an expense when incurred.

The University expenses development costs when incurred, as the expenses are not recoverable beyond reasonable doubt. One of the University's subsidiaries, Flinders Partners Pty Ltd, has the rights to commercialise intellectual property arising from the University. Development costs incurred by Flinders Partners Pty Ltd are treated as deferred expenditure:

- during the assessment phase of projects, until financial viability is determined; and
- for projects expected to be financially viable, to offset future revenue.

Development costs treated as deferred expenditure are included in the Consolidated Statement of Financial Position and are disclosed under Note 24 Intangible assets as Project costs carried forward.

The recoverability of deferred expenditure is reviewed annually and any amounts previously deferred that are no longer expected to be recovered are charged to the Net Operating Result.

ii. Software costs

The University capitalises certain software costs with a purchase price greater than \$40,000 and an expected useful life greater than 12 months, together with costs associated with implementation. These are recorded on the basis of cost less amortisation once the system is operational. Impairment is assessed annually. Note disclosure is made in Note 24.

(q) Website costs

Costs in relation to websites are charged as expenses in the period in which they are incurred.

(r) Repairs and Maintenance

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacements of a component of an asset, in which case, the costs are capitalised and depreciated. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

(s) Income tax status

The activities of the University and its major subsidiaries are exempt from income tax.

The University is subject to fringe benefits tax, the goods & services tax and payroll tax.

(t) Current and non-current classification

Assets and liabilities are characterised as either current or non-current. The University and the Consolidated entity operate on a 12 month operating cycle. Assets and liabilities that are sold, consumed or realised as part of the 12 month operating cycle are classified as current. All other assets and liabilities are classified as non-current.

Note 1 Summary of significant accounting policies

(u) Rounding to the nearest \$'000

Unless otherwise indicated, all amounts are rounded to the nearest thousand dollars.

(v) New or revised Australian Accounting Standards

New and revised accounting standards relating to the 2014 financial year are as follows:

AASB 10: Consolidated financial statements

AASB 11: Joint arrangements

AASB 12: Disclosure of interests in other entities

AASB 127: Separate financial statements

AASB 128: Investments in associates and joint ventures

The University has assessed the impact of the new and amended standards and interpretations in relation to interests in other entities and has determined there is no change to entity inclusions in the financial statements and disclosures as a result.

(w) Comparative figures

The previous year's figures are provided in the financial statements for comparative purposes. Where practicable comparative figures have been adjusted to conform to changes in presentation and classification in the present year.

An adjustment has been made to comparative amounts in relation to the overstatement of building asset values. The adjustments were an increase to 2013 operating result of \$0.2m, opening retained earnings of \$0.9m combined with a reduction to the revaluation reserve opening balance in 2013 of \$4.5m and a reduction in the movement in the revaluation reserve in 2013 of \$0.7m. This has been offset by a reduction of \$5.2m in opening building values.

The University provides a payroll bureau service for a related entity. Previously the University recorded this as an expense under salaries and related expenses with reimbursements recorded as other income. The University has determined that these items are not revenue and expense and now offsets them. 2013 comparatives have been adjusted. Other income, salaries and related expenses have been reduced by \$2.6m.

(x) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous year.

Note 2 Disaggregated information

The University operates in the field of higher education in Australia and its primary activities are the provision of teaching and research services. It has no material offshore operations.

		Consolidated		University	
	Notes	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Note 3 Australian Government financial assistance including Australian Government loan programs (HELP)					
(a) Commonwealth Grant Scheme and Other Grants	47.1				
Commonwealth Grant Scheme (CGS) ^{#1}		132,538	126,780	132,538	126,780
Indigenous Support Program		591	652	591	652
Partnership & Participation Program ^{#2}		4,408	3,271	4,408	3,271
Disability Support Program		164	168	164	168
Transitional Cost Program		-	(6)	-	(6)
Promotion of excellence in Learning and Teaching		626	283	626	283
Reward Funding		-	637	-	637
Total Commonwealth Grant Scheme and Other Grants		138,327	131,785	138,327	131,785
(b) Higher Education Loan Programs	47.2				
HECS – HELP		80,697	71,583	80,697	71,583
FEE – HELP		6,884	6,618	6,884	6,618
SA – HELP	47.8	1,887	1,708	1,887	1,708
Total Higher Education Loan Programs		89,468	79,909	89,468	79,909
(c) Scholarships	47.3				
Australian Postgraduate Awards		4,535	4,319	4,535	4,319
International Postgraduate Research Scholarship		335	332	335	332
Commonwealth Education Cost Scholarships ^{#3}		260	(105)	260	(105)
Commonwealth Accommodation Scholarships ^{#3}		(105)	(53)	(105)	(53)
Indigenous Access Scholarships		34	(60)	34	(60)
Indigenous Staff Scholarships		(14)	43	(14)	43
Total Scholarships		5,045	4,476	5,045	4,476
(d) EDUCATION Research	47.4				
Joint Research Engagement Program ^{#4}		6,240	6,105	6,240	6,105
Joint Research Engagement Cadetships		-	49	-	49
Research Training Scheme		11,097	10,897	11,097	10,897
Research Infrastructure Block Grants		3,123	3,172	3,123	3,172
Sustainable Research Excellence in Universities		2,039	2,057	2,039	2,057
Total EDUCATION Research Grants		22,499	22,280	22,499	22,280

^{#1} Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

^{#2} Includes Equity Support Program

^{#3} Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively

^{#4} Includes Institutional Grants Scheme

		Consolidated		University	
	Notes	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Note 3 Australian Government financial assistance including Australian Government loan programs (HELP) (continued)					
(e) Australian Research Council					
(i) Discovery	47.5 (i)				
Project		2,293	3,360	2,293	3,360
Fellowships ^{#5}		3,797	2,123	3,797	2,123
Total Discovery		6,090	5,483	6,090	5,483
(ii) Linkages	47.5 (ii)				
Infrastructure		125	925	125	925
Projects		890	1,161	890	1,161
Total Linkages		1,015	2,086	1,015	2,086
(iii) Networks and Centres	47.5 (iii)				
Centres		175	229	175	229
Total Networks and Centres		175	229	175	229
Special Research Initiatives	47.5 (iii)	256	1,985	256	1,985
Total Australian Research Council		7,536	9,783	7,536	9,783
(f) Other Australian Government financial assistance					
Non-capital					
National Health and Medical Research Council		9,478	8,278	9,478	8,278
Other Research		23,046	24,291	23,046	24,291
Other Non-Research		19,343	16,978	19,343	16,978
Commonwealth Scholarships		351	517	351	517
Total non-capital		52,218	50,064	52,218	50,064
Capital					
Northern Territory Medical Program		1,640	3,085	1,640	3,085
Other capital programs		248	1,386	248	1,386
Total Capital		1,888	4,471	1,888	4,471
Total Other Australian Government financial assistance		54,106	54,535	54,106	54,535
Total Australian Government financial assistance		316,981	302,768	316,981	302,768
Reconciliation					
Australian Government grants (a+c+d+e+f)		227,513	222,859	227,513	222,859
HECS-HELP payments		80,697	71,583	80,697	71,583
FEE-HELP payments		6,884	6,618	6,884	6,618
SA-HELP payments		1,887	1,708	1,887	1,708
Total Australian Government financial assistance		316,981	302,768	316,981	302,768

^{#5} Includes Early Career Researcher Award

		Consolidated		University	
		2014	2013	2014	2013
Notes		\$'000	\$'000	\$'000	\$'000

Note 3 Australian Government financial assistance including Australian Government loan programs (HELP) (continued)

(g) Australian Government Grants received - cash basis

CGS and Other EDUCATION Grants		137,010	131,172	137,010	131,172
Higher Education Loan Programs		88,776	81,423	88,776	81,423
Scholarships		4,841	3,934	4,841	3,934
EDUCATION Research		22,562	22,280	22,562	22,280
ARC grants - Discovery		6,010	5,780	6,010	5,780
ARC grants - Linkages		1,291	1,687	1,291	1,687
ARC grants - Networks and Centres		627	6,638	627	6,638
Other Australian Government Grants		54,716	54,860	54,716	54,860
Total Australian Government Grants received - cash basis		315,833	307,774	315,833	307,774
OS-Help (Net)	47.6	(297)	116	(297)	116
Superannuation Supplementation	47.7	2,436	2,807	2,436	2,807
Total Australian Government funding received - cash basis		317,972	310,697	317,972	310,697

Note 4 State and Local Government financial assistance

South Australian State Government financial assistance	8,043	9,662	8,042	9,662
South Australian Local Government financial assistance	30	175	30	175
Other State/Territory Governments financial assistance	939	4,845	865	4,845
Total State and Local Government financial assistance	9,012	14,682	8,937	14,682

Note 5 Fees and charges**Course fees and charges**

Fee-paying onshore overseas students	44,350	38,259	44,350	38,259
Fee-paying offshore overseas students	5,402	4,442	5,402	4,442
Fee-paying domestic postgraduate students	3,305	2,764	3,305	2,764
Fee-paying domestic undergraduate students	4,705	3,806	4,705	3,806
Fee-paying domestic non-award students	113	141	113	141
Other domestic course fees and charges	2,167	2,638	2,167	2,638
Total course fees and charges	60,042	52,050	60,042	52,050

Other non-course fees and charges

Students Services and Amenities Fees from students	47.8	1,751	1,467	1,751	1,467
Student accommodation		6,388	5,595	6,388	5,595
Rental charges		709	716	622	668
Other student charges		255	241	255	241
Other hire fees		159	164	159	164
Parking fees		2,223	2,202	2,223	2,202
Other fees and charges		709	636	662	636
Total Other fees and charges		12,194	11,021	12,060	10,973
Total fees and charges		72,236	63,071	72,102	63,023

Notes	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000

Note 6 Investment revenue and income**Investment revenue**

Dividends

Wholly-owned subsidiaries

Other entities

Total Dividends

Interest

Managed funds distributions

Investment property rental revenue

Total investment revenue**Other Investment gains / (losses)**

Net (loss)/gain arising on financial assets designated at fair value through profit or loss

Realised gain/(loss) on disposal of investments

Movements in fair value of investment properties

Total other investment income**Net investment revenue and income**

-	-	-	215
1,471	1,841	1,116	1,108
1,471	1,841	1,116	1,323
5,813	9,174	5,768	9,083
1,139	1,083	1,139	1,083
1,165	1,242	1,387	1,456
9,588	13,340	9,410	12,945
(3,081)	4,837	(328)	4,746
148	890	148	783
(197)	-	(197)	-
(3,130)	5,727	(377)	5,529
6,458	19,067	9,033	18,474

Note 7 Royalties, trademarks and licences**Total royalties, trademarks and licences**

1,030	549	492	210
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Note 8 Consultancy and contracts

Consultancy

Contract research

Total consultancy and contracts

2,655	2,263	2,544	1,962
6,517	6,291	6,579	6,432
9,172	8,554	9,123	8,394

Note 9 Other revenue and income

Donations and bequests

Scholarships and prizes

Non-government grants

Contribution of assets

Reimbursements

Sales and other charges

Other income

Total other revenue and income

406	837	957	837
659	755	659	755
3,878	5,993	3,878	5,993
277	301	277	301
2,095	2,363	2,095	2,363
5,617	6,801	1,435	1,022
2,295	1,176	533	899
15,227	18,226	9,834	12,170

Notes	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000

Note 10 Employee related expenses**Academic**

Salaries	117,258	107,979	117,259	107,980
Contributions to superannuation and pension schemes				
Contributions to funded schemes	17,170	16,368	17,170	16,368
Contributions to unfunded schemes	145	168	145	168
Payroll tax	6,789	6,368	6,789	6,368
Workers' compensation	117	704	117	704
Long service leave expense	4,005	1,979	4,005	1,979
Annual leave	9,676	8,691	9,676	8,691
Redundancy expenses	96	874	96	874
Total academic	155,256	143,131	155,257	143,132

Non-academic

Salaries	101,136	94,901	96,252	89,931
Contributions to superannuation and pension schemes				
Contributions to funded schemes	15,467	14,076	15,035	13,886
Contributions to unfunded schemes	36	42	36	42
Payroll tax	5,780	5,478	5,715	5,401
Workers' compensation	114	632	95	611
Long service leave expense	2,837	1,482	2,802	1,477
Annual leave	8,520	8,057	8,371	7,947
Redundancy expenses	1,030	1,295	1,030	1,295
Total non-academic	134,920	125,963	129,336	120,590
Total employee related expenses	290,176	269,094	284,593	263,722

Note 11 Depreciation and amortisation**Depreciation**

Buildings	10,267	10,612	10,267	10,612
Infrastructure	897	1,099	897	1,099
Plant and equipment	5,390	5,040	5,240	4,840
Library	3,585	3,540	3,585	3,540
Total Depreciation	20,139	20,291	19,989	20,091

Amortisation

Leased Equipment	1,649	-	1,649	-
Software	1,292	975	1,292	975
Total Amortisation	2,941	975	2,941	975

Total depreciation and amortisation

23,080	21,266	22,930	21,066
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Note 12 Repairs and maintenance

Buildings and grounds	5,499	6,541	5,492	6,541
Minor new works	3,337	784	3,337	784
Equipment and artwork	3,596	4,204	3,506	4,130
Total repairs and maintenance	12,432	11,529	12,335	11,455

Note 13 Borrowing Costs

Finance Charges in respect of finance leases
Total borrowing costs expensed

Notes	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
	459	-	459	-
	459	-	459	-

Note 14 Impairment of assets

Bad and doubtful debts
 Impairment of assets
Total impairment of assets

171	320	168	320
114	-	114	-
285	320	282	320

Note 15 Other expenses

Scholarships, grants & prizes
 Non-capitalised equipment
 Advertising, marketing & promotional expenses
 Fees & charges
 Consultancy fees
 General consumables
 Printing & photocopying
 Operating lease rental expenses
 Telecommunications
 Travel, staff development and entertainment
 Utilities
 Student related expenditure
 Library
 Software
 Postage & freight
 Insurance
 Miscellaneous
Total other expenses

14,284	14,377	14,281	14,377
7,985	7,940	7,974	7,905
3,404	3,320	3,452	3,308
12,221	14,815	12,702	14,556
4,451	5,446	4,077	5,371
6,707	7,982	7,313	7,604
1,564	1,309	1,558	1,309
3,346	3,031	3,402	3,095
3,431	2,766	3,502	2,766
14,735	14,951	14,735	14,891
4,980	4,972	4,958	4,951
4,671	4,036	4,250	3,643
2,438	2,835	2,438	2,835
5,452	4,646	5,445	4,564
686	837	683	837
1,434	1,307	1,417	1,307
7,624	5,537	5,322	4,180
99,413	100,107	97,509	97,499

Note 16 Cash and cash equivalents

Cash at bank and on hand
Term deposits maturing within 90 days
Total cash and cash equivalents

Notes	<i>Consolidated</i>		<i>University</i>	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
	17,899	25,145	16,528	23,871
	10,100	223	10,100	-
40	27,999	25,368	26,628	23,871

Note 17 Receivables**Current**

Student fees
Less: Provision for impaired receivables

General debtors
Less: Provision for impaired receivables

Subsidiary debtors
Less: Provision for impaired receivables

Accrued income
Deferred government contribution for superannuation
Total current receivables

	1,928	893	1,928	893
	(430)	(355)	(430)	(355)
	1,498	538	1,498	538
	15,691	12,631	15,391	11,584
	(384)	(471)	(289)	(377)
	15,307	12,160	15,102	11,207
	-	-	610	101
	-	-	(95)	(95)
	-	-	515	6
	3,612	6,227	3,204	5,912
44	3,202	3,259	3,202	3,259
	23,619	22,184	23,521	20,922

Non-current

Deferred government contribution for superannuation
Total non-current receivables

44	52,005	43,814	52,005	43,814
	52,005	43,814	52,005	43,814

Total trade and other receivables

	75,624	65,998	75,526	64,736
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(a) Impaired receivables

As at 31 December 2014 current receivables of the group with a nominal value of \$0.814m (2013: \$0.827m) were impaired. The provision is based on an aged analysis of the debt types based on collectability. The ageing of these receivables is as follows:

Student Fees

3 to 6 months
over 6 months

	130	116	130	116
	285	191	285	191
	415	307	415	307

General debtors

3 to 6 months
over 6 months

	66	229	66	229
	221	179	126	84
	287	408	192	313

Subsidiary debtors

over 6 months

	-	-	95	95
	-	-	95	95

Notes	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000

Note 17 Receivables (continued)

(a) Impaired receivables (continued)

As at 31 December 2014 current receivables of the group with a nominal value of \$3.498m (2013: \$2.808m) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing of these receivables is as follows:

Student Fees				
3 to 6 months	912	279	912	279
over 6 months	172	122	172	122
	1,084	401	1,084	401
General debtors				
3 to 6 months	34	11	34	11
over 6 months	20	4	20	4
	54	15	54	15

Movements in the provision for impaired receivables are as follows:

At 1 January	826	790	826	790
Provision for impairment recognised during the year	67	178	67	178
Receivables written off during the year as uncollectible	(79)	(142)	(79)	(142)
At 31 December	814	826	814	826

The creation and release of the provision for impaired receivables has been included in "Impairment of Assets" in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

(b) Foreign exchange and interest rate risk

The carrying amounts of current receivables includes receivables denominated in the following currencies:

US Dollars	91	328	91	328
Hong Kong Dollars	229	-	229	-
Other	9	97	9	97
	329	425	329	425

The carrying amounts of all non-current receivables are denominated in Australian dollars.

Information regarding the effective interest rate risk of both current and non-current receivables is set out in the Financial risk management disclosures at Note 42.

(c) Fair value and credit risk

The carrying value approximates fair value for all receivables. For non-current receivables, fair values are based on cash flows discounted using a discount rate. The superannuation receivable is always offset by a corresponding payable, nullifying credit risk for this line item. The maximum exposure to credit risk at the reporting date is the higher of the carrying amount and fair value of receivables.

Information regarding the effective credit risk of both current and non-current receivables is set out in the Financial risk management disclosures at Note 42.

Notes	Consolidated		University	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000

Note 18 Inventories

Current

Inventories held for other than distribution

Total current inventories

Total inventories

434	461	250	207
434	461	250	207
434	461	250	207

Note 19 Other financial assets

Current

Held-to-maturity assets

Term deposits greater than 90 days

Total current other financial assets

49,546	154,455	49,546	154,455
49,546	154,455	49,546	154,455

Held-to-maturity assets impairment and risk exposure

The maximum exposure to credit risk at the reporting date is the carrying amount of the assets. None of the held-to-maturity assets are either past due or impaired. All held-to-maturity assets are held in Australian currency, therefore there is no exposure to foreign currency risk.

Non-current

Available-for-sale financial assets

Interests in business undertakings:

· Subsidiaries at Council valuation

· Other entities

International equities

Australian equities

Total available-for-sale financial assets

35	-	-	6,662	11,438
	2,058	1,834	2,058	1,834
	6	6	-	-
	2,990	5,384	-	-
	5,054	7,224	8,720	13,272

Financial assets at fair value through profit or loss ^

Managed Funds

· Deutsche Bank Private Wealth Management

· Goldman Sachs JB Were

Equities

· Australian equities

· International equities

Total financial assets at fair value through profit or loss

3	7	3	7
4,943	5,694	4,943	5,694
4,946	5,701	4,946	5,701
38,316	38,067	37,287	37,041
709	-	709	-
43,971	43,768	42,942	42,742

Total non-current other financial assets

49,025	50,992	51,662	56,014
98,571	205,447	101,208	210,469

Total other financial assets

^ Changes in fair values of other financial assets at fair value through profit or loss are recorded in investment revenue and income in the Income Statement and disclosed in Note 6.

Note 20 Other non-financial assets

Current

Prepayments

Non Current

Prepayments

Total other non-financial assets

8,121	6,421	8,095	6,392
6,537	5,580	6,537	5,580
14,658	12,001	14,632	11,972

Note 21 Investments accounted for using the equity method

Jointly controlled entity

		Ownership interest	
		2014	2013
FCD Health Limited	Operates the Palmerston (NT) GP Super Clinic.	50%	50%

Summarised financial information for individual material joint ventures is set out below:

		Consolidated	
		2014	2013
		\$'000	\$'000
	Notes		
Financial Position			
Current assets		873	544
Non-current assets		369	342
Total assets		1,242	886
Current Liabilities		349	220
Non-current liabilities		38	-
Total Liabilities		387	220
Net Assets		855	666
Share of joint venture net assets		428	333
Financial Performance			
Total Revenue		5,101	4,368
Total Expenses		4,912	3,819
Profit/(loss)		189	549
Share of jointly controlled entities' profit/(loss)		95	274
Reconciliation of carrying amounts			
Balance as at 1 January		333	59
Share of profit for the year		95	274
Balance as at 31 December		428	333

Note 21 Investments accounted for using the equity method (continued)

Associate

Flinders Reproductive Medicine

The University has a 50% interest in Flinders Reproductive Medicine (FRM) which is Trustee for the Flinders Charitable Trust. The Trust fully distributes its surpluses each year following a declaration by the trustees. This occurred in 2013 (\$484k). As the Trustees have not made a declaration for the 2014 financial year, the University has accounted for the investment in Flinders Reproductive Medicine using the equity method.

	Ownership interest	
	2014	2013
Flinders Reproductive Medicine	50%	50%
Provides a high quality comprehensive infertility investigatory and treatment service.		

Summarised financial information for Associates is set out below:

	Consolidated	
	2014	2013
	\$'000	\$'000
Financial Position		
Current assets	4,326	3,364
Non-current assets	1,278	913
Total assets	5,604	4,277
Current Liabilities	4,507	4,244
Non-current liabilities	5	33
Total Liabilities	4,512	4,277
Net Assets	1,092	-
Share of Associate net assets	546	-
Financial Performance		
Total Revenue	4,618	4,552
Total Expenses	3,526	3,584
Profit/(loss)	1,092	968
Share of Associate profit/(loss)	546	484
Reconciliation of carrying amounts		
Balance as at 1 January	-	-
Share of profit for the year	546	484
Distribution to the University as beneficiary	-	(484)
Balance as at 31 December	546	-

The 2013 share of FRM surplus of \$484k was distributed as a result of the declaration by the FRM Board. The 2014 declaration is still to be made.

	<i>Consolidated</i>		<i>University</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
<i>Notes</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Note 22 Property, plant and equipment				
Land, buildings and infrastructure				
Crown Land:				
2013 Independent valuation	32,030	32,030	32,030	32,030
Total Crown Land	32,030	32,030	32,030	32,030
Freehold Land:				
2013 Independent valuation	5,352	5,352	5,352	5,352
At cost	84	-	84	-
Total Freehold Land	5,436	5,352	5,436	5,352
Total Land	37,466	37,382	37,466	37,382
Buildings:				
2013 Independent valuation	289,900	292,356	289,900	292,356
At cost	108,879	-	108,879	-
Total Buildings	398,779	292,356	398,779	292,356
Infrastructure:				
2013 Independent valuation	24,882	24,998	24,882	24,998
At cost	1,155	-	1,155	-
Total Infrastructure	26,037	24,998	26,037	24,998
Total Buildings and infrastructure	424,816	317,354	424,816	317,354
Less: Accumulated depreciation	(11,030)	-	(11,030)	-
Total Buildings and infrastructure	413,786	317,354	413,786	317,354
Construction in progress	39,373	37,601	39,373	37,601
Total Land, buildings and infrastructure	490,625	392,337	490,625	392,337
Library collection				
At fair value	30,981	26,913	30,981	26,913
Less: Accumulated depreciation	(13,881)	(10,295)	(13,881)	(10,295)
Total Library collection	17,100	16,618	17,100	16,618
Equipment				
At fair value	65,424	62,081	63,312	59,174
Less: Accumulated depreciation	(39,877)	(39,740)	(38,722)	(38,088)
Total Equipment	25,547	22,341	24,590	21,086
Leased Equipment				
At fair value	8,245	-	8,245	-
Less: Accumulated depreciation	(1,649)	-	(1,649)	-
Total Equipment	6,596	-	6,596	-
Works of Art				
2013 Independent valuation	5,528	5,528	5,528	5,528
At council valuation	280	-	280	-
Total Works of Art	5,808	5,528	5,808	5,528
Total Property, plant and equipment	545,676	436,824	544,719	435,569

Note 22 Property, plant and equipment (continued)

Valuations of land and buildings

Land, buildings and infrastructure were revalued as at 31 December 2013 by Richard Wood B.App.Sc (Val) AAPI CPV of Opleon Pty Ltd. The basis of the valuation was written down current value (existing use). The basis of valuation of land, buildings and infrastructure is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. Buildings located in remote areas have retained cost as the valuation amount due to minimal movement in market conditions within the remote locations.

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current year are as follows:

	Land	Buildings	Infra-structure	Construction in progress	Library	Equipment	Leased Equipment	Works of Art	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
Consolidated 2013									
Balance at 1 January 2013	38,552	276,711	25,606	5,468	16,901	22,137	-	6,362	391,737
Additions	-	-	-	49,694	3,257	5,439	-	49	58,439
Reclassification	(195)	17,756	-	(17,561)	-	-	-	-	-
Disposals	(662)	(650)	-	-	-	(195)	-	-	(1,507)
Revaluation increments/(decrements)	(313)	9,381	(608)	-	-	-	-	(883)	7,577
Depreciation expense	-	(10,842)	-	-	(3,540)	(5,040)	-	-	(19,422)
Carrying amount 31 December 2013	37,382	292,356	24,998	37,601	16,618	22,341	-	5,528	436,824
University 2013									
Balance at 1 January 2013	38,552	276,711	25,606	5,468	16,901	20,853	-	6,362	390,453
Additions	-	-	-	49,694	3,257	5,267	-	49	58,267
Reclassification	(195)	17,756	-	(17,561)	-	-	-	-	-
Disposals	(662)	(650)	-	-	-	(194)	-	-	(1,506)
Revaluation increments/(decrements)	(313)	9,381	(608)	-	-	-	-	(883)	7,577
Depreciation expense	-	(10,842)	-	-	(3,540)	(4,840)	-	-	(19,222)
Carrying amount 31 December 2013	37,382	292,356	24,998	37,601	16,618	21,086	-	5,528	435,569
Consolidated 2014									
Balance at 1 January 2014	37,382	292,356	24,998	37,601	16,618	22,341	-	5,528	436,824
Additions	-	561	-	111,138	4,067	9,127	8,245	280	133,418
Reclassification	84	108,127	1,155	(109,366)	-	-	-	-	0
Disposals	-	(889)	(116)	-	-	(531)	-	-	(1,536)
Impairment revaluation decrement	-	(1,242)	-	-	-	-	-	-	(1,242)
Depreciation/amortisation expense	-	(10,267)	(897)	-	(3,585)	(5,390)	(1,190)	-	(21,329)
Finance costs on leased equipment	-	-	-	-	-	-	(459)	-	(459)
Carrying amount 31 December 2014	37,466	388,646	25,140	39,373	17,100	25,547	6,596	5,808	545,676
University 2014									
Balance at 1 January 2014	37,382	292,356	24,998	37,601	16,618	21,086	-	5,528	435,569
Additions	-	561	-	111,138	4,067	9,277	8,245	280	133,568
Reclassification	84	108,127	1,155	(109,366)	-	-	-	-	0
Disposals	-	(889)	(116)	-	-	(533)	-	-	(1,538)
Impairment revaluation decrement	-	(1,242)	-	-	-	-	-	-	(1,242)
Depreciation/amortisation expense	-	(10,267)	(897)	-	(3,585)	(5,240)	(1,190)	-	(21,179)
Finance costs on leased equipment	-	-	-	-	-	-	(459)	-	(459)
Carrying amount 31 December 2014	37,466	388,646	25,140	39,373	17,100	24,590	6,596	5,808	544,719

Note: The University has restrictions imposed on the real property listed in this Note under *The Flinders University of South Australia Act, 1966*. Section 3 (5) of the Act states:

"The University must not alienate (except by way of lease for a term not exceeding 21 years), mortgage or charge land vested in or conveyed to the University on trust except with, and in accordance with any terms or conditions of, an approval given by the Governor."

The University also occupies various sites in the Northern Territory on Crown Land. The value of these properties is \$17.4m (2013 \$17.5m).

Notes	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000

Note 23 Investment properties

Non-current

Properties held for investment purposes

9,203	9,400	9,203	9,400
9,203	9,400	9,203	9,400

At Fair value:

Opening balance at 1 January

9,400 9,400 9,400 9,400

Revaluation for the year

(197) - (197) -

Closing balance at 31 December

9,203 9,400 9,203 9,400

Amounts recognised in profit or loss for investment properties

Rental Income

1,164 1,242 1,387 1,456

Direct operating expenses (rent generating properties)

(498) (381) (498) (381)

Other direct operating expenses

(55) (163) (55) (163)

Total recognised in profit or loss

611 698 834 912

Note 24 Intangible assets

Non-current

Software costs

13,726 13,495 13,726 13,495

Less: accumulated amortisation and impairment

(9,975) (9,162) (9,975) (9,162)

3,751 4,333 3,751 4,333

Development in progress

8,318 - 8,318 -

Net book value of software costs

12,069 4,333 12,069 4,333

Project costs carried forward (development costs)

804 750 - -

Net book value of project costs

804 750 - -

Total intangible assets

12,873 5,083 12,069 4,333

Note 24 Intangible assets (continued)

	Consolidated			University	
	Software costs	Project costs	Total	Software costs	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2013					
Cost	11,147	1,119	12,266	11,147	11,147
Accumulated amortisation and impairment	(8,277)	(832)	(9,109)	(8,277)	(8,277)
Net book amount	2,870	287	3,157	2,870	2,870
Year ended 31 December 2013					
Opening net book amount	2,870	287	3,157	2,870	2,870
Additions	2,452	463	2,915	2,452	2,452
Disposals	(105)	-	(105)	(105)	(105)
Write-back of amortisation on disposal	91	-	91	91	91
Amortisation charge	(975)	-	(975)	(975)	(975)
Closing net book amount	4,333	750	5,083	4,333	4,333
At 31 December 2013					
Cost	13,494	1,582	15,076	13,494	13,494
Accumulated amortisation and impairment	(9,161)	(832)	(9,993)	(9,161)	(9,161)
Net book amount	4,333	750	5,083	4,333	4,333
Year ended 31 December 2014					
Opening book amount	4,333	750	5,083	4,333	4,333
Additions	826	54	880	826	826
Disposals	(116)	-	(116)	(116)	(116)
Amortisation charge	(1,292)	-	(1,292)	(1,292)	(1,292)
Closing net book amount	3,751	804	4,555	3,751	3,751
At 31 December 2014					
Cost	14,204	1,636	15,840	14,204	14,204
Accumulated amortisation and impairment	(10,453)	(832)	(11,285)	(10,453)	(10,453)
Net book amount	3,751	804	4,555	3,751	3,751

Consolidated		University	
2014	2013	2014	2013
\$'000	\$'000	\$'000	\$'000

Note 25 Trade and other payables**Current**

Creditors	8,290	10,975	7,498	10,465
OS-HELP liability to Australian Government	-	108	-	108
Accrued expenses	16,738	20,006	16,525	19,822
Annual leave on costs	2,187	1,891	2,187	1,891
Long service leave on costs	570	535	570	535
Total current trade and other payables	27,785	33,515	26,780	32,821

Non-current

Annual leave on costs	873	754	873	754
Long service leave on costs	3,787	3,281	3,787	3,281
Total non-current trade and other payables	4,660	4,035	4,660	4,035
Total trade and other payables	32,445	37,550	31,440	36,856

(a) Foreign currency risk

The carrying amounts of the Consolidated entity and University's payables are denominated in Australian dollars.

Note 26 Borrowings**Current**

Finance Lease Liabilities	1,549	-	1,549	-
Total current borrowings	1,549	-	1,549	-

Non-Current

Finance Lease Liabilities	5,236	-	5,236	-
Total Non-current borrowings	5,236	-	5,236	-

Total Borrowings

	6,785	-	6,785	-
--	-------	---	-------	---

Note 27 Provisions**Current provisions expected to be settled within 12 months**

Employee benefits				
Annual leave	10,384	9,123	10,213	8,956
Long service leave	4,023	3,721	3,590	3,375
Defined benefit obligation	3,202	3,259	3,202	3,259
Severance (contract employees)	741	803	698	803
Total employee benefits	18,350	16,906	17,703	16,393
Workers' compensation	385	536	369	536
Total current provisions expected to be settled within 12 months	18,735	17,442	18,072	16,929

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Note 27 Provisions (continued)

Non-current provisions

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Employee benefits				
Annual leave	4,076	3,574	4,076	3,574
Long service leave	23,335	20,810	23,293	20,686
Defined benefit obligation	52,005	43,814	52,005	43,814
Severance (contract employees)	161	177	162	178
Total employee benefits	79,577	68,375	79,536	68,252
Workers' compensation	153	564	153	564
Total non-current provisions	79,730	68,939	79,689	68,816
Total provisions	98,465	86,381	97,761	85,745

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Reconciliation of employee benefits

Current employee benefits	18,350	16,906	17,703	16,393
Non current employee benefits	79,577	68,375	79,536	68,252
add Leave on costs (included in Note 25)	7,417	6,461	7,417	6,461
Aggregate employee benefits	105,344	91,742	104,656	91,106

Reconciliation of leave provisions

Annual leave	14,460	12,697	14,289	12,530
Annual leave on costs	3,060	2,645	3,060	2,645
Total annual leave provision	17,520	15,342	17,349	15,175
Long service leave	27,358	24,531	26,883	24,061
Long service leave on costs	4,357	3,816	4,357	3,816
Total long service leave provision	31,715	28,347	31,240	27,877
Total leave provisions	49,235	43,689	48,589	43,052

Movements in the workers compensation liability are set out below:

Workers' Compensation

Carrying amount at start of year	1,100	244	1,100	244
Additional provisions recognised	169	1,262	169	1,262
Amounts used	(747)	(406)	(747)	(406)
Carrying amount at end of year	522	1,100	522	1,100

Note 28 Other liabilities

Current

	<i>Consolidated</i>		<i>University</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Income in advance				
Fees & charges	6,873	4,990	6,873	4,990
Other	335	1,942	282	1,942
Total Income in advance	7,208	6,932	7,155	6,932
Australian Government unspent financial assistance	151	-	151	-
Funds held on behalf of external entities	-	104	-	108
Total current other liabilities	7,359	7,036	7,306	7,040
Interest-bearing funds held on behalf of external entities				
Student entities	8	14	1,023	1,037
Other entities	1,338	1,362	1,338	1,362
Total current unsecured interest bearing liabilities	1,346	1,376	2,361	2,399
Total current other liabilities	8,705	8,412	9,667	9,439
Total other liabilities	8,705	8,412	9,667	9,439

Interest bearing liabilities consist of funds held at the request of related entities. These are not borrowings. The University invests these funds and provides an investment return to those entities. Funds held are at call. The University has no assets pledged as security for interest bearing liabilities.

Notes	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000

Note 29 Reserves and retained earnings

(a) Reserves

Asset revaluation surplus

Property, plant and equipment revaluation surplus	142,430	144,370	142,949	144,191
Available-for-sale investments revaluation surplus	1,422	1,198	6,987	11,541
Total reserves	143,852	145,568	149,936	155,732

Movements in reserves

Property, plant & equipment revaluation surplus

Balance 1 January	144,370	136,793	144,191	136,614
Increment/ (decrement) on revaluation of:				
- Land	22	-	(313)	-
- Buildings & infrastructure	22	-	8,773	-
- Impairment of Buildings	22	(1,242)	-	(1,242)
- Library	22	-	-	-
- Works of Art	22	-	(883)	-
Transfer from revaluation reserve on sale of aircraft		(698)	-	-
Balance 31 December	142,430	144,370	142,949	144,191

Available-for-sale investments revaluation surplus

Balance 1 January	1,198	1,034	11,541	10,522
Increment/ (decrement) on revaluation	224	164	(4,554)	1,019
Balance 31 December	1,422	1,198	6,987	11,541

Movements in retained earnings were as follows:

Retained earnings at 1 January	482,722	448,313	472,785	437,640
Net result for the period	12,216	34,409	15,861	35,145
Transfer from revaluation reserve on sale of aircraft	698	-	-	-
Retained earnings at 31 December	495,636	482,722	488,646	472,785

(b) Nature and purpose of reserves

(1) Property, plant and equipment reserve

The property, plant and equipment revaluation surplus records revaluation in land, buildings, infrastructure, library and artwork.

(2) Available-for-sale investments revaluation reserve

The available-for-sale investments revaluation surplus records revaluations in investments.

Note 30 Key management personnel disclosures

30.1 Responsible persons

The principal governing body of the University is its Council. All members of the University Council were appointed or elected under the provisions of the *Flinders University of South Australia Act*, 1966. Council members include University employees who may be ex-officio members or elected staff members.

(a) Names of responsible persons:

COUNCIL MEMBERS IN 2014

Persons listed were all Council members for the full year unless otherwise indicated. An asterisk indicates University employees.

Members ex officio

Chancellor

Mr Stephen Gerlach, AM

Vice-Chancellor

*Professor Michael Barber

Presiding member of the Academic Senate

*Professor Eimear Muir-Cochrane

Members appointed by the Council

Ms Leonie Clyne OAM

Mr Douglas Gaulier

Mr Marty Gauvin

Mr Stephen Hains

Mrs Peggy Lau Flux

Ms Elizabeth Perry

Mr Thomas Phillips, AM

Mr Austin Taylor

Mr Ian Yates, AM

Mrs Christine Zeitz

Member co-opted and appointed by the Council

Professor Goran Roos

Members elected by the academic staff

*Professor Leon Lack

*Dr Clare McCarty

Members elected by the non-academic staff

*Ms Debra Hackett

*Mr Bruce Whitby

Student members elected by the students

Mr Tom Gerits

Mr Mohommad Mehbub

Student member appointed by the Vice-Chancellor

Ms Grace Hill

DIRECTORS OF UNIVERSITY SUBSIDIARIES IN 2014:

Persons listed were Directors for the full year unless otherwise indicated.

Flinders Bioremediation Pty Ltd

Mr Anthony Francis

Flinders Campus Community Services

Mr Shane McGregor (Chair)

Mr Peter Hogan (to 31 May 2014)

Mr Andrew Naim

Ms Fiona Gilbert (to 9 August 2014)

Mr Brendon Golden

Mr John van Ruth (from 4 December 2014)

Flinders Consulting Pty Ltd

Ms Leonie Clyne OAM

Lung Health Diagnostics Pty Ltd

Mr Anthony Francis (Chair)

National Institute of Labour Studies Foundation Inc

Professor Phyllis Tharenou (Chair)

Flinders Partners Pty Ltd

Mr Thomas Phillips, AM (Chair)

Mr Anthony Francis (Managing Director)

Professor David Day

Ms Peggy Lau Flux

Mr Roger Sexton

Strategiize Pty Ltd

Mr Anthony Francis

In Remedy Pty Ltd

Mr Anthony Francis

Clevertar Pty Ltd

Mr Anthony Francis

Ms Tanya Newhouse

Mr Andrew Graham

Note 30 Key management personnel disclosures (continued)

30.1 Responsible persons (continued)

(b) Remuneration of Board members

The following table comprises total remuneration that falls within the prescribed bandwidths for Board members. Remuneration for Executive Officers who are also Directors is shown as zero in this table, with their total remuneration shown under Remuneration of Executive Officers. Individuals who serve as Directors on more than one Board are counted multiple times in the figures disclosed below.

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Nil	38	44	21	23
\$1 - \$9,999	-	1	-	-
\$20,000 - \$29,999	2	2	-	-
\$30,000 - \$39,999	1	1	-	-
	41	48	21	23
Aggregate remuneration of Board members (\$'000)	86	92	Nil	Nil

30.2 Key management personnel

(a) Remuneration of key management personnel

The remuneration includes salary, employer's superannuation costs and other benefits, including the associated fringe benefits tax. No loans have been provided to key management personnel and any other transaction between personnel and the University has been undertaken on a normal commercial basis.

No members of Council received any remuneration from the University other than by way of salary and related benefits arising from a normal employment relationship.

The table comprises total remuneration that falls within the prescribed bandwidths for executives:

\$180,000 - \$189,999	-	1	-	-
\$190,000 - \$199,999	1	-	-	-
\$260,000 - \$269,999	-	2	-	2
\$270,000 - \$279,999	2	-	2	-
\$290,000 - \$299,999	1	1	1	1
\$300,000 - \$309,999	-	1	-	1
\$320,000 - \$329,999	1	2	1	2
\$330,000 - \$339,999	1	1	-	1
\$340,000 - \$349,999	-	1	-	-
\$350,000 - \$359,999	1	-	1	-
\$360,000 - \$369,999	-	1	-	1
\$380,000 - \$389,999	1	-	1	-
\$390,000 - \$399,999	1	-	1	-
\$400,000 - \$409,999	1	1	1	1
\$420,000 - \$429,999	2	-	2	-
\$760,000 - \$769,999 ^	-	1	-	1
\$920,000 - \$929,999 ^	1	-	1	-
	13	12	11	10
Aggregate remuneration of Executives (\$'000)	5,008	4,179	4,483	3,649

^ The Vice-Chancellor's total remuneration package comprised (2013 amounts in brackets) base salary \$584k (\$567k), superannuation \$99k (\$96k), performance bonus of \$94k (\$85k), fringe benefits of \$17k (\$14k) and payment of accrued benefits \$131k (\$0k). The performance bonus is included in the year to which it relates but it is not paid until the subsequent year.

*The number of executives has increased by one from 2013 as the replacement for an Executive who retired in 2012 was only appointed part way through 2013 and earned less than the \$130k cut off for reporting in 2013.

Note 30 Key management personnel disclosures (continued)**30.2 Key management personnel (continued)****(a) Remuneration of key management personnel (continued)**

The Department of Education Guidelines specify that: "For the purposes of AASB 124, key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the University, directly or indirectly, including any director (whether executive or otherwise) of the University". The Department of Education guidelines provide further guidance on the definition of key management personnel applicable to Universities by stating that "such persons should have authority and responsibility for planning, directing and controlling the activities of the whole University, and not just a faculty".

30.3 Related party transactions

From time to time University Council members have interests in entities with which the University conducts business. In all cases, transactions are undertaken on a normal commercial basis.

<i>Consolidated</i>		<i>University</i>	
<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>

Note 31 Remuneration of auditors**Audit and review of the financial statements**

Fees paid to the South Australian Auditor-General's Department

316	289	316	289
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Fees paid to other auditors

48	46	-	-
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Total remuneration for auditing the financial report

364	335	316	289
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Other audit and assurance services

Fees paid to the South Australian Auditor-General's Department

15	8	15	8
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Total remuneration for other audit services

15	8	15	8
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Total remuneration for audit services

379	343	331	297
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Note 32 Contingencies**Contingent assets**

There were no contingent assets.

Contingent liabilities

The University is an exempt employer for WorkCover SA purposes. The University is required by WorkCover SA to have a bank guarantee in place for the purposes of covering workers compensation liabilities in the event that the University was unable to pay them. As at 31 December 2014 the University had a bank guarantee facility of \$1.93m in place (2013: \$0.790m).

Note 33 Commitments

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

Building Works

Within one year

Between one and five years

Plant and equipment

Within one year

Total Capital commitments

<i>Consolidated</i>		<i>University</i>	
2014	2013	2014	2013
\$'000	\$'000	\$'000	\$'000
61,497	88,359	61,497	88,359
1,932	12,000	1,932	12,000
63,429	100,359	63,429	100,359
-	316	-	-
-	316	-	-
63,429	100,675	63,429	100,359

(b) Lease commitments

Operating leases

The University has various operating leases of property and equipment. Lease amounts have only been included in the table where there is a non-cancellable commitment.

University as lessee

Total lease payments recognised as an expense during the reporting period

3,346	3,031	3,402	3,095
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Commitments

Commitments in relation to leases contracted for as at the reporting date but not recognised as liabilities are payable as follows:

Within one year

Between one and five years

Later than 5 years

Total lease commitments as lessee

1,676	1,365	1,676	1,365
4,687	3,055	4,687	3,055
5,059	637	5,059	637
11,422	5,057	11,422	5,057

University as lessor

Lease receivables contracted but not included in the financial statements and receivable as follows:

Within one year

Between one and five years

Later than 5 years

Total lease commitments as lessor

675	425	830	575
588	263	723	554
464	-	464	-
1,727	688	2,017	1,129

In 2000 the University purchased the Mark Oliphant building in Science Park as an investment property. As at 31 December 2014, 77% (2013: 69%) of the building is leased or available for lease to entities outside the Consolidated entity. A further 8% (2013: 8%) is leased to entities outside the University but within the Consolidated entity.

The University has accommodation for 560 students available on campus that are leased on a yearly basis. As leases are not entered into until February and are completed before the end of the year, they are not included in the above figures.

The University leases a small amount of space on its main campus to commercial entities that provide services to students and staff.

(c) Other expenditure commitments

Commitments in existence at the reporting date but not recognised as liabilities, payable:

Within one year

Between one year and five years

Later than five years

Total other expenditure commitments

11,371	222	11,371	222
10,595	420	10,595	420
755	-	755	-
22,721	642	22,721	642

Note 34 Related parties

Responsible persons and specified executives

Disclosures relating to Council members, Directors of subsidiaries and specified executives are set out in Note 30.

Wholly owned consolidated entity

Interests in subsidiaries are set out in Note 35.

Note 35 Subsidiaries

Flinders University is the Parent entity or ultimate Parent entity of the following entities, all of which are incorporated in Australia. The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b):

Name of entity	Principal activities	Ownership interest	
		2014 %	2013 %
Flinders Bioremediation Pty Ltd	Develop and extend commercial activities of the University in the areas of soil bioremediation, organic waste management and related technologies	100	100
Flinders Campus Community Services Inc	Provides on-campus services and support for students	100	100
Flinders Consulting Pty Ltd [^]	From 1 January 2008 Flinders Consulting merged its operations with Flinders Partners Pty Ltd	100	100
Flinders Partners Pty Ltd	Commercialisation of University sourced intellectual property and conduct of commercial consultancies	100	100
Strategize Pty Ltd (formerly Flinders MediTech Pty Ltd) (subsidiary of Flinders Partners Pty Ltd)	Software development company	100	100
Clevertar Pty Ltd (subsidiary of Flinders Partners Pty Ltd)	Software development company	76	100
InRemedy Pty Ltd (subsidiary of Flinders Partners Pty Ltd)	Healthcare consultancy	100	100
Lung Health Diagnostics Pty Ltd	Biotech development company	60	60
National Institute of Labour Studies (NILS) Foundation Inc [^]	Supports the activities of NILS	100	100

[^] The University is in the process of winding up the NILS Foundation and transferring its operations to the University.
The University is also in the process of winding up Flinders Consulting.

Note 36 Joint Arrangements

(a) Joint operations

Entity name	Principal activity	Ownership interest	
		2014	2013
		%	%
<i>Centre for Remote Health</i>	Provision of health education and research to remote areas	50	50
		Consolidated	
		2014	2013
		\$'000	\$'000
		University	
		2014	2013
		\$'000	\$'000
Assets			
Cash at bank		781	972
Receivables		74	33
Property Plant and equipment		2,588	2,690
Total assets		3,443	3,695
Liabilities			
Payables		43	39
Provisions		220	213
Total liabilities		263	252
Share of net assets employed in the joint venture		3,180	3,443

Entity name	Principal activity	Ownership interest	
		2014	2013
		%	%
Rubuntja Building, Alice Springs Hospital	Education and research services providing health services to local & remote Indigenous populations.	41	41
Lincoln Marine Science Centre, Port Lincoln	Supports research and tertiary level education in marine science	43	43
University Research Repositories of South Australia	Provision of storage area for library books from three South Australian Universities	28	28

The assets employed in the above jointly controlled operations are detailed below. The amounts are included in the financial statements under their respective categories.

Rubuntja Building

Assets			
Property, plant and equipment	1,110	1,232	1,110
Share of net assets employed in the joint venture	1,110	1,232	1,232

Lincoln Marine Science Centre

Assets			
Property, plant and equipment	2,442	2,505	2,442
Share of net assets employed in the joint venture	2,442	2,505	2,505

University Research Repository of South Australia (URRSA)

Assets			
Property, plant and equipment	1,503	1,545	1,503
Share of net assets employed in the joint venture	1,503	1,545	1,545

Note 36 Joint Arrangements (continued)**(a) Joint operations (continued)**

The University's joint operations have contingent liabilities of \$nil as at 31 December 2014 (2013: \$nil).

Other

The University has collaborative arrangements in place with a number of overseas institutions for joint teaching of students. Revenue is shared between the University and collaborating institutions. The University's share of revenue and expense is included in the Income Statement.

(b) Joint ventures

The University participates in a number of joint ventures for which the University's interest is not considered to be material. Accordingly they have not been taken up in the accounts as per Australian Accounting Standard AASB 131 *Interest in Joint Ventures Aus1.4* referencing AASB 1031 Materiality.

Relevant disclosures are as follows:-

Name of entity		Reporting date	Principal activity	Ownership interest	
				2014 %	2013 %
eResearch SA	(U)	31-Dec	Supports and promotes the use of advanced and high-performance computing and communications.	33	33
South Australian Centre for Economic Studies (SACES)	(U)	31-Dec	Conducts research on economic issues for government and private sector bodies.	50	50
South Australian Tertiary Admission Centre (SATAC)	(U)	31-Dec	Agent for tertiary institutions in Adelaide for receiving & processing applications for admission to tertiary level courses.	25	25
unlPartners Pty Ltd	(I)	31-Dec	Creates new growth companies from University research in South Australia	46	46

(I) Incorporated (U) Unincorporated

(c) Other information

(1) **Capital expenditure commitments**- No material capital expenditure commitments.

(2) **Contingent liabilities** - No material contingent liabilities.

(3) **After balance date events**- No material after balance date events.

Note 37 Cooperative Research Centres (CRC)

The University participates in a number of Cooperative Research Centres (CRC) Programme. A CRC is a research initiative of the Australian Government established to pursue specific areas of research and supports industry-led collaborations between researchers, industry and the community. Flinders University participates in the below listed CRCs but does not control or have any significant influence in these entities that require the University to record them as either Joint Operations or Associates. The University does not record any of the CRC entities as investments in the financial statements.

Name of Entity	Principal Activity
Alertness CRC Ltd	To promote the prevention and control of sleep loss and sleep disorders and to develop new tools and products for individuals and organisations to improve alertness, productivity and safety.
Australian Seafood Cooperative Research Centre	To assist end-users of its research to profitably deliver safe, high-quality, nutritious Australian seafood products to premium markets - domestically and overseas.
Bushfire & Natural Hazards CRC	To explore the causes, consequences and mitigation of natural disasters.
Pork CRC	To maintain local pork production of high quality food for a reasonable price and return on production capital invested, without negatively impacting pig welfare, the environment or the health of the consumer.
The Cooperative Research Centre for Remote Economic Participation	To deliver solutions to the economic challenges that affect remote Australia.
The Lowitja Institute	To provide a cross cultural framework for strategic research leading to evidence based improvements in education and health practice.
The Young and Well Cooperative Research Centre	To unite young people with researchers, practitioners and policy makers from over 75 partner organisations across the non-profit, academic, government and corporate sectors.

Note 38 Associates

The University has significant influence but not control over the following associate.

SABRENet Ltd is established to be a non-profit institution to further use of advanced data networking for the conduct of research and education in South Australia. The founding members are the three South Australian Universities and the South Australian Government. The Defence Science and Technology Organisation (DSTO) is a contractual partner.

SABRENet Ltd is not accounted for using the equity method as the University does not have access to the residual assets of the entity.

Name of entity	Reporting date	Principal activity	Ownership interest	
			2014 %	2013 %
SABRENet Ltd	30-Jun	Delivers high capacity broadband network services to the education and research sector.	25	25

Note 39 Events occurring after the end of the reporting period

There were no events that took place after reporting date that have a material impact on the financial statements of the University or the Consolidated entity.

Note 40 Reconciliation of net result to net cash flows from operating activities

	Notes	Consolidated		University	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
Net result for the period		12,162	34,361	15,861	35,145
Non-cash items:					
Depreciation and amortisation		23,080	21,266	22,930	21,066
Net (gain)/loss on sale of non-current assets		980	(1,363)	763	(1,257)
Net contribution of assets		(277)	(785)	(277)	(785)
Fair value gains on other financial assets at fair value through profit or loss		(362)	(4,837)	(359)	(4,746)
Impairment of Assets		114	-	114	-
Investment expenses paid direct from funds		163	151	49	114
Other		2,990	-	875	-
Total non-cash items		26,688	14,432	24,095	14,392
Change in assets and liabilities					
Decrease/(Increase) in receivables		(6,688)	5,328	(7,353)	5,161
Decrease/(Increase) in inventories		27	41	(43)	37
(Increase)/Decrease in other operating assets		(2,657)	(3,509)	(2,660)	(3,552)
Increase/(Decrease) in payables		(2,241)	4,449	(2,553)	4,525
(Decrease)/Increase in other provisions		12,085	(4,210)	12,016	(4,348)
Increase/(Decrease) in other operating liabilities		317	1,781	251	1,977
Net cash provided by operating activities		39,693	52,673	39,614	53,337
The cash and cash equivalents figures in Note 16 are reconciled to cash and cash equivalents at the end of the year in the Statement of Cash Flows as follows:					
Cash at bank and on hand		17,899	25,145	16,528	23,871
Term deposits maturing within 90 days		10,100	223	10,100	-
Cash and cash equivalents balance per Statement of Financial Position		27,999	25,368	26,628	23,871
Bank overdraft		-	-	-	-
Balance per Cash Flow Statement		27,999	25,368	26,628	23,871

Financing facilities

Flinders University has the following arrangements with the NAB Bank –

Overdraft facility ⁽¹⁾	500	500	500	500
Amount used	-	-	-	-
Unused overdraft facility	500	500	500	500
Visa credit cards facility ⁽¹⁾	4,560	4,589	4,500	4,500
Amount used	(504)	(518)	(492)	(489)
Unused credit cards facility	4,056	4,071	4,008	4,011

⁽¹⁾ These facilities are unsecured.

Cash balances not available for use

All cash balances are available for use (2013: all available).

Tax status

The activities of the University are exempt from income tax as are all but one of its controlled entities.

Note 41 Non-cash investing and financing activities

During the reporting period the University acquired works of art and library materials with an aggregate fair value of \$0.277million (2013: \$0.301 million) by means of donations. These acquisitions are not reflected in the Cash Flow Statement.

Note 42 Financial risk management

The Consolidated entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest risk, cash flow interest risk and price risk), credit risk and liquidity risk. The University has policies that manage financial instrument risk.

Investments tend to be largely held in term deposits with banking institutions, with a policy requirement that no more than 35% of short term investments are held with a single financial institution. Debtors are spread across a large number of customers and are predominantly public sector. The University's policy on short term investments requires investments to have a minimum Standard & Poors or equivalent short-term credit rating of A-1. The University invests in Australian and International equities, mostly through professional fund managers. The University utilises derivative instruments such as forward exchange contracts solely to hedge foreign currency cash flow exposures. Investment funds managers used by the University also utilise derivative instruments in accordance with their respective risk policies which have been reviewed and accepted by the University. The University holds funds on behalf of other entities associated with the University and these funds are invested with University investments with the entities receiving a share of the investment returns.

<i>Recognised financial instruments</i>	<i>Notes</i>	<i>Accounting Policies</i>	<i>Terms and Conditions</i>
(i) Financial assets			
Cash at bank	1(e)(i), 16	Recognised at nominal amounts.	Interest accrued credited to revenue in the period it is earned.
Deposits within 3 days	16	Recognised at nominal amounts.	Interest accrued credited to revenue in the period it is earned.
Term deposits	16, 19	Recognised at nominal amounts.	Interest accrued credited to revenue in the period it is earned.
Equities	19	Recognised at market value.	Carrying amount of investments adjusted to market value monthly.
Managed funds	19	Recognised at market value.	Accrued distributions credited to revenue monthly. Investments adjusted to market value monthly.
Interest in business undertakings	19	Recognised at fair value.	Carrying amount of investments reviewed annually to ensure that it is not in excess of the recoverable amount of these investments.
Receivables	17	Shown at amounts due from customers, inclusive of GST and reduced for expected credit losses (Provision for doubtful debts).	Credit is allowed for a 30 day term.
Derivative Instruments - Hedge Receivable	17	Recognised at fair value in revenue.	The gross payable and receivable values are recognised in the balance sheet. The net fair value is recognised as revenue or expense for the reporting period.
(ii) Financial liabilities			
Trade and other Payables	25	Liabilities are recognised for amounts to be paid in future for goods and services received, whether or not billed to the Consolidated entity.	The University standard terms of trade is payment 30 days after receipt of invoice.
Interest bearing liabilities	28	Carried at their principal amounts.	Interest is credited monthly at the University's (weighted) interest earning rate on short term investments reduced by a nominal administration fee.
Income in advance	28	Carried at their nominal amounts.	Income is recognised in the period in which it is earned.
Non-interest bearing liabilities	28	Carried at their nominal amounts.	Nil

The Economic Entity uses forward exchange contracts to manage foreign currency cash flow risk, however other types of derivative financial instruments such as interest rate swaps are not directly used. The Economic Entity has approved the use of derivatives by its appointed Fund Managers within the bounds of their risk management policies. The main risks the Economic Entity is exposed to through its financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

Note 42 Financial risk management (continued)

(a) Market risk

(i) Foreign exchange risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Consolidated entity's exposure to foreign exchange risk is limited to its investments in international equities of \$715k in 2014 (2013: \$6k), and as indicated in Note 17 there is the equivalent of AUD \$329k (2013: \$425k) denoted in foreign currency receivables. There are \$NIL (2013: \$NIL) of trade and other payables denoted in foreign currency as per Note 25. The University utilised cash flow hedges to manage currency risk exposures. The net loss on cash flow hedges in 2014 was \$139k (2013: \$18k).

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Consolidated Entity has a finance lease with a fixed implicit interest rate with no other borrowings and therefore its interest rate risk exposure relates to income only. As at 31 December 2014 the Consolidated Entity held \$59.646m (2013: \$155.046m) in term deposits and short-term deposits earning interest at market rates. Refer Notes 16 and 19. The Consolidated Entity also held \$4.802m (2013: \$5.588m) in fixed interest managed funds. Refer Note 19.

(iii) Summarised sensitivity analysis

The following table summarises the sensitivity of the Consolidated Entity's financial assets and financial liabilities to interest rate risk and other price risk.

31 December 2014	Carrying amount \$'000	Interest rate risk				Other Price risk			
		-1%		+1%		-1%		+1%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial assets									
- Cash & cash equivalents	27,999	(280)	(280)	280	280	-	-	-	-
- Receivables	75,018	-	-	-	-	-	-	-	-
- Other financial assets	99,325	(500)	(500)	500	500	(383)	(383)	383	383
Financial liabilities									
- Payables	32,446	-	-	-	-	-	-	-	-
- Other liabilities	1,346	(13)	(13)	13	13	-	-	-	-
Total increase /(decrease)	168,550	(793)	(793)	793	793	(383)	(383)	383	383

31 December 2013	Carrying amount \$'000	Interest rate risk				Other Price risk			
		-1%		+1%		-1%		+1%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial assets									
- Cash & cash equivalents	25,368	(251)	(251)	251	251	-	-	-	-
- Receivables	65,922	-	-	-	-	-	-	-	-
- Other financial assets	205,447	(1,549)	(1,549)	1,549	1,549	(381)	(381)	381	381
Financial liabilities									
- Payables	37,554	-	-	-	-	-	-	-	-
- Other liabilities	1,480	(14)	(14)	14	14	-	-	-	-
Total increase /(decrease)	257,703	(1,814)	(1,814)	1,814	1,814	(381)	(381)	381	381

The interest rate risk on other financial liabilities not included above is nil as these funds are invested on behalf of related entities and they bear the interest rate risk. No sensitivity analysis has been prepared for foreign exchange risk as the risks are immaterial.

The above sensitivity analysis has been prepared on the assumption that all other variables remain constant.

Note 42 Financial risk management (continued)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The maximum exposure to credit risk at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the financial statements. Except for the following concentration of credit risk, the Consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Consolidated entity:

* Superannuation receivable from EDUCATION of \$55.207m (2013: \$47.073m).

(c) Liquidity risk

Liquidity risk is the risk that financial obligations will not be able to be met when they fall due. The University manages liquidity risk by monitoring forecast cash flows and maintains sufficient cash to maintain short term flexibility and enable the University to meet financial commitments in a timely manner.

At reporting date the carrying amount of financial assets and liabilities approximates their net fair values.

The Consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and liabilities at balance date are shown below.

The following tables summarise the maturity of the Consolidated financial assets and financial liabilities:

31 December 2014

	Average Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non- interest bearing	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and cash equivalents	2.82%	27,975	-	-	24	27,999
Receivables		-	-	-	75,018	75,018
Other financial assets	3.57%	50,026	1,962	3,258	44,079	99,325
Total financial assets	3.32%	78,001	1,962	3,258	119,121	202,342
Financial liabilities						
Payables		-	-	-	32,446	32,446
Other liabilities	3.21%	1,346	-	-	-	1,346
Total financial liabilities		1,346	-	-	32,446	33,792
Net financial assets		76,655	1,962	3,258	86,675	168,550

31 December 2013

	Average Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non- interest bearing	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and cash equivalents	2.67%	25,342	-	-	26	25,368
Receivables		-	-	-	65,922	65,922
Other financial assets	3.88%	154,935	1,962	3,258	45,292	205,447
Total financial assets	3.72%	180,277	1,962	3,258	111,240	296,737
Financial liabilities						
Payables		-	-	-	37,554	37,554
Other liabilities	3.59%	1,376	-	-	104	1,480
Total financial liabilities		1,376	-	-	37,658	39,034
Net financial assets		178,901	1,962	3,258	73,582	257,703

Note 43 Fair value measurements

(a) Fair Value Measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Due to the short-term nature of the current receivables, their carrying value approximates their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

The consolidated carrying amounts and aggregate fair values of financial assets and liabilities at balance date are:

	Notes	Consolidated			
		Carrying Amount		Fair Value	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash and cash equivalents	16	27,999	25,368	27,999	25,368
Receivables	17	75,624	65,998	75,624	65,998
Investments using the equity method	21	974	333	974	333
Other financial assets					
Held to maturity	19	49,546	154,455	49,546	154,455
Available-for-sale	19	5,054	7,224	5,054	7,224
Financial assets at fair value through profit or loss	19	43,971	43,768	43,971	43,768
Total Financial Assets		203,168	297,146	203,168	297,146
Non-Financial assets					
Other non-financial assets	20	14,658	12,001	14,658	12,001
Total Non-Financial assets		14,658	12,001	14,658	12,001
Financial Liabilities					
Payables	25	32,445	37,550	32,445	37,550
Borrowings	26	6,785	-	6,785	-
Other financial liabilities	28	1,346	1,376	1,346	1,376
Total Financial Liabilities		40,576	38,926	40,576	38,926

The Consolidated entity measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit or loss
- Land, buildings and infrastructure
- Available-for-sale financial assets
- Investment property

(b) Fair Value hierarchy

The Consolidated entity categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices within Level 1 that are observable for the asset or liability either directly or indirectly;
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2014.

Fair value measurements at 31 December 2014	Notes	Consolidated			
		2014	Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements					
Financial assets					
Available-for sale financial assets					
Equity securities	19	42,021	2,088	36,937	2,996
Debt securities	19	4,946	-	4,946	-
Other entities	19	2,058	-	-	2,058
Investments using the equity method	21	974	-	-	974
Total Financial Assets		49,999	2,088	41,883	6,028
Non Financial Assets					
Investment properties	23	9,203	-	-	9,203
Land, buildings and infrastructure	22	451,252	-	-	451,252
Library	22	17,100	-	-	17,100
Works of Art	22	5,808	-	-	5,808
Total Non Financial Assets		483,363	-	-	483,363
Financial Liabilities					
Derivatives used for hedging		121	-	121	-
Total Financial Liabilities		121	-	121	-
Total Fair Value measurements at 31 December 2014		533,241	2,088	41,762	489,391

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Note 43 Fair value measurements (continued)

2014

(b) Fair Value hierarchy (continued)

Fair value measurements at 31 December 2013	Notes	Consolidated			
		2013	Level 1	Level 2	Level 3
Recurring fair value measurements		\$'000	\$'000	\$'000	\$'000
Financial assets					
Financial assets at fair value through profit or loss					
Derivatives used for hedging		1,462	-	1,462	-
Available-for sale financial assets					
Equity securities	19	43,457	2,165	35,902	5,390
Debt securities	19	5,701	-	5,701	-
Other entities	19	1,834	-	-	1,834
Investments using the equity method	21	333	-	-	333
Total Financial Assets		52,787	2,165	43,065	7,557
Non Financial Assets					
Investment properties	23	9,400	-	-	9,400
Land, buildings and infrastructure	22	354,736	-	-	354,736
Library	22	16,618	-	-	16,618
Works of Art	22	5,528	-	-	5,528
Total Non Financial Assets		386,282	-	-	386,282
Financial Liabilities					
Derivatives used for hedging		1,444	-	1,444	-
Total Financial Liabilities		1,444	-	1,444	-
Total Fair Value measurements at 31 December 2013		437,625	2,165	41,621	393,839

(c) Valuation techniques used to derive level 2 and level 3 fair values

Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market (for example, managed investments and cash flow hedges) are determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The Consolidated entity uses quoted market prices or dealer quotes based on market conditions existing at each balance date. All of the resulting fair value estimates are included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and investments accounted for using the equity method.

An independent valuation was performed in December 2014 on investment properties and in 2013 on freehold land and building (classified as property, plant and equipment). All properties are revalued independently at least every three years. At the end of each reporting period, the Consolidated entity updates their assessment of the fair value of each property, taking into account the most recent independent valuations. The Consolidated entity determines the property's value within a range of reasonable fair value estimates.

The best evidence of fair value is the current price in an active market for similar properties. Where such information is not available the Consolidated entity considers information from a variety of sources, including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

All resulting fair value estimates for properties are included in level 3.

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Note 43 Fair value measurements (continued)

2014

(d) Fair value measurements using significant unobservable inputs (level 3)

The following table is a reconciliation of level 3 items for the periods ended 31 December 2014 and 2013:

Level 3 Fair Value Measurements 2014

Consolidated

Level 3 Financial Assets	Unlisted equity securities	Land, Buildings and Infrastructure	Library	Works of Art	Investment Property	Other financial assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance 1 January 2014	7,224	354,736	16,618	5,528	9,400	333	393,839
Gains or (losses) in profit or loss							
Additions	-	109,927	4,067	280	-	641	114,915
Disposals	-	(1,005)	-	-	-	-	(1,005)
Depreciation recognised in net result	-	(11,164)	(3,585)	-	-	-	(14,749)
Total gains or (losses) in profit or loss	-	97,758	482	280	-	641	99,160
Gains or (losses) in comprehensive income:							
Gain/(Loss) in other comprehensive income	224	-	-	-	-	-	224
Revaluation increment or (decrement)	(2,394)	(1,242)	-	-	(197)	-	(3,833)
Total gains or (losses) in other comprehensive income	(2,170)	(1,242)	-	-	(197)	-	(3,609)
Closing balance 31 December 2014	5,054	451,251	17,100	5,808	9,203	974	489,390

Level 3 Fair Value Measurements 2013

Consolidated

Level 3 Financial Assets	Unlisted equity securities	Land, Buildings and Infrastructure	Library	Works of Art	Investment Property	Other financial assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance 1 January 2013	7,437	-	-	-	9,400	59	16,896
Adoption of AASB 13	-	345,416	16,901	6,362	-	-	368,679
Gains or (losses) in profit or loss							
Additions	-	17,561	3,257	49	-	274	21,141
Disposals	-	(1,313)	-	-	-	-	(1,313)
Depreciation recognised in net result	-	(11,880)	(3,540)	-	-	-	(15,420)
Total gains or (losses) in profit or loss	-	4,368	(283)	49	-	274	4,408
Gains or (losses) in comprehensive income:							
Gain/(Loss) in other comprehensive income	164	-	-	-	-	-	164
Revaluation increment or (decrement)	(377)	4,952	-	(883)	-	-	3,692
Total gains or (losses) in other comprehensive income	(213)	4,952	-	(883)	-	-	3,856
Closing balance 31 December 2013	7,224	354,736	16,618	5,528	9,400	333	393,839

Note 44 Defined Benefit Plans

The University contributes to the following employee superannuation funds:

(i) UniSuper

(a) UniSuper Defined Benefit Plan or Accumulation 2

UniSuper Management Pty Ltd administers the Scheme and UniSuper Ltd is the Trustee. The University contributes at a rate double the contributions made by employees. Employees' contributions are normally 7% of their gross salaries. The fund provides the option of defined benefits based on years of service and final average salary or an accumulation fund.

UniSuper reports its results on a financial year ending 30 June.

As at 30 June 2014 there is no funding surplus or deficit which currently affects, or is expected to affect, the amount of future contributions payable by participating employers to the Defined Benefit Plan.

In 2006 the UniSuper Trust Deed was amended so that in the event UniSuper assets are insufficient to provide for the benefits payable the Trustee must consider whether to reduce member benefits on a fair and equitable basis instead of requesting additional payments from employers. While remaining a defined benefits plan under superannuation law, the change in the UniSuper Trust Deed effectively alters the nature of the scheme to a defined contribution scheme under AASB 119.

As set out under paragraph 28 of AASB119 a defined benefit contribution plan is a plan where the employer's legal or constructive obligation is limited to the amount it agrees to contribute to the fund and the actuarial risk and investment risk fall on the employee.

As at 30 June 2014 the assets of the Defined Benefit Division (DBD) in aggregate were estimated to be:

- \$271 million (June 2013: \$691m) in deficiency of vested benefits. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of indexed pensions being provided by the DBD.
- \$2,071 million (June 2013: \$861m) above accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 30 June 2014. The financial assumptions used were:

	<i>Vested Benefits</i>	<i>Accrued Benefits</i>
Gross of tax investment return:		
- Defined Benefit Division pensions	6.10%	7.80%
- Commercial rate indexed pensions	3.70%	3.70%
Net of tax investment return - non pensioner members	5.50%	7.00%
Consumer Price Index	2.75%	2.75%
Inflationary salary increases long term	3.75%	3.75%

Assets have been included at their net market value, ie allowing for realisation costs.

At 30 June 2014 the Vested Benefit Index (VBI) was 101.7% (2013: 94.7%) and the Accrued Benefit Index (ABI) was 114.7% (2013: 106.0%). As a result of the VBI being greater than 100% at 30 June 2014, the monitoring period and process set out in Clause 34 of the Trust Deed has not been instigated.

Clause 34 of the Trust Deed provides a mechanism for reducing benefits if after initially falling below specified threshold levels and after a period of at least four years, the ABI and VBI are below those thresholds (100% and 95% respectively).

Clause 34 was initiated following the 31 December 2008, 30 June 2011, 30 June 2012 and 30 June 2013 actuarial investigations.

Note 44 Defined Benefit Plans (continued)

(i) UniSuper (continued)

(a) UniSuper Defined Benefit Plan or Accumulation 2 (continued)

Following the end of the monitoring period commenced in relation to the 31 December 2008 actuarial investigation, the UniSuper Limited Board made a decision not to reduce accrued benefits but to reduce the rate at which benefits accrue in respect of the DBD membership after 1 January 2015.

After the four year monitoring periods ending on 30 June 2015, 30 June 2016 and 30 June 2017, if the ABI and/or VBI are below the specified thresholds (or the level of contribution is such that they are expected to decline to below those thresholds) the Trustee must consider if it is in the interests of members of Division A and Division B as a whole to reduce the benefits payable and if so must do so on a fair and equitable basis.

(b) UniSuper Award Plus Plan

UniSuper Management Pty Ltd administers the scheme and TESS Superannuation Ltd is the Trustee. The University contributes to the scheme at a rate determined by the trust deed. The scheme is non-contributory for employees. The fund provides benefits based on the defined contributions of the University during the membership of the employee.

The University also makes contributions into the scheme for employee benefits arising under the Superannuation Guarantee Legislation.

(ii) South Australian Superannuation Scheme

a) Fund specific disclosure

The University has 76 (2013: 78) present and former employees who are members of closed State Government Pension and Lump Sum superannuation schemes. Under the schemes, defined benefits are paid as a lump sum or continuing pension on the termination of the employees' service, based on contributions made by the employee and the employees' final salary. Employee contributions and certain employer contributions are paid to the South Australian Superannuation Board (the Board) which is responsible for administering the schemes. Under current arrangements, the Board pays the benefits and is reimbursed by the University for the shortfall in the employer's contribution. The Commonwealth Government funds the University on an emerging cost basis and recovers the State's share of the cost directly from the State government.

The University's superannuation liability with respect to future benefits for current employees and pensioners was assessed as at 31 December 2014. This assessment was performed by PricewaterhouseCoopers Securities Ltd Actuaries on information that was provided by the Director Superannuation, South Australian Department of Treasury and Finance. The University's superannuation liability was assessed as being \$55.2 million (2013: \$47.1 million). The net unfunded amount has been recognised in the accounts of the University as a liability with a corresponding receivable from the Commonwealth government (see Note 17). Recognition of the receivable from the Commonwealth is in accordance with Department of Education Guidelines and reflects an assessment that while there is no specific legislated requirement, the Commonwealth has committed to funding the University's emerging costs.

The University expects to make a contribution of \$3.2 million (2013: \$3.3 million) to the defined benefit plan during the next financial year.

The weighted average duration of the defined benefit obligation is 14.84 years (2013: 15.39 years). The expected maturity analysis of undiscounted benefit obligations is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Defined benefit obligation - 31 Dec 2014	3,157	3,210	10,159	73,833	90,359
Defined benefit obligation - 31 Dec 2013	3,211	3,142	10,066	77,444	93,863

b) Categories of plan assets

	2014		2013	
	%		%	
	Active Market	No Active Market	Active Market	No Active Market
Cash and cash equivalents	2.3%	0.0%	1.1%	0.0%
Equity instruments	51.3%	0.0%	52.2%	0.0%
Debt instruments	2.1%	0.0%	2.5%	0.0%
Property	2.6%	11.5%	2.6%	12.2%
Diversified strategies growth	1.1%	7.5%	0.9%	7.6%
Diversified strategies income	14.0%	0.0%	13.3%	0.0%
Inflation linked securities	0.0%	7.6%	0.0%	7.6%
Total	73.4%	26.6%	72.6%	27.4%

Note 44 Defined Benefit Plans (continued)

(ii) South Australian Superannuation Scheme (continued)

b) Categories of plan assets (continued)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2014	2013
	%	%
Discount rate	3.1	4.6
Expected rate of salary increase	4.0	4.0
Long term CPI Increases	2.5	2.5

c) Actuarial assumptions and sensitivity

The sensitivity of the defined benefit obligation to changes in the significant assumptions is

	Change in Assumption		Impact on defined benefit obligation	
	Increase in assumption	Impact on DBO liability	Decrease in assumption	Impact on DBO liability
	+	%	-	%
Discount rate	0.50%	3.60%	(0.50%)	2.60%
Expected rate of salary increase	0.50%	4.50%	(0.50%)	3.50%

The above sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the statement of financial position.

d) Statement of financial position amounts

Reconciliation of the present value of the defined benefit obligation

	2014	2013
	\$'000	\$'000
Present value of defined benefit obligations		
Opening defined benefit obligation	50,485	55,672
Current Service Cost	205	272
Interest expense	2,248	2,058
	52,938	58,002
Remeasurements		
Actuarial losses/(gains) arising from changes in demographic assumptions	11	-
Actuarial losses/(gains) arising from changes in financial assumptions	8,994	(4,669)
Experience (gains)/losses	(221)	(185)
	61,722	53,148
Benefits paid	(2,854)	(2,663)
Closing defined benefit obligation	58,868	50,485
Net Liability Reconciliation		
Defined Benefit Obligation	58,868	50,485
Fair value of plan assets	(3,661)	(3,411)
Net Liability	55,207	47,074
Present value of obligation		
Opening defined benefit obligation	47,073	52,718
Current service costs	2,297	2,219
Remeasurements	8,716	(5,175)
Employer contributions	(2,879)	(2,689)
Total net liability/(asset) in balance sheet	55,207	47,073

Note 45 Entity information

Flinders University is a body corporate established by an Act of the South Australian Parliament, *Flinders University of South Australia Act*, 1966. It is domiciled in Australia and its address is Sturt Road, Bedford Park, South Australia, 5042. The University's Australian Business Number (ABN) is 65 542 596 200.

Note 46 Acronyms and abbreviations

AASB	Australian Accounting Standards Board
ARC	Australian Research Council
CGS	Commonwealth Grants Scheme
EDUCATION	Australian Government Department of Education
FEE-HELP	Fee Higher Education Loan Programme (financial support for full-fee paying domestic students)
HECS-HELP	Higher Education Contribution Scheme - Higher Education Loan Program
HEFA	Higher Education Funding Agreement
IFRS	International Financial Reporting Standards
NH&MRC	National Health & Medical Research Council
OS-HELP	Overseas - Higher Education Loan Program
SA-HELP	Student Amenities Fee - Higher Education Loan Program

Note 47 Acquittal of Australian Government financial assistance

47.1 Education - CGS and Other Education Grants

Notes	Commonwealth Grant Scheme ^[1]		University ONLY Indigenous Support Program		Partnership and Participation Program ^[2]	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	132,457	126,087	591	652	3,172	3,345
Net accrual adjustments	81	693	-	-	1,236	(74)
Revenue for the period	132,538	126,780	591	652	4,408	3,271
Surplus/ (deficit) from the previous year	-	-	-	-	427	-
Total revenue including accrued revenue	132,538	126,780	591	652	4,835	3,271
Less expenses including accrued expenses	132,538	126,780	591	652	3,668	2,844
Surplus/ (deficit) for reporting period	-	-	-	-	1,167	427

^[1] Includes the basic CGS grant amount, CGS-Regional loading, CGS-Enabling loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

^[2] Partnership and Participation Program : 2013 has been restated. 2014 Net accrual adjustments include \$1,093k Adelaide University, \$144k relating to 2013 and 2012 accrued repayments, and (\$1k) to be returned to the Department.

Notes	Disability Support Program		University ONLY Transitional Cost Program		Reward Funding	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	164	168	-	-	-	637
Net accrual adjustments	-	-	-	(6)	-	-
Revenue for the period	164	168	-	(6)	-	637
Surplus/ (deficit) from the previous year	-	-	-	-	-	-
Total revenue including accrued revenue	164	168	-	(6)	-	637
Less expenses including accrued expenses	164	168	-	(6)	-	637
Surplus/ (deficit) for reporting period	-	-	-	-	-	-

Notes	Promotion of Excellence in Learning and Teaching ^[3]		University ONLY Total	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	626	283	137,010	131,172
Net accrual adjustment	-	-	1,317	613
Revenue for the period	626	283	138,327	131,785
Surplus/ (deficit) from the previous year	314	122	741	122
Total revenue including accrued revenue	940	405	139,068	131,907
Less expenses including accrued expenses	224	91	137,185	131,166
Surplus/ (deficit) for reporting period	716	314	1,883	741

^[3] The reported surplus for Promotion of Excellence and Teaching of \$716k for 2014 is expected to be rolled over. 2013 has been restated to correct the carry forward balance.

Note 47 Acquittal of Australian Government financial assistance (continued)

47.2 Higher Education Loan Programs (excl OS-HELP)

		University ONLY					
		HECS-HELP (Australian Government payments only)		FEE-HELP		SA-HELP	
Notes		2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Cash Payable / (Receivable) at beginning of year	2,718	796	-	359	(49)	-
	Financial assistance received in CASH during the reporting period	79,909	73,505	6,950	6,259	1,917	1,659
	Cash available for period	82,627	74,301	6,950	6,618	1,868	1,659
	Revenue earned	80,697	71,583	6,884	6,618	1,887	1,708
3(b)	Cash Payable / (Receivable) at end of year	1,930	2,718	66	-	(19)	(49)

		<i>University ONLY</i>	
		Total	
Notes		2014	2013
		\$'000	\$'000
	Cash Payable / (Receivable) at beginning of year	2,669	1,155
	Financial assistance received in CASH during the reporting period	88,776	81,423
	Cash available for period	91,445	82,578
	Revenue earned	89,468	79,909
3(b)	Cash Payable / (Receivable) at end of year	1,977	2,669

Note 47 Acquittal of Australian Government financial assistance (continued)

47.3 Scholarships

Notes	University ONLY					
	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships ^{[1][2]}	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	4,535	4,319	335	332	(9)	(31)
Net accrual adjustments	-	-	-	-	269	(74)
Revenue for the period	4,535	4,319	335	332	260	(105)
Surplus/ (deficit) from the previous year	824	858	-	-	483	665
Total revenue including accrued revenue	5,359	5,177	335	332	743	560
Less expenses including accrued expenses	4,386	4,353	335	332	685	77
Surplus/ (deficit) for reporting period	973	824	-	-	58	483

Notes	University ONLY					
	Commonwealth Accommodation Scholarships ^{[1][2]}		Indigenous Access Scholarships ^[4]		Indigenous Staff Scholarships ^[5]	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	(25)	(702)	5	(27)	-	43
Net accrual adjustments	(80)	649	29	(33)	(14)	-
Revenue for the period	(105)	(53)	34	(60)	(14)	43
Surplus/ (deficit) from the previous year	658	795	(1)	87	-	-
Total revenue including accrued revenue	553	742	33	27	(14)	43
Less expenses including accrued expenses	515	84	33	28	(14)	43
Surplus/ (deficit) for reporting period	38	658	-	(1)	-	-

Notes	University ONLY Total ^[6]	
	2014 \$'000	2013 \$'000
	2014 \$'000	2013 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	4,841	3,934
Net accrual adjustments	204	542
Revenue for the period	5,045	4,476
Surplus/ (deficit) from the previous year	1,964	2,405
Total revenue including accrued revenue	7,009	6,881
Less expenses including accrued expenses	5,940	4,917
Surplus/ (deficit) for reporting period	1,069	1,964

^[1] Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

^[2] The surplus remaining for Commonwealth Education Cost Scholarships are amounts expected to be rolled forward and spent in future years. The net accrual adjustments represents the amount to be repaid of \$627k.

^[3] The surplus remaining for Commonwealth Accommodation Scholarships are amounts expected to be rolled forward and spent in future years. The net accrual adjustment of \$225k includes an amount of \$784k to be repaid to the Commonwealth.

^[4] The net accrual adjustments for Indigenous Access Scholarships represents an amount of \$9k to be repaid to the Commonwealth.

^[5] The net accrual adjustment of \$14k for the Indigenous Staff Scholarships represents the amount of unspent funds, which are expected to be returned to Education.

^[6] The 2013 Acquittals have been adjusted to correct the carry forward balances for each Scholarship Type. In total the amount of Scholarships to be repaid is \$1,435k.

Note 47 Acquittal of Australian Government financial assistance (continued)

47.4 Education Research

Notes	University ONLY					
	Joint Research Engagement		Joint Research Engagement Cadetships ⁽¹⁾		Research Training Scheme	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	6,240	6,105	76	49	11,097	10,897
Net accrual adjustments	-	-	(76)	-	-	-
Revenue for the period	6,240	6,105	-	49	11,097	10,897
Surplus/ (deficit) from the previous year	-	-	74	25	-	-
Total revenue including accrued revenue	6,240	6,105	74	74	11,097	10,897
Less expenses including accrued expenses	6,240	6,105	74	-	11,097	10,897
Surplus/ (deficit) for reporting period	-	-	-	74	-	-

⁽¹⁾ The Net Accrual Adjustment for JRE Cadetship in 2014 includes an accrual for repayment of 2014 income of \$76k. The accrued expenses for JRE Cadetship include an accrual for repayment of prior year income of \$74k. Total amount to be repaid to the Department of Education is \$150k.

Notes	University ONLY			
	Research Infrastructure Block Grants		Sustainable Research Excellence in Universities	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	3,123	3,172	2,039	2,057
Net accrual adjustments	-	-	-	-
Revenue for the period	3,123	3,172	2,039	2,057
Surplus/ (deficit) from the previous year	-	-	-	-
Total revenue including accrued revenue	3,123	3,172	2,039	2,057
Less expenses including accrued expenses	3,123	3,172	2,039	2,057
Surplus/ (deficit) for reporting period	-	-	-	-

Notes	University ONLY			
	Commercialisation Training Scheme ⁽²⁾		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	(13)	-	22,562	22,280
Net accrual adjustments	13	-	(63)	-
Revenue for the period	-	-	22,499	22,280
Surplus/ (deficit) from the previous year	-	-	74	25
Total revenue including accrued revenue	-	-	22,573	22,305
Less expenses including accrued expenses	-	-	22,573	22,231
Surplus/ (deficit) for reporting period	-	-	-	74

⁽²⁾ The Commercialisation Training Scheme (CTS) acquittal for 2013 has been restated. The CTS Net accrual adjustment of \$13k is a reversal relating to 2012 and this unspent amount was repaid in January 2014. A residual total of \$244k unspent funds relating to 2011 and prior years, was recorded in our accounts as a liability in 2012 and will be repaid in 2015.

Note 47 Acquittal of Australian Government financial assistance (continued)

47.5 Australian Research Council Grants

(i) Discovery

		University ONLY			
		Projects		Fellowships	Total Discovery
Notes		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		2,213	3,657	3,797	2,123
Net accrual adjustments		80	(297)	-	-
Revenue for the period	3(e)(i)	2,293	3,360	3,797	2,123
Surplus/ (deficit) from the previous year		1,799	2,010	1,128	1,240
Total revenue including accrued revenue		4,092	5,370	4,925	3,363
Less expenses including accrued expenses		2,902	3,571	2,446	2,235
Surplus/ (deficit) for reporting period		1,190	1,799	2,479	1,128

(ii) Linkages

		University ONLY			
		Infrastructure	Projects	Total Linkages	
Notes		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		325	630	966	1,057
Net accrual adjustments		(200)	295	(76)	104
Revenue for the period	3(e)(ii)	125	925	890	1,161
Surplus/ (deficit) from the previous year		708	87	1,437	1,264
Total revenue including accrued revenue		833	1,012	2,327	2,425
Less expenses including accrued expenses		695	304	1,557	988
Surplus/ (deficit) for reporting period		138	708	770	1,437

(iii) Networks and Centres and Special Research Initiatives

		University ONLY			
		Networks and Centres		Special Research Initiatives	
Notes		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		-	-	627	6,638
Net accrual adjustments		175	229	(371)	(4,653)
Revenue for the period	3(e)(iii)	175	229	256	1,985
Surplus/ (deficit) from the previous year		50	-	2,271	2,805
Total revenue including accrued revenue		225	229	2,527	4,790
Less expenses including accrued expenses		74	179	1,979	2,519
Surplus/ (deficit) for reporting period		151	50	548	2,271

Note 47 Acquittal of Australian Government financial assistance (continued)

47.5 Australian Research Council Grants (continued)

(iii) Networks and Centres and Special Research Initiatives (continued)

Notes	University ONLY	
	Total	
	2014	2013
	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	627	6,638
Net accrual adjustments	(196)	(4,424)
Revenue for the period	431	2,214
Surplus/ (deficit) from the previous year	2,321	2,805
Total revenue including accrued revenue	2,752	5,019
Less expenses including accrued expenses	2,053	2,698
Surplus/ (deficit) for reporting period	699	2,321

47.6 OS-HELP ^{1/1}

Notes	University ONLY	
	Total	
	2014	2013
	\$'000	\$'000
Cash received during the reporting period	1,058	711
Cash Spent during the reporting period	1,355	595
Net cash received	(297)	116
Cash Surplus / (deficit) from the previous period	108	(8)
Cash Surplus / (deficit) for reporting period	(189)	108

^{1/1} OS-HELP is not included in income. The University effectively acts as a transfer agency with regard to the OS-HELP monies received from the Australian Government.

47.7 Higher Education Superannuation Program

Cash received during the reporting period	3 (g)	2,436	2,807
University contribution in respect of current employees		181	210
Cash available		2,617	3,017
Cash Surplus / (deficit) from the previous period		(305)	(730)
Cash available for current period		2,312	2,287
Contributions to specified defined benefit funds		2,787	2,592
Cash Surplus / (deficit) this period		(475)	(305)

47.8 Student Services and Amenities Fee

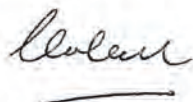
Unspent / (overspent) revenue from previous period		2,883	2,268
SA-HELP Revenue Earned	3 (b)	1,887	1,708
Student Services and Amenities Fees direct from Students	5	1,751	1,467
Total revenue expendable in period		6,521	5,443
Student Services expenses during period		3,203	2,560
Unspent / (overspent) Student Services revenue		3,318	2,883

FLINDERS UNIVERSITY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

To the best of our knowledge and belief –

- the attached General Purpose Financial Report for Flinders University presents a true and fair view, in accordance with the Treasurer's Instructions issued under Section 41 of the *Public Finance and Audit Act 1987*, applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and to conform to the Department of Education Financial Statement Guidelines for Australian Higher Education Providers for the 2014 Reporting Period, the financial position of Flinders University as at 31 December 2014, the results of its operations and its cash flows for the financial year;
- the attached financial statements are in accordance with the accounts and records of the University;
- internal controls over financial reporting and the general purpose financial report have been effective throughout the reporting period;
- at the time of signing of this statement, there are reasonable grounds to believe that the University will be able to pay its debts as and when they become due and payable;
- that the amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was intended; and
- Flinders University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.
- Flinders University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

Signed in accordance with a resolution of the Council



Mr Stephen Gerlach, AM
Chancellor

14 May 2015



Professor Colin Stirling
Vice-Chancellor

14 May 2015



Mr Shane McGregor
Senior Vice-President

14 May 2015

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To the Chancellor The Flinders University of South Australia

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 27(2) of the *Flinders University of South Australia Act 1966*, I have audited the accompanying financial report of the Flinders University of South Australia and the consolidated entity comprising the Flinders University of South Australia and its controlled entities for the financial year ended 31 December 2014. The financial report comprises:

- an Income statement for the year ended 31 December 2014
- a Statement of Comprehensive Income for the year ended 31 December 2014
- a Statement of Financial Position as at 31 December 2014
- a Statement of Changes in Equity for the year ended 31 December 2014
- a Statement of Cash Flows for the year ended 31 December 2014
- notes, comprising a summary of significant accounting policies and other explanatory information.

The financial report comprises the Flinders University of South Australia and the entities it controlled at the year's end or from time to time during the financial year.

The Council's Responsibility for the Financial Report

The members of the Council are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, the *Higher Education Support Act 2003*, and Australian Accounting Standards, and for such internal control as the Members of the Council determines is necessary to enable the preparation of financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

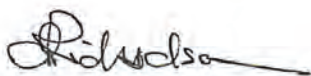
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Members of the Council, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Flinders University of South Australia and its controlled entities as at 31 December 2014, their financial performance and their cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, the *Higher Education Support Act 2003*, and Australian Accounting Standards



Andrew Richardson
ACTING AUDITOR-GENERAL
22 May 2015

Department for Health and Ageing

Financial report
for the year ended
30 June 2015

THE DEPARTMENT FOR HEALTH AND AGEING
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2015

		Consolidated		Parent	
	Note	2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
Expenses					
Employee benefit expenses	5	3,434,361	3,395,461	211,522	210,674
Supplies and services	6	1,632,171	1,572,239	472,796	419,934
Depreciation and amortisation expense	7	177,935	176,640	15,748	17,824
Grants and subsidies	8	36,364	38,851	4,011,231	4,001,972
Borrowing costs	9	3,961	4,066	1,551	1,731
Net loss from disposal of non-current and other assets	16	-	3,459	-	863
Other expenses	10	104,033	113,012	28,431	38,838
Total expenses		5,388,825	5,303,728	4,741,279	4,691,836
Income					
Revenue from fees and charges	12	570,576	541,222	342,191	302,219
Grants and contributions	13	1,501,958	1,372,098	1,219,813	1,102,440
Interest revenue	14	10,694	12,110	5,564	5,615
Resources received free of charge	15	10,589	15,469	31,856	23,889
Net gain from disposal of non-current and other assets	16	1,225	-	8,099	-
Other revenue	17	60,847	49,170	2,136	2,312
Other income	18	5,810	5,968	-	5,968
Total income		2,161,699	1,996,037	1,609,659	1,442,443
Net cost of providing services		3,227,126	3,307,691	3,131,620	3,249,393
Revenues from SA Government					
Revenue from SA Government	19	3,191,323	3,187,016	3,191,323	3,187,016
Payments to SA Government	19	26,977	2,339	26,977	2,339
Total revenues from/payments to SA Government		3,164,346	3,184,677	3,164,346	3,184,677
Net result		(62,780)	(123,014)	32,726	(64,716)
Other comprehensive income					
Items that will not be reclassified to net result					
Adjustment to recognise additional investment in available for sale assets		-	137	-	-
Asset impairment recognised directly in equity		-	(4,638)	-	-
Changes in property, plant and equipment asset revaluation surplus		(13,112)	(21,304)	3,331	-
Items that will be reclassified subsequently to net result when specific conditions are met					
Gains/(losses) recognised directly in equity		(3,901)	5,526	-	-
Total other comprehensive income		(17,013)	(20,279)	3,331	-
Total comprehensive result		(79,793)	(143,293)	36,057	(64,716)

The net result and total comprehensive result are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes.

THE DEPARTMENT FOR HEALTH AND AGEING
STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$ '000	\$ '000	\$ '000	\$ '000
Current assets					
Cash and cash equivalents	21	495,671	434,223	213,025	176,080
Receivables	22	259,276	256,858	128,644	123,642
Inventories	23	43,983	39,047	16,840	14,803
Other financial assets	24	70,221	65,439	-	-
Other assets	25	46	85	-	-
		869,197	795,652	358,509	314,525
Non-current assets classified as held for sale	26	2,902	5,727	2,902	5,727
Total current assets		872,099	801,379	361,411	320,252
Non-current assets					
Receivables	22	5,498	5,933	16,264	18,960
Other financial assets	24	6,855	4,786	-	-
Property, plant and equipment	27	2,984,896	3,063,036	52,926	50,860
Investment property	28	18,190	19,094	-	-
Intangible assets	29	105,979	83,403	81,021	66,430
Total non-current assets		3,121,418	3,176,252	150,211	136,250
Total assets		3,993,517	3,977,631	511,622	456,502
Current liabilities					
Payables	31	332,140	311,065	156,285	146,642
Borrowings	32	5,668	5,228	2,569	2,253
Employee benefits	33	479,483	431,328	23,881	24,416
Provisions	34	47,899	41,806	16,961	12,233
Other liabilities	35	53,680	46,844	531	665
Total current liabilities		918,870	836,271	200,227	186,209
Non-current liabilities					
Payables	31	26,519	19,117	19,302	33,645
Borrowings	32	43,707	48,488	13,493	15,441
Employee benefits	33	494,221	488,667	30,978	34,631
Provisions	34	148,521	153,621	85,585	77,792
Other liabilities	35	4,980	1,025	1,941	69
Total non-current liabilities		717,948	710,918	151,299	161,578
Total liabilities		1,636,818	1,547,189	351,526	347,787
Net assets		2,356,699	2,430,442	160,096	108,715
Equity					
Contributed capital	36	1,471,948	1,465,955	1,465,650	1,459,657
Asset revaluation surplus	36	315,161	328,863	35,549	32,098
Other reserves	36	38,298	42,310	-	-
Retained earnings	36	531,292	593,314	(1,341,103)	(1,383,040)
Total equity		2,356,699	2,430,442	160,096	108,715
The total equity is attributable to the SA Government as owner					
Unexpended funding commitments	20				
Unrecognised contractual commitments	38				
Contingent assets and liabilities	40				

THE DEPARTMENT FOR HEALTH AND AGEING
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2015

CONSOLIDATED

		Contributed	Asset	Other	Retained	
	Note	capital	revaluation	reserves	earnings	Total
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at 30 June 2013		1,366,885	356,182	34,094	717,359	2,474,520
Net result for 2013-14		-	-	-	(123,014)	(123,014)
Gain/(loss) on revaluation of property	27	-	-	-	-	-
Gain/(loss) on revaluation of plant and equipment	27	-	-	-	-	-
Gain/(loss) on revaluation of other financial assets		-	-	729	-	729
Gain/(loss) on realisation of other financial assets		-	-	(203)	-	(203)
Gain/(loss) on revaluation of defined benefit fund liability		-	-	5,000	-	5,000
Adjustment to recognise additional investment in available for sale assets		-	-	-	137	137
Correction to prior period asset revaluation	27	-	(21,304)	-	-	(21,304)
Derecognition of assets		-	-	-	-	-
Impairment of assets	27	-	(4,638)	-	-	(4,638)
Total comprehensive result for 2013-14		-	(25,942)	5,526	(122,877)	(143,293)
Transfer between equity components		-	(1,377)	2,690	(1,313)	-
Transactions with SA Government as owner						
Equity contributions from the Department of Treasury and Finance		99,070	-	-	-	99,070
Net assets transferred as a result of an administrative restructure	39	-	-	-	145	145
Balance at 30 June 2014	36	1,465,955	328,863	42,310	593,314	2,430,442
Net result for 2014-15		-	-	-	(62,780)	(62,780)
Gain/(loss) on revaluation of property	27	-	(16,833)	-	-	(16,833)
Gain/(loss) on revaluation of plant and equipment	27	-	3,721	-	-	3,721
Gain/(loss) on revaluation of other financial assets		-	-	(172)	-	(172)
Gain/(loss) on realisation of other financial assets		-	-	-	-	-
Gain/(loss) on revaluation of defined benefit fund liability		-	-	(3,729)	-	(3,729)
Adjustment to recognise additional investment in available for sale assets		-	-	-	-	-
Correction to prior period asset revaluation		-	-	-	-	-
Derecognition of assets		-	529	-	(529)	-
Impairment of assets	27	-	-	-	-	-
Total comprehensive result for 2014-15		-	(12,583)	(3,901)	(63,309)	(79,793)
Transfer between equity components		-	(1,119)	(111)	1,230	-
Transactions with SA Government as owner						
Equity contributions from the Department of Treasury and Finance		5,993	-	-	-	5,993
Net assets transferred as a result of an administrative restructure	39	-	-	-	57	57
Balance at 30 June 2015	36	1,471,948	315,161	38,298	531,292	2,356,699

THE DEPARTMENT FOR HEALTH AND AGEING
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2015

PARENT

		Contributed	Asset	Other	Retained	
	Note	capital	revaluation	reserves	earnings	Total
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at 30 June 2013 as previously reported		1,360,587	32,098	-	(1,298,520)	94,165
Error correction		-	-	-	(17,000)	(17,000)
Restated balance at 30 June 2013		1,360,587	32,098	-	(1,315,520)	77,165
Net result for 2013-14 as previously reported		-	-	-	(58,586)	(58,586)
Error correction		-	-	-	(6,130)	(6,130)
Net result for 2013-14 restated		-	-	-	(64,716)	(64,716)
Gain/(loss) on revaluation of property	27	-	-	-	-	-
Total comprehensive result for 2013-14 restated		-	-	-	(64,716)	(64,716)
Transfer between equity components		-	-	-	-	-
Transactions with SA Government as owner						
Equity contributions from the Department of Treasury and Finance		99,070	-	-	-	99,070
Net assets received from an administrative restructure	39	-	-	-	(2,804)	(2,804)
Net assets transferred as a result of an administrative restructure	39	-	-	-	-	-
Restated balance at 30 June 2014	36	1,459,657	32,098	-	(1,383,040)	108,715
Net result for 2014-15		-	-	-	32,726	32,726
Gain/(loss) on revaluation of property	27	-	3,331	-	-	3,331
Total comprehensive result for 2014-15		-	3,331	-	32,726	36,057
Transfer between equity components		-	120	-	(120)	-
Transactions with SA Government as owner						
Equity contributions from the Department of Treasury and Finance		5,993	-	-	-	5,993
Net assets received from an administrative restructure	39	-	-	-	4,284	4,284
Net assets transferred as a result of an administrative restructure	39	-	-	-	5,047	5,047
Balance at 30 June 2015	36	1,465,650	35,549	-	(1,341,103)	160,096

All changes in equity are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes.

THE DEPARTMENT FOR HEALTH AND AGEING
STATEMENT OF CASH FLOWS
For the year ended 30 June 2015

	Consolidated		Parent	
Note	2015	2014	2015	2014
	\$ '000	\$ '000	\$ '000	\$ '000
Cash flows from operating activities				
Cash outflows				
Employee benefit payments	(3,374,153)	(3,316,748)	(210,324)	(213,811)
Payments for supplies and services	(1,819,762)	(1,847,055)	(520,449)	(537,067)
Payments for grants and subsidies	(69,726)	(54,069)	(4,020,549)	(4,020,008)
Interest paid	(3,961)	(4,066)	(1,551)	(1,731)
Residential aged care bonds refunded	(6,373)	(7,891)	-	-
Payments for paid parental leave scheme	(10,709)	(8,960)	(416)	(473)
Other payments	(79,442)	(74,711)	(6,312)	(4,559)
Cash used in operations	(5,364,126)	(5,313,500)	(4,759,601)	(4,777,649)
Cash inflows				
Fees and charges	579,393	521,352	342,343	267,573
Grants and contributions	1,504,405	1,372,224	1,220,065	1,103,008
Interest received	9,334	11,061	5,565	5,614
Residential aged care bonds received	15,153	8,072	-	-
GST recovered	194,556	200,273	48,485	93,231
Receipts for paid parental leave scheme	10,874	9,057	407	479
Other receipts	60,616	58,346	2,239	8,322
Cash generated from operations	2,374,331	2,180,385	1,619,104	1,478,227
Cash flows from SA Government				
Receipts from SA Government	3,191,323	3,187,016	3,191,323	3,187,016
Payments to SA Government	(26,977)	(2,339)	(26,977)	(2,339)
Total cash flows from SA Government	3,164,346	3,184,677	3,164,346	3,184,677
Net cash provided by/(used in) operating activities	174,551	51,562	23,849	(114,745)
Cash flows from investing activities				
Cash outflows				
Purchase of property, plant and equipment	(109,854)	(164,231)	(2,986)	(5,466)
Purchase of intangibles	(36,918)	(26,676)	(25,546)	(21,247)
Purchase of investments	(8,943)	(26,160)	-	-
Cash used in investing activities	(155,715)	(217,067)	(28,532)	(26,713)
Cash inflows				
Proceeds from sale of property, plant and equipment	35,024	6,738	34,339	2,315
Proceeds from sale/maturities of investments	4,332	3,259	-	3,523
Proceeds from other investing activities	1,604	-	-	-
Cash generated from investing activities	40,960	9,997	34,339	5,838
Net cash provided by/(used in) investing activities	(114,755)	(207,070)	5,807	(20,875)

THE DEPARTMENT FOR HEALTH AND AGEING
STATEMENT OF CASH FLOWS
For the year ended 30 June 2015

	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$ '000	\$ '000	\$ '000	\$ '000
Cash flows from financing activities					
Cash outflows					
Repayment of finance leases		(2,709)	(2,807)	-	-
Repayment of borrowings		(1,632)	(3,815)	(1,632)	(1,867)
Cash used in financing activities		(4,341)	(6,622)	(1,632)	(1,867)
Cash inflows					
Capital contributions from Government		5,993	99,070	5,993	99,070
Proceeds from receipt of loan repayments		-	-	2,928	2,488
Cash generated from financing activities		5,993	99,070	8,921	101,558
Net cash provided by/(used in) financing activities		1,652	92,448	7,289	99,691
Net increase/(decrease) in cash and cash equivalents		61,448	(63,060)	36,945	(35,929)
Cash and cash equivalents at the beginning of the period		434,223	497,283	176,080	212,009
Cash and cash equivalents at the end of the period	21	495,671	434,223	213,025	176,080
Non-cash transactions	41	(166,235)	(195,923)	16,308	(17,210)

The above statement should be read in conjunction with the accompanying notes.

THE DEPARTMENT FOR HEALTH AND AGEING
DISAGGREGATED DISCLOSURES - EXPENSES AND INCOME

For the year ended 30 June 2015

<i>Activities - refer Note 4</i>	Activity A		Activity B		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses						
Employee benefit expenses	211,522	210,674	3,222,839	3,184,787	3,434,361	3,395,461
Supplies and services	472,796	419,934	1,159,375	1,152,305	1,632,171	1,572,239
Depreciation and amortisation expense	15,748	17,824	162,187	158,816	177,935	176,640
Grants and subsidies	4,011,231	4,001,972	(3,974,867)	(3,963,121)	36,364	38,851
Borrowing costs	1,551	1,731	2,410	2,335	3,961	4,066
Net loss from disposal of non-current and other assets	-	863	-	2,596	-	3,459
Other expenses	28,431	38,838	75,602	74,174	104,033	113,012
Total expenses	4,741,279	4,691,836	647,546	611,892	5,388,825	5,303,728
Income						
Revenue from fees and charges	342,191	302,219	228,385	239,003	570,576	541,222
Grants and contributions	1,219,813	1,102,440	282,145	269,658	1,501,958	1,372,098
Interest revenue	5,564	5,615	5,130	6,495	10,694	12,110
Resources received free of charge	31,856	23,889	(21,267)	(8,420)	10,589	15,469
Net gain/(loss) from disposal of non-current and other assets	8,099	-	(6,874)	-	1,225	-
Other revenue	2,136	2,312	58,711	46,858	60,847	49,170
Other income	-	5,968	5,810	-	5,810	5,968
Total income	1,609,659	1,442,443	552,040	553,594	2,161,699	1,996,037
Net cost of providing services	3,131,620	3,249,393	95,506	58,298	3,227,126	3,307,691
Revenues from SA Government						
Revenue from SA Government	3,191,323	3,187,016	-	-	3,191,323	3,187,016
Payments to SA Government	26,977	2,339	-	-	26,977	2,339
Total revenues from / Payments to SA Government	3,164,346	3,184,677	-	-	3,164,346	3,184,677
Net result	32,726	(64,716)	(95,506)	(58,298)	(62,780)	(123,014)

THE DEPARTMENT FOR HEALTH AND AGEING
DISAGGREGATED DISCLOSURES - ASSETS AND LIABILITIES

As at 30 June 2015

Activities - refer Note 4

	Activity A		Activity B		Total	
	2015	2014	2015	2014	2015	2014
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Current assets						
Cash and cash equivalents	213,025	176,080	282,646	258,143	495,671	434,223
Receivables	128,644	123,642	130,632	133,216	259,276	256,858
Inventories	16,840	14,803	27,143	24,244	43,983	39,047
Other financial assets	-	-	70,221	65,439	70,221	65,439
Other assets	-	-	46	85	46	85
	358,509	314,525	510,688	481,127	869,197	795,652
Non-current assets classified as held for sale	2,902	5,727	-	-	2,902	5,727
Total current assets	361,411	320,252	510,688	481,127	872,099	801,379
Non-current assets						
Receivables	16,264	18,960	(10,766)	(13,027)	5,498	5,933
Other financial assets	-	-	6,855	4,786	6,855	4,786
Property, plant and equipment	52,926	50,860	2,931,970	3,012,176	2,984,896	3,063,036
Investment property	-	-	18,190	19,094	18,190	19,094
Intangible assets	81,021	66,430	24,958	16,973	105,979	83,403
Total non-current assets	150,211	136,250	2,971,207	3,040,002	3,121,418	3,176,252
Total assets	511,622	456,502	3,481,895	3,521,129	3,993,517	3,977,631
Current liabilities						
Payables	156,285	146,642	175,855	164,423	332,140	311,065
Borrowings	2,569	2,253	3,099	2,975	5,668	5,228
Employee benefits	23,881	24,416	455,602	406,912	479,483	431,328
Provisions	16,961	12,233	30,938	29,573	47,899	41,806
Other liabilities	531	665	53,149	46,179	53,680	46,844
Total current liabilities	200,227	186,209	718,643	650,062	918,870	836,271
Non-current liabilities						
Payables	19,302	33,645	7,217	(14,528)	26,519	19,117
Borrowings	13,493	15,441	30,214	33,047	43,707	48,488
Employee benefits	30,978	34,631	463,243	454,036	494,221	488,667
Provisions	85,585	77,792	62,936	75,829	148,521	153,621
Other liabilities	1,941	69	3,039	956	4,980	1,025
Total non-current liabilities	151,299	161,578	566,649	549,340	717,948	710,918
Total liabilities	351,526	347,787	1,285,292	1,199,402	1,636,818	1,547,189

THE DEPARTMENT FOR HEALTH AND AGEING**NOTE INDEX**

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THE DEPARTMENT FOR HEALTH AND AGEING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

1 Objectives of the Department for Health and Ageing

The consolidated entity is comprised of the Department for Health and Ageing (the Department), Central Adelaide Local Health Network, Country Health SA Local Health Network, Northern Adelaide Local Health Network, Southern Adelaide Local Health Network, Women's and Children's Health Network and SA Ambulance Service Inc (collectively, the Consolidated Entity) as detailed in Note 2.3.

The Consolidated Entity operates within the:

- *Health Care Act 2008* (the Act); and
- *Public Sector Act 2009*.

The Consolidated Entity is responsible for the provision of:

- health policy and promotion, clinical services and administration associated with the provision of health services across country and metropolitan South Australia;
- hospital-based tertiary care and other acute services as well as rehabilitation, mental health and other community health services across country and metropolitan South Australia;
- grants to non-government organisations for the delivery of health services; and
- Aboriginal controlled primary health services in Ceduna, Port Augusta and surrounding areas.

1.1 Administrative restructures

2014-15

- As a result of the *Public Sector (Reorganisation of Public Sector Operations) Notice 2014* approved by the Premier in the Government Gazette dated 26 June 2014 the business unit known as Health Industries South Australia was transferred from the Department to the Department of State Development.
- Health Portfolio Executive approved on 2 October 2008 the establishment of a consolidated procurement, contracting and supply chain service. This service provides the foundation for delivering best practice procurement, contracting and supply chain management across SA Health. Inventory was transferred to the SA Distribution Centre division of the Department in a staged approach impacting Health Networks as outlined below:
 - Effective 4 August 2014 inventory associated with the Country Health SA Local Health Network (Riverland Health Services and South Coast District Hospital), Southern Adelaide Local Health Network (Flinders Medical Centre) and Northern Adelaide Local Health Network (Lyell McEwin Hospital) were transferred;
 - Effective 3 November 2014 inventory associated with the Central Adelaide Local Health Network (Hampstead Rehabilitation Centre, Royal Adelaide Hospital and The Queen Elizabeth Hospital) were transferred;
 - Effective 16 February 2015 inventory associated with the Country Health SA Local Health Network (Port Lincoln Hospital), Southern Adelaide Local Health Network (Noarlunga Health Services and Repatriation General Hospital) and Women's and Children's Health Network (all sites) were transferred; and
 - Effective 25 May 2015 inventory associated with the Central Adelaide Local Health Network (SA Pathology) and Country Health SA Local Health Network (Port Augusta Hospital, Port Pirie Regional Health Service and Whyalla Hospital) were transferred.
- Following a review of Departmental functions, effective 1 June 2015, the Chief Executive of the Department approved the transfer of Financial Business Advisory and Hospital based Revenue Services employees within Finance to the Hospitals and the SA Ambulance Service Inc.

2013-14

- A new SA Biomedical Engineering (SA BME) organisation structure was approved by the Chief Executive of the Department on 3 January 2013. This new state-wide service will deliver efficiencies, maximise the use of resources, ensure that consistent and easily accessible services are available across SA and provide a network wide management approach to the maintenance and operation of medical equipment. The transition took place in two phases, the first tranche of in-scope employees were transferred as of 7 October 2013 and the second phase as of 18 November 2013. All in-scope employees and their associated employee benefits transferred from the following Local Health Networks: Country Health SA Local Health Network; Southern Adelaide Local Health Network; Central Adelaide Local Health Network and Women's and Children's Health Network, to a consolidated state-wide biomedical engineering service within the Department.
- Health Portfolio Executive approved on 2 October 2008 the establishment of a consolidated procurement, contracting and supply chain service. This service provides the foundation for delivering best practice procurement, contracting and supply chain management across SA Health. Effective 24 March 2014 inventory associated with the Country Health SA Local Health Network and Central Adelaide Local Health Network were transferred to the SA Distribution Centre division of the Department.

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- As a result of the *Public Sector (Reorganisation of Public Sector Operations) Notice 2012* approved by the Premier in Government Gazettes dated 4 November 2013, eight staff members from Country Health SA Local Health Network were transferred to the Department of Planning, Transport and Infrastructure.

Details of the assets, rights and liabilities that transferred are provided in Note 39.

2 Summary of significant accounting policies

2.1 Statement of compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*, and the requirements of the Act.

The Consolidated Entity has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Consolidated Entity is a not-for-profit entity.

Except for AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities* which the Consolidated Entity has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Consolidated Entity for the period ending 30 June 2015. Refer to Note 3.

2.2 Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgment in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, that have been included in this financial report:
 - a) revenues, expenses, financial assets and financial liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature;
 - b) expenses incurred as a result of engaging consultants;
 - c) employee targeted voluntary separation package (TVSP) information;
 - d) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths), and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees; and
 - e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than direct out of pocket reimbursement.

The Consolidated Entity's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the applicable valuation policy.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and are presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

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2.3 Reporting entity

The consolidated financial statements have been prepared by combining the financial statements of all entities that comprise the Consolidated Entity, in accordance with AASB 10 *Consolidated Financial Statements*.

The Consolidated Entity is comprised of:

- the parent entity being the Department for Health and Ageing (the Department)
- Central Adelaide Local Health Network Incorporated (includes the assets, liabilities, revenues and expenses of Medvet Science Pty Ltd (Medvet).) Refer to Note 42 for further information about interests in other entities.
- Country Health SA Local Health Network Incorporated (includes the assets, liabilities, revenues and expenses of the Health Advisory Councils (HACs).) Refer to Note 42 for further information about interests in other entities.
- Northern Adelaide Local Health Network Incorporated
- Southern Adelaide Local Health Network Incorporated (includes a 50% beneficial entitlement to the net assets of Flinders Reproductive Medicine Pty Ltd.) Refer to Note 42 for further information about interests in other entities.
- Women's and Children's Health Network Incorporated
- SA Ambulance Service Inc (includes the operations of the SA Ambulance Development Fund.)

In forming the view that entities are controlled, the Department considered its involvement with the relevant entities and determined that its substantive rights give the Department the current ability to direct the major relevant activities of the entities and the Department is exposed or has rights to variable returns from its involvement as the entities contribute to the furtherance of the Department's objectives.

Consistent accounting policies have been applied and all inter-entity balances and transactions arising within the Consolidated Entity have been eliminated in full.

The Department is a government department of the State of South Australia, established pursuant to the *Public Sector Act 2009*. The Department is an administrative unit acting on behalf of the Crown.

Central Adelaide Local Health Network, Country Health SA Local Health Network, Northern Adelaide Local Health Network, Southern Adelaide Local Health Network, Women's and Children's Health Network (collectively, the Hospitals) and SA Ambulance Service Inc (SAAS) are governed under the Act.

2.4 Budgeted amounts

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes. The budget process is not subject to audit.

2.5 Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change, or as otherwise noted.

Where presentation and classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial statements for the preceding period.

2.6 Rounding

All amounts in the financial statements are rounded to the nearest thousand dollars (\$'000).

2.7 Taxation

The Consolidated Entity is not subject to income tax. The Consolidated Entity is liable for fringe benefits tax (FBT) and goods and services tax (GST). The Department is additionally liable for payroll tax and emergency services levy.

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

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The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

Effective 1 January 2014, the entities that comprise the Consolidated Entity were grouped for GST purposes with the ATO. All transactions between the GST group members are not subject to GST. The Department acts as an agent on behalf of the incorporated Hospitals and SAAS for the purpose of remitting GST to, and recovering GST from, the ATO.

2.8 Expenses

Expenses are recognised in the Consolidated Entity's Statement of Comprehensive Income when, and only when, it is probable that the flow of economic benefits from the Consolidated Entity will occur, and can be reliably measured.

Expenses have been classified according to their nature, and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are the specific recognition criteria:

Resources provided free of charge

Resources provided free of charge are recorded as expenditure in the Statement of Comprehensive Income at their fair value.

Resources provided free of charge are recorded in the line items to which they relate.

The Department provided various anti-viral and highly specialised drugs to health providers to distribute free of charge to the South Australian community.

Contributions paid

Contributions payable will be recognised as a liability and expense when the Consolidated Entity has a present obligation to pay the contribution and the expense recognition criteria are met.

Grants paid

Grants that are paid to other entities by the Consolidated Entity for general assistance or a particular purpose may be for capital or recurrent purposes and the name of the category reflects the use of the grant. These entities may be other SA Government agencies or non-government organisations. The grants given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation.

Payments to SA Government

Payments to the SA Government includes other payments paid directly to the Consolidated Account.

Loss from disposal of non-current assets

Loss from the disposal of non-current assets is recognised when control of the asset has passed to the buyer, and determined by comparing proceeds with the carrying amount. When revalued assets are sold, any identified revaluation increments are transferred to retained earnings.

Borrowing costs

Borrowing costs are recognised as an expense when incurred.

Employee benefit expenses

Employee benefit expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Consolidated Entity to the superannuation plan in respect of current services of the Consolidated Entity's current employees. The Department of Treasury and Finance (DTF) centrally recognises the superannuation liability in the whole of government financial statements.

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2.9 Funding for the Consolidated Entity

Funding for the Consolidated Entity comes from three main sources:

- appropriation funding from State and Commonwealth Government sources. These funds are applied to both controlled and administered activities;
- fees and charges including patient/client fees and ambulance transport; and
- grants and contributions.

2.10 Income

Income is recognised in the Consolidated Entity's Statement of Comprehensive Income when, and only when, it is probable that the flow of economic benefits to the Consolidated Entity will occur, and can be reliably measured.

Income has been classified according to its nature, and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are the specific recognition criteria:

Fees and charges

Revenues from fees and charges are derived from the provision of goods and services to other SA government agencies and to the public. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Gain from disposal of non-current assets

Income from the disposal of non-current assets is recognised when control of the asset has passed to the buyer, and determined by comparing proceeds with the carrying amount. When revalued assets are sold, any identified revaluation increments are transferred to retained earnings.

Resources received free of charge

Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value.

Resources received free of charge are recorded as such with revenue being separately disclosed.

Contributions received

Contributions are recognised as an asset and income when the Consolidated Entity obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met.

Grants received

Grants that are received from other entities by the Consolidated Entity for general assistance or a particular purpose may be for capital, or recurrent purposes and the name of the category reflects the use of the grant. These entities may be other SA Government agencies, Commonwealth Government or non-government organisations. The grants received are usually subject to terms and conditions set out in the contract, correspondence, or by legislation.

Other revenue

Other revenue consists of commissions revenue, dividend revenue, royalty income, training revenue, donations received, rent revenue, car park revenue and other.

Other income

Other income consists of insured drug supplies recoveries and gain on revaluations reversing previous revaluation decrements recognised in Statement of Comprehensive Income.

2.11 Revenue from SA Government

The Department is the public authority of the Consolidated Entity and as such receives all appropriation from DTF. The Department provides recurrent and capital funding under a service level agreement (SLA) to the Hospital's and SAAS for the provision of services.

Appropriations from program funding are recognised as revenue when the Department obtains control over the assets. Control over the appropriations is normally obtained upon receipt and are accounted for in accordance with Treasurer's Instruction 3 *Appropriation*.

Where money has been appropriated in the form of a loan, the Department has recorded a loan receivable.

Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the Department and the contribution is recorded as contributed equity.

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2.12 Foreign currency transactions

Transactions in foreign currency are translated into the Consolidated Entity's functional currency (Australian dollars) at the exchange rates at the dates the transactions occur.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the original transaction.

Foreign currency differences are recognised in the Statement of Comprehensive Income.

2.13 Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. The Consolidated Entity has a clearly identifiable operating cycle of 12 months. Therefore, assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle will be classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Consolidated Entity has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

2.14 Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

2.15 Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand, deposits at call and other short-term, highly liquid investments with maturities of three months or less, that are readily converted to cash, and which are subject to insignificant risk of changes in value.

Cash and cash equivalents in the Statement of Cash Flows consist of cash and cash equivalents as defined above, net of bank overdrafts. Cash is measured at nominal value.

The Government has a policy to align agency cash balances with the appropriation and expenditure authority.

2.16 Receivables

Receivables include amounts receivable from goods and services, GST recoverable, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other agencies and to the public. The Consolidated Entity's trading terms for receivables are generally 30 days.

Other debtors arise outside the normal course of selling goods and services to other agencies and to the public.

Doubtful Debts

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Consolidated Entity will not be able to collect the debt. Bad debts are written off only after all reasonable effort has been made to collect the debt.

2.17 Inventories

Inventories held for distribution at no or nominal consideration are measured at the lower of average weighted cost and replacement cost. Inventories (other than those held for distribution at no or nominal consideration) are measured at the lower of average weighted cost or their net realisable value.

The amount of any inventory write-down to net realisable value/replacement cost or inventory losses are recognised in the Statement of Comprehensive Income as an expense in the period the write-down or loss occurred. Any write-down reversals are also recognised in the Statement of Comprehensive Income as an expense reduction.

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Inventories include:

- Drug supplies;
- Medical, surgical and laboratory supplies;
- Food and hotel supplies;
- Engineering supplies;
- SA Health distribution centre supplies;
- Inventory imprest stock; and
- Other supplies.

2.18 Other financial assets

The Consolidated Entity measures financial assets and debts at historical cost, except for listed equities which are measured at market value.

2.19 Non-current assets held for sale

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale is expected to be completed one year from the date of classification.

Non-current assets classified as held for sale are presented separately from the other assets in the Statement of Financial Position.

2.20 Non-current asset acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation. Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. Where assets are acquired at no or nominal value as part of a restructure of administrative arrangements, the assets are recorded at the value held by the transferor public authority prior to the restructure.

The Consolidated Entity capitalises all non-current tangible property, plant and equipment and intangible assets that it controls valued at or greater than \$10,000. Assets recorded as works in progress represent projects physically incomplete as at the reporting date. Componentisation of complex assets is generally performed when the complex asset's fair value at the time of acquisition is equal to or greater than \$5 million for infrastructure assets and \$1 million for other assets.

Assets held for sale are separately disclosed and measured at cost.

2.21 Revaluation of non-current assets

In accordance with Accounting Policy Framework III *Asset Accounting Framework*:

- all non-current tangible assets are valued at written down cost (a proxy for fair value);
- the Consolidated Entity revalues all land, buildings and site improvements triennially via a Certified Practising Valuer;
- triennial revaluation of other non-current assets by a Certified Practising Valuer is only performed when the assets fair value at the time of acquisition is greater than \$1 million, and the estimated useful life exceeds three years;
- if at any time management considers that the carrying amount of an asset greater than \$1 million materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place; and
- non-current tangible assets that are acquired between revaluations are held at cost, until the next valuation, when they are revalued to fair value.

Any revaluation increase is credited to the revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income.

Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the revaluation surplus to the extent of the credit balance existing in revaluation reserves for that asset class.

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Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class, but are not offset in respect of assets in different classes.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Upon disposal or derecognition, any asset revaluation surplus relating to that asset is transferred to retained earnings.

2.22 Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. The amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. For revalued assets, an impairment loss is offset against the revaluation surplus for that class of assets, to the extent that the impairment loss does not exceed the amount in the respective asset revaluation surplus.

2.23 Valuation of existing Royal Adelaide Hospital land, buildings and property, plant and equipment (the RAH assets)

Due to the upcoming completion of the new Royal Adelaide Hospital, some degree of uncertainty exists regarding the future use of some of the buildings and site improvements assets located at the existing RAH site. As these buildings and site improvements are of a specialised nature, it is difficult to reliably measure the asset value.

Due to this inherent estimation uncertainty, management have decided to value the buildings and site improvements at nil value. It is acknowledged that the ultimate market value and application of these RAH site assets will be determined following the current expression of interest process and decision of Cabinet, however due to the uncertainty at this time this conservative valuation approach has been adopted.

The associated land has been valued using the market approach, which considers transactions for similar land in the area and includes adjustment for factors specific to the land being valued such as size, location and current use.

2.24 Depreciation and amortisation of non-current assets

All non-current assets, that have a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible and leasehold assets, whilst depreciation is applied to physical assets such as property, plant and equipment.

The useful lives, depreciation and amortisation methods of all major assets held by the Consolidated Entity are reassessed on an annual basis.

Changes in expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is the shorter.

Land and non current assets held for sale are not depreciated.

Depreciation/amortisation is calculated on a straight line basis over the estimated or revised remaining useful life of the following classes of assets as follows:

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	1 - 80
Leasehold improvements	Life of lease
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	1 - 25
• Computing equipment	3 - 12
• Vehicles	2 - 25
• Other plant and equipment	3 - 50
Intangibles	4 - 11

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2.25 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of, or internal development of software, is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10,000.

Capitalised software is amortised over the useful life of the asset.

2.26 Investment properties

Investment properties represent properties held to earn rentals and/or for capital appreciation. Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset, will flow to the Consolidated Entity.

Subsequent to initial recognition at cost, investment properties are revalued to fair value with changes in the fair value recognised as income or expense in the period that they arise. The properties are not depreciated and are not tested for impairment.

Rental income from the leasing of investment properties is recognised in the Statement of Comprehensive Income as part of other revenue, on a straight line basis over the lease term.

2.27 Fair value measurement

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

The Consolidated Entity classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 – traded in active markets, and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market, and are derived from inputs (inputs other than quoted prices included within Level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market, and are derived from unobservable inputs.

The valuation processes and fair value changes are reviewed at each reporting date.

Non-financial assets

In determining fair value, the Consolidated Entity has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible and financially feasible).

The Consolidated Entity's current use is the highest and best use of the asset unless other factors suggest an alternative use. As the Consolidated Entity did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to Notes 27, 28 and 30 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

Financial assets/liabilities

Investments in listed entities are recognised at fair value based on quoted market prices for identical assets at reporting date. The Consolidated Entity does not recognise any other financial assets or financial liabilities at fair value.

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2.28 Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

2.29 Payables

Payables include creditors, accrued expenses, GST payable, employee on-costs and Paid Parental Leave Scheme payable.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to normal operations of the Consolidated Entity.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period, and where an invoice has not been processed/received.

The Paid Parental Leave Scheme payable represents amounts which the Consolidated Entity has received from the Commonwealth Government to forward onto eligible employees via the Consolidated Entity's standard payroll processes. That is, the Consolidated Entity is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

All payables are measured at their nominal amount, are unsecured, and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employee benefit on-costs for the Consolidated Entity include superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave (LSL), annual leave and skills and experience retention leave (SERL). Employee benefit on-costs for the Department also include payroll tax and Return to Work SA levies.

The Consolidated Entity makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed superannuation schemes.

2.30 Accommodation Bonds

Accommodation bonds are non-interest bearing deposits made by aged care facility residents to the Consolidated Entity upon their admission to low care accommodation. The liability for accommodation is carried at the amount that would be payable on exit of the resident. This is the amount received on entry of the resident less deductions for fees and retentions pursuant to the *Aged Care Act 1997*. Accommodation bonds are classified as current liabilities as the Consolidated Entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. The obligation to settle could occur at any time. These amounts have been disclosed in other liabilities as residential aged care bonds. Once a refunding event occurs the other liability becomes interest bearing. The interest rate applied is the prevailing interest rate at the time as prescribed by the Commonwealth Department of Health.

2.31 Borrowings/Financial Liabilities

The Consolidated Entity measures financial liabilities including borrowings/debt at historical cost.

2.32 Employee benefits

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value, and short-term employee benefits are measured at nominal amounts.

Salaries, wages, annual leave, SERL and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the SERL liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. In the unusual event where salary and wages, annual leave and SERL liability are payable later than 12 months, the liability will be measured at present value.

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No provision has been made for sick leave, as all sick leave is non-vesting, and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for LSL was determined through an actuarial assessment undertaken by Mercer Consulting (Australia) Pty Ltd, in accordance with AASB 119 *Employee Benefits*. The following assumptions were made by the Actuary when performing the assessment:

- Salary increases of between 2.50 percent and 3.00 percent; and
- Discounting of between 2.70 to 2.95 percent per annum based on the gross 6 to 10 year Commonwealth bond rates prevailing at 30 June 2015.

The estimated liability for LSL is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the health sector across government.

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

Superannuation funds

A majority of SAAS's employees are members of the SA Ambulance Service Superannuation Scheme (the "Scheme"). These employees are eligible to receive a benefit from the Scheme. A benefit is payable on retirement, death, disablement or leaving SAAS, in accordance with the Scheme's trust deed and rules. The Scheme provides lump sum benefits based on a combination of defined benefits which depend on years of service and final salary and accumulation benefits which depend on the accumulation of member and employer contributions adjusted for appropriate earnings and expenses. The liability for this Scheme has been determined via an actuarial valuation by Mercer Investment Nominees Limited using the projected unit credit method. The South Australian Superannuation Board was appointed Trustee of the Scheme effective 1 July 2006. The Scheme was closed to new members as at 30 June 2008. From 1 July 2008 new employees join an accumulative Triple S Scheme.

The defined benefit liability has been recognised in the Statement of Financial Position in accordance with AASB 119. The expected payment to settle the obligation has been determined using national government bond market yields with terms and conditions that match, as closely as possible, to estimated cash outflows. Refer to Note 33.

Actuarial gains and losses are recognised in other comprehensive income in the Statement of Comprehensive Income, in the period in which they occur. The superannuation expense comprising interest cost and other costs of the defined benefit plan is measured in accordance with AASB 119 and is recognised as and when contributions fall due.

For those employee's who are not members of the Scheme, the Consolidated Entity pays contributions in accordance with the relevant award or contract of employment to other nominated Superannuation funds in compliance with the superannuation guarantee legislation. Contributions are charged as expenditure as they are made. Members are not required to make contributions to these funds.

2.33 Provisions

Provisions are recognised when the Consolidated Entity has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Insurance

The Department is responsible for the management of the Consolidated Entity's insurance program. The Department is a participant in the State Government's insurance program. The Department pays a premium to SA Government Financing Authority (SAFA), SAICORP Division for professional indemnity insurance, public liability and property insurance, and is responsible for the management claim for amounts up to an agreed amount (the deductible). SAICORP provides the balance of funding for claims in excess of the deductible. For professional indemnity claims after 1 July 1994 and general public liability and property claims after 1 July 1999 the deductible per claim is \$1 million. For claims incurred prior to these dates the deductible per claim is \$50,000.

Professional indemnity and general public liability claims arising from the Hospitals' and SAAS's operations are managed as part of the State Government Insurance Program. The Hospitals and SAAS pay an annual premium to the Department. These transactions are eliminated on consolidation in accordance with the requirements of AASB 10.

THE DEPARTMENT FOR HEALTH AND AGEING

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For the year ended 30 June 2015

The determination of the professional indemnity insurance provision was carried out through an actuarial assessment in accordance with AASB 1023 *General Insurance Contracts*, conducted by Brett & Watson Pty Ltd. Current and non-current liabilities of the Department are determined by taking into account prudential margins, inflation, taxes, claims incurred but not reported and current claim values.

The provision for claims for general public liability insurance and property is a management assessment.

Workers Compensation

The Department is a self-insured employer within the *Workers Rehabilitation and Compensation Act 1986*, and has delegated powers pursuant to section 63 of this Act. As a consequence, the Department is responsible for the management of and all costs of workers compensation claims.

The Hospitals and SAAS are exempt employers under the *Workers Rehabilitation and Compensation Act 1986*. Under a scheme arrangement, the Hospitals and SAAS are responsible for the management of workers rehabilitation and compensation, and are directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

The workers compensation provision is an actuarial assessment of the outstanding liability as at 30 June 2015 provided by a consulting actuary engaged through the Office for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation. For the 2014-15 financial year the Consolidated Entity has reflected a workers compensation provision of \$96.517 million (\$107.132 million). Refer to Note 34.

The actuarial assessment conducted by Taylor Fry Consulting Actuaries is based on the payment per claim incurred valuation method. The assessment has been conducted in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, and the Return to Work SA guidelines for actuarial assessments. The liability covers claims incurred but not yet paid, incurred but not reported and the anticipated direct and indirect costs of settling those claims. The liability for outstanding claims is measured as the present value of the expected future payments reflecting the fact that all the claims do not have to be paid out in the immediate future.

The Department is directly responsible for the cost of workers compensation claims and the implementation and funding of preventative programs.

From 1 July 2010, the Department devolved annual funding to all remaining safety net funded hospitals and health centres for workers compensation expenditure, excluding lump sum payments. Accordingly, the Department recognises a payable to the Hospitals equivalent to the liability for these specifically funded items which the Hospitals recognise as a provision in their financial statements. The workers compensation liability to the Hospitals recognised by the Department as at 30 June 2015 is \$27.225 million (\$40.934 million). Refer to Note 31. These transactions are eliminated on consolidation in accordance with the requirements of AASB 10.

2.34 Specific Purpose Funds

The Consolidated Entity receives specific purpose funds from various sources including government, private sector and individuals. The amounts are controlled by the Consolidated Entity, and are used to help achieve the Consolidated Entity objectives, notwithstanding that specific uses can be determined by the grantor or donor. Accordingly, the amounts are treated as revenue at the time they are earned or at the time control passes to the Consolidated Entity.

2.35 Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

The Consolidated Entity has entered into finance leases and operating leases.

Finance leases

Finance leases which transfer substantially all the risks and benefits/rewards incidental to ownership of the leased assets to the Consolidated Entity, are capitalised at inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments.

Minimum lease payments are allocated between interest expense/borrowing costs and reduction of the lease liability to each period during the lease term, so as to produce a constant periodic rate of interest on the remaining balance of the liability. Lease liabilities are classified as both current and non-current.

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For the year ended 30 June 2015

Where there is no reasonable assurance that the Consolidated Entity will obtain ownership of the capitalised asset at the end of the lease term, the asset is amortised over the shorter of the lease term and its useful life.

Operating leases

For operating leases, the lessor retains substantially the entire risks and rewards incidental to ownership of the leased assets. Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a basis which is representative of the pattern of benefits derived from the leased assets or on a straight-line basis over the lease term. The straight-line basis is used when it is representative of the pattern of benefits derived from the leased assets.

Lease incentives

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset. Incentives received to enter into operating leases are recognised as a liability.

The aggregate benefit of lease incentives received by the Consolidated Entity in respect of operating leases have been recorded as a reduction of rental expense over the lease term, on a straight line basis.

Lease incentives in the form of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

2.36 Build Own Operate Transfer Scheme - Carpark

In 1999-00, the Royal Adelaide Hospital (RAH) (part of Central Adelaide Local Health Network) entered into a Build Own Operate Transfer (BOOT) structured financing arrangement for the construction and operation of an employee carpark facility on RAH controlled site land.

Construction of the carpark

At commencement of the arrangement, the RAH received funds of \$16.843 million from a private financier as consideration for the fee for use of the site land as a transfer of the obligation to make the construction payments to the builder.

The construction payments of the carpark totalled \$14.500 million, and construction was completed in 2001-02. The remaining funds represent the prepaid site license fee revenue, reported as unearned revenue in the Statement of Financial Position. These funds were used to make the initial finance lease payments until the carpark became operational in March 2002. As at 30 June 2013 the remaining unexpended funds have been invested to satisfy the Capital Reserve Fund and Insurance Fund requirements as specified in the carpark agreement and are reflected in the cash balances.

Carpark under finance lease

The arrangement is for the RAH to license the site land to a third party who organised the financing, construction and the operation of the new carpark. The operator may lease the remaining spaces to the general public. This arrangement is for a 28 year term, at which time the car park ownership will be transferred to the RAH. This arrangement is shown in the Statement of Financial Position as a liability and a property asset.

Carpark revenue

From 2002-03, the RAH received an annual fee of \$155,000 (indexed) from the carpark operator. This represents a royalty on the revenue received by the carpark operator as a result of renting to the general public. This revenue is recognised in the year it is earned and is recorded as rental property revenue.

2.37 Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources, and are disclosed at their nominal value. Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable or payable. If GST is not recoverable or payable, the commitments or contingencies are disclosed on a gross basis.

2.38 SA Government/Non-SA Government disclosures

The Consolidated Entity has adopted the requirements of Accounting Policy Framework II *General Purpose Financial Statements Framework* where the Consolidated Entity must disclose by way of a note, whether transactions are with entities that are within, or external to, the SA Government. These transactions are classified by their nature, and relate to revenues, expenses, financial assets and financial liabilities.

THE DEPARTMENT FOR HEALTH AND AGEING

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For the year ended 30 June 2015

2.39 Continuity of Operations

As at 30 June 2015, the Consolidated Entity had working capital deficiency of \$46.771 million (\$34.892 million deficiency). The Government is committed to the ongoing funding of the Consolidated Entity to enable it to perform its functions.

2.40 Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue, where the events relate to a condition which arose after 30 June, and which may have a material impact on the results of subsequent years.

2.41 Correction of a prior period error

Bedside Computer Program

During 2014-15, it was determined that costs capitalised as part of the installation of the Bedside Computer Program in 2013-14 did not meet the asset capitalisation threshold, and should be written off as minor equipment expenditure. The value of this error was \$7.083 million. The correction of this error in 2014-15 has resulted in certain account balances for 2013-14 being restated as follows:

Health and Medical Research Fund

During 2014-15, it was determined that the Health and Medical Research Fund met the definition of an administered item and should be classified as such and reported in the Schedule of administered funds. The value of this error was \$16.047 million.

The correction of these errors in 2014-15 have resulted in certain account balances for 2013-14 being restated as follows:

Parent

Note	Description	Change (\$'000)	2013-14 Balance (\$'000)	2013-14 Restated Balance (\$'000)
Supplies and services ¹	Minor equipment expense	7,649	7,924	15,573
Supplies and services ²	Contract of services	(442)	105,472	105,030
Depreciation and amortisation expense ¹	Depreciation expense	(566)	18,390	17,824
Grants and subsidies ²	Funding to non-government organisations	(2,610)	22,294	19,684
Grants and subsidies ²	Other	(100)	6,858	6,758
Other revenue ²	SA Health and Medical Research Fund	(2,199)	2,199	-
Property, plant and equipment ¹	Computer equipment	(2,609)	41,022	38,413
Property, plant and equipment ¹	Plant and equipment under construction	(5,040)	8,553	3,513
Property, plant and equipment ¹	Accumulated depreciation - computer equipment	566	(32,499)	(31,933)
Payables ²	Creditors and accrued expenses	16,047	53,596	69,643
Equity ^{1,2}	Retained earnings	(23,130)	(1,359,910)	(1,383,040)

¹ Bedside Computer Program

² Health and Medical Research Fund

THE DEPARTMENT FOR HEALTH AND AGEING
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For the year ended 30 June 2015

3 New and revised accounting standards and policies

Early adoption of Accounting Standards

In accordance with Accounting Policy Framework II *General Purpose Financial Statement Framework*, the Consolidated Entity has applied Australian Accounting Standards approved for early adoption by DTF. The only Australian Accounting Standard applied and approved for early adoption by the Consolidated Entity for the 2014-15 financial year is AASB 2015-7 which amends AASB 13.

The adopted changes are reflected in Note 28 and Note 30. The Consolidated Entity has not early adopted any other new or amended Australian Accounting Standards and Interpretations for the period ending 30 June 2015.

In accordance with amendments to Accounting Policy Framework II *General Purpose Financial Statements Framework*, effective for the year ended 30 June 2015, Health, Community & Disability Services Ministerial Council (HCDSMC) is no longer considered an administered fund of the Consolidated Entity.

Accordingly, the Consolidated Entity will no longer include the HCDSMC in the schedule of administered funds and explanatory notes. Previously the Consolidated Entity included the HCDSMC within its schedule of administered funds. This change is reflected in Note 48 Schedules of administered funds.

Accounting Standards issued or amended but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Consolidated Entity for the period ending 30 June 2015. The Consolidated Entity has assessed the impact of the new and amended standards and interpretations and considers there will be no material impact on the accounting policies or the financial statements of the Consolidated Entity.

Accounting Standards

In accordance with the new AASB 1055 *Budgetary Reporting*, which became effective for the first time in 2014-15, the Consolidated Entity has:

- included a comprehensive new note 'Budgetary reporting and explanations of major variances between budget and actual amounts' (Notes 44 and 48.1). These notes disclose, in respect of the Statement of Comprehensive Income and Investing Expenditure Summary for both controlled and administered amounts:
 - the Consolidated Entity's original budget as published in Budget Paper 4;
 - a comparison of the original budget information to actual results; and
 - explanations of major variances.

In accordance with the new AASB 10, AASB 11 *Joint Arrangements* and AASB 12 *Disclosure of Interests in Other Entities*, which became effective for the first time in 2014-15, the Consolidated Entity has reviewed its control assessments (i.e. the Consolidated Entity's involvement with the entity; protective and substantive rights; ability to direct major relevant activities etc.) and has concluded that there is an impact. The Consolidated Entity has control, joint control and an interest in other entities.

Refer to Note 42 for further information about the Consolidated Entity's interests in other entities. The Consolidated Entity will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10, AASB 11 and AASB 12 for future years.

4 Activities of the Consolidated Entity

In achieving its objectives, the Consolidated Entity provides a range of services classified into the following activities:

Activity A: Policy, Clinical Services and Administration

Activity B: Health Services

The disaggregated disclosure schedules present expenses, income, assets and liabilities information attributable to each of the activities for the years ended 30 June 2015 and 30 June 2014.

THE DEPARTMENT FOR HEALTH AND AGEING
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For the year ended 30 June 2015

5 Employee benefit expenses	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	2,746,956	2,679,951	151,685	149,838
TVSP (refer below)	5,184	27,099	765	3,195
Long service leave (LSL)	67,546	81,723	3,982	3,113
Annual leave	255,802	253,616	12,653	13,347
Skills and experience retention leave (SERL)	11,622	9,001	808	628
Employment on-costs - superannuation	297,604	275,762	19,570	18,015
Employment on-costs - other	6,039	6,238	5,809	6,113
Workers compensation	31,501	49,077	6,431	6,421
Board and committee fees	846	915	335	420
Other employee related expenses	11,261	12,079	9,484	9,584
Total employee benefit expenses	3,434,361	3,395,461	211,522	210,674
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Targeted voluntary separation packages				
Amount paid during the reporting period to separated employees:				
TVSPs	5,184	27,099	765	3,195
Annual leave, LSL and SERL paid to those employees	1,889	7,307	384	805
	7,073	34,406	1,149	4,000
Recovery from DTF *	3,014	33,501	557	3,492
Net cost to the Consolidated Entity	4,059	905	592	508
Number of employees who received a TVSP during the reporting period	73	252	7	25
*TVSP recoveries from DTF are to be recognised when the Consolidated Entity obtains control over the funds associated with the TVSP recovery or the right to receive the TVSP recovery from DTF. This will generally be upon receipt of the funds or obtaining written confirmation/substantiation from DTF that provides a right to receive the funds associated with the TVSP recovery.				
Expenses recognised in the Statement of Comprehensive Income in respect of the defined benefit scheme are as follows:	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current service cost	8,779	8,476	-	-
Interest cost	530	671	-	-
Total included in staff benefit expenses	9,309	9,147	-	-

Service cost does not include the cost of 3% Award contributions for some members

THE DEPARTMENT FOR HEALTH AND AGEING
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Consolidated

Remuneration of employees

The number of employees whose remuneration received or receivable falls within the following bands:

	Executive Number	Non- medical Number	Other Number	2015 Total Number	2014 Total Number
\$141,500-\$151,499	3	52	356	411	389
\$151,500-\$161,499	12	26	272	310	276
\$161,500-\$171,499	9	19	232	260	263
\$171,500-\$181,499	14	9	154	177	173
\$181,500-\$191,499	16	11	122	149	129
\$191,500-\$201,499	3	7	82	92	110
\$201,500-\$211,499	9	1	82	92	75
\$211,500-\$221,499	7	3	76	86	57
\$221,500-\$231,499	5	1	66	72	74
\$231,500-\$241,499	5	3	52	60	60
\$241,500-\$251,499	3	-	40	43	44
\$251,500-\$261,499	5	-	38	43	41
\$261,500-\$271,499	6	-	37	43	32
\$271,500-\$281,499	2	-	24	26	31
\$281,500-\$291,499	2	1	39	42	50
\$291,500-\$301,499	1	-	44	45	58
\$301,500-\$311,499	1	-	54	55	46
\$311,500-\$321,499	1	-	46	47	38
\$321,500-\$331,499	-	-	42	42	39
\$331,500-\$341,499	-	-	35	35	53
\$341,500-\$351,499	2	-	46	48	42
\$351,500-\$361,499	3	1	47	51	46
\$361,500-\$371,499	1	-	38	39	47
\$371,500-\$381,499	-	1	48	49	58
\$381,500-\$391,499	-	-	50	50	41
\$391,500-\$401,499	-	-	35	35	47
\$401,500-\$411,499	1	-	39	40	32
\$411,500-\$421,499	-	-	37	37	26
\$421,500-\$431,499	-	-	23	23	40
\$431,500-\$441,499	1	-	30	31	27
\$441,500-\$451,499	-	-	22	22	27
\$451,500-\$461,499	-	-	30	30	27
\$461,500-\$471,499	-	-	23	23	21
\$471,500-\$481,499	-	-	17	17	22
\$481,500-\$491,499	-	-	29	29	17
\$491,500-\$501,499	-	-	22	22	17
\$501,500-\$511,499	-	-	14	14	12
\$511,500-\$521,499	-	-	12	12	11
\$521,500-\$531,499	-	-	7	7	7
\$531,500-\$541,499	-	-	9	9	15
\$541,500-\$551,499	1	-	10	11	9
\$551,500-\$561,499	-	-	14	14	8
\$561,500-\$571,499	-	-	10	10	8

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				2015	2014
	Executive Number	Non- medical Number	Other Number	Total Number	Total Number
\$571,500-\$581,499	1	-	6	7	6
\$581,500-\$591,499	-	-	6	6	9
\$591,500-\$601,499	-	-	6	6	6
\$601,500-\$611,499	-	-	6	6	4
\$611,500-\$621,499	-	-	9	9	1
\$621,500-\$631,499	-	-	3	3	5
\$631,500-\$641,499	-	-	3	3	1
\$641,500-\$651,499	-	-	5	5	5
\$651,500-\$661,499	-	-	3	3	2
\$661,500-\$671,499	-	-	4	4	-
\$671,500-\$681,499	-	-	-	-	1
\$681,500-\$691,499	-	-	2	2	2
\$691,500-\$701,499	-	-	1	1	-
\$701,500-\$711,499	-	-	-	-	3
\$711,500-\$721,499	-	-	1	1	-
\$721,500-\$731,499	-	-	1	1	-
\$731,500-\$741,499	-	-	-	-	-
\$741,500-\$751,499	-	-	-	-	-
\$751,500-\$761,499	-	-	-	-	-
\$761,500-\$771,499	-	-	-	-	-
\$771,500-\$781,499	-	-	1	1	1
\$781,500-\$791,499	-	-	-	-	-
\$791,500-\$801,499	-	-	-	-	-
\$801,500-\$811,499	-	-	-	-	-
\$811,500-\$821,499	-	-	-	-	-
\$821,500-\$831,499	-	-	-	-	-
\$831,500-\$841,499	-	-	-	-	-
\$841,500-\$851,499	-	-	-	-	-
\$851,500-\$861,499	-	-	-	-	1
\$861,500-\$871,499	-	-	-	-	-
\$871,500-\$881,499	-	-	-	-	-
\$881,500-\$891,499	-	-	-	-	-
\$891,500-\$901,499	-	-	-	-	-
\$901,500-\$911,499	-	-	1	1	-
Total number of employees	114	135	2,563	2,812	2,692

	2015	2014
	\$'000	\$'000
Total remuneration received or due and receivable by employees included above:	721,230	690,811

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (i.e. there has been no increase in the base level executive remuneration since 1 July 2013). Remuneration of employees reflects all costs of employment including salaries and wages, superannuation contributions, FBT and any other salary sacrifice benefits.

THE DEPARTMENT FOR HEALTH AND AGEING
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Where employees have left the Consolidated Entity, the remuneration reflects lump sum LSL, annual leave and termination benefits. Remuneration does not include inventory royalty payments.

Employees of the the Consolidated Entity whose remuneration was equal to or greater than the base executive remuneration level can be categorised by employment group as follows:

- Executive remuneration \$25.332 million, 114 employees (\$25.071 million, 113 employees);
- Non-medical (i.e. administration) remuneration \$22.677 million, 135 employees (\$22.853 million, 124 employees);
- Other (i.e. medical, nursing and operational) remuneration \$673.221 million, 2,563 employees (\$642.887 million, 2,455 employees)

The total remuneration received by these employees for the year was \$721.230 million (\$690.811 million).

For the purpose of this note, remuneration does not include amounts in payment or reimbursement of out of pocket expenses incurred for the benefit of the entity or a controlled entity.

Parent

Remuneration of employees

The number of employees whose remuneration received or receivable falls within the following bands:

	Executive Number	Non- medical Number	Other Number	2015 Total Number	2014 Total Number
\$141,500-\$151,499	1	16	2	19	14
\$151,500-\$161,499	4	4	1	9	10
\$161,500-\$171,499	4	3	-	7	10
\$171,500-\$181,499	5	-	-	5	6
\$181,500-\$191,499	7	-	-	7	7
\$191,500-\$201,499	-	-	-	-	4
\$201,500-\$211,499	4	-	-	4	4
\$211,500-\$221,499	4	1	-	5	2
\$221,500-\$231,499	2	-	1	3	3
\$231,500-\$241,499	3	-	-	3	3
\$241,500-\$251,499	1	-	-	1	3
\$251,500-\$261,499	3	-	-	3	4
\$261,500-\$271,499	6	-	-	6	1
\$271,500-\$281,499	2	-	-	2	4
\$281,500-\$291,499	1	-	1	2	-
\$291,500-\$301,499	-	-	1	1	1
\$301,500-\$311,499	-	-	-	-	-
\$311,500-\$321,499	-	-	2	2	2
\$321,500-\$331,499	-	-	-	-	2
\$331,500-\$341,499	-	-	-	-	1
\$341,500-\$351,499	2	-	1	3	3
\$351,500-\$361,499	1	1	-	2	-
\$361,500-\$371,499	1	-	-	1	1
\$371,500-\$381,499	-	-	-	-	-
\$381,500-\$391,499	-	-	-	-	1
\$391,500-\$401,499	-	-	-	-	-
\$401,500-\$411,499	1	-	1	2	-
\$411,500-\$421,499	-	-	-	-	-
\$421,500-\$431,499	-	-	-	-	-
\$431,500-\$441,499	1	-	-	1	2
\$441,500-\$451,499	-	-	-	-	-
\$451,500-\$461,499	-	-	-	-	1
Total number of employees	53	25	10	88	89

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	2015	2014
	\$'000	\$'000
Total remuneration received or due and receivable by employees included above:	18,887	19,264

Employees of the Department whose remuneration was equal to or greater than the base executive remuneration level can be categorised by employment group as follows:

- Executive remuneration \$12.197 million, 53 employees (\$13.082 million, 58 employees);
- Non-medical (i.e. administration) remuneration \$4.054 million, 25 employees (\$3.868 million, 22 employees);
- Other remuneration (i.e. medical, nursing and operational) \$2.636 million, 10 employees (\$2.314 million, 9 employees).

The total remuneration received by these employees for the year was \$18.887 million (\$19.264 million).

6	Supplies and services	Consolidated		Parent	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
	Administration	14,253	13,488	2,022	2,092
	Advertising	5,966	3,408	2,605	1,492
	Communication	23,723	21,345	12,814	10,620
	Computing	77,305	75,091	68,788	65,989
	Contractors	25,007	20,601	6,325	7,359
	Contractors - agency staff	68,882	66,357	15,983	18,257
	Consultants	14,036	5,561	11,314	3,593
	Contract of services	134,223	124,947	114,193	105,030
	Cost of goods sold	2,407	1,795	76,547	54,365
	Drug supplies	184,250	176,238	966	716
	Electricity, gas and fuel	40,824	43,816	155	62
	Fee for service	129,613	135,600	1,668	1,032
	Finance lease contingent rentals	1,937	2,289	1	17
	Food supplies	34,470	34,211	50	65
	Health surveys	363	270	345	253
	Housekeeping	92,505	95,157	68	105
	Insurance	43,277	35,853	41,546	35,227
	Interstate patient transfers	38,192	29,819	38,189	29,819
	Legal	3,622	2,495	2,807	1,937
	Medical, surgical and laboratory supplies	283,794	273,756	56	332
	Minor equipment	27,267	39,433	6,842	15,573
	Motor vehicle expenses	14,442	17,596	970	1,304
	Occupancy rent and rates	47,476	44,612	15,728	15,565
	Patient transport	24,700	23,003	6	8
	Payments to Shared Services SA	32,071	30,378	32,044	30,132
	Periodical, journals and publications	1,164	1,964	126	135
	Postage	12,936	12,554	2,515	1,641
	Printing and stationery	18,512	18,931	2,253	2,189
	Rental expense on operating lease	9,757	9,955	218	394
	Repairs and maintenance	97,262	91,459	5,185	2,138
	Security	23,329	19,917	929	1,088
	Staff training and development	33,901	32,692	3,389	4,242
	Staff travel expenses	20,279	20,065	1,590	2,182
	Waste removal	3,453	3,088	7	3
	Other supplies and services	46,973	44,495	4,552	4,978
	Total supplies and services	1,632,171	1,572,239	472,796	419,934

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Consolidated

The number and dollar amount of consultancies paid/payable (included in supplies and services expense) that fell within the following bands:	No.	2015 \$'000	No.	2014 \$'000
Below \$10,000	16	78	21	122
Above \$10,000	76	13,958	52	5,439
Total paid/payable to consultants engaged	92	14,036	73	5,561

Parent

The number and dollar amount of consultancies paid/payable (included in supplies and services expense) that fell within the following bands:	No.	2015 \$'000	No.	2014 \$'000
Below \$10,000	9	48	9	52
Above \$10,000	46	11,266	38	3,541
Total paid/payable to consultants engaged	55	11,314	47	3,593

The 2014 parent comparative information for supplies and services has been amended to better reflect the nature of the transactions in accordance with Note 2.8 and account for the correction of a prior period error as disclosed in Note 2.41 above.

The following significant adjustments were made to the 2014 parent comparative information:

	Parent	
	2014 Reported	2014 Adjusted
Supplies and Services		
Contractors	7,450	7,359
Contract of services	100,749	105,030
Minor equipment	7,924	15,573

7 Depreciation and amortisation expense	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Depreciation				
Buildings and improvements	105,993	104,921	82	140
Site improvements	4,749	3,469	-	-
Computing equipment	5,160	8,513	4,532	7,298
Medical, surgical, dental and biomedical equipment	33,218	33,477	-	-
Motor vehicles	5,409	5,543	-	-
Power generation and transmission	601	417	-	-
Other plant and equipment	2,747	2,515	82	77
Total depreciation	157,877	158,855	4,696	7,515
Amortisation				
Buildings and improvements under finance lease	2,921	2,988	-	-
Leasehold improvements	2,984	2,367	468	290
Plant and equipment under finance lease	55	68	-	-
Intangible assets	14,098	12,362	10,584	10,019
Total amortisation	20,058	17,785	11,052	10,309
Total depreciation and amortisation	177,935	176,640	15,748	17,824

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8 Grants and subsidies	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Recurrent grants	133	2	-	-
Recurrent funding to incorporated Health Services	-	-	3,815,279	3,755,140
Capital funding to incorporated Health Services	-	-	170,377	217,854
Subsidies	4,206	3,626	3,020	2,536
Funding to non-government organisations	24,714	28,167	15,649	19,684
Other	7,311	7,056	6,906	6,758
Total grants and subsidies	36,364	38,851	4,011,231	4,001,972

8.1 Recurrent funding to incorporated Health Services

SA Ambulance Service Inc	-	-	118,346	113,687
Country Health SA Local Health Network Incorporated	-	-	586,523	562,973
Southern Adelaide Local Health Network Incorporated	-	-	863,664	848,117
Central Adelaide Local Health Network Incorporated	-	-	1,332,071	1,365,976
Women's and Children's Health Network Incorporated	-	-	380,782	356,491
Northern Adelaide Local Health Network Incorporated	-	-	533,893	507,896
Total recurrent funding to incorporated Health Services	-	-	3,815,279	3,755,140

8.2 Capital funding to incorporated Health Services

SA Ambulance Service Inc	-	-	8,856	12,107
Country Health SA Local Health Network Incorporated	-	-	30,007	75,978
Southern Adelaide Local Health Network Incorporated	-	-	9,209	21,444
Central Adelaide Local Health Network Incorporated	-	-	97,466	62,550
Women's and Children's Health Network Incorporated	-	-	3,035	4,864
Northern Adelaide Local Health Network Incorporated	-	-	21,804	40,911
Total capital funding to incorporated Health Services	-	-	170,377	217,854

8.3 Funding to non-government organisations

South Australian Health and Medical Research Institute Limited	5,036	4,762	5,036	4,762
Aboriginal Support	3,591	3,884	1,623	2,474
Australian Red Cross Blood Service	2,242	-	-	-
Aboriginal Health Council of South Australia Inc (AHCSA)	1,955	2,104	1,318	1,511
Uniting Care Wesley	1,210	1,347	566	158
Health Promotions	1,129	1,101	542	1,101
Community Support	1,067	1,580	291	325
Local Council Support	940	1,958	899	1,917
Cancer Council SA	785	1,651	-	-
University of South Australia	657	467	272	347
Sexual Health Information Networking & Education SA Inc	564	675	564	675
The Repat Foundation	545	50	500	-
Mental Health Support	509	1,595	384	1,288
GP Partners Australia	497	364	497	364
Mental Health Coalition of South Australia Inc	474	335	464	326
Health Consumers Alliance of South Australia Inc	432	444	432	444
Aged Care Support	411	484	401	474

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	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
The University of Adelaide	373	269	50	18
Council on the Ageing SA Inc	318	328	318	328
Chaplaincy Services SA Inc	301	301	301	301
Other	1,678	4,468	1,191	2,871
Total funding to non-government organisations	24,714	28,167	15,649	19,684

* Contains funding provided to these support services.

The 2014 parent comparative information for grants and subsidies has been amended to better reflect the nature of the transactions in accordance with Note 2.8 and account for the correction of a prior period error as disclosed in Note 2.41 above.

The following significant adjustments were made to the 2014 parent comparative information:

	Parent	
	2014	2014
	Reported	Adjusted
Grants and subsidies		
Subsidies	571	2,536
Funding to non-government organisations	27,488	19,684
Other	8,261	6,758

9	Borrowing costs	Consolidated		Parent	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
	Finance charges on finance leases	2,410	2,335	-	-
	Interest on borrowings	1,516	1,700	1,516	1,700
	Other finance charges	35	31	35	31
	Total borrowing cost expenses	3,961	4,066	1,551	1,731

The Consolidated Entity does not capitalise borrowing costs. The total borrowing costs from financial liabilities not at fair value through the Statement of Comprehensive Income was \$3.961 million (\$4.066 million).

10	Other expenses		Consolidated		Parent	
		Note	2015	2014	2015	2014
			\$'000	\$'000	\$'000	\$'000
	Bad and doubtful debts	22	29,286	33,375	107	300
	Bank fees and charges		412	538	61	10
	Donated assets expense		22,788	24,403	22,784	24,333
	Ex gratia payments		1	-	1	-
	Net loss on revaluation of shares		1,402	1,643	-	-
	Royalty payments		9,674	7,258	-	-
	Soil remediation expenses		20,000	-	-	-
	Write-off of inventory		1	10,222	-	10,222
	Other		20,469	35,573	5,478	3,973
	Total other expenses		104,033	113,012	28,431	38,838

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For the year ended 30 June 2015

11 Auditor's remuneration	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Audit fees paid/payable relating to the audit of financial statements				
Auditor fees - auditing financial statements	2,553	2,752	513	690
Auditor fees - other services	56	55	-	-
Total audit fees	2,609	2,807	513	690

No other services were provided by the Auditor-General's Department.

Auditor's remuneration costs are recognised in the Statement of Comprehensive Income and included in the balance of 'Other expenses - Other' (refer Note 10).

12 Revenue from fees and charges	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Ambulance Cover	23,752	23,689	-	-
Ambulance transport	62,928	56,651	-	-
Business services	698	734	698	734
Call Direct	1,309	1,357	-	-
Fines, fees and penalties	1,317	3,411	1,053	1,320
Interstate patient transfers	69,138	59,257	69,135	59,252
Insurance recoveries	539	438	292	438
Insurance recoveries from health services	-	-	31,410	30,433
Patient and client fees	246,141	228,245	-	-
Private practice fees	43,778	43,412	2,260	1,956
Recoveries	41,083	47,925	159,445	152,876
Residential and other aged care charges	27,286	26,261	-	-
Sale of goods - medical supplies	2,355	2,346	76,541	54,308
Other user charges and fees	50,252	47,496	1,357	902
Total fees and charges	570,576	541,222	342,191	302,219

13 Grants and contributions	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
13.1 Commonwealth revenues / grants and contributions				
Commonwealth aged care subsidies	70,092	64,565	-	-
Pharmaceutical benefits scheme Commonwealth subsidy	119,554	107,630	-	-
Commonwealth national health reform agreement funding	1,113,155	997,317	1,113,155	997,317
Department of Veteran's Affairs	53,435	53,044	53,435	53,044
Transition care program	23,480	21,659	23,480	21,659
Woomera hospital	-	1,327	-	1,327
Highly specialised drugs	-	1,057	-	1,057
Other	66,839	67,452	15,901	16,008
Total Commonwealth grants and contributions	1,446,555	1,314,051	1,205,971	1,090,412

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13.2 Grants and contributions from SA Government agencies	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Community Development Fund	7,144	6,748	7,000	6,600
Capital contributions	-	-	3,401	322
Other grants and contributions from SA Government agencies	17,768	14,934	745	1,146
Total grants and contributions from SA Government agencies	24,912	21,682	11,146	8,068

13.3 Private sector grants and contributions

Private sector capital contributions	424	398	-	-
Private sector grants and contributions	30,067	35,967	2,696	3,960
Total private sector grants and contributions	30,491	36,365	2,696	3,960

Total grants and contributions	1,501,958	1,372,098	1,219,813	1,102,440
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Restrictions on contributions received

Of the \$1,501.958 million (\$1,372.098 million) received in 2014-15 for grants and contributions, \$1,349.752 million (\$1,223.657 million) was provided for specific purposes, such as research and associated activities.

14 Interest revenue	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Interest from SAFA	1,342	2,976	-	-
Interest on loans	-	-	1,691	1,905
Bank interest	7,859	9,126	3,869	3,702
Interest on Special Purpose Funds (SPF)	1,489	-	-	-
Other	4	8	4	8
Total interest revenue	10,694	12,110	5,564	5,615

15 Resources received free of charge	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Land and improvements	380	-	10,308	8,650
Buildings	1,180	-	13,016	476
Plant and equipment	524	661	27	-
Inventory	8,505	14,763	8,505	14,763
Other	-	45	-	-
Total resources received free of charge	10,589	15,469	31,856	23,889

16 Net gain/(loss) from disposal of non-current and other assets	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Land and buildings				
Proceeds from disposal	-	2,315	-	2,315
Less net book value of assets disposed	(1,800)	(5,385)	(30)	(3,225)
Net gain/(loss) from disposal of land and buildings	(1,800)	(3,070)	(30)	(910)

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	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Plant and equipment				
Proceeds from disposal	685	900	-	-
Less net book value of assets disposed	(5,439)	(1,354)	(32)	(55)
Less other costs of disposal	(80)	(132)	-	-
Net gain/(loss) from disposal of plant and equipment	(4,834)	(586)	(32)	(55)
Investments				
Proceeds from disposal	-	215	-	-
Realised gain from the fair value reserve - financial assets	-	68	-	-
Less net book value of assets disposed	(269)	(188)	-	-
Net gain/(loss) from disposal of investments	(269)	95	-	-
Intangibles				
Less net book value of assets disposed	(282)	(23)	(249)	(23)
Net gain/(loss) from disposal of intangibles	(282)	(23)	(249)	(23)
Non-current assets held for resale				
Proceeds from disposal	34,569	3,523	34,569	3,523
Less net book value of assets disposed	(25,929)	(3,398)	(25,929)	(3,398)
Less other costs of disposal	(230)	-	(230)	-
Net gain/(loss) from disposal of non-current assets held for resale	8,410	125	8,410	125
Total assets				
Total proceeds from disposal	35,254	6,953	34,569	5,838
Realised gain from the fair value reserve - financial assets	-	68	-	-
Less total value of assets disposed	(33,719)	(10,348)	(26,240)	(6,701)
Less other costs of disposal	(310)	(132)	(230)	-
Total net gain/(loss) from disposal of assets	1,225	(3,459)	8,099	(863)

17 Other revenue	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Commissions revenue	138	134	26	21
Dividend revenue	152	318	-	-
Royalty income	14,667	12,289	-	-
Training revenue	1,394	1,346	247	72
Donations received	10,005	7,912	-	-
Other	34,491	27,171	1,863	2,219
Total other revenue	60,847	49,170	2,136	2,312

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For the year ended 30 June 2015

The 2014 parent comparative information for other revenue has been amended to account for the correction of a prior period error as disclosed in Note 2.41 above.

The following significant adjustments were made to the 2014 parent comparative information:

		Parent			
		2014	2014		
Other revenue		Reported	Adjusted		
SA Health and Medical Research Fund		2,199	-		
18	Other income	Consolidated		Parent	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
Insured drug supplies-recoveries		-	5,968	-	5,968
Reversal of prior period revaluation decrement - Buildings and improvements		5,810	-	-	-
Total other income		5,810	5,968	-	5,968
19	Revenue from SA Government	Consolidated		Parent	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
Contingency funds from Department of Treasury and Finance		6,693	82,413	9,150	112,422
TVSP recovery funds from Department of Treasury and Finance		3,014	33,501	557	3,492
Appropriations from Consolidated Account pursuant to the Appropriation Act		3,064,307	2,922,157	3,064,307	2,922,157
Commonwealth grants received via Treasury		117,309	148,945	117,309	148,945
Total revenue from SA Government		3,191,323	3,187,016	3,191,323	3,187,016
Payments to SA Government					
Other payments to the Consolidated Account		26,977	2,339	26,977	2,339
Total payments to SA Government		26,977	2,339	26,977	2,339
Total revenue from SA Government		3,164,346	3,184,677	3,164,346	3,184,677

20 Unexpended funding commitments

The Consolidated Entity is engaged in a variety of funding programs involving State and Commonwealth sources who provide monies to the Consolidated Entity on the premise that these funds are expended in a manner consistent with the terms of the program. The Consolidated Entity had outstanding funding commitments to the following programs:

		Consolidated		Parent	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
New Royal Adelaide Hospital - Site Works (Operational)		7,966	7,996	-	-
National Partnership Agreement on Improving Public Hospital Services - Mental Health		1,512	1,575	538	1,325
Port Lincoln Health Services Asbestos Remediation Project		1,472	-	-	-
BloodSafe eLearning Australia		752	608	82	40
Integrated Regional Clinical Training Networks Program		164	396	164	396
Transitional Care Program		721	-	-	-
Oracle Corporate Systems Phase 3 Implementation		714	1,202	714	1,202

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	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
SA Health Supply Distribution Centre	626	-	626	-
Simulated Learning Environments Program	510	481	510	481
National Partnership Agreement on Supporting Mental Health Reform	492	3,561	-	-
Glenside - Disposal of Surplus Land	426	-	426	-
Home and Community Care	425	-	-	-
Patient Assistance Transport Scheme	416	-	-	-
Enterprise Pathology Laboratory Information System	413	839	-	-
BreastScreen SA relocation	383	-	-	-
Health and Hospital Workforce Reform - Activity Based Funding	381	-	381	-
National Reform Package on Organ and Tissue Donation for Transplantation	269	244	27	-
Information and Communication Technology - New and Enhanced	249	-	249	-
Improving Trachoma Control Services for Indigenous Australians	221	300	-	-
Port Augusta and Ceduna Drug and Alcohol Day Centres	172	-	-	-
Closing the Gap in Indigenous Health Outcomes	162	-	-	-
Clinical Supervision Support Program	138	263	138	263
National Drug Strategy	123	-	-	-
Community Guardian Scheme	100	-	100	-
National Perinatal Depression Initiative	65	-	65	-
Nurse Practitioner Support Scheme	28	-	-	-
National Partnership Agreement on Rheumatic Fever Strategy	18	367	18	367
OzFood Net	11	10	11	10
National Partnership Agreement on Preventative Health	-	1,637	-	1,637
Aboriginal Primary Health Care Access Program	-	618	-	-
Substance Misuse Service Delivery	-	390	-	390
National Health Reform - Activity Based Funding	-	200	-	200
Home and Community Care (HACC) Program - Community Support Scheme	-	93	-	93
EMET - Emergency Medicine Education and Training (Australasian College of Emergency Medicine)	-	65	-	-
Aged Care Assessment Program - eACAT information system rollout	-	64	-	64
enHealth - National Environmental Health Workforce Census project	-	13	-	13
Total unexpended funding commitments	18,929	20,922	4,049	6,481

21 Cash and cash equivalents	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand - non-government financial institutions	495,228	325,127	213,017	176,071
Deposits with SA Government Financing Authority	-	108,602	-	-
Imprest account/cash on hand	443	494	8	9
Total cash	495,671	434,223	213,025	176,080

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Interest rate risk

Cash on hand is non-interest bearing. Interest rate risk exposure is discussed in Note 37. The carrying amount of cash and cash equivalents represents fair value.

22 Receivables	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Patient/client fees				
Compensable	17,760	14,331	-	-
Aged care	6,048	7,303	-	-
Other	45,185	45,816	-	-
Grants	-	130	-	-
Interstate patient transfers	95,640	97,296	95,640	97,296
Dividends receivable	17	22	-	-
Interest income receivable	561	768	-	1
Loans	-	-	2,682	2,918
Prepayments	15,736	14,862	9,411	8,757
Debtors	58,663	63,385	5,963	1,734
Receivables	239,610	243,913	113,696	110,706
Less: allowance for doubtful debts	(34,631)	(34,055)	(383)	(306)
Sundry receivables and accrued revenue	37,022	30,198	3,608	5,455
GST recoverable	17,275	16,802	11,723	7,787
Total current receivables	259,276	256,858	128,644	123,642
Non-Current				
Loans	-	-	16,248	18,940
Prepayments	2,207	2,354	-	-
Debtors	544	574	16	20
Receivables	2,751	2,928	16,264	18,960
Less: allowance for doubtful debts	-	-	-	-
GST recoverable	2,747	3,005	-	-
Total non-current receivables	5,498	5,933	16,264	18,960
Total receivables	264,774	262,791	144,908	142,602

Interest rate and credit risk

Receivables are raised for goods and services provided for which payment has not been received. The Consolidated Entity's trading terms for receivables are generally 30 days. Trade receivables, prepayments and accrued revenues are non-interest bearing. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Categorisation and maturity analysis of financial instruments, ageing analysis of financial assets and risk exposure information

Refer to Note 37.

Bad and doubtful debts

The Consolidated Entity has recognised a bad and doubtful debt expense of \$29.286 million (\$33.375 million) in the Statement of Comprehensive Income.

THE DEPARTMENT FOR HEALTH AND AGEING

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Movement in the allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired.

An allowance for impairment loss has been recognised in other expenses in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Movements in the allowance for doubtful debts (impairment loss)				
Carrying amount at the beginning of the period	34,055	24,687	306	6
Amounts written off	(19,177)	(22,835)	-	(6)
Amounts recovered during the year	(122)	(174)	-	-
Increase/(Decrease) in allowance recognised in the Statement of Comprehensive Income	19,875	32,377	77	306
Carrying amount at the end of the period	34,631	34,055	383	306

Revision of accounting estimates

During the year, the Consolidated Entity reassessed the calculation of doubtful debts allowance for aged care, as a result of new information available regarding collectability rates. This has resulted in an increase in the allowance for doubtful debts.

Based on the ageing profile of receivables as at 30 June 2015, this has resulted in an increase of \$0.688 million in the amount of doubtful debts expense for aged care, calculated on these receivables in the 2014-15 financial year relative to the amount that would have been expensed based on the previous estimate of the doubtful debts allowance.

It is impracticable to estimate the effect on future years.

Reconciliation of inter-health loans

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
The balance of loans to health services and related movements is as follows:				
Balance at 1 July	-	-	21,858	24,346
Total repayable	-	-	21,858	24,346
Principal payments received	-	-	(2,928)	(2,488)
Balance at 30 June	-	-	18,930	21,858

The Department to 30 June 2015 has financed the health services with loans amounting to \$3.488 million (\$4.164 million) from departmental funds and \$15.442 million (\$17.694 million) from back-to-back loan arrangements with DTF.

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
The movements and status of the back-to-back loan arrangements are as follows:				
Balance at 1 July	17,694	19,561	17,694	19,561
Principal repayments	(2,252)	(1,867)	(2,252)	(1,867)
Balance at 30 June	15,442	17,694	15,442	17,694

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23 Inventories	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current - held for distribution				
Drug supplies	22,400	22,679	7,720	8,615
Medical, surgical and laboratory supplies	2,401	4,823	-	-
Food and hotel supplies	510	883	-	-
Engineering supplies	88	97	-	-
SA Health distribution centre	9,120	6,188	9,120	6,188
Inventory imprest stock	8,214	1,203	-	-
Other	1,250	3,174	-	-
Total current inventories	43,983	39,047	16,840	14,803

Inventory adjustment

The Consolidated Entity has recognised an inventory adjustment of \$4.253 million (\$0.541 million) to net realisable value in the Statement of Comprehensive Income.

24 Other financial assets	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Term deposits:				
Finance institutions	61,569	55,408	-	-
SA Government Financing Authority	1,225	1,215	-	-
Other investments	7,427	8,816	-	-
Total current investments	70,221	65,439	-	-
Non-current				
Other investments	6,855	4,786	-	-
Total non-current investments	6,855	4,786	-	-
Total investments	77,076	70,225	-	-

Categorisation and maturity analysis of other financial assets and risk exposure information

Refer to Note 37.

25 Other assets	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Other	46	85	-	-
Total other assets	46	85	-	-

26 Non-current assets classified as held for sale	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Land	1,601	5,548	1,601	5,548
Buildings and improvements	1,301	179	1,301	179
Total non-current assets classified as held for sale	2,902	5,727	2,902	5,727

During 2014-15 \$10.088 million of Land and \$13.016 million of Buildings and Improvements were reclassified to assets held for sale. Subsequently \$14.035 million of Land and \$11.894 million of Buildings and Improvements were externally sold leaving a carrying value of \$2.902 million as at 30 June 2015.

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27 Property, plant and equipment	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Land and buildings				
Land only holdings at fair value	38,680	35,156	36,111	32,400
Site land at fair value	393,793	384,663	5,278	4,610
Land at fair value	432,473	419,819	41,389	37,010
Buildings and improvements at fair value	2,033,562	2,384,276	1,645	2,673
Buildings and improvements under finance lease at fair value	111,184	102,805	-	-
Site improvements at fair value	156,086	75,247	-	-
Buildings and improvements under construction (work in progress)	60,342	109,451	235	-
Buildings and improvements	2,361,174	2,671,779	1,880	2,673
Accumulated amortisation - buildings and improvements under finance lease	420	4,964	-	-
Accumulated depreciation - buildings and improvements	9,914	213,197	89	177
Accumulated amortisation/depreciation	10,334	218,161	89	177
Total land, buildings and improvements	2,783,313	2,873,437	43,180	39,506
Leasehold improvements				
Leasehold improvements at fair value	54,336	35,786	5,598	3,654
Accumulated amortisation	15,650	14,198	2,319	2,659
Total leasehold improvements	38,686	21,588	3,279	995
Plant and equipment				
Computing equipment at cost (deemed fair value)	39,939	50,644	32,274	38,413
Medical, surgical, dental and biomedical equipment at cost (deemed fair value)	307,856	313,375	28	28
Motor vehicles at cost (deemed fair value)	41,788	41,472	-	-
Power generation and transmission at cost (deemed fair value)	8,257	7,367	-	-
Plant and equipment - major at cost (deemed fair value)	1,609	-	-	-
Other plant and equipment at cost (deemed fair value)	41,356	51,588	916	970
Plant and equipment under finance lease at fair value	565	565	-	-
Plant and equipment under construction (work in progress)	22,344	19,186	3,510	3,513
Total plant and equipment	463,714	484,197	36,728	42,924
Accumulated depreciation - computing equipment	36,869	42,374	29,675	31,933
Accumulated depreciation - medical, surgical, dental and biomedical equipment	207,579	213,157	28	28
Accumulated depreciation - motor vehicles	24,977	24,799	-	-
Accumulated depreciation - power generation and transmission	4,255	3,653	-	-
Accumulated depreciation - other plant and equipment	26,724	31,845	558	604
Accumulated amortisation - plant and equipment under finance lease	413	358	-	-
Accumulated amortisation/depreciation	300,817	316,186	30,261	32,565
Total plant and equipment	162,897	168,011	6,467	10,359
Total property, plant and equipment	2,984,896	3,063,036	52,926	50,860

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Valuation of land and buildings

An independent valuation of land and buildings, including site improvements, was performed in May 2015 by Certified Practising Valuers from AssetVal Pty Ltd, Australian Valuation Solutions Pty Ltd and Liquid Pacific Holdings Pty Ltd, as at 1 June 2015.

The valuers arrived at the fair value of unrestricted land using the market approach. The valuation was based on recent market transactions for similar land and buildings (non-specialised) in the area and includes adjustment for factors specific to the land and buildings being valued such as size, location and current use.

The valuers used depreciated replacement cost for specialised land and buildings, due to there not being an active market for such land and buildings. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature of the assets, including the restricted use of the assets; the size, condition, location and current use of the assets. The valuation was based on a combination of internal records, specialised knowledge and the acquisition/transfer costs.

Valuation of plant and equipment

All items of plant and equipment that had a fair value at the time of acquisition less than \$1 million have not been revalued in accordance with Accounting Policy Framework III *Asset Accounting Framework*. The carrying value of these items are deemed to approximate fair value. These assets are classified in Level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the asset condition and remaining useful life.

The Consolidated Entity's plant and equipment assets with a fair value greater than \$1 million were revalued using the fair value methodology, as at 1 June 2015, based on independent valuations performed by Simon O'Leary, AAPI, C.P.V, Australian Valuation Solutions Pty Ltd.

Impairment

Impairment losses were recognised for property, plant and equipment assets as follows:

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Impairment of property, plant and equipment:				
Buildings and Improvements	-	(4,638)	-	-
Total impairment of property, plant and equipment	-	(4,638)	-	-

Resources received free of charge

Assets of \$2.084 million (\$0.661 million) were transferred to the Consolidated Entity. Refer to Note 15.

Consolidated

Reconciliation of land and improvements

The following table shows the movement of land and improvements during 2014-15

	Land	Buildings and improvements	Leasehold improvements	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	419,819	2,344,167	21,588	109,451	2,895,025
Additions	-	1,405	112	76,967	78,484
Assets received free of charge	380	670	-	510	1,560
Disposals	(363)	(232)	(404)	(801)	(1,800)
Revaluation increment/(decrement)	22,725	(39,558)	-	-	(16,833)
Reversal of prior period revaluation decrement - Buildings and improvements	-	5,810	-	-	5,810
Impairment losses	-	-	-	-	-
Depreciation and amortisation	-	(113,663)	(2,984)	-	(116,647)
Transfers between asset classes	-	104,916	19,771	(125,784)	(1,097)
Assets reclassified to assets held for sale	(10,088)	(13,016)	-	-	(23,104)
Other movements	-	(1)	603	(1)	601
Carrying amount at the end of the period	432,473	2,290,498	38,686	60,342	2,821,999

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Reconciliation of land and improvements

The following table shows the movement of land and improvements during 2013-14

	Land	Buildings and improve- ments	Leasehold improve- ments	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	429,614	2,117,737	21,578	326,935	2,895,864
Additions	696	739	-	152,729	154,164
Assets received free of charge	-	-	-	-	-
Disposals	(1,841)	(3,483)	(43)	(18)	(5,385)
Revaluation increment/(decrement)	-	(17,597)	-	-	(17,597)
Impairment losses	-	(4,638)	-	-	(4,638)
Depreciation and amortisation	-	(111,378)	(2,367)	-	(113,745)
Transfers between asset classes	-	363,213	2,398	(369,059)	(3,448)
Assets reclassified to assets held for sale	(8,650)	(476)	-	-	(9,126)
Other movements	-	50	22	(1,136)	(1,064)
Carrying amount at the end of the period	419,819	2,344,167	21,588	109,451	2,895,025

Land includes land only holdings at fair value and site land at fair value.

Buildings and improvements include buildings and improvements at fair value, buildings and improvements under finance lease and site improvements at fair value.

Reconciliation of plant and equipment

The following table shows the movement of plant and equipment during 2014-15

	Medical/ surgical/ dental/ biomedical	Computer equipment	Capital works in progress	Other plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	100,218	8,270	19,186	40,337	168,011
Additions	16,988	65	24,221	989	42,263
Assets received free of charge	210	91	178	45	524
Disposals	(1,409)	(6)	(3,607)	(417)	(5,439)
Revaluation increment/(decrement)	3,596	-	-	125	3,721
Depreciation and amortisation	(33,218)	(5,160)	-	(8,812)	(47,190)
Transfers between asset classes	13,886	(148)	(17,636)	4,957	1,059
Other movements	6	(42)	2	(18)	(52)
Carrying amount at the end of the period	100,277	3,070	22,344	37,206	162,897

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Reconciliation of plant and equipment

The following table shows the movement of plant and equipment during 2013-14

	Medical/ surgical/ dental/ biomedical	Computer equipment	Capital works in progress	Other plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	116,981	10,646	32,438	33,070	193,135
Additions	11,336	222	23,325	3,408	38,291
Assets received free of charge	633	-	17	11	661
Disposals	(842)	-	-	(512)	(1,354)
Revaluation increment/(decrement)	(3,619)	-	-	(88)	(3,707)
Depreciation and amortisation	(33,477)	(8,513)	-	(8,543)	(50,533)
Transfers between asset classes	9,220	5,915	(31,517)	12,989	(3,393)
Other movements	(14)	-	(5,077)	2	(5,089)
Carrying amount at the end of the period	100,218	8,270	19,186	40,337	168,011

Other plant and equipment includes motor vehicles under finance lease, motor vehicles at cost, plant and equipment - major at cost, plant and equipment under finance lease, power generation and transmission and other plant and equipment at cost.

Parent

Reconciliation of land and improvements

The following table shows the movement of land and improvements during 2014-15

	Land	Buildings and improve- ments	Leasehold improve- ments	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	37,010	2,496	995	-	40,501
Additions	-	-	19	2,362	2,381
Assets received free of charge	10,308	13,016	-	-	23,324
Disposals	-	(30)	-	-	(30)
Revaluation increment/(decrement)	4,159	(828)	-	-	3,331
Impairment losses	-	-	-	-	-
Depreciation and amortisation	-	(82)	(468)	-	(550)
Transfers between asset classes	-	-	2,127	(2,127)	-
Assets reclassified to assets held for sale	(10,088)	(13,016)	-	-	(23,104)
Other movements	-	-	606	-	606
Carrying amount at the end of the period	41,389	1,556	3,279	235	46,459

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Reconciliation of land and improvements

The following table shows the movement of land and improvements during 2013-14

	Land	Buildings and improve- ments	Leasehold improve- ments	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	38,330	3,689	1,285	852	44,156
Additions	-	-	-	-	-
Assets received free of charge	8,650	476	-	-	9,126
Disposals	(1,320)	(1,905)	-	-	(3,225)
Revaluation increment/(decrement)	-	-	-	-	-
Impairment losses	-	-	-	-	-
Depreciation and amortisation	-	(140)	(290)	-	(430)
Transfers between asset classes	-	852	-	(852)	-
Assets reclassified to assets held for sale	(8,650)	(476)	-	-	(9,126)
Other movements	-	-	-	-	-
Carrying amount at the end of the period	37,010	2,496	995	-	40,501

Land includes land only holdings at fair value and site land at fair value.

Buildings and improvements include buildings and improvements at fair value, buildings and improvements under finance lease and site improvements at fair value.

Reconciliation of plant and equipment

The following table shows the movement of plant and equipment during 2014-15

	Medical/ surgical/ dental/ biomedical	Computer equipment	Capital works in progress	Other plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	-	6,480	3,513	366	10,359
Additions	-	-	529	76	605
Assets received free of charge	-	-	-	27	27
Disposals	-	(3)	-	(29)	(32)
Depreciation and amortisation	-	(4,532)	-	(82)	(4,614)
Transfers between asset classes	-	654	(532)	-	122
Carrying amount at the end of the period	-	2,599	3,510	358	6,467

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Reconciliation of plant and equipment

The following table shows the movement of plant and equipment during 2013-14

	Medical/ surgical/ dental/ biomedical	Computer equipment	Capital works in progress	Other plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	-	12,491	6,969	447	19,907
Additions	-	-	5,415	51	5,466
Assets received free of charge	-	-	-	-	-
Disposals	-	-	-	(55)	(55)
Depreciation and amortisation	-	(7,864)	-	(77)	(7,941)
Transfers between asset classes	-	3,896	(3,831)	-	65
Carrying amount at the end of the period	-	8,523	8,553	366	17,442
Prior year adjustment - write-off	-	(2,043)	(5,040)	-	(7,083)
Restated carrying amount at the end of the period	-	6,480	3,513	366	10,359

The prior year adjustment relates to computer equipment: \$2.609 million carrying value and \$0.566 million accumulated depreciation, and plant and equipment under construction: \$5.040 million. Refer to note 2.41.

Other plant and equipment includes motor vehicles under finance lease, motor vehicles at cost, plant and equipment - major at cost, plant and equipment under finance lease, power generation and transmission and other plant and equipment at cost.

28 Investment property	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Investment property (at fair value)	18,190	19,094	-	-
Total investment property	18,190	19,094	-	-

Valuation of investment property

As at 1 June 2015, an independent valuation was performed on the investment property at Unit 1, 27 Kermode Street North Adelaide, by Asset Val with recent experience in the local market and equivalent properties. Investment properties are measured at fair value.

The valuation of the investment property located at Dalglish Street, Thebarton was performed by Carol Simons, B Bus. Prop(Val), AAPI Certified Practicing Valuer, an independent valuer from Knight Frank Valuations as at 10 June 2014. The valuer arrived at a fair value based on recent market transactions for similar properties in the area taking in to account zoning and restricted use.

Where there is recent market transactions for similar properties, the valuations are based on the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in the active market for similar properties. These investment properties have been categorised as Level 2.

Impairment

There were no indications of impairment of investment property assets at 30 June 2015.

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Reconciliation of investment property

The following table shows the movement of investment property during 2014-15

	Investment property	Total
	\$'000	\$'000
Carrying amount at the beginning of the period	19,094	19,094
Disposals	(269)	(269)
Revaluation increment/(decrement)	(635)	(635)
Carrying amount at the end of the period	18,190	18,190

Reconciliation of investment property

The following table shows the movement of investment property during 2013-14

	Investment property	Total
	\$'000	\$'000
Carrying amount at the beginning of the period	19,569	19,569
Disposals	-	-
Revaluation increment/(decrement)	(475)	(475)
Carrying amount at the end of the period	19,094	19,094

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Amounts recognised in the Statement of Comprehensive Income for investment property				
Rental income	2,687	2,712	-	-
Total amount recognised in the Statement of Comprehensive Income	2,687	2,712	-	-

29 Intangible assets	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Internally developed computer software	20	20	-	-
Accumulated amortisation (Internally developed)	(20)	(20)	-	-
Other computer software	113,791	95,120	89,711	82,949
Accumulated amortisation (Other computer software)	(40,762)	(35,807)	(34,188)	(32,649)
Other intangibles	3,095	3,095	-	-
Accumulated amortisation (Other intangibles)	(2,375)	(2,280)	-	-
Intangibles under construction (Work in progress)	32,230	23,275	25,498	16,130
Total intangible assets	105,979	83,403	81,021	66,430

Impairment

There were no indications of impairment of intangible assets at 30 June 2015.

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Reconciliation of intangibles

The following table shows the movement of intangibles during 2014-15

	Capital works in progress	Internally developed computer software	Other computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	23,275	-	59,313	815	83,403
Additions	36,835	-	83	-	36,918
Assets received free of charge	-	-	-	-	-
Disposals	-	-	(249)	-	(249)
Write-off non-current assets	(37)	-	-	4	(33)
Amortisation	-	-	(13,999)	(99)	(14,098)
Transfers between asset classes	(27,844)	-	27,882	-	38
Other movements	1	-	(1)	-	-
Carrying amount at the end of the period	32,230	-	73,029	720	105,979

Reconciliation of intangibles

The following table shows the movement of intangibles during 2013-14

	Capital works in progress	Internally developed computer software	Other computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	10,329	-	55,501	918	66,748
Additions	14,767	-	7,387	-	22,154
Assets received free of charge	-	-	45	-	45
Disposals	-	-	(23)	-	(23)
Write-off non-current assets	-	-	-	-	-
Amortisation	-	-	(12,263)	(99)	(12,362)
Transfers between asset classes	(1,821)	-	8,662	-	6,841
Other movements	-	-	4	(4)	-
Carrying amount at the end of the period	23,275	-	59,313	815	83,403

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Parent

Reconciliation of intangibles

The following table shows the movement of intangibles during 2014-15

	Capital works in progress	Internally developed computer software	Other computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	16,130	-	50,300	-	66,430
Additions	25,546	-	-	-	25,546
Assets received free of charge	-	-	-	-	-
Disposals	-	-	(249)	-	(249)
Write-off non-current assets	-	-	-	-	-
Amortisation	-	-	(10,584)	-	(10,584)
Transfers between asset classes	(16,178)	-	16,056	-	(122)
Other movements	-	-	-	-	-
Carrying amount at the end of the period	25,498	-	55,523	-	81,021

Reconciliation of intangibles

The following table shows the movement of intangibles during 2013-14

	Capital works in progress	Internally developed computer software	Other computer software	Other intangibles	Total
		\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	6,373	-	48,917	-	55,290
Additions	14,579	-	6,668	-	21,247
Assets received free of charge	-	-	-	-	-
Disposals	-	-	(23)	-	(23)
Write-off non-current assets	-	-	-	-	-
Amortisation	-	-	(10,019)	-	(10,019)
Transfers between asset classes	(4,822)	-	4,757	-	(65)
Other movements	-	-	-	-	-
Carrying amount at the end of the period	16,130	-	50,300	-	66,430

30 Fair Value Measurement

Fair Value Hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The Consolidated Entity categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2015.

The Consolidated Entity had no valuations categorised into Level 1.

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Fair value measurements at 30 June 2015						
	Consolidated			Parent		
	Level 2	Level 3	2015	Level 2	Level 3	2015
Recurring fair value measurements	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land (Note 27)	106,010	326,463	432,473	41,389	-	41,389
Buildings (Note 27)	-	2,290,498	2,290,498	-	1,556	1,556
Leasehold improvements (Note 27)	-	38,686	38,686	-	3,279	3,279
Plant and equipment (Note 27)	-	140,553	140,553	-	2,957	2,957
Investment property (Note 28)	14,365	3,825	18,190	-	-	-
Total recurring fair value measurements	120,375	2,800,025	2,920,400	41,389	7,792	49,181
Non-recurring fair value measurements						
Land held for sale (Note 26)	1,601	-	1,601	1,601	-	1,601
Buildings held for sale (Note 26)	-	1,301	1,301	-	1,301	1,301
Total non-recurring fair value measurements¹	1,601	1,301	2,902	1,601	1,301	2,902
Total	121,976	2,801,326	2,923,302	42,990	9,093	52,083
Fair value measurements at 30 June 2014						
	Consolidated			Parent		
	Level 2	Level 3	2014	Level 2	Level 3	2014
Recurring fair value measurements	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land (Note 27)	98,664	321,155	419,819	37,010	-	37,010
Buildings (Note 27)	-	2,344,167	2,344,167	-	2,496	2,496
Leasehold improvements (Note 27)	-	21,588	21,588	-	995	995
Plant and equipment (Note 27)	-	148,825	148,825	-	6,846	6,846
Investment property (Note 28)	15,000	4,094	19,094	-	-	-
Total recurring fair value measurements	113,664	2,839,829	2,953,493	37,010	10,337	47,347
Non-recurring fair value measurements						
Land held for sale (Note 26)	5,548	-	5,548	5,548	-	5,548
Buildings held for sale (Note 26)	-	179	179	-	179	179
Total non-recurring fair value measurements¹	5,548	179	5,727	5,548	179	5,727
Total	119,212	2,840,008	2,959,220	42,558	10,516	53,074

¹ The Consolidated Entity has measured land and buildings held for sale at fair value less costs to sell in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* because the assets' fair value less costs to sell is lower than its carrying amount.

There were no transfers of assets between Level 1 and 2 fair value hierarchy levels in 2014-15. The Consolidated Entity's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques and inputs

Land fair values were derived by using the market approach, being recent sales transactions of other similar land holdings within the region, adjusted for differences in key attributes such as property size, zoning and any restrictions on use, and then adjusted with a discount factor. To the extent that land, has had any restrictions on use and been adjusted with a discount factor, these assets are classified as level 3. All other land has been classified as level 2.

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Due to the predominantly specialised nature of health service assets, the majority of building and plant and equipment valuations have been undertaken using a cost approach (depreciated replacement cost), an accepted valuation methodology under AASB 13. The extent of unobservable inputs and professional judgement required in valuing these assets is significant, and as such they are deemed to have been valued using Level 3 valuation inputs.

Unobservable inputs used to arrive at final valuation figures included:

- Estimated remaining useful life, which is an economic estimate and by definition, is subject to economic influences;
- Cost rate, which is the estimated cost to replace an asset with the same service potential as the asset undergoing valuation (allowing for over-capacity), and based on a combination of internal records including: refurbishment and upgrade costs, historical construction costs, functional utility users, industry construction guides, specialised knowledge and estimated acquisition/transfer costs;
- Characteristics of the asset, including condition, location, any restrictions on sale or use and the need for ongoing provision of Government services;
- Effective life, being the expected life of the asset assuming general maintenance is undertaken to enable functionality but no upgrades are incorporated which extend the technical life or functional capacity of the asset; and
- Depreciation methodology, noting that AASB 13 dictates that regardless of the depreciation methodology adopted, the exit price should remain unchanged.

Although there were some buildings valued using Level 2 inputs, the fair value of these was immaterial in comparison to the whole class, therefore all buildings have been classified as Level 3.

Valuation techniques and inputs used to derive Level 2 and 3 fair values are at Note 27 and 28. There were no changes in valuation techniques during 2015.

The following table is a reconciliation of fair value measurements using significant unobservable inputs (Level 3).

Consolidated

Reconciliation of Level 3 recurring fair value measurements at 30 June 2015

	Land	Buildings and improve- ments	Plant and equipment	Investment properties	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	321,155	2,365,755	148,825	4,094	2,839,829
Additions	-	1,517	18,042	-	19,559
Assets received free of charge	160	670	346	-	1,176
Disposals	(360)	(636)	(1,832)	(269)	(3,097)
Acquisition/(disposal) through transfers	-	124,687	18,695	-	143,382
Assets reclassified to assets held for sale	(10,088)	(13,016)	-	-	(23,104)
Other movements	-	602	(54)	-	548
Gains/(losses) for the period recognised in net result:					
- Revaluation increment/(decrement)	-	5,810	-	-	5,810
- Depreciation and amortisation	-	(116,647)	(47,190)	-	(163,837)
Total gains/(losses) recognised in net result	-	(110,837)	(47,190)	-	(158,027)
Gains/(losses) for the period recognised in Other Comprehensive Income (OCI)					
- Revaluation increment/(decrement)	15,596	(39,558)	3,721	-	(20,241)
- Impairment losses/reversals	-	-	-	-	-
Total gains/(losses) recognised in OCI	15,596	(39,558)	3,721	-	(20,241)
Carrying amount at the end of the period	326,463	2,329,184	140,553	3,825	2,800,025

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Reconciliation of Level 3 recurring fair value measurements at 30 June 2014

	Land \$'000	Buildings and improve- ments \$'000	Plant and equipment \$'000	Investment properties \$'000	Total \$'000
Carrying amount at the beginning of the period	329,610	2,139,315	160,697	5,269	2,634,891
Additions	195	739	14,966	-	15,900
Assets received free of charge	-	-	644	-	644
Disposals	-	(3,526)	(1,354)	-	(4,880)
Acquisition/(disposal) through transfers	-	365,611	28,124	-	393,735
Assets reclassified to assets held for sale	(8,650)	(476)	-	-	(9,126)
Other movements	-	72	(12)	-	60
Gains/(losses) for the period recognised in net result:					
- Revaluation increment/(decrement)	-	-	-	(1,175)	(1,175)
- Depreciation and amortisation	-	(113,745)	(50,533)	-	(164,278)
Total gains/(losses) recognised in net result	-	(113,745)	(50,533)	(1,175)	(165,453)
Gains/(losses) for the period recognised in Other Comprehensive Income (OCI)					
- Revaluation increment/(decrement)	-	(17,597)	(3,707)	-	(21,304)
- Impairment losses/reversals	-	(4,638)	-	-	(4,638)
Total gains/(losses) recognised in OCI	-	(22,235)	(3,707)	-	(25,942)
Carrying amount at the end of the period	321,155	2,365,755	148,825	4,094	2,839,829

Buildings and improvements includes leasehold improvements but excludes works in progress.

Plant and equipment includes computer, medical, surgical, dental, biomedical and other plant and equipment but excludes works in progress.

Parent

Reconciliation of Level 3 recurring fair value measurements at 30 June 2015

	Land \$'000	Buildings and improve- ments \$'000	Plant and equipment \$'000	Investment properties \$'000	Total \$'000
Carrying amount at the beginning of the period	-	3,491	6,846	-	10,337
Additions	-	19	76	-	95
Assets received free of charge	-	13,016	27	-	13,043
Disposals	-	(30)	(32)	-	(62)
Acquisition/(disposal) through transfers	-	2,127	654	-	2,781
Assets reclassified to assets held for sale	-	(13,016)	-	-	(13,016)
Other movements	-	606	-	-	606
Gains/(losses) for the period recognised in net result:					
- Depreciation and amortisation	-	(550)	(4,614)	-	(5,164)
Total gains/(losses) recognised in net result	-	(550)	(4,614)	-	(5,164)
Gains/(losses) for the period recognised in Other Comprehensive Income (OCI)					
- Revaluation increment/(decrement)	-	(828)	-	-	(828)
Total gains/(losses) recognised in OCI	-	(828)	-	-	(828)
Carrying amount at the end of the period	-	4,835	2,957	-	7,792

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Reconciliation of Level 3 recurring fair value measurements at 30 June 2014

	Land \$'000	Buildings and improve- ments \$'000	Plant and equipment \$'000	Investment properties \$'000	Total \$'000
Carrying amount at the beginning of the period	-	4,974	12,938	-	17,912
Additions	-	-	51	-	51
Assets received free of charge	-	476	-	-	476
Disposals	-	(1,905)	(55)	-	(1,960)
Acquisition/(disposal) through transfers	-	852	3,896	-	4,748
Assets reclassified to assets held for sale	-	(476)	-	-	(476)
Other movements	-	-	-	-	-
Gains/(losses) for the period recognised in net result:					
- Depreciation and amortisation	-	(430)	(7,941)	-	(8,371)
Total gains/(losses) recognised in net result	-	(430)	(7,941)	-	(8,371)
Gains/(losses) for the period recognised in Other Comprehensive Income (OCI)					
- Revaluation increment/(decrement)	-	-	-	-	-
Total gains/(losses) recognised in OCI	-	-	-	-	-
Carrying amount at the end of the period	-	3,491	8,889	-	12,380
Prior year adjustment - write-off	-	-	(2,043)	-	(2,043)
Restated carrying amount at the end of the period	-	3,491	6,846	-	10,337

Buildings and improvements includes leasehold improvements but excludes works in progress.

Plant and equipment includes computer, medical, surgical, dental, biomedical and other plant and equipment but excludes works in progress.

31 Payables	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Current				
Creditors and accrued expenses	204,180	200,430	64,565	69,643
Paid Parental Leave Scheme payable	658	494	10	20
Health service workers compensation	-	-	10,453	9,609
Interstate patient transfers	78,589	64,619	78,589	64,619
Employment on-costs	43,314	40,321	2,668	2,751
Other payables	5,399	5,201	-	-
Total current payables	332,140	311,065	156,285	146,642
Non-current				
Creditors and accrued expenses	104	-	-	-
Health service workers compensation	-	-	16,772	31,325
Employment on-costs	26,218	18,928	2,530	2,320
Other payables	197	189	-	-
Total non-current payables	26,519	19,117	19,302	33,645
Total payables	358,659	330,182	175,587	180,287

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As a result of an actuarial assessment performed by Mercer Consulting (Australia) Pty Ltd, the percentage of the proportion of long service leave taken as leave has increased from the 2014 rate of 40% to 51%. Further, the average factor for the calculation of employer superannuation cost on-cost has decreased for the Department and Hospitals from between 10.58% to 11.28% in 2014 to between 9.71% to 10.85% and has increased for SAAS from 12.82% in 2014 to 13.94%. These rates are used in the employment on-cost calculation. The net financial effect of the above changes in the current financial year is an increase in the employment on-costs of \$8.016 million and employee benefits expense of \$8.016 million. The estimated impact on 2016 and 2017 is \$8.259 million and \$8.501 million respectively.

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employee on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to the amounts being payable on demand.

Categorisation of financial instruments, maturity analysis of borrowings and risk exposure information

Refer to Note 37.

The 2014 parent comparative information for payables has been amended to account for the correction of a prior period error as disclosed in Note 2.41 above.

The following significant adjustments were made to the 2014 parent comparative information:

	Parent	
	2014	2014
Payables	Reported	Adjusted
Creditors and accrued expenses	53,596	69,643

32	Borrowings	Consolidated		Parent	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
	Current				
	Loans	2,569	2,253	2,569	2,253
	Finance lease	3,099	2,975	-	-
	Total current borrowings	5,668	5,228	2,569	2,253
	Non-current				
	Loans	13,493	15,441	13,493	15,441
	Finance lease	30,214	33,047	-	-
	Total non-current borrowings	43,707	48,488	13,493	15,441
	Total borrowings	49,375	53,716	16,062	17,694

Categorisation of financial instruments, maturity analysis of payables and risk exposure information

Refer to Note 37.

Defaults and breaches

There were no defaults or breaches on any of the above liabilities throughout the year.

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33 Employee benefits	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Annual leave	281,145	268,919	14,225	15,745
Long service leave	74,836	55,786	5,026	4,005
Accrued salaries and wages	87,321	79,497	970	1,379
Fringe benefits tax	2,519	2,275	2,510	2,267
Skills and experience retention leave	21,414	15,511	1,135	1,014
Superannuation - defined benefit scheme	12,145	9,262	-	-
Other	103	78	15	6
Total current employee benefits	479,483	431,328	23,881	24,416
Non-current				
Long service leave	477,921	475,611	30,978	34,631
Superannuation - defined benefit scheme	16,300	13,056	-	-
Total non-current employee benefits	494,221	488,667	30,978	34,631
Total employee benefits	973,704	919,995	54,859	59,047

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability. The actuarial assessment performed by Mercer Consulting (Australia) Pty Ltd has provided a basis for the measurement of long service leave. AASB119 requires the use of a yield on long term Commonwealth Government bonds which matches the expected term of the liabilities as the discount rate in the measurement of the long service leave liability. The appropriate yield on long term Commonwealth Government bonds has decreased from 2014 (3.50% or 3.60%) to 2015 (between 2.70% to 2.95%).

This decrease of the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability. The net financial effect of the change in the current financial year is an increase in the long service leave liability of \$27.234 million and employee benefit expense of \$28.664 million. The impact on the future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

The actuarial assessment performed by Mercer Consulting (Australia) Pty Ltd, reduced the salary inflation rate from between 3.00% to 4.00% per annum and 4.00% thereafter, to between 2.50% to 3.00% per annum and 3.00% thereafter. As a result, there was a net reduction in the long service leave liability of \$37.098 million for the current financial year.

Annual leave and SERL employee benefits calculations at 30 June 2015 include a salary inflation rate of 3.00% (4.00%).

The defined benefit liability has been recognised in the Statement of Financial Position in accordance with AASB 119 and is held in SAAS.

Defined benefit superannuation scheme	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Reconciliation of the present value of the defined benefit obligation:				
Opening balance of defined benefit obligation	219,473	201,695	-	-
Current service cost	8,779	8,476	-	-
Interest cost	7,428	7,203	-	-
Contributions by scheme participants	5,022	4,739	-	-
Actuarial losses	13,621	9,510	-	-
Benefits paid	(7,115)	(10,342)	-	-
Taxes, premiums and expenses paid	(1,899)	(1,941)	-	-
Transfers in	245	133	-	-
Closing balance of defined benefit obligation	245,554	219,473	-	-

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	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Reconciliation of the fair value of scheme assets:				
Opening balance of scheme assets	197,155	175,955	-	-
Interest Income	6,898	6,532	-	-
Actual return on Scheme assets less Interest Income	9,891	14,510	-	-
Contributions from the employer	6,912	7,569	-	-
Contributions by scheme participants	5,022	4,739	-	-
Benefits paid	(7,115)	(10,342)	-	-
Taxes, premiums and expenses paid	(1,899)	(1,941)	-	-
Transfers in	245	133	-	-
Closing balance of scheme assets	217,109	197,155	-	-

The amount included in the Statement of Financial Position arising from Consolidated Entity's obligations in respect of its defined benefit scheme is as follows:

Present value of defined benefit obligations	245,554	219,473	-	-
Fair value of scheme assets	(217,109)	(197,155)	-	-
Net liability arising from defined benefit obligations	28,445	22,318	-	-

Included in the Statement of Financial Position:

Current provision for employee benefits - defined benefit obligations	12,145	9,262	-	-
Non-current provision for employee benefits - defined benefit obligations	16,300	13,056	-	-
Closing balance of defined benefit obligation	28,445	22,318	-	-

	% invested by asset class			
	Consolidated		Parent	
	2015	2014	2015	2014
	%	%	%	%
Australian equity	25	26	-	-
International equity	18	18	-	-
Fixed income	30	30	-	-
Property	10	11	-	-
Cash	17	15	-	-
Total	100	100	-	-

In accordance with the revised AASB 119 the discount rate assumption is used to determine interest income and the expected return on assets assumption is no longer used. The actual return on scheme assets was a gain of \$16.800 million (\$21.000 million). Employer contributions of \$5.700 million are expected to be paid to the scheme for the year ending 30 June 2016. Expected employer contributions reflect the current 12.00% of salary contributions.

	Consolidated		Parent	
	2015	2014	2015	2014
	% pa	% pa	% pa	% pa
Principal actuarial assumptions used (and expressed as weighted averages):				
Discount rate (Defined benefit cost)	3.6	3.8	-	-
Discount rate (Defined benefit obligation)	3.1	3.6	-	-
Expected rate of salary increase	3.0	4.0	-	-

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	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Movement in net defined benefit liability				
Net defined benefit liability at start of year	22,318	25,740	-	-
Defined benefit cost	9,309	9,147	-	-
Remeasurements	3,729	(5,000)	-	-
Employer contributions	(6,911)	(7,569)	-	-
Net defined benefit liability at end of year	28,445	22,318	-	-

Description of the regulatory framework

The Superannuation Industry (Supervision) (SIS) legislation governs the superannuation industry and provides the framework within which superannuation schemes operate. The SIS regulations require an actuarial valuation to be performed for each defined benefit superannuation Scheme every three years, or every year if the Scheme pays defined benefit pensions unless an exemption has been obtained.

Description of other entities' responsibilities for the governance of the Scheme

The Scheme's trustee is responsible for the governance of the Scheme. The trustee has a legal obligation to act solely in the best interests of Scheme beneficiaries. The trustee has the following roles:

- administration of the Scheme and payment to the beneficiaries from Scheme assets when required in accordance with the Scheme rules;
- management and investment of the Scheme assets; and
- compliance with superannuation law and other applicable regulations.

The prudential regulator, the Australian Prudential Regulation Authority (APRA), licences and supervises regulated superannuation schemes.

Description of risks

There are a number of risks to which the Scheme exposes the employer. The more significant risks relating to the defined benefits are:

Investment risk

The risk that investment returns will be lower than assumed and the employer will need to increase contributions to offset this shortfall.

Salary growth risk

The risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.

Legislative risk

The risk that legislative changes could be made which increase the cost of providing the defined benefits.

The scheme assets are invested in the Funds SA Balanced Investment option. The assets are diversified within this investment option and therefore the Scheme has no significant concentration of investment risk.

Funding arrangements

The financing objective adopted at the 30 June 2014 actuarial investigation of the Scheme in a report dated 15 May 2015, is to maintain the value of the Scheme's assets at least equal to:

- 100% of accumulation account balances, plus
- for defined benefits, the greater of 100% of vested benefits and 100% of the actuarial value of accrued benefits.

In that valuation, it was recommended that the employer contribute to the Scheme as follows:

- Defined Benefit members:
 - 12.00% of salary for all defined benefit members until 30 June 2015, then
 - 9.50% of salary for all defined benefit members after 1 July 2015, plus
 - Any additional employer contributions agreed between the employer and a member.
- Accumulation members:
 - 9.50% of ordinary time earnings, plus
 - Any additional employer contributions agreed between the employer and a member.

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation as at 30 June 2015 is nine years.

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34 Provisions		Note	Consolidated		Parent	
			2015	2014	2015	2014
			\$'000	\$'000	\$'000	\$'000
Current						
Insurance		34.1	16,055	11,748	16,055	11,748
Provision for workers compensation		34.2	31,844	30,058	906	485
Total current provisions			47,899	41,806	16,961	12,233
Non-current						
Insurance		34.1	83,848	76,547	83,848	76,547
Provision for workers compensation		34.2	64,673	77,074	1,737	1,245
Total non-current provisions			148,521	153,621	85,585	77,792
Total provisions			196,420	195,427	102,546	90,025

34.1 Reconciliation of insurance

The following table shows the movement of insurance during:

Consolidated

2015	Medical malpractice	Public liability	Property	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	85,446	1,442	1,407	88,295
Increase to provision due to new claims	2,030	252	1,340	3,622
Reduction due to payments	(6,156)	(783)	(816)	(7,755)
Net revision of estimates	16,254	287	(800)	15,741
Carrying amount at 30 June	97,574	1,198	1,131	99,903

2014

Carrying amount at 1 July	83,483	584	1,992	86,059
Increase to provision due to new claims	2,301	364	1,473	4,138
Reduction due to payments	(7,628)	(324)	(1,123)	(9,075)
Net revision of estimates	7,290	818	(935)	7,173
Carrying amount at 30 June	85,446	1,442	1,407	88,295

Parent

2015	Medical malpractice	Public liability	Property	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	85,446	1,442	1,407	88,295
Increase to provision due to new claims	2,030	252	1,340	3,622
Reduction due to payments	(6,156)	(783)	(816)	(7,755)
Net revision of estimates	16,254	287	(800)	15,741
Carrying amount at 30 June	97,574	1,198	1,131	99,903

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	Medical malpractice \$'000	Public liability \$'000	Property \$'000	Total \$'000
2014				
Carrying amount at 1 July	83,483	584	1,992	86,059
Increase to provision due to new claims	2,301	364	1,473	4,138
Reduction due to payments	(7,628)	(324)	(1,123)	(9,075)
Net revision of estimates	7,290	818	(935)	7,173
Carrying amount at 30 June	85,446	1,442	1,407	88,295

34.2 Reconciliation of workers compensation	Consolidated		Parent	
The following table shows the movement of workers compensation:	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	107,132	99,976	1,730	1,579
Increase in provisions recognised	2,684	18,932	1,201	602
Reductions resulting from re-measurement or settlement without cost	(3,680)	-	-	-
Reductions arising from payments/other sacrifices of future economic benefits	(7,476)	(9,605)	(288)	(451)
Other	(2,143)	(2,171)	-	-
Carrying amount at the end of the period	96,517	107,132	2,643	1,730

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by Taylor Fry Consulting Actuaries.

35 Other liabilities	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Unclaimed monies	2,194	1,717	304	295
Unearned revenue	2,953	4,071	-	82
Residential aged care bonds	46,402	39,333	-	-
Lease incentive	314	-	154	-
Unapplied donations-Charitable Gift Board	1,272	988	-	283
Other	545	735	73	5
Total current other liabilities	53,680	46,844	531	665
Non-current				
Unearned revenue	941	1,025	-	69
Lease incentive	3,371	-	1,941	-
Other	668	-	-	-
Total non-current other liabilities	4,980	1,025	1,941	69
Total other liabilities	58,660	47,869	2,472	734

36 Equity	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Contributed capital	1,471,948	1,465,955	1,465,650	1,459,657
Asset revaluation surplus	315,161	328,863	35,549	32,098
Other reserves	38,298	42,310	-	-
Retained earnings	531,292	593,314	(1,341,103)	(1,383,040)
Total equity	2,356,699	2,430,442	160,096	108,715

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The asset revaluation surplus is used to record increments and decrements in the fair value of land, buildings and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

The 2014 parent comparative information for equity has been amended to account for the correction of a prior period error as disclosed in Note 2.41 above.

The following significant adjustments were made to the 2014 parent comparative information:

	Parent	
	2014	2014
Equity	Reported	Adjusted
Creditors and accrued expenses	(1,359,910)	(1,383,040)

37 Financial instruments/financial risk management

37.1 Financial risk management

Risk management is managed by the Department's Risk and Assurance Services section and risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

The Consolidated Entity is exposed to financial risk – liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

37.2 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2.

Refer to Table 37.3 for the carrying amounts of each of the following categories of financial assets and liabilities: Held-to-maturity investments; loan and receivables; and financial liabilities measured at cost.

The Consolidated Entity does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in Level 2 as all significant inputs required are observable.

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer Notes 2, 22 and 31).
- Borrowings are initially recognised at fair value, plus any transaction cost directly attributable to the borrowings, then subsequently held at amortised cost. The fair value of borrowings approximates the carrying amount, as the impact of discounting is not significant (refer Notes 2 and 32).
- Held-to-maturity investments are initially recognised at fair value, then subsequently held at amortised cost. This is the most representative of fair value in the circumstances (refer Notes 2 and 24).

37.3 Liquidity risk

Liquidity risk arises from the possibility that the Consolidated Entity is unable to meet its financial obligations as they fall due. The Consolidated Entity is funded principally from appropriation by the SA Government. The continued existence of the Consolidated Entity is dependent on State Government policy and on continued funding from DTF for the Consolidated Entity's administration and program delivery. The Consolidated Entity settles undisputed accounts within 30 days from the date of the invoice or the date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The Consolidated Entity's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount recorded in Table 37.3 represent the Consolidated Entity's maximum exposure.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

The following table discloses the carrying amount of each category of financial instrument held by the Consolidated Entity including the contractual maturity analysis for financial assets and liabilities (i.e. liquidity risk).

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Table 37.3 Categorisation and maturity analysis of financial assets and liabilities

Consolidated

	Notes	Carrying amount/ Fair value	Contractual maturities			
			Current	Within 1 year	1 - 5 years	More than 5 years
2015		\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and equivalent						
Cash and cash equivalents	21, 41	495,671	495,671	-	-	-
Loans and receivables						
Receivables ^{(1) (2)}	22	226,157	226,034	-	123	-
Held to maturity investments						
Other financial assets	24	77,076	70,221	-	6,855	-
Total financial assets		798,904	791,926	-	6,978	-
Financial liabilities						
Financial liabilities at cost						
Payables ⁽¹⁾	31	285,902	285,601	-	301	-
Borrowings	32	16,062	621	1,948	13,493	-
Other financial liabilities	35	58,660	53,451	229	3,569	1,411
Finance lease liability	32, 38	33,313	993	3,454	15,743	13,123
Total financial liabilities		393,937	340,666	5,631	33,106	14,534

	Notes	Carrying amount/ Fair value	Contractual maturities			
			Current	Within 1 year	1 - 5 years	More than 5 years
2014		\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and equivalent						
Cash and cash equivalents	21, 41	434,223	434,223	-	-	-
Loans and receivables						
Receivables ^{(1) (2)}	22	225,049	224,920	-	129	-
Held to maturity investments						
Other financial assets	24	70,225	65,439	-	4,786	-
Total financial assets		729,497	724,582	-	4,915	-
Financial liabilities						
Financial liabilities at cost						
Payables ⁽¹⁾	31	267,750	267,561	-	189	-
Borrowings	32	17,694	-	2,253	13,527	1,914
Other financial liabilities	35	47,869	46,844	-	1,025	-
Finance lease liability	32, 38	36,022	956	3,449	12,705	18,912
Total financial liabilities		369,335	315,361	5,702	27,446	20,826

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Parent

	Notes	Carrying amount/ Fair value	Contractual maturities			
			Current	Within 1 year	1 - 5 years	More than 5 years
2015		\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and equivalent						
Cash and cash equivalents	21, 41	213,025	213,025	-	-	-
Loans and receivables						
Receivables ^{(1) (2)}	22	123,751	104,880	2,623	16,009	239
Total financial assets		336,776	317,905	2,623	16,009	239
Financial liabilities						
Financial liabilities at cost						
Payables ⁽¹⁾	31	169,847	153,075	-	16,772	-
Borrowings	32	16,062	621	1,948	13,493	-
Other financial liabilities	35	2,472	462	69	1,319	622
Total financial liabilities		188,381	154,158	2,017	31,584	622

	Notes	Carrying amount/ Fair value	Contractual maturities			
			Current	Within 1 year	1 - 5 years	More than 5 years
2014		\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and equivalent						
Cash and cash equivalents	21, 41	176,080	176,080	-	-	-
Loans and receivables						
Receivables ^{(1) (2)}	22	126,038	104,845	2,253	16,408	2,532
Total financial assets		302,118	280,925	2,253	16,408	2,532
Financial liabilities						
Financial liabilities at cost						
Payables ⁽¹⁾	31	174,566	143,241	-	31,325	-
Borrowings	32	17,694	-	2,253	13,527	1,914
Other financial liabilities	35	734	665	-	69	-
Total financial liabilities		192,994	143,906	2,253	44,921	1,914

- (1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth taxes; Auditor-General's Department audit fees etc.). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).
- (2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in Note 22 as trade and other receivables in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

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37.4 Credit risk

Credit risk arises when there is the possibility of the Consolidated Entity's debtors defaulting on their contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity measures credit risk on a fair value basis and monitors risk on a regular basis.

The Consolidated Entity has minimal concentration of credit risk. The Consolidated Entity does not engage in high risk hedging for its financial assets.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer to Note 22 for information on the allowance for impairment in relation to receivables.

The carrying amount of financial assets as detailed in Table 37.4 represents the Consolidated Entity's maximum exposure to credit risk.

The following table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets.

Table 37.4 Ageing analysis of financial assets

Consolidated		Past due but not impaired				
2015	Carrying amount	Not past due and not impaired	Overdue for < 30 days	Overdue for 30 - 60 days	Overdue > 60 days	Impaired financial assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	495,671	495,671	-	-	-	-
Receivables ⁽¹⁾	226,157	180,571	11,691	8,565	25,330	34,631
Other financial assets	77,076	77,076	-	-	-	-
	798,904	753,318	11,691	8,565	25,330	34,631
2014						
Cash and cash equivalents	434,223	434,223	-	-	-	-
Receivables ⁽¹⁾	225,049	190,200	10,807	6,881	17,161	34,055
Other financial assets	70,225	70,225	-	-	-	-
	729,497	694,648	10,807	6,881	17,161	34,055
Parent		Past due but not impaired				
2015	Carrying amount	Not past due and not impaired	Overdue for < 30 days	Overdue for 30 - 60 days	Overdue > 60 days	Impaired financial assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	213,025	213,025	-	-	-	-
Receivables ⁽¹⁾	123,751	123,477	135	-	139	383
	336,776	336,502	135	-	139	383
2014						
Cash and cash equivalents	176,080	176,080	-	-	-	-
Receivables ⁽¹⁾	126,038	125,730	101	199	8	306
	302,118	301,810	101	199	8	306

(1) Receivable amounts disclosed here exclude amounts relating to statutory receivables (amounts owing to Government). They are carried at cost.

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37.5 Market risk

Market risk for the Consolidated Entity is primarily through interest rate risk. Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. Any exposure to foreign currency risks is managed by SAFA.

37.6 Sensitivity disclosure analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Consolidated Entity as it has been determined that the possible impact on comprehensive income or total equity from fluctuations in interest rates is immaterial.

38 Unrecognised contractual commitments

38.1 Operating lease revenue commitments

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Commitments in relation to operating leases contracted for at the reporting date but not recognised as assets are receivable as follows:				
Within one year	1,666	2,193	-	-
Later than one year but not longer than five years	2,194	2,714	-	-
Later than five years	619	529	-	-
Total operating lease revenue commitments	4,479	5,436	-	-

The operating lease relates to the property owned by the Consolidated Entity and leased to external parties.

38.2 Operating lease expenditure commitments

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:				
Within one year	30,931	23,515	11,741	9,916
Later than one year but not longer than five years	71,823	66,100	36,684	33,718
Later than five years	51,247	45,474	12,239	18,478
Total operating lease commitments	154,001	135,089	60,664	62,112
Representing:				
Cancellable operating leases	8,518	4,122	-	-
Non-cancellable operating leases	145,483	130,967	60,664	62,112
Total operating lease commitments	154,001	135,089	60,664	62,112

The Consolidated Entity has a number of lease agreements. Lease terms vary in length. Each lease agreement has renewal options for a determined period, exercisable by both the lessor and lessee. Majority of the operating lease arrangements are for the use of properties.

38.3 Finance lease liabilities commitments

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Within one year	8,413	8,367	-	-
Later than one year but not longer than five years	33,653	33,470	-	-
Later than five years	29,202	36,201	-	-
Total finance lease commitments	71,268	78,038	-	-
Less future finance lease charges and contingent rentals	(37,955)	(42,016)	-	-
Amount recognised as a liability	33,313	36,022	-	-
Add lease incentive involved	-	-	-	-
Total finance lease commitments	33,313	36,022	-	-

Included in finance lease commitments above is \$3.029 million (\$3.273 million) which is the GST component of the finance lease commitments.

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	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
The present value of finance leases payable is as follows:				
Within one year	4,447	4,405	-	-
Later than one year but not longer than five years	15,743	12,705	-	-
Later than five years	13,123	18,912	-	-
Present value of finance leases	33,313	36,022	-	-
Included in the Statement of Financial Position as:				
Current borrowings (Note 32)	3,099	2,975	-	-
Non-current borrowings (Note 32)	30,214	33,047	-	-
Total included in borrowings	33,313	36,022	-	-

The Consolidated Entity has entered into a number of finance leases. These finance leases are for buildings and car parks. The leases are non-cancellable with some leases having the right of renewal. Rent is payable in arrears.

The lease of the Health Facility to Mt Gambier and Districts Health Service is for 25 years with an option for a 10 year renewal. After 35 years the land and buildings revert to the Department. The lease commenced on 30 June 1997. The base rental for the 25 year term increases according to CPI each quarter. For the 10 year renewal the rental is determined according to a different method related to a valuation of the property and its replacement cost.

New Royal Adelaide Hospital financing arrangements

A 35 year contract was entered into in June 2011 with SA Health Partnership Consortium (SAHP) to build, operate, maintain and provide non-medical support services for the new Royal Adelaide Hospital (new RAH). Upon completion it will be the largest, most technologically advanced hospital in South Australia and one of the most advanced in Australia. This arrangement is a Public Private Partnership (PPP).

Construction of the new RAH is expected to be completed in the 2016 calendar year. The nominal construction cost for the new RAH pursuant to the PPP arrangement is estimated at \$1,850.000 million. Under the arrangement, SAHP will finance, maintain and provide non-medical support services including facilities management by Spotless and information communication technology (ICT) support and maintenance by Hewlett Packard for the duration of the contract. Once construction is completed and commercial acceptance has been reached, the Consolidated Entity will commence operating the new RAH to provide all core clinical services, staffing, teaching, training and research.

At commercial acceptance, the Consolidated Entity will record a finance lease to recognise the new RAH as a leased asset and a liability for the amount to be repaid over the remaining 30 year lease period. In addition, other commitments associated with the PPP arrangement (e.g. finance, facilities management, ICT) will be recognised at commercial acceptance.

At the conclusion of the contract in 2046, the Consolidated Entity will take ownership of the new RAH. SAHP have an obligation to deliver the new RAH in a condition fit for its intended purpose and fully maintained in accordance with the agreed asset management plan.

An additional \$417.000 million of state works expenditure has been approved and budgeted for by the Consolidated Entity in relation to the new RAH. These works include core clinical equipment, precinct works, project management costs and transition works. A portion of these costs will be capitalised where the costs meet the definition and recognition criteria of an asset. Expenditure from project inception to 30 June 2015 amounted to \$113.907 million, including utilities infrastructure works \$36.132 million, core clinical equipment and ICT \$18.555 million and project management and transitioning \$59.220 million.

The contract includes a method for remediation of contamination of the hospital site.

38.4 Expenditure Commitments

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Capital commitments				
Capital expenditure contracted for at the reporting date but are not recognised as liabilities in the financial report, are payable as follows:				
Within one year	47,691	12,812	3,463	7,962
Total capital commitments	47,691	12,812	3,463	7,962

The Consolidated Entity's capital commitments are for plant and equipment ordered but not received and capital works.

Included in capital expenditure commitments above is \$42.527 million which relates directly to new RAH capital expenditure commitments.

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	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Remuneration Commitments				
Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:				
Within one year	290,866	320,277	32,986	44,700
Later than one year but not longer than five years	66,193	94,980	20,072	29,936
Total remuneration commitments	357,059	415,257	53,058	74,636

Amounts disclosed include commitments arising from executive and other service contracts. The Consolidated Entity does not offer fixed-term remuneration contracts greater than five years.

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Other commitments				
Within one year	107,343	78,510	26,722	9,685
Later than one year but not longer than five years	73,032	73,627	42,779	10,655
Later than five years	47,726	40,127	6,604	-
Total other commitments	228,101	192,264	76,105	20,340

The other commitments are for agreements for goods and services ordered but not received.

The Consolidated Entity also has commitments to provide funding to various non-government organisations in accordance with negotiated service agreements. The value of these commitments as at 30 June 2015 has not been quantified.

39 Transferred functions

Transferred in

2014-15

- Health Portfolio Executive approved on 2 October 2008 the establishment of a consolidated procurement, contracting and supply chain service. This service provides the foundation for delivering best practice procurement, contracting and supply chain management across SA Health. Inventory was transferred to the SA Distribution Centre division of the Department in a staged approach impacting the Hospitals as outlined below:
 - Effective 4 August 2014 inventory associated with the Country Health SA Local Health Network (Riverland Health Services and South Coast District Hospital), Southern Adelaide Local Health Network (Flinders Medical Centre) and Northern Adelaide Local Health Network (Lyell McEwin Hospital) were transferred;
 - Effective 3 November 2014 inventory associated with the Central Adelaide Local Health Network (Hampstead Rehabilitation Centre, Royal Adelaide Hospital and The Queen Elizabeth Hospital) were transferred;
 - Effective 16 February 2015 inventory associated with the Country Health SA Local Health Network (Port Lincoln Hospital), Southern Adelaide Local Health Network (Noarlunga Health Services and Repatriation General Hospital) and Women's and Children's Health Network (all sites) were transferred; and
 - Effective 25 May 2015 inventory associated with the Central Adelaide Local Health Network (SA Pathology) and Country Health SA Local Health Network (Port Augusta Hospital, Port Pirie Regional Health Service and Whyalla Hospital) were transferred.

	Consolidated	Parent
	2015	2015
	\$'000	\$'000
Assets and liabilities transferred were:		
Other assets	-	4,284
Total assets	-	4,284
Total net assets/(liabilities) transferred	-	4,284

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2013-14

- Health Portfolio Executive approved a portfolio wide organisational restructure and a new SA Biomedical Engineering (SA BME) organisation structure was approved within the Department. A consolidated state-wide biomedical engineering service was created to meet the SA BME cost saving strategy and other efficiencies. The transition took place in two phases the first being effective as of 7 October 2013 and the second as of 18 November 2013, all in-scope employees and their associated employee benefits transferred from the Local Health Networks to the Department. Refer Note 1.1.
- Health Portfolio Executive approved on 2 October 2008 the establishment of a consolidated procurement, contracting and supply chain service. This service provides the foundation for delivering best practice procurement, contracting and supply chain management across SA Health. Effective 24 March 2014 inventory associated with the Country Health SA Local Health Network and Central Adelaide Local Health Network were transferred to the SA Distribution Centre division of the Department.

	Consolidated	Parent
	2014	2014
	\$'000	\$'000
Assets and liabilities transferred were:		
Other assets	-	26
Total assets	-	26
Payables	-	160
Employee benefits	-	2,670
Total liabilities	-	2,830
Total net assets/(liabilities) transferred	-	(2,804)

Net assets assumed by the Consolidated Entity as a result of the administrative restructure are at the carrying amount of those assets in the transferor's Statement of Financial Position immediately prior to the transfer. The net assets transferred were treated as a contribution by the Government as owner.

Transferred Out

2014-15

- As a result of the *Public Sector (Reorganisation of Public Sector Operations) Notice 2014* approved by the Premier in the Government Gazette dated 26 June 2014 the business unit know as Health Industries South Australia was transferred from the Department to the Department of State Development.
- Following a review of Departmental functions, effective 1 June 2015, the Chief Executive of the Department approved the transfer of Financial Business Advisory and Hospital based Revenue Services employees within Finance to the Hospitals and SAAS.

	Consolidated	Parent
	2015	2015
	\$'000	\$'000
Assets and liabilities transferred were:		
Payables	4	274
Employee benefits	53	4,773
Total liabilities	57	5,047
Total net assets/(liabilities) transferred	(57)	(5,047)

2013-14

- As a result of the *Public Sector (Reorganisation of Public Sector Operations) Notice 2012* approved by the Premier in Government Gazettes dated 4 November 2013, eight employees from Country Health SA Local Health Network were transferred to the Department of Planning, Transport and Infrastructure.

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	Consolidated	Parent
	2014	2014
	\$'000	\$'000
Assets and liabilities transferred were:		
Payables	9	-
Employee benefits	136	-
Total liabilities	145	-
Total net assets/(liabilities) transferred	(145)	-

Net assets transferred by the Consolidated Entity as a result of the administrative restructures were at the carrying amount immediately prior to the transfer. The net assets transferred were treated as a distribution to the Government as owner.

40 Contingent assets and liabilities

The Consolidated Entity has a lease arrangement in place for the new RAH (refer to Note 38 Unrecognised contractual commitments for details) and is expected to have a leased asset and finance lease obligation to be recognised in the Statement of Financial Position. At this time, the exact timing of this recognition is dependent upon commercial acceptance being reached, which is currently anticipated in the 2016 calendar year. This is reliant upon strict commercial acceptance criteria being met. The expected value of the contingent asset and liability is \$2,800,000 million.

The new RAH project is being delivered under a public-private partnership agreement with SA Health Partnership Nominees Pty Limited (SAHP). The contract includes a regime for the remediation of contamination of the hospital site, requiring SA Health to pay 80% of the cost of remediating any "unknown contamination". SAHP has submitted a claim for remediation of unknown contamination made of up 24 components. One part of the claim (two components) for approximately \$1.000 million has been agreed at 50% of the claimed cost. The balance of the claim (22 components) was submitted by SAHP in late 2014, to which the Project Director responded with her determination in December 2014. Subsequent discussions between both parties resulted in SAHP submitting a proposal to enter into commercial settlement on 17 September 2015. On this same day, the Minister for Health and SAHP executed a Deed of Settlement and Release, involving the commercial settlement of remediation contamination claims, capital modifications and other disputed matters.

During the past years, the RAH engaged a number of maintenance contractors. Six contractors have successfully lodged claims seeking employee entitlements valued at \$0.582 million. These claims were settled during the 2014-15 financial year. Similar claims for a further eleven contractors remain outstanding as at the end of the financial year. The circumstances around each individual claim will determine its success or otherwise and as such it is not possible to reliably measure the value of any contingent liability.

Under the Act, all real property except for property associated with Crown Land of the former country based Hospitals and Health Centre entities was to be transferred to the associated Health Advisory Council. To date a limited number of real properties have not transferred to the Health Advisory Councils as the vesting instruments have not been finalised or there is a requirement to seek clarification from Crown Law regarding encumbrances on some properties and whether a Health Advisory Council can hold property that is encumbered. Given the uncertainty of the outcome of the advice sought from Crown Law it is not possible to reliably measure the value of the real property that could transfer to the Health Advisory Councils in the future. Similarly, it is not possible to determine when the vesting instruments will be finalised or to reliably measure the value of the real property that will transfer to the Health Advisory Councils at that time.

The current SA Ambulance Service (SAAS) Enterprise Bargaining Agreement has a preserved date of 1 January 2015 for the effective date of any subsequent agreement to apply. The Agreement negotiations are about to commence and any increase will be back dated to 1 January.

CHIRON Software Licence: Working Systems Software Pty Ltd, a wholly owned subsidiary of Global Health Limited, has filed legal proceedings against the Crown in right of the State of South Australia (the State) for alleged breaches of contract and infringement of copyright over the ongoing use of the CHIRON patient administration system as used throughout the Country Health SA Local Health Network. Working Systems Software Pty Ltd are claiming relief by way of damages, declarations and a permanent injunction restraining the State from continuing use of CHIRON. However, consistent with legal advice obtained from the Crown Solicitor, the State believes it has a right to continue to operate the system outside of licence. The case is being heard in the Adelaide Registry of the Federal Court of Australia and has been adjourned until October 2015. Liability cannot be reliably determined and/or measured at this point in time.

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41 Cash flow reconciliation

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:				
Cash and cash equivalents disclosed in the Statement of Financial Position	495,671	434,223	213,025	176,080
Cash as per Statement of Financial Position	495,671	434,223	213,025	176,080
Balance as per Statement of Cash Flows	495,671	434,223	213,025	176,080
Reconciliation of net cash provided by operating activities to net cost of providing services:				
Net cash provided by/(used in) operating activities	174,551	51,562	23,849	(114,745)
Revenues from/(payments) to SA Government	(3,164,346)	(3,184,677)	(3,164,346)	(3,184,677)
Add/less non-cash items				
Depreciation and amortisation expense of non-current assets	(177,935)	(176,640)	(15,748)	(17,824)
Impairment of non-current assets	-	(4,638)	-	-
Gain/(loss) on sale or disposal of non-current assets	1,225	(3,459)	8,099	(863)
Increments/decrements on revaluation of non-current assets	3,925	(5,803)	-	-
Assets acquired at no cost or nominal consideration	2,084	706	23,351	9,126
Revenue credited directly to investments	3,860	1,564	-	-
Lease incentive - capital fitout	606	-	606	-
Prior period error correction	-	(7,649)	-	(7,649)
Other	-	(4)	-	-
Movement in assets/liabilities				
Increase/(Decrease) in receivables	1,961	35,698	5,234	38,678
Increase/(Decrease) in inventories	4,936	426	(2,247)	384
Increase/(Decrease) in other current assets	(39)	85	-	-
(Increase)/Decrease in employee benefits	(50,033)	(69,727)	(585)	886
(Increase)/Decrease in payables and provisions	(19,624)	30,097	(8,095)	27,239
(Increase)/Decrease in other liabilities	(8,297)	24,768	(1,738)	52
Net cost of providing services	(3,227,126)	(3,307,691)	(3,131,620)	(3,249,393)

42 Interests in other entities

The Consolidated Entity through its control of the Hospitals has interests in a number of other entities as detailed below.

Controlled Entities

Central Adelaide Local Health Network Incorporated has a 100% interest (1,150,000 shares) in Medvet. Medvet is a national provider of on-site health and safety services delivered by qualified and experienced professional staff to businesses throughout Australia.

The Country Health SA Local Health Network Incorporated has effective control over, and a 100% interest in, the net assets of the HACs. The HACs were established as a consequence of the Act being enacted and certain assets, rights and liabilities of the former Hospitals and Incorporated Health Centres were vested in them with the remainder being vested in the Country Health SA Local Health Network Incorporated.

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By proclamation dated 26 June 2008, the following assets, rights and liabilities were vested in the Incorporated HACs:

- all real property, including any estate, interest or right in, over or in respect of such property except for all assets, rights and liabilities associated with any land dedicated under any legislation dealing with Crown land; and
- all funds and personal property held on trust and bank accounts and investments that are solely constituted by the proceeds of fundraising except for all gift funds, and other funds or personal property constituting gifts or deductible contributions under the *Income Tax Assessment Act 1997* (Commonwealth).

The above assets, rights and liabilities of the former Hospitals whose HAC elected not to become incorporated were vested in the Country Health SA Board Health Advisory Council Inc.

The HAC have no powers to direct or make decisions with respect to the management and administration of Country Health SA Local Health Network.

As at 1 July 2014, the Northern Yorke Private Hospital (NYPH) ceased to be controlled under the application of AASB 10 as the Country Health SA Local Health Network Incorporated has no controlling representation on the NYPH board and is merely acting as an agent for NYPH. The assets and liabilities of NYPH were transferred to the Statement of Comprehensive Income and comparatives have not been restated as NYPH was considered immaterial.

Joint arrangements

The Consolidated Entity participates in the following joint operations:

Name of arrangement	arrangement	Principal activity	Location	Interest
Centre for Cancer Biology Alliance	Agreement between the University of South Australia and Central Adelaide Local Health Network Incorporated	Undertake health and medical research in South Australia as an integrated clinical, educational and research activity, with a focus on cancer research.	Adelaide SA	50%
South Australian Cancer Genome Facility	Agreement between the University of South Australia and Central Adelaide Local Health Network Incorporated	Provide cost effective and high quality genomics services and support research into the initiation and progression of, and treatment and genetic determinants for cancer, to provide access to the equipment within the facility.	Adelaide SA	50%

The Consolidated Entity participates in the following joint venture:

Name of arrangement	arrangement	Principal activity	Location	Interest
Flinders Reproductive Medicine Pty Ltd (as Trustee for Flinders Charitable Trust, trading as Flinders Fertility)	Agreement between Flinders Reproductive Medicine Pty Ltd and Southern Adelaide Local Health Network Incorporated	Provision of equitable and accessible fertility treatment.	Adelaide SA	50%

Flinders Fertility is a private fertility clinic based within Flinders Medical Centre in Bedford Park, South Australia. Flinders Fertility is structured as a private trust which is not a reporting entity and is not publicly listed. The Consolidated Entity and Flinders University each have a 50% beneficial entitlement to the net assets of the trust. Accordingly, the interest is classified as a joint venture with the investment measured using the equity accounting method.

Profit earned during the financial year is distributed to the beneficiaries, resulting in immaterial net assets being held by the trust. It has previously been agreed that rather than paying out these distributions, they be retained in Flinders Fertility as a liability to the beneficiaries to facilitate growth within the business.

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The following table summarises the financial information of Flinders Fertility based on currently available information:

	2015
Percentage ownership interest	50%
	\$'000
Current assets	5,109
Non-current assets	674
Current liabilities	(5,783)
Non-current liabilities	-
Net assets	-
Groups share of net assets (50%)	-
Share of beneficial entitlement	2,294
Carrying amount of interest in joint venture	2,294
Revenue	4,535
Expenses	(4,243)
Profit and total comprehensive income	292
Entity's share of profit and total comprehensive income (50%)	146

Structured entities

The Consolidated Entity participates in the unconsolidated structured entity, CTM@CRC Ltd - the CRC for Cell Therapy Manufacturing (CTM). CTM is a cooperative research centre designed to implement research to provide new treatments and develop new materials-based manufacturing technologies to increase the accessibility, affordability and efficacy of cell therapies for previously incurable, or difficult to treat diseases.

CTM is funded by cash and in-kind resources from a number of partners in the health and research sectors throughout Australia in addition to a \$20.000 million grant from the Australian government. CTM's headquarters are at the University of South Australia's Mawson Lakes campus.

43 Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Consolidated

Note	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES						
5 Employee benefit expenses	10,562	11,163	3,423,799	3,384,298	3,434,361	3,395,461
Salaries and wages	-	-	2,746,956	2,679,951	2,746,956	2,679,951
TVSP	-	-	5,184	27,099	5,184	27,099
Long service leave (LSL)	-	-	67,546	81,723	67,546	81,723
Annual leave	-	-	255,802	253,616	255,802	253,616
Skills and experience retention leave (SERL)	-	-	11,622	9,001	11,622	9,001
Employment on-costs - superannuation	-	-	297,604	275,762	297,604	275,762
Employment on-costs - other	5,924	6,001	115	237	6,039	6,238
Workers compensation	4,638	5,162	26,863	43,915	31,501	49,077
Board and committee fees	-	-	846	915	846	915
Other employee related expenses	-	-	11,261	12,079	11,261	12,079

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	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
6 Supplies and services	193,180	158,688	1,438,991	1,413,551	1,632,171	1,572,239
Administration	1,784	2,060	12,469	11,428	14,253	13,488
Advertising	32	59	5,934	3,349	5,966	3,408
Communication	4,980	3,956	18,743	17,389	23,723	21,345
Computing	15,171	12,507	62,134	62,584	77,305	75,091
Contractors	1,262	1,008	23,745	19,593	25,007	20,601
Contractors - agency staff	210	359	68,672	65,998	68,882	66,357
Consultants	-	-	14,036	5,561	14,036	5,561
Contract of services	176	-	134,047	124,947	134,223	124,947
Cost of goods sold	-	3	2,407	1,792	2,407	1,795
Drug supplies	87	16	184,163	176,222	184,250	176,238
Electricity, gas and fuel	375	227	40,449	43,589	40,824	43,816
Fee for service	1,680	587	127,933	135,013	129,613	135,600
Finance lease contingent rentals	-	-	1,937	2,289	1,937	2,289
Food supplies	91	47	34,379	34,164	34,470	34,211
Health surveys	-	-	363	270	363	270
Housekeeping	84	47	92,421	95,110	92,505	95,157
Insurance	21,544	22,747	21,733	13,106	43,277	35,853
Interstate patient transfers	-	-	38,192	29,819	38,192	29,819
Legal	3,025	1,897	597	598	3,622	2,495
Medical, surgical and laboratory supplies	512	127	283,282	273,629	283,794	273,756
Minor equipment	344	(82)	26,923	39,515	27,267	39,433
Motor vehicle expenses	9,634	8,907	4,808	8,689	14,442	17,596
Occupancy rent and rates	20,009	23,563	27,467	21,049	47,476	44,612
Patient transport	1,688	1,368	23,012	21,635	24,700	23,003
Payments to Shared Services SA	32,071	30,378	-	-	32,071	30,378
Periodical, journals and publications	94	52	1,070	1,912	1,164	1,964
Postage	87	39	12,849	12,515	12,936	12,554
Printing and stationery	25	55	18,487	18,876	18,512	18,931
Rental expense on operating lease	7,035	6,060	2,722	3,895	9,757	9,955
Repairs and maintenance	62,304	39,211	34,958	52,248	97,262	91,459
Security	1,059	785	22,270	19,132	23,329	19,917
Staff training and development	476	426	33,425	32,266	33,901	32,692
Staff travel expenses	26	32	20,253	20,033	20,279	20,065
Waste removal	13	2	3,440	3,086	3,453	3,088
Other supplies and services	7,302	2,245	39,671	42,250	46,973	44,495
7 Depreciation and amortisation expense	-	-	177,935	176,640	177,935	176,640
Buildings and improvements	-	-	105,993	104,921	105,993	104,921
Site improvements	-	-	4,749	3,469	4,749	3,469
Computing equipment	-	-	5,160	8,513	5,160	8,513
Medical, surgical, dental and biomedical equipment	-	-	33,218	33,477	33,218	33,477
Motor vehicles	-	-	5,409	5,543	5,409	5,543
Power generation and transmission	-	-	601	417	601	417

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	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other plant and equipment	-	-	2,747	2,515	2,747	2,515
Buildings and improvements under finance lease	-	-	2,921	2,988	2,921	2,988
Leasehold improvements	-	-	2,984	2,367	2,984	2,367
Plant and equipment under finance lease	-	-	55	68	55	68
Intangible assets	-	-	14,098	12,362	14,098	12,362
8 Grants and subsidies	4,748	5,312	31,616	33,539	36,364	38,851
Recurrent grants	58	2	75	-	133	2
Subsidies	-	-	4,206	3,626	4,206	3,626
Funding to non-government organisations	-	-	24,714	28,167	24,714	28,167
Other	4,690	5,310	2,621	1,746	7,311	7,056
9 Borrowing costs	1,551	1,731	2,410	2,335	3,961	4,066
Finance charges on finance leases	-	-	2,410	2,335	2,410	2,335
Interest on borrowings	1,516	1,700	-	-	1,516	1,700
Other finance charges	35	31	-	-	35	31
16 Net loss from disposal of non-current and other assets	-	16	-	3,443	-	3,459
Total proceeds from disposal	-	-	-	(6,833)	-	(6,833)
Less total value of assets disposed	-	-	-	10,160	-	10,160
Less other costs of disposal	-	16	-	116	-	132
10 Other expenses	1,127	2,650	100,297	107,555	101,424	110,205
Bad and doubtful debts	-	-	29,286	33,375	29,286	33,375
Bank fees and charges	-	-	412	538	412	538
Donated assets expense	-	-	22,788	24,403	22,788	24,403
Ex gratia payments	-	-	1	-	1	-
Net loss on revaluation of shares	-	-	1,402	1,643	1,402	1,643
Royalty payments	-	-	9,674	7,258	9,674	7,258
Soil remediation expenses	-	-	20,000	-	20,000	-
Write-off of inventory	-	-	1	10,222	1	10,222
Other (excluding audit fees)	1,127	2,650	16,733	30,116	17,860	32,766
11 Auditor's remuneration	2,379	2,566	230	241	2,609	2,807
Auditor fees - auditing financial statements	2,379	2,566	174	186	2,553	2,752
Auditor fees - other services	-	-	56	55	56	55
TOTAL EXPENSES	213,547	182,126	5,175,278	5,121,602	5,388,825	5,303,728
INCOME						
12 Revenue from fees and charges	13,369	16,093	557,207	525,129	570,576	541,222
Ambulance Cover	-	-	23,752	23,689	23,752	23,689
Ambulance transport	5,576	5,561	57,352	51,090	62,928	56,651
Business services	-	-	698	734	698	734
Call Direct	-	-	1,309	1,357	1,309	1,357
Fines, fees and penalties	-	-	1,317	3,411	1,317	3,411
Interstate patient transfers	-	-	69,138	59,257	69,138	59,257

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	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Insurance recoveries	116	-	423	438	539	438
Patient and client fees	1,169	392	244,972	227,853	246,141	228,245
Private practice fees	-	-	43,778	43,412	43,778	43,412
Recoveries	4,992	6,226	36,091	41,699	41,083	47,925
Residential and other aged care charges	-	3	27,286	26,258	27,286	26,261
Sale of goods - medical supplies	84	103	2,271	2,243	2,355	2,346
Other user charges and fees	1,432	3,808	48,820	43,688	50,252	47,496
13 Grants and contributions	24,912	21,682	1,477,046	1,350,416	1,501,958	1,372,098
Commonwealth aged care subsidies	-	-	70,092	64,565	70,092	64,565
Pharmaceutical benefits scheme	-	-	119,554	107,630	119,554	107,630
Commonwealth subsidy	-	-	-	-	-	-
Commonwealth national health reform agreement funding	-	-	1,113,155	997,317	1,113,155	997,317
Department of Veteran's Affairs	-	-	53,435	53,044	53,435	53,044
Transition care program	-	-	23,480	21,659	23,480	21,659
Woomera hospital	-	-	-	1,327	-	1,327
Highly specialised drugs	-	-	-	1,057	-	1,057
Other	-	-	66,839	67,452	66,839	67,452
Community development fund	7,144	6,748	-	-	7,144	6,748
Other grants and contributions from SA Government agencies	17,768	14,934	-	-	17,768	14,934
Private sector capital contributions	-	-	424	398	424	398
Private sector grants and contributions	-	-	30,067	35,967	30,067	35,967
14 Interest revenue	2,835	2,984	7,859	9,126	10,694	12,110
Interest from SAFA	1,342	2,976	-	-	1,342	2,976
Bank interest	-	-	7,859	9,126	7,859	9,126
Interest on Special Purpose Funds (SPF)	1,489	-	-	-	1,489	-
Other	4	8	-	-	4	8
15 Resources received free of charge	-	-	10,589	15,469	10,589	15,469
Buildings	-	-	1,180	-	1,180	-
Inventory	-	-	8,505	14,763	8,505	14,763
Land and improvements	-	-	380	-	380	-
Plant and equipment	-	-	524	661	524	661
Other	-	-	-	45	-	45
16 Net gain/(loss) from disposal of non-current and other assets	(96)	-	1,321	-	1,225	-
Total proceeds from disposal	-	-	35,254	-	35,254	-
Less total value of assets disposed	-	-	(33,719)	-	(33,719)	-
Less other costs of disposal	(96)	-	(214)	-	(310)	-
17 Other revenue	4,546	4,143	56,301	45,027	60,847	49,170
Commissions revenue	13	-	125	134	138	134
Dividend revenue	-	-	152	318	152	318
Royalty income	-	-	14,667	12,289	14,667	12,289
Training revenue	95	103	1,299	1,243	1,394	1,346

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	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Donations received	-	-	10,005	7,912	10,005	7,912
Other	4,438	4,040	30,053	23,131	34,491	27,171
18 Other income	-	-	5,810	5,968	5,810	5,968
Insured drug supplies-recoveries	-	-	-	5,968	-	5,968
Reversal of prior period revaluation decrement - Buildings and improvements	-	-	5,810	-	5,810	-
19 Revenue from SA Government	3,164,346	3,184,677	-	-	3,164,346	3,184,677
Contingency funds from Department of Treasury and Finance	6,693	82,413	-	-	6,693	82,413
TVSP recovery funds from Department of Treasury and Finance	3,014	33,501	-	-	3,014	33,501
Appropriations from Consolidated Account pursuant to the Appropriation Act	3,064,307	2,922,157	-	-	3,064,307	2,922,157
Commonwealth grants received via Treasury	117,309	148,945	-	-	117,309	148,945
Other payments to the Consolidated Account	(26,977)	(2,339)	-	-	(26,977)	(2,339)
TOTAL INCOME	3,209,912	3,229,579	2,116,133	1,951,135	5,326,045	5,180,714
FINANCIAL ASSETS						
21 Cash and cash equivalents	-	108,602	495,671	325,621	495,671	434,223
Cash at bank or on hand - non-government financial institutions	-	-	495,228	325,127	495,228	325,127
Deposits with SA Government Financing Authority	-	108,602	-	-	-	108,602
Imprest account/cash on hand	-	-	443	494	443	494
22 Receivables	4,610	6,037	260,164	256,754	264,774	262,791
Patient/client fees						
Compensable	-	-	17,760	14,331	17,760	14,331
Aged care	-	-	6,048	7,303	6,048	7,303
Other	-	-	45,185	45,816	45,185	45,816
Grants	-	-	-	130	-	130
Interstate patient transfers	-	-	95,640	97,296	95,640	97,296
Dividends receivable	-	-	17	22	17	22
Interest income receivable	2	248	559	520	561	768
Prepayments	144	7	17,799	17,209	17,943	17,216
Debtors	4,325	7,359	54,882	56,600	59,207	63,959
Less: allowance for doubtful debts	-	-	(34,631)	(34,055)	(34,631)	(34,055)
Sundry receivables and accrued revenue	139	(1,577)	36,883	31,775	37,022	30,198
GST recoverable	-	-	20,022	19,807	20,022	19,807
24 Other financial assets	1,225	1,215	75,851	69,010	77,076	70,225
Finance institutions	-	-	61,569	55,408	61,569	55,408
SA Government Financing Authority	1,225	1,215	-	-	1,225	1,215
Other investments	-	-	14,282	13,602	14,282	13,602
TOTAL FINANCIAL ASSETS	5,835	115,854	831,686	651,385	837,521	767,239

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	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
FINANCIAL LIABILITIES						
31 Payables	33,770	45,898	324,889	284,284	358,659	330,182
Creditors and accrued expenses	31,964	44,172	172,320	156,258	204,284	200,430
Paid Parental Leave Scheme payable	-	4	658	490	658	494
Interstate patient transfers	-	-	78,589	64,619	78,589	64,619
Employment on-costs	1,739	1,437	67,793	57,812	69,532	59,249
Other payables	67	285	5,529	5,105	5,596	5,390
32 Borrowings	16,062	17,694	33,313	36,022	49,375	53,716
Loans	16,062	17,694	-	-	16,062	17,694
Finance lease	-	-	33,313	36,022	33,313	36,022
35 Other liabilities	2,097	10	56,563	47,859	58,660	47,869
Unclaimed monies	-	-	2,194	1,717	2,194	1,717
Unearned revenue	-	5	3,894	5,091	3,894	5,096
Residential aged care bonds	-	-	46,402	39,333	46,402	39,333
Lease incentive	2,095	-	1,590	-	3,685	-
Unapplied donations-Charitable Gift Board	-	-	1,272	988	1,272	988
Other	2	5	1,211	730	1,213	735
TOTAL FINANCIAL LIABILITIES	51,929	63,602	414,765	368,165	466,694	431,767

Parent

	SA Government		Non-SA Government		Total	
Note	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES						
5 Employee benefit expenses	10,405	11,163	201,117	199,511	211,522	210,674
Salaries and wages	-	-	151,685	149,838	151,685	149,838
TVSP	-	-	765	3,195	765	3,195
Long service leave (LSL)	-	-	3,982	3,113	3,982	3,113
Annual leave	-	-	12,653	13,347	12,653	13,347
Skills and experience retention leave (SERL)	-	-	808	628	808	628
Employment on-costs - superannuation	-	-	19,570	18,015	19,570	18,015
Employment on-costs - other	5,805	6,001	4	112	5,809	6,113
Workers compensation	4,600	5,162	1,831	1,259	6,431	6,421
Board and committee fees	-	-	335	420	335	420
Other employee related expenses	-	-	9,484	9,584	9,484	9,584
6 Supplies and services	96,513	94,659	376,283	325,275	472,796	419,934
Administration	205	497	1,817	1,595	2,022	2,092
Advertising	8	6	2,597	1,486	2,605	1,492
Communication	2,684	1,685	10,130	8,935	12,814	10,620
Computing	14,976	12,592	53,812	53,397	68,788	65,989
Contractors	400	220	5,925	7,139	6,325	7,359
Contractors - agency staff	5,631	6,996	10,352	11,261	15,983	18,257
Consultants	-	-	11,314	3,593	11,314	3,593

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For the year ended 30 June 2015

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contract of services	92	-	114,101	105,030	114,193	105,030
Cost of goods sold	-	87	76,547	54,278	76,547	54,365
Drug supplies	31	27	935	689	966	716
Electricity, gas and fuel	139	25	16	37	155	62
Fee for service	-	290	1,668	742	1,668	1,032
Finance lease contingent rentals	-	-	1	17	1	17
Food supplies	15	23	35	42	50	65
Health surveys	-	-	345	253	345	253
Housekeeping	1	1	67	104	68	105
Insurance	22,039	24,049	19,507	11,178	41,546	35,227
Interstate patient transfers	-	-	38,189	29,819	38,189	29,819
Legal	2,631	1,629	176	308	2,807	1,937
Medical, surgical and laboratory supplies	4	47	52	285	56	332
Minor equipment	40	(146)	6,802	15,719	6,842	15,573
Motor vehicle expenses	834	255	136	1,049	970	1,304
Occupancy rent and rates	12,877	12,954	2,851	2,611	15,728	15,565
Patient transport	-	-	6	8	6	8
Payments to Shared Services SA	32,044	30,132	-	-	32,044	30,132
Periodical, journals and publications	17	1	109	134	126	135
Postage	11	3	2,504	1,638	2,515	1,641
Printing and stationery	44	119	2,209	2,070	2,253	2,189
Rental expense on operating lease	1	163	217	231	218	394
Repairs and maintenance	689	1,090	4,496	1,048	5,185	2,138
Security	372	367	557	721	929	1,088
Staff training and development	386	679	3,003	3,563	3,389	4,242
Staff travel expenses	35	57	1,555	2,125	1,590	2,182
Waste removal	-	-	7	3	7	3
Other supplies and services	307	811	4,245	4,167	4,552	4,978
7 Depreciation and amortisation expense	-	-	15,748	17,824	15,748	17,824
Buildings and improvements	-	-	82	140	82	140
Computing equipment	-	-	4,532	7,298	4,532	7,298
Other plant and equipment	-	-	82	77	82	77
Leasehold improvements	-	-	468	290	468	290
Intangible assets	-	-	10,584	10,019	10,584	10,019
8 Grants and subsidies	3,990,295	3,978,242	20,936	23,730	4,011,231	4,001,972
Recurrent funding to incorporated Health Services	3,815,279	3,755,140	-	-	3,815,279	3,755,140
Capital funding to incorporated Health Services	170,377	217,854	-	-	170,377	217,854
Subsidies	-	-	3,020	2,536	3,020	2,536
Funding to non-government organisations	-	-	15,649	19,684	15,649	19,684
Other	4,639	5,248	2,267	1,510	6,906	6,758

THE DEPARTMENT FOR HEALTH AND AGEING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
9 Borrowing costs	1,551	1,731	-	-	1,551	1,731
Interest on borrowings	1,516	1,700	-	-	1,516	1,700
Other finance charges	35	31	-	-	35	31
16 Net loss from disposal of non-current and other assets	-	-	-	863	-	863
Total proceeds from disposal	-	-	-	(5,838)	-	(5,838)
Less total value of assets disposed	-	-	-	6,701	-	6,701
10 Other expenses	1,730	604	26,188	37,544	27,918	38,148
Bad and doubtful debts	-	-	107	300	107	300
Bank fees and charges	-	-	61	10	61	10
Donated assets expense	-	-	22,784	24,333	22,784	24,333
Ex gratia payments	-	-	1	-	1	-
Write-off of inventory	-	-	-	10,222	-	10,222
Other (excluding audit fees)	1,730	604	3,235	2,679	4,965	3,283
11 Auditor's remuneration	513	690	-	-	513	690
Auditor fees - auditing financial statements	513	690	-	-	513	690
TOTAL EXPENSES	4,101,007	4,087,089	640,272	604,747	4,741,279	4,691,836
INCOME						
12 Revenue from fees and charges	267,395	234,159	74,796	68,060	342,191	302,219
Business services	-	-	698	734	698	734
Fines, fees and penalties	11	5	1,042	1,315	1,053	1,320
Interstate patient transfers	-	-	69,135	59,252	69,135	59,252
Insurance recoveries	-	-	292	438	292	438
Insurance recoveries from health services	31,410	30,433	-	-	31,410	30,433
Private practice fees	2,140	1,852	120	104	2,260	1,956
Recoveries	157,243	147,404	2,202	5,472	159,445	152,876
Sale of goods - medical supplies	76,540	54,306	1	2	76,541	54,308
Other user charges and fees	51	159	1,306	743	1,357	902
13 Grants and contributions	11,146	8,068	1,208,667	1,094,372	1,219,813	1,102,440
Commonwealth national health reform agreement funding	-	-	1,113,155	997,317	1,113,155	997,317
Department of Veteran's Affairs	-	-	53,435	53,044	53,435	53,044
Transition care program	-	-	23,480	21,659	23,480	21,659
Woomera hospital	-	-	-	1,327	-	1,327
Highly specialised drugs	-	-	-	1,057	-	1,057
Other	-	-	15,901	16,008	15,901	16,008
Community development fund	7,000	6,600	-	-	7,000	6,600
Capital contributions	3,401	322	-	-	3,401	322
Other grants and contributions from SA Government agencies	745	1,146	-	-	745	1,146
Private sector grants and contributions	-	-	2,696	3,960	2,696	3,960

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For the year ended 30 June 2015

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
14 Interest revenue	1,695	1,913	3,869	3,702	5,564	5,615
Interest on loans	1,691	1,905	-	-	1,691	1,905
Bank interest	-	-	3,869	3,702	3,869	3,702
Other	4	8	-	-	4	8
15 Resources received free of charge	23,104	9,126	8,752	14,763	31,856	23,889
Buildings	13,016	476	-	-	13,016	476
Inventory	-	-	8,505	14,763	8,505	14,763
Land and improvements	10,088	8,650	220	-	10,308	8,650
Plant and equipment	-	-	27	-	27	-
16 Net gain/(loss) from disposal of non-current and other assets	(96)	-	8,195	-	8,099	-
Total proceeds from disposal	-	-	34,569	-	34,569	-
Less total value of assets disposed	-	-	(26,240)	-	(26,240)	-
Less other costs of disposal	(96)	-	(134)	-	(230)	-
17 Other revenue	1,421	1,168	715	1,144	2,136	2,312
Commissions revenue	13	-	13	21	26	21
Training revenue	1	-	246	72	247	72
Other	1,407	1,168	456	1,051	1,863	2,219
18 Other income	-	-	-	5,968	-	5,968
Insured drug supplies-recoveries	-	-	-	5,968	-	5,968
19 Revenue from SA Government	3,164,346	3,184,677	-	-	3,164,346	3,184,677
Contingency funds from Department of Treasury and Finance	9,150	112,422	-	-	9,150	112,422
TVSP recovery funds from Department of Treasury and Finance	557	3,492	-	-	557	3,492
Appropriations from Consolidated Account pursuant to the Appropriation Act	3,064,307	2,922,157	-	-	3,064,307	2,922,157
Commonwealth grants received via Treasury	117,309	148,945	-	-	117,309	148,945
Other payments to the Consolidated Account	(26,977)	(2,339)	-	-	(26,977)	(2,339)
TOTAL INCOME	3,469,011	3,439,111	1,304,994	1,188,009	4,774,005	4,627,120
FINANCIAL ASSETS						
21 Cash and cash equivalents	-	-	213,025	176,080	213,025	176,080
Cash at bank or on hand - non-government financial institutions	-	-	213,017	176,071	213,017	176,071
Imprest account/cash on hand	-	-	8	9	8	9
22 Receivables	22,026	23,065	122,882	119,537	144,908	142,602
Interstate patient transfers	-	-	95,640	97,296	95,640	97,296
Interest income receivable	-	-	-	1	-	1
Loans	18,930	21,858	-	-	18,930	21,858
Prepayments	-	-	9,411	8,757	9,411	8,757
Debtors	245	146	5,734	1,608	5,979	1,754
Less: allowance for doubtful debts	-	-	(383)	(306)	(383)	(306)

THE DEPARTMENT FOR HEALTH AND AGEING
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For the year ended 30 June 2015

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sundry receivables and accrued revenue	2,851	1,061	757	4,394	3,608	5,455
GST recoverable	-	-	11,723	7,787	11,723	7,787
TOTAL FINANCIAL ASSETS	22,026	23,065	335,907	295,617	357,933	318,682
FINANCIAL LIABILITIES						
31 Payables	45,297	68,414	130,290	111,873	175,587	180,287
Creditors and accrued expenses	16,333	26,039	48,232	43,604	64,565	69,643
Paid Parental Leave Scheme payable	-	4	10	16	10	20
Health service workers compensation	27,225	40,934	-	-	27,225	40,934
Interstate patient transfers	-	-	78,589	64,619	78,589	64,619
Employment on-costs	1,739	1,437	3,459	3,634	5,198	5,071
32 Borrowings	16,062	17,694	-	-	16,062	17,694
Loans	16,062	17,694	-	-	16,062	17,694
35 Other liabilities	2,095	79	377	655	2,472	734
Unclaimed monies	-	-	304	295	304	295
Unearned revenue	-	79	-	72	-	151
Lease incentive	2,095	-	-	-	2,095	-
Unapplied donations-Charitable Gift Board	-	-	-	283	-	283
Other	-	-	73	5	73	5
TOTAL FINANCIAL LIABILITIES	63,454	86,187	130,667	112,528	194,121	198,715

44 Budgetary reporting and explanations of major variances between budget and actual amounts

Explanations are only required for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of the original budgeted total expenses. As these criteria were not met no explanations of variances between original budget and actual amounts are provided.

Consolidated

	Original Budget ¹	Actual	Variance
	2015	2015	
	\$'000	\$'000	\$'000
Statement of Comprehensive Income			
Expenses			
Employee benefit expenses	3,303,498	3,434,361	(130,863)
Supplies and services	1,584,936	1,632,171	(47,235)
Depreciation and amortisation expense	191,648	177,935	13,713
Grants and subsidies	105,048	36,364	68,684
Borrowing costs	8,501	3,961	4,540
Other expenses	56,181	104,033	(47,852)
Total expenses	5,249,812	5,388,825	(139,013)
Income			
Revenues from fees and charges	534,068	570,576	36,508
Grants and contributions	1,469,245	1,501,958	32,713
Interest revenue	8,923	10,694	1,771
Resources received free of charge	2,340	10,589	8,249
Net gain from disposal of non-current assets and other assets	-	1,225	1,225
Other revenue	32,057	60,847	28,790
Other income	-	5,810	5,810
Total income	2,046,633	2,161,699	115,066

THE DEPARTMENT FOR HEALTH AND AGEING
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For the year ended 30 June 2015

	Original Budget¹	Actual	Variance
	2015	2015	
	\$'000	\$'000	\$'000
Net cost of providing services	3,203,179	3,227,126	(23,947)
Revenues from SA Government			
Revenues from SA Government	3,185,292	3,191,323	6,031
Payments to SA Government	-	26,977	(26,977)
Total revenues from SA Government	3,185,292	3,164,346	(20,946)
Net result	(17,887)	(62,780)	(44,893)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus	-	(13,112)	(13,112)
Items that will be reclassified subsequently to net result when specific conditions are met			
Gains/(losses) recognised directly in equity	-	(3,901)	(3,901)
Total other comprehensive income	-	(17,013)	(17,013)
Total comprehensive result	(17,887)	(79,793)	(61,906)

¹The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

	Original Budget¹	Actual	Variance
	2015	2015	
	\$'000	\$'000	\$'000
Investing expenditure summary			
Total new projects	11,286	1,187	10,099
Total existing projects	162,987	116,413	46,574
Total annual programs	54,389	29,929	24,460
Total investing expenditure	228,662	147,529	81,133

¹The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

45 Remuneration of board and committee members

Members of boards/committees that served for all or part of the financial year were:

Acute and Aged Care Taskforce - the Department

Altschwager J *	Graham R *	Moy C (appointed 01/01/2015)
Bainger L (appointed 01/01/2015)	Grantham H Prof *	Seiboth C *
Barkla C (appointed 01/01/2015)	Hales K *	Swetenham K *
Bartholomaeus L *	Hughes G Associate Prof *	Walters J *
Carberry P (appointed 01/01/2015)	Ibrahim F Dr *	Whitehead C Associate Prof * (Chair)
Dean L *	Jarrad S (appointed 01/01/2015)	Wright C *
Forward J *	McKinnon M *	

THE DEPARTMENT FOR HEALTH AND AGEING
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Audit and Risk Committee - Women's and Children's Health Network Incorporated

Connor G	McFarlane A	Sweet C
Dwyer N *	Sutherland A (appointed 13/08/2014)	

Cardiology Clinical Network Steering Committee - the Department

Arstall Dr M *	Clark R *	Steele P *
Astley C *	Farrelly R	Tideman P *
Bennetts J *	Kucia A *	Turner M
Bishop R (resigned 07/08/2014)	Nicholls S *	Wheaton G *
Brown A *	Rischbieth A Dr	Zeitz C *
Chew D Prof * (Chair)	Rowett D *	

Central Adelaide Local Health Network Advisory Council

Beilby J	Evans T (Presiding Member)	Miller S
Deegan V	Fyfe D	White S *
Dimonte R	Kildea N (appointed 01/07/2014)	Zeitz C *
Ellery B	Lawson A	

Central Adelaide Local Health Network Consumer Advisory Council

Barber C * (resigned 21/10/2014)	Heydrich S	Nicholas M (resigned 13/05/2015)
Chester M	Materne J (resigned 20/01/2015)	O'Keefe K (appointed 16/12/2014)
Cocking M	McMahon J	Porrovecchio J * (resigned 20/01/2015)
Cousins M	Meakins V * (appointed 20/01/2015)	Sutton P (appointed 18/11/2014)
Curry M	Morris C * (appointed 18/11/2014)	Williams M
Fyfe D (Chair)	Nagel L (appointed 17/03/2015)	Zeitz K * (resigned 19/08/2014)

Central Adelaide Local Health Network Risk Management and Audit Committee

Deegan V (Chair)	Footer I (resigned 05/02/2015)
Ellery B (appointed 05/02/2015)	May E (appointed 29/08/2014)

Central Adelaide Rehabilitation Services (CARS) Consumer Advocacy Group (was Hampstead Rehabilitation Centre Consumer Advisory Panel)

Angel D (resigned 12/12/2014)	Chester M	Machen V
Arkley G (appointed 13/02/2015)	Fyfe D (resigned 27/03/2015)	Whitehorn W (resigned 13/12/2014)
Arthur M (resigned 13/02/2015)	Heydrich S (Chair)	Whiteway L (appointed 27/03/2015)
Bedford L (appointed 13/02/2015)	Honeychurch P (appointed 08/08/2014)	

Chronic Pain Steering Committee - the Department

Briscoe P *	Jenkins S *	Slattery P *
Brydon L	Lang K *	Stokes M *
Burgoyne L *	Lee D *	Webster B *
Byrne D	McDonald J *	Whiteway L
Cox D *	Montanaro P	Wing M
Goodes L *	Phillips P *	
Horne S * (Chair)	Semple T *	

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Clinical Senate - the Department

Adams J *	Huynh L *	Phillips P Prof *
Anastassiadis P *	Jenkins S *	Pretorius E Dr * (resigned 30/12/2014)
Asceric N *	Johanson S Dr *	Richter J *
Aylesbury V *	Kondopoulos S *	Sainsbury D *
Aylward Prof P *	La Brooy J Prof *	Sanders C Dr
Barbara J *	Lambert P *	Satterthwaite P *
Baron H *	Lawlor-Smith L	Sawyer B *
Bartholmeus L *	Lawrence M *	Slavotinek J Prof *
Beckoff M Dr	Lewis M *	Smith B Associate Prof *
Bennetts J *	Liberali S Dr *	Strobel J Dr *
Bersten A *	Ludbrook G Prof	Swan D *
Bessen T Dr *	Maddern G Prof	Swetenham K *
Briscoe P *	Maddison J *	Taylor M Dr
Burrough T Dr *	Mazur S *	Taylor S *
Carroll M *	McDonald S *	Tideman S *
Carroll T *	Merrett S *	Turnbull C *
Champion A Dr *	Meyer H *	Turner J *
Chapman P Dr *	Molloy C *	Tyllis P *
Chew D Prof *	Morris S *	van den Berg R Dr *
Christley S Dr *	Morton S Dr *	Vlachoulis N Dr
Clohesy C	Murphy E Dr *	Walker M *
Del Fante P	Nielsen D *	Walsh D *
Dennett L *	O'Brien S *	Walters L Dr
Dodd J Prof	O'Callaghan G Dr (Chair)	Wareham C *
Doecke C Associate Prof *	O'Connor A *	Wheaton G Dr *
Drummond C Dr *	O'Connor J *	White N *
Farmer C *	O'Laughlin N *	Whitehead C Associate Prof *
Frank O Dr *	Otto G *	Wilson C *
Fraser R Dr *	Otto T *	Worthley M *
Haan E *	Padbury R Dr	Zeitz C *
Hillier S Associate Prof	Palmer L Dr *	Zeitz K *
Hobbs M *	Paul M *	
Horwood M *	Peterson R *	

Consumer Administration Liaison Meeting (CALM) - Southern Adelaide Local Health Network Incorporated

Bower T	Tapley D
Mannion J * (Chair)	

Consumer Brochure Working Group - the Department

Barratt K *	Dalziel E (appointed 01/08/2014)	Whiteway L (appointed 01/08/2014)
Burgess N * (Chair)	Steenwyk C * (appointed 04/08/2014)	Williams H Dr
Cousins M (appointed 01/08/2014)	Symonds A *	

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Controlled Substances Advisory Council - the Department

Banner L	Harvey P *	Reeve M
Bernardo J *	Kennewell B *	Reynolds C
Briscoe P *	Morris S *	Semple T *
Cormack S * (Chair)	Ng D	Smith J
Edenborough S *	Nicholls J	Ward C *
Gillett-Ferguson J	Osborn T *	White J
Goode M *	Painter B *	

Country Health SA Local Health Network Health Advisory Council Inc (Governing Council)

Blacker P (Presiding Member)	Healy R	Sparkes D
Evans L	Newbury J	Taylor M (ceased 30/06/2015)
Gregurke K	Sam G	

Country Health SA Risk Management and Audit Committee

Drew J	Stubbs T Dr (Chair)
Martin M	Wilson R Dr (appointed 14/05/2014)

Department for Health and Ageing Risk Management and Audit Committee

Dunsford C (Chair)	Marshall V Prof	Walters G
Haslam R	Swan D *	

End of Life Ministerial Advisory Committee - the Department (ceased 31/12/2014)

Booksbank M *	Brown M	Moore J *
Boundy C *	Evans M (Chair)	Whitehead C *

Finance Committee - SAAS

Barker J * (appointed 27/4/2015)	Cox R *	Morton R * (resigned 25/4/2015)
Cameron S *	Driscoll K *	Woolcock J *
Chalmers H	McMillan Hall D * (Chair)	

Flinders Medical Centre Consumer Council (ceased 01/10/2014)

Bennett A *	Hanson J *	Sturman G *
Bishop R *	Kimber M *	Wolverson S *
Fernando H *	Smith S *	

Hampstead Rehabilitation Centre Brain Injury Rehabilitation Services Consultive Advisory Panel

Angel D	Furda J	Kaschimkus M (Chair)
Bunning A	Fyfe D	Morgan T
Canavan D	Horan A	Sleeman K

Health and Community Services Advisory Council - the Department (ceased 08/11/2015)

Bradley J	Karanastasis T *	Walsh D *
Hall J	Miller S	Wilkinson V *
Hurley J	Starr L	Woodforde L
Islam N		

THE DEPARTMENT FOR HEALTH AND AGEING
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Health Performance Council - the Department

Beckoff M (resigned 01/08/2014)	Dunn A (Chair)	Patetsos M
Callaghan R	Hartwig B	Roder D
Duckett S	Jackson Pulver L	Wickett D (resigned 01/08/2014)

Human Research Ethics Committee - Southern Adelaide Local Health Network Incorporated

Benjamin S	Hinton-Humphries G	Richards B
Bradshaw A	Kichenadasse G *	Victory N
Campbell G Major	Porter T	Were L *
Gordon D Dr * (Chair)		

Medvet Board

DiMonte R (appointed 18/7/2014)	Johansen G	Short R Prof
Evans T (Chair)	Koehler A Dr	
Gardner P	Martin K (resigned 27/11/2014)	

Mental Health Clinical Network Steering Committee - the Department

Asceric N *	James I *	Nowak H
Beven J *	Liu D *	Sanders G *
Champion A * (Chair)	MacDonald G *	Stephan L *
Del Fante P (appointed 16/03/2015; resigned 30/06/2015)	McMahon J	Strobel J Dr *
Hughes J	Nelson A *	Walsh C *

Ministerial Advisory Board on Ageing - the Department

Anderson M * (Chair)	Lewis L (resigned 25/09/2014)	Rigney J (resigned 25/09/2014)
Beer A	Mickan P (resigned 25/09/2014)	Strathearn G (resigned 25/09/2014)
Beer M	O'Brien S *	Vukovich D (resigned 25/09/2014)
Gale A *		

National Bowel Cancer Screening Program - State Reference Group - the Department

Altschwager J *	George B *	Rayner J
Barns K *	Glen S *	Sanders C
Dean L *(Chair)	Hill A	Tam W *
Frank O	McGregor T	Wichmann M *
Fraser R *		

Noarlunga Hospital Consumer Council (ceased 01/09/2014)

Bower T	Gordon C	McDonald J *
Eagle C *	Hendricks J *	Mikolaj H
Ferguson J	Kimber M *	

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Northern Adelaide Local Health Network Consumer Advisory Council

Abbott N (resigned 13/05/2015)	Hicks R	Parrott T (resigned 15/08/2014)
Brooks C * (resigned 23/09/2014)	Isemonger J	Patching A
Chand R (resigned 28/04/2015)	Loughhead M	Thompson M
Davidson F	Lowden H	Turner M
Davies I	Miller S * (resigned 20/11/2014)	Whatley G
Davison-Park B	Mossop J	White A (Chair)
Green L	Owen V *	

Northern Adelaide Local Health Network Advisory Council

Dibb-Leigh J (ceased 22/07/2014)	Jenkins S * (appointed 01/07/2014)	Vlachoulis N (appointed 01/07/2014)
Durrant M (appointed 01/07/2014)	Lampard F (appointed 01/07/2014)	Wilson B (appointed 01/07/2014)
Hains S (Chair) (appointed 01/07/2014)	Porter A (ceased 08/08/2014)	
Isemonger J (appointed 01/07/2014)	Smith J (appointed 01/07/2014)	

Northern Adelaide Local Health Network Outpatient Department Steering Committee

Beare C *	Jasoria V Dr	Puvogel K *
Heffernan D *	Klassmann L *	Saunders H *
Hobbs M *	Mullen P *	Thomas R Dr *
Hodby C *	Owen V * (Chair)	Wareham C *
Jaavuo S *	Parr S *	

Northern Adelaide Local Health Network Risk Management and Audit Committee

Hains S (Chair)	Penn G *
McGowan C	Smith J

Older Drivers Licence Policy Working Group (ceased 30/06/2014) - the Department

Cornish M *	Montanaro P	Rosa R
Gale P	Moss A	Stocks N
Holmes J *	O'Brien S *	Williams L *
Lindsay T *		

Open Disclosure Advisory Group (ceased 30/01/2015) - the Department

Chester M	Ranieri P *	Tully S
Floyd D	Stead K *	Wareham C *
Mckinnon M *	Sturman G *	Wilkinson V *
Miller S (Chair)	Thomas J *	Wishart J
Neill G *	Tregloan L *	Wong A *

Partnering with Consumer Advisory Group - Southern Adelaide Local Health Network Incorporated

Bishop R	Klinge N	Pettigrew R
Bower T	Mannion J *	Sturman G *
Coppin B *	McDonald J *	Voss D
Dame T	Miller S	Whyman N *
Dixon K *	Milne A	Wilson T * (Chair)
Keller N *	Morris D *	Woon S *
Kimber M *		

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For the year ended 30 June 2015

Partnering with Consumers and the Community Advisory Group - the Department

Ball T (appointed 11/06/2015)	Ferguson J (resigned 23/10/2014)	Pope M
Bird A *	Fernando H	Ranieri P *
Bishop R (resigned 09/05/2015)	Floyd D	Robinson P *
Braunack K *	Kimber M *	Thyer P *
Brodie R *	Lampard F (resigned 11/06/2015)	Tully S *
Brown J	Larsen R *	Walford L
Chataway R *	Miller S * (Chair)	White J *
Chester M	Morris C *	Willoughby E
Cousins M * (Chair)	Muller D *	Zeitz K *
Ellis T (appointed 12/02/2015)		

Perinatal Subcommittee - the Department

Atkinson E *	Kochar A *	Porter T *
Dekker G * (Chair)	Manton N *	Prider J *
Ellison V *	McCormack D *	Viergever P *
Goold J	McKendrick L	Weber L *
Khong Y *	McKenzie K *	

Public Health Council - the Department

Christley S * (Chair)	Reynolds C (resigned 22/02/2015)	Whittington S
Koehler A *	Rischbieth A (resigned 22/02/2015)	Williams H
Moore D (resigned 22/02/2015)	Rokicinski K	Wood A *

Quality Use of Medicines SA Working Group - the Department

Barratt K *	Macolini K *	Sanders C
Bochner F Emeritus Prof *	Miller S (resigned 07/11/2014)	Smith J *
Burgess N *	Morris S *	Turner J
Emerson S	Pink J *	Whiteway L (appointed 20/10/2014)
Garg A *	Price A *	Williams H
Gilbert A Emeritus Prof (Chair)	Rowett D *	

Renal Clinical Network Steering Committee - the Department

Barbara J Dr * (Chair)	Frost M	Roadnight J
Cervelli M *	Griffiths J *	Russ G Prof *
Coats T *	Henning P Dr *	Sladek M *
Crafter S *	Juneja R *	van der Juegd J *
Coulthard G *	McDonald S Prof *	Whittington T *
Fraser K *		

Repatriation General Hospital Consumer Council (ceased 01/09/2014)

Briscoe T	Jones C	Osgood D
Clarke R	Kimber M *	
Doncaster N *	McDonald J *	

THE DEPARTMENT FOR HEALTH AND AGEING
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For the year ended 30 June 2015

Resuscitation Planning Advisory Group - the Department

Barkla C	Hannan C *	Pirone C *
Bonan A *	Loughead M	Robinson S *
Drummond C *	McKinnon M * (Chair)	Rosenthal D *
Elliot R *	Mikolaj H	Salisbury K
Fleming S *	Monksfield M	Wareham C *
Galluccio S *	Moy C	Wong A *
Grantham H	Phillips P *	

Risk Management and Audit Committee - SAAS

Chapman P *	Taylor B
Sneddon Y (Chair)	

Royal Adelaide Hospital Consumer Advisory Group

Apsey B (resigned 16/12/2014)	Cocking M	Meakins V * (appointed 20/01/2015)
Bah S (appointed 19/05/2015)	Durand M (appointed 21/04/2015)	Morris C * (appointed 18/11/2014)
Barber C * (resigned 21/10/2014)	Fyfe D	Neale D (appointed 19/05/2015)
Brown R	Materne J (resigned 20/01/2015)	
Chester M (Chair)	Matiasz S (appointed 20/01/2015)	

Royal Adelaide Hospital Research Ethics Committee

Andrews J Associate Prof	Louise J Dr	Prideaux M
Bradley J Dr	McCulloch D	Thornton A Dr (Chair)
Chatterton B Associate Prof	McInerney M	van Der Linden B Rev
Evans D Dr	Need A Associate Prof	Williams P Rev
Fitzgerald A	O'Connor S	Wilmot J
Lee J Dr	Parry B	

SA Cancer Service - Reform Committee (no paid members in 2014-15 financial year)

Adams J Dr * (Chair)	Flora E *	Nicholson A *
Bear D *	Karapetis C Associate Prof *	Nussey S *
Bessen T Dr *	Karnon J Prof *	Powell K *
Bollen C Dr *	Keefe D Prof *	Stephenson M Dr *
Calver T *	McInnes M *	Vasileff H *
Edge N *	Miller C Dr *	Zwart L *

SA Cancer Service - Strategic Committee

Adams J Dr *	Keefe D Prof *	Plew S
Bardy P Associate Prof *	Marker J	Robinson P Dr *
Eckert M Dr * (Chair)	McMenemy J *	Selva S Dr *
Flora E *	Mitchell A	Swetenham K *
Frank O Dr	Morris S *	Tapp H Dr *
Gill G Prof *	Mukherjee R Dr *	To B Prof *
Hayward A *	Piro D	Zwart L *

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Safety and Quality Community Advisory Group - the Department

Cheesman T (appointed 23/03/2015)	Kyriazopoulos H (appointed 23/03/2015)	Sparkes D (appointed 23/03/2015)
Cocking M (appointed 23/03/2015)	McKinnon M (appointed 23/03/2015)	Thomas J *
Cousins M (appointed 23/03/2015)	Michell A (appointed 23/03/2015)	Wallent J (appointed 23/03/2015)
Fyfe D *	Pipe M (appointed 23/03/2015)	Whiteway L (appointed 23/03/2015)
Jones C (appointed 23/03/2015)	Ranieri P *	

Safety and Quality in Healthcare Consumer and Community Advisory Committee - the Department (ceased 25/11/2015)

Bower T	Jones C	Sparkes D
Cocking M	Kay D *	Stewart-Jones T
Cousins M	McGrath A	Wallent J
Floyd D	Mitchell A	Whiteway L
Hope V		

South Australian Child Health Clinical Network Steering Committee - the Department

Bamford S	Lynch J *	Spurrier N *
Downs M *	McEntree P *	Tan F Dr *
Grant J Dr *	Nozza J Dr *	Wheaton G* (Chair)
Jureidini J Dr *	Rice M Dr *	Wingrove B *
Latif R	Sivertsen N	Worby Hogben S *
Lawrence D*	Smiley M *	

South Australian Council for Safety and Quality in Health Care (ceased 22/09/2014) - the Department

Bower T	Nagle K *	Rosenthal D *
Champion A *	Owen V *	Smith J
Marshall V Prof (Chair)	Robinson P *	Walker S
Miller S		

South Australian Health Safety and Quality Strategic Education and Training Advisory Group - the Department

Abarno A *	Mart K *	Thorton K *
Burgess N *	McKinnon M * (Chair)	Tregloan L*
Eddy K *	Peterson D *	Vertue L*
Hibbert P *	Russell A *	White K *
Johnson A	Spyrou K *	Whittington M *
Jones A *	Stead K *	

South Australian Medication Safety Advisory Group - the Department

Abarno A * (resigned 30/01/2015)	Field C *	Mikolaj H (appointed 01/11/2014)
Andrews C * (resigned 31/01/2015)	Fraser K * (resigned 28/02/2015)	Noonan M
Atkinson M *	Galding J Dr *	Rosenthal D *
Barratt K *	Hayball P *	Scarborough K *
Burgess N * (Chair)	Jeffs D *	Schubert P *
Campbell E*	Loller H *	Sorich W *
Chambers A *	Mangoni A Dr * (resigned 31/01/2015)	Sturman G*
D'Souza B *	Marotti R *	Turner S *
Eaton V *	McGill A *	

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South Australian Medicines Advisory Committee - the Department

Bochner F Emeritus Prof *	Kay D *	Pink J *
Brown J *	Lang K *	Rosenthal D *
Burgess N *	Maddison J *	Sansom L Emeritus Prof (Chair)
Conboy S *	Marotti R *	Shakib S *
Doecke C Associate Prof *	Mikolaj H (resigned 30/11/2015)	Stocks N
Eaton V *	Morris S *	Symonds A *
Fitzhenry A *	Nagle K (resigned 31/07/2015)	Turner S *
Gilbert A Emeritus Prof	O'Brien S *	Tyllis P *
Hedger S *	Pearson C *	Warner M *
Hill C *	Phillips P *	White M *
Kardachi G		

South Australian Medicines Evaluation Panel - the Department

Bardy P *	Hill C * (Chair)	Pearson C *
Booth C *	Hillock N *	Pekarsky B
Burgess N *	Kichenadase G *	Scarborough K *
Clarke D *	Louise J	Selva-Nayagam S *
Cousins M	Merlin T	Tonkin A
Gailer J *	Mussared A	Ward M

South Australian Policy Advisory Committee on Technology - the Department

Bardy P *	Christley S *	O'Connor A *
Beltrame J	Kearney B *	Ratcliffe J
Braunacker-Mayer A	Maddern G (Chair)	Satterthwaite P *
Burgess N *	Merlin T	Suthers G *
Chapman P *	Morton S *	Wareham C *

Southern Adelaide Local Health Network Clinical Council

Agzarian M *	Fernando H	Morris D *
Aylward P *	Govier A * (resigned 02/12/2014)	Morton S * (Chair)
Bastiampillai T *	Hanson J * (resigned 02/12/2014)	Moyes B *
Battersby M *	Hedde B *	O'Connor J *
Bersten A *	Keller N *	Padbury R *
Bishop R	Lawrence D *	Ramsy G *
Blyth A *	Lillie P *	Sturman G *
Brown K * (resigned 02/12/2014)	Mannion J *	Whitehead C *
Chaplin S *	McDonald J *	Wilson T *
Cieslak A * (resigned 02/12/2014)	Moen D *	Woon S *
Eaton V *		

Southern Adelaide Local Health Network Consumer Council (ceased 01/09/2014)

Bishop R	Fernando H	McDonald J *
Bower T	Hanson J *	Roadnight J *
Doncaster N *	Jones C	Sturman G *
Ferguson J	Kimber M *	

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Southern Adelaide Local Health Network Health Advisory Council Incorporated

Bersten A Dr *	Kerrins E	Williams H (Chair)
Bishop R	Lawlor-Smith L (resigned 30/06/2015)	Wilson B
Hislop R	Taylor A	

Southern Adelaide Local Health Network Audit and Risk Management Committee

Dreckow J	Stubbs T (Chair)
Hislop R	Taylor M

Southern Mental Health Clinical Governance Committee

Bower T	Mannion J * (Chair)
Hayes B	Quirk M *

Statewide Clinical Network Palliative Care - the Department

Amato C *	Lawton S *	Shuttleworth C *
Broadbent H *	Marshall J *	Swetenham K * (Chair)
Briffa M *	Moy C	To J *
Ferguson J	Pugh L *	Watters T *
Fleming S *	Puvogel K *	Whittaker R *
Kannussaar T *	Rouvray R *	Woodford L *

Statewide Maternal and Neonatal Clinical Network - the Department

Ah Kit J *	Kennedy-Andrews S Dr *	Rischbieth P Dr
Altmann M	Kildare H (resigned 30/09/2014)	Rix M *
Bernardo J *	MacKinnon R Dr (resigned 03/03/2015)	Robinson J Prof
Burgoyne A (resigned 30/10/2014)	Marshall-Rogers R *	Roxborough H
Coffey J *	Matthews G Dr *	Telfer J *
Dodd J Prof * (Chair)	McPhee A *	Thomas J *
Every J (resigned 31/01/2015)	Pratt J *	Turner M (resigned 30/10/2014)
Grivell R *	Prideux C (resigned 30/10/2014)	Weatherill C Dr
Hobbs M *		

Statewide Mental Health Committees funded within Mental Health - Southern Adelaide Local Health Network Incorporated

Nicholas M	Quirk M *
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Statewide Older People Clinical Network - the Department

Bollen C	Maddison J * (Chair)	Smith H
Brauer H	McLeenan S *	Swaffer K *
Chand R *	Prendergast J *	Walters J *
Cunningham K *	Prowse R Dr *	Whitehead C Associate Prof *
Curren D *	Robertson C	Whitehorn J *
Faunt J *		

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Statewide Rehabilitation Clinical Network - the Department

Adey-Wakeling Z Dr *	Hood N *	Paul M * (Chair)
Castle V	Hume V *	Prendergast J *
Chester M	Kochiyil V Dr *	Russo R Associate Prof *
Forward J *	Marshall R *	Spizzo M *
Gray J *	Mathers C *	Thackray N *
Head L *	Niejalke S *	Wilkinson A *

Statewide Stroke Clinical Network - the Department

Agzarian M *	Hillier S Associate Prof * (Chair)	Luker J *
Anastassiadis P *	James J *	McGrath A
Barrett M *	Jannes J *	Parsch C
Bollen C Dr	Kleinig T *	Paterson T *
Burchall T *	Koblar S *	Royal E *
Dodd L *	Lane S	Russell P *
Grantham H Dr *	Lee A Dr	

Surgical Services Taskforce - the Department (ceased 15/06/2015)

Barns K *	Joseph P	Moyes B *
Bennetts J *	Lock A *	O'Brien S *
Benveniste G *	Maddern G *	Otto G *
Brougham L	Mains M *	Padbury R (Chair)
Chapman P *	Marshall N *	Panter D *
Clark P *	Martin M *	Richter J *
Craig J *	Mercer G *	Ritossa M *
Cummins B *	Miller J *	Subramaniam P *
Dean L *	Molloy C *	Vrodos N *
Jenkins S	Mondy G *	Worthley C *

The Queen Elizabeth Consumer Advisory Group

Armstrong K (resigned 30/09/2014)	Curry M (Chair)	Morris C * (appointed 18/11/2014)
Barber C * (resigned 21/10/2014)	Dunn R (appointed 30/09/2014)	Namow T (resigned 30/09/2014)
Baylis S (appointed 21/04/2015; resigned 28/04/2015)	Duffy L	Williams M (resigned 30/09/2014)
	McMahon J	

The Queen Elizabeth Hospital Research Ethics Committee

Boyce M Rev *	Lai C Dr *	McNeil J Associate Prof *
Carr P	Lupoi G (appointed 25/07/2014)	Prasanna S Dr * (appointed 01/12/2015)
Challen J *	Mahadaven D Dr *	Ruffin R Prof * (Chair)
Crabb A (appointed 10/07/2014)	Mathew T Associate Prof * (resigned 30/09/2014)	Ryan C *
Drummond C Dr *		Sewell D
Huxtable E	May J Rev *	Singla A Dr *
Kuyper J	McCulloch D	

THE DEPARTMENT FOR HEALTH AND AGEING
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For the year ended 30 June 2015

Women's and Children's Health Network Advisory Council Incorporated

Buckerfield M	Fereday J *	Sutherland A
Buza Y * (appointed 07/02/2014)	Golding E	Wallace M (Chair)
Cadzow M (appointed 01/07/2015)	Petersen R * (appointed 14/07/2013)	Wigg N (appointed 01/07/2015)
Coulthard K	Seiboth C	

The number of members whose remuneration received or receivable falls within the following bands is:

	2015	2014
	No. of	No. of
	Members	Members
\$0	595	535
\$0 - \$9,999	198	178
\$10,000 - \$19,999	15	21
\$20,000 - \$29,999	5	6
\$30,000 - \$39,999	3	2
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	1	1
Total	818	743

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, FBT and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$0.818 million (\$0.931 million).

* In accordance with the *Department of Premier and Cabinet Circular No. 016*, government employees did not receive any remuneration for board/committee duties during the financial year.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

46 Events after balance date

The Consolidated Entity is not aware of any material events occurring between the end of the reporting period and when the financial statements were authorised.

47 Segment information

The Consolidated Entity is required by Commonwealth funding requirements to disclose segment information for Residential Aged Care services.

Residential Aged Care Services funded by the Commonwealth are provided through the following Aged Care Facilities which form part of the Consolidated Entity and are not separately incorporated.

	RAC ID
• Ira Parker Nursing Home, Balaklava	6004
• Bonney Lodge, Barnera	6149
• Hawdon House, Barnera	6005
• Charla Lodge, Bordertown	6027
• Kara House, Clare	6016
• Glenview Homes, Gumeracha	6138
• Hills Mallee Southern Aged Care Facility	6178
• Kapunda Homes	6057
• Loxton District Nursing Home	6405
• Loxton Hostel for the Aged	6064

THE DEPARTMENT FOR HEALTH AND AGEING
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For the year ended 30 June 2015

	RAC ID
• Sheoak Lodge, Millicent	6510
• Naracoorte Nursing Home	6926
• Orroroo Community Home	6070
• Nalya Lodge, Peterborough	6122
• Renmark Nursing Home	6936
• Renmark Hostel	6075
• Wakefield Aged Care Service	6190
• Strathalbyn & District Aged Care Facility	6181
• Melaleuca Court Nursing Home, Yorketown	6512
• Hammill House, Port Pirie	6302
• Symonds Wing, Jamestown	6305
• Eudunda Hostel	6045
• Makk & McLeay Nursing Home, Oakden	6010

Segment disclosures required by AASB 8 *Operating Segments* are as follows:

Segment revenues and expenses

	Residential Aged Care Services	Other operations	Consol- idated
	2015	2015	2015
	\$'000	\$'000	\$'000
Segment expenses			
Employee benefits	51,469	3,382,892	3,434,361
Interest and other borrowing costs	180	3,781	3,961
Depreciation and amortisation	574	177,361	177,935
Other	13,034	1,759,534	1,772,568
Total segment expenses	65,257	5,323,568	5,388,825
Segment revenues			
Resident charges	16,549	554,027	570,576
Government grants and subsidies	45,384	1,456,574	1,501,958
Other	4,733	84,432	89,165
Total segment revenue	66,666	2,095,033	2,161,699
Revenue from SA Government	-	3,191,323	3,191,323
Payments to SA Government	-	26,977	26,977
Total revenues from/payments to SA Government	-	3,164,346	3,164,346
Segment result	1,409	(64,189)	(62,780)

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	Residential Aged Care Services	Other operations	Consol- idated
	2014	2014	2014
	\$'000	\$'000	\$'000
Segment expenses			
Employee benefits	52,555	3,342,906	3,395,461
Interest and other borrowing costs	215	3,851	4,066
Depreciation and amortisation	608	176,032	176,640
Other	12,672	1,714,889	1,727,561
Total segment expenses	66,050	5,237,678	5,303,728
Segment revenues			
Resident charges	16,024	525,198	541,222
Government grants and subsidies	40,949	1,331,149	1,372,098
Other	5,781	76,936	82,717
Total segment revenue	62,754	1,933,283	1,996,037
Revenue from SA Government	-	3,187,016	3,187,016
Payments to SA Government	-	2,339	2,339
Total revenues from/payments to SA Government	-	3,184,677	3,184,677
Segment result	(3,296)	(119,718)	(123,014)
Segment assets, liabilities and equity			
	Residential Aged Care Services	Other operations	Consol- idated
	2015	2015	2015
	\$'000	\$'000	\$'000
Segment current assets			
Cash and cash equivalents	13,598	482,073	495,671
Receivables	4,022	255,254	259,276
Inventories	55	43,928	43,983
Non-current assets classified as held for sale	-	2,902	2,902
Other	8,337	61,930	70,267
Total segment current assets	26,012	846,087	872,099
Segment non-current assets			
Receivables	30	5,468	5,498
Property, plant and equipment	9,765	2,975,131	2,984,896
Other	-	131,024	131,024
Total segment non-current assets	9,795	3,111,623	3,121,418
Total segment assets	35,807	3,957,710	3,993,517
Segment current liabilities			
Payables	950	331,190	332,140
Borrowings	734	4,934	5,668
Employee benefits	6,380	473,103	479,483
Other	20,547	81,032	101,579
Total segment current liabilities	28,611	890,259	918,870

THE DEPARTMENT FOR HEALTH AND AGEING
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	Residential Aged Care Services	Other operations	Consol- idated
	2015 \$'000	2015 \$'000	2015 \$'000
Segment non-current liabilities			
Payables	219	26,300	26,519
Borrowings	2,754	40,953	43,707
Employee benefits	5,209	489,012	494,221
Other	114	153,387	153,501
Total segment non-current liabilities	8,296	709,652	717,948
Total segment liabilities	36,907	1,599,911	1,636,818
Net segment assets	(1,100)	2,357,799	2,356,699
Segment equity			
Contributed Capital	-	1,471,948	1,471,948
Retained earnings	(2,254)	533,546	531,292
Asset revaluation surplus	1,154	314,007	315,161
Other Reserves	-	38,298	38,298
Total segment equity	(1,100)	2,357,799	2,356,699
Changes in equity			
Balance at the beginning of the reporting period	(2,683)	2,433,125	2,430,442
Net result for 2014-2015	1,409	(64,189)	(62,780)
Gain/(loss) on revaluation of property, plant and equipment	174	(13,286)	(13,112)
Gain/(loss) on revaluation of other financial assets	-	(172)	(172)
Gain/(loss) on realisation of other financial assets	-	-	-
Gain/(loss) on revaluation of defined benefit fund liability	-	(3,729)	(3,729)
Adjustment to recognise additional investment in available for sale assets	-	-	-
Correction to prior period asset revaluation	-	-	-
Impairment of assets	-	-	-
Total comprehensive result for 2014-2015	1,583	(81,376)	(79,793)
Equity contributions from the Department of Treasury and Finance	-	5,993	5,993
Net assets transferred as a result of an administrative restructure	-	57	57
Balance at the end of the reporting period	(1,100)	2,357,799	2,356,699
	Residential Aged Care Services	Other operations	Consol- idated
	2014 \$'000	2014 \$'000	2014 \$'000
Segment current assets			
Cash and cash equivalents	5,070	429,153	434,223
Receivables	3,689	253,169	256,858
Inventories	60	38,987	39,047
Non-current assets classified as held for sale	-	5,727	5,727
Other	8,080	57,444	65,524
Total segment current assets	16,899	784,480	801,379

THE DEPARTMENT FOR HEALTH AND AGEING
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	Residential Aged Care Services	Other operations	Consol- idated
	2014	2014	2014
	\$'000	\$'000	\$'000
Segment non-current assets			
Receivables	56	5,877	5,933
Property, plant and equipment	10,001	3,053,035	3,063,036
Other	-	107,283	107,283
Total segment non-current assets	10,057	3,166,195	3,176,252
Total segment assets	26,956	3,950,675	3,977,631
Segment current liabilities			
Payables	1,083	309,982	311,065
Borrowings	665	4,563	5,228
Employee benefits	5,540	425,788	431,328
Other	13,946	74,704	88,650
Total segment current liabilities	21,234	815,037	836,271
Segment non-current liabilities			
Payables	141	18,976	19,117
Borrowings	3,499	44,989	48,488
Employee benefits	4,633	484,034	488,667
Other	132	154,514	154,646
Total segment non-current liabilities	8,405	702,513	710,918
Total segment liabilities	29,639	1,517,550	1,547,189
Net segment assets	(2,683)	2,433,125	2,430,442
Segment equity			
Contributed Capital	-	1,465,955	1,465,955
Retained earnings	(3,663)	596,977	593,314
Asset revaluation surplus	980	327,883	328,863
Other Reserves	-	42,310	42,310
Total segment equity	(2,683)	2,433,125	2,430,442
Changes in equity			
Balance at the beginning of the reporting period	6,067	2,468,453	2,474,520
Net result for 2013-2014	(3,296)	(119,718)	(123,014)
Gain/(loss) on revaluation of property, plant and equipment	-	-	-
Gain/(loss) on revaluation of other financial assets	-	729	729
Gain/(loss) on realisation of other financial assets	-	(203)	(203)
Gain/(loss) on revaluation of defined benefit fund liability	-	5,000	5,000
Adjustment to recognise additional investment in available for sale assets	-	137	137
Correction to prior period asset revaluation	-	(21,304)	(21,304)
Impairment of assets	-	(4,638)	(4,638)
Total comprehensive result for 2014-2015	(3,296)	(139,997)	(143,293)
Equity contributions from the Department of Treasury and Finance	-	99,070	99,070
Net assets transferred as a result of an administrative restructure	(5,454)	5,599	145
Balance at the end of the reporting period	(2,683)	2,433,125	2,430,442

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Segment Cash Flows

	Residential Aged Care Services	Other operations	Consol- idated
2015	2015	2015	
	\$'000	\$'000	\$'000
<u>Segment cash flows from operating activities</u>			
Segment cash inflows			
Resident charges	15,787	563,606	579,393
Government grants and subsidies	45,384	1,459,021	1,504,405
Accommodation bonds received	9,932	5,221	15,153
Other	4,736	270,644	275,380
Total segment cash inflows	75,839	2,298,492	2,374,331
Segment cash outflows			
Employee benefits	(49,894)	(3,324,259)	(3,374,153)
Interest and other borrowing costs	(180)	(3,781)	(3,961)
Accommodation bonds refunded	(2,941)	(3,432)	(6,373)
Other	(13,457)	(1,966,182)	(1,979,639)
Total segment cash outflows	(66,472)	(5,297,654)	(5,364,126)
Cash flows from SA Government			
Receipts from SA Government	-	3,191,323	3,191,323
Payments to SA Government	-	(26,977)	(26,977)
Total cash flows from SA Government	-	3,164,346	3,164,346
Net segment cash inflows/cash outflows from operating activities	9,367	165,184	174,551
<u>Segment cash flows from investing activities</u>			
Segment cash inflows			
Proceeds from sale/maturity of investments	-	4,332	4,332
Proceeds from sale of property, plant and equipment	-	35,024	35,024
Proceeds from other investing activities	-	1,604	1,604
Total segment cash inflows	-	40,960	40,960
Segment cash outflows			
Payments for purchase of investments	-	(8,943)	(8,943)
Purchase of intangibles	-	(36,918)	(36,918)
Payments for property, plant and equipment	(163)	(109,691)	(109,854)
Total segment cash outflows	(163)	(155,552)	(155,715)
Net segment cash inflows/cash outflows from investing activities	(163)	(114,592)	(114,755)

THE DEPARTMENT FOR HEALTH AND AGEING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

	Residential Aged Care Services	Other operations	Consol- idated
	2015	2015	2015
	\$'000	\$'000	\$'000
<u>Segment cash flows from financing activities</u>			
Segment cash inflows			
Capital contributions from Government	-	5,993	5,993
Total segment cash inflows	-	5,993	5,993
Segment cash outflows			
Repayment of borrowings	(676)	(956)	(1,632)
Repayment of finance leases	-	(2,709)	(2,709)
Total segment cash outflows	(676)	(3,665)	(4,341)
Net segment cash inflows/cash outflows from financing activities	(676)	2,328	1,652
Net increase/(decrease) in cash held	8,528	52,920	61,448
Cash at the beginning of the reporting period	5,070	429,153	434,223
Cash at the end of the reporting period	13,598	482,073	495,671

	Residential Aged Care Services	Other operations	Consol- idated
	2014	2014	2014
	\$'000	\$'000	\$'000
2014			
<u>Segment cash flows from operating activities</u>			
Segment cash inflows			
Resident charges	16,039	505,313	521,352
Government grants and subsidies	40,760	1,331,464	1,372,224
Accommodation bonds received	3,219	4,853	8,072
Other	5,524	273,213	278,737
Total segment cash inflows	65,542	2,114,843	2,180,385
Segment cash outflows			
Employee benefits	(51,275)	(3,265,473)	(3,316,748)
Interest and other borrowing costs	(215)	(3,851)	(4,066)
Accommodation bonds refunded	(3,362)	(4,529)	(7,891)
Other	(12,277)	(1,972,518)	(1,984,795)
Total segment cash outflows	(67,129)	(5,246,371)	(5,313,500)
Cash flows from SA Government			
Receipts from SA Government	-	3,187,016	3,187,016
Payments to SA Government	-	(2,339)	(2,339)
Total cash flows from SA Government	-	3,184,677	3,184,677
Net segment cash inflows/cash outflows from operating activities	(1,587)	53,149	51,562

Segment cash flows from investing activities

Segment cash inflows			
Proceeds from sale/maturity of investments	-	3,259	3,259
Proceeds from sale of property, plant and equipment	-	6,738	6,738
Total segment cash inflows	-	9,997	9,997

THE DEPARTMENT FOR HEALTH AND AGEING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

	Residential Aged Care Services	Other operations	Consol- idated
	2014	2014	2014
	\$'000	\$'000	\$'000
Segment cash outflows			
Payments for purchase of investments	-	(26,160)	(26,160)
Payments for property, plant and equipment	-	(164,231)	(164,231)
Payments for intangibles	-	(26,676)	(26,676)
Total segment cash outflows	-	(217,067)	(217,067)
Net segment cash inflows/cash outflows from investing activities	-	(207,070)	(207,070)
Segment cash flows from financing activities			
Segment cash inflows			
Capital contributions from Government	-	99,070	99,070
Total segment cash inflows	-	99,070	99,070
Segment cash outflows			
Repayment of borrowings	(621)	(3,194)	(3,815)
Repayment of finance leases	-	(2,807)	(2,807)
Total segment cash outflows	(621)	(6,001)	(6,622)
Net segment cash inflows/cash outflows from financing activities	(621)	93,069	92,448
Net increase/(decrease) in cash held	(2,208)	(60,852)	(63,060)
Cash at the beginning of the reporting period	7,278	490,005	497,283
Cash at the end of the reporting period	5,070	429,153	434,223

48 Schedules of administered funds

The following incomes, expenses, assets and liabilities were administered but not controlled by the Consolidated Entity and have not been included in the financial statements. In accordance with Accounting Policy Framework II *General Purpose Financial Statements* para. APS 3.13.2, these items are regarded as insignificant to the Consolidated Entity's overall performance and are disclosed in the following schedules.

Description of categories of administered funds

Minister's Salary represents the Minister for Health, Mental Health and Substance Abuse and Health Industries (the Minister) salary and associated on-costs (disclosed as Employee benefit expenses below) and revenues from SA Government received for these expenses.

Complaints Commissioner represents the Health and Community Services Complaints Commissioner's (Complaints Commissioner) activities and revenues from SA Government received to cover these expenses.

Private Practice Funds represents funds billed on behalf of salaried medical officers and subsequently distributed to the Hospital and salaried medical officers according to individual Rights of Private Practice Deeds of Agreement.

Other administered funds include the following:

- Health and Medical Research Fund;
- The Woolshed;
- SA Medical Boards;
- Research and Other;
- Patient Trusts and Fund Raising;
- Nurses Education Fund; and
- Strata Corp.

THE DEPARTMENT FOR HEALTH AND AGEING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

Schedule of Administered Expenses and Income

	Minister's Salary	Complaints Commissioner	Private Practice Funds	Other	Total
	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Administered expenses					
Employee benefit expenses	290	113	-	549	952
Supplies and services	-	1	(247)	836	590
Grants and subsidies	-	-	-	2,489	2,489
Other expenses	-	-	77,210	7,108	84,318
Total administered expenses	290	114	76,963	10,982	88,349
Administered income					
Revenue from SA Government	290	114	-	-	404
Grants and contributions	-	-	78,627	940	79,567
Revenue from fees and charges	-	-	-	6,154	6,154
Interest revenue	-	-	-	4	4
Other revenue	-	-	463	4,660	5,123
Total administered income	290	114	79,090	11,758	91,252
Net result	-	-	2,127	776	2,903

	Minister's Salary	Complaints Commissioner	Private Practice Funds	Other	Total
	2014	2014	2014	2014	2014
	\$'000	\$'000	\$'000	\$'000	\$'000
Administered expenses					
Employee benefit expenses	290	98	-	484	872
Supplies and services	-	-	3	1,457	1,460
Grants and subsidies	-	-	-	25	25
Other expenses	-	-	76,358	11,291	87,649
Total administered expenses	290	98	76,361	13,257	90,006

	Minister's Salary	Complaints Commissioner	Private Practice Funds	Other	Total
	2014	2014	2014	2014	2014
	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income					
Revenue from SA Government	290	98	-	-	388
Grants and contributions	-	-	-	1,212	1,212
Revenue from fees and charges	-	-	76,307	7,849	84,156
Interest revenue	-	-	-	4	4
Other revenue	-	-	27	3,268	3,295
Total administered income	290	98	76,334	12,333	89,055
Net result	-	-	(27)	(924)	(951)

THE DEPARTMENT FOR HEALTH AND AGEING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

Schedule of Administered Assets and Liabilities

	Minister's Salary	Complaints Commissioner	Private Practice Funds	Other	Total
	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Administered current assets					
Cash and cash equivalents	(34)	(13)	6,683	2,832	9,468
Receivables	34	13	8,871	17,080	25,998
Total administered current assets	-	-	15,554	19,912	35,466
Total administered assets	-	-	15,554	19,912	35,466
Administered current liabilities					
Payables	-	-	5,324	760	6,084
Employee benefits	-	-	(24)	65	41
Other current provisions/liabilities	-	-	(5)	58	53
Total administered current liabilities	-	-	5,295	883	6,178
Total administered liabilities	-	-	5,295	883	6,178
Net administered assets	-	-	10,259	19,029	29,288

	Minister's Salary	Complaints Commissioner	Private Practice Funds	Other	Total
	2014	2014	2014	2014	2014
	\$'000	\$'000	\$'000	\$'000	\$'000
Administered current assets					
Cash and cash equivalents	(24)	(98)	5,331	2,103	7,312
Receivables	24	98	8,652	16,415	25,189
Total administered current assets	-	-	13,983	18,518	32,501
Total administered assets	-	-	13,983	18,518	32,501
Administered current liabilities					
Payables	-	-	5,402	107	5,509
Employee benefits	-	-	-	42	42
Other current provisions/liabilities	-	-	449	116	565
Total administered current liabilities	-	-	5,851	265	6,116
Total administered liabilities	-	-	5,851	265	6,116
Net administered assets	-	-	8,132	18,253	26,385

THE DEPARTMENT FOR HEALTH AND AGEING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

Schedule of Administered Changes in Equity

	Minister's Salary	Complaints Commis- sioner	Private Practice Funds	Other	Total
	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the reporting period	-	-	8,132	2,206	10,338
Prior year adjustment	-	-	-	16,047	16,047
Restated Opening Balance	-	-	8,132	18,253	26,385
Net result	-	-	2,127	776	2,903
Total recognised income and expenses for the period	-	-	2,127	776	2,903
Balance at the end of the reporting period	-	-	10,259	19,029	29,288

	Minister's Salary	Complaints Commis- sioner	Private Practice Funds	Other	Total
	2014	2014	2014	2014	2014
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the reporting period	-	-	8,159	2,175	10,334
Prior year adjustment	-	-	-	17,002	17,002
Restated Opening Balance	-	-	8,159	19,177	27,336
Net result	-	-	(27)	(924)	(951)
Total recognised income and expenses for the period	-	-	(27)	(924)	(951)
Balance at the end of the reporting period	-	-	8,132	18,253	26,385

Schedule of Administered Cash Flows

	Minister's Salary	Complaints Commis- sioner	Private Practice Funds	Other	Total
	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Cash flows from operating activities</u>					
Cash inflows					
Grants and contributions	-	-	-	1,224	1,224
Receipts from SA Government	258	153	-	-	411
Fees and charges	-	-	78,412	6,229	84,641
Interest revenue	-	-	-	4	4
Other revenue	-	-	463	1,154	1,617
Total cash inflows	258	153	78,875	8,611	87,897
Cash outflows					
Staff benefit payments	268	67	-	526	861
Grants and subsidies	-	-	-	8	8
Supplies and services	-	1	(247)	214	(32)
Other payments	-	-	77,770	7,134	84,904
Total cash outflows	268	68	77,523	7,882	85,741
Net cash inflows/cash outflows from operating activities	(10)	85	1,352	729	2,156

THE DEPARTMENT FOR HEALTH AND AGEING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

	Minister's Salary	Complaints Commis- sioner	Private Practice Funds	Other	Total
	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Net increase/(decrease) in cash held	(10)	85	1,352	729	2,156
Cash at the beginning of the reporting period	(24)	(98)	5,331	2,103	7,312
Cash at the end of the reporting period	(34)	(13)	6,683	2,832	9,468

	Minister's Salary	Complaints Commis- sioner	Private Practice Funds	Other	Total
	2014	2014	2014	2014	2014
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Cash inflows					
Grants and contributions	-	-	-	915	915
Receipts from SA Government	289	-	-	-	289
Fees and charges	-	-	76,555	7,885	84,440
Interest revenue	-	-	-	4	4
Other revenue	-	-	27	1,070	1,097
Total cash inflows	289	-	76,582	9,874	86,745
Cash outflows					
Employee benefit payments	290	98	-	499	887
Grants and subsidies	-	-	-	25	25
Supplies and services	-	-	3	813	816
Other payments	-	-	77,363	8,674	86,037
Total cash outflows	290	98	77,366	10,011	87,765
Net cash inflows/cash outflows from operating activities	(1)	(98)	(784)	(137)	(1,020)
Net increase/(decrease) in cash held	(1)	(98)	(784)	(137)	(1,020)
Cash at the beginning of the reporting period	(23)	-	6,115	2,240	8,332
Cash at the end of the reporting period	(24)	(98)	5,331	2,103	7,312

Accounting Policy Change

In accordance with amendments to *Accounting Policy Framework II General Purpose Financial Statements Framework*, HCDSMC is no longer considered an administered item of the Consolidated Entity.

Accordingly, the Consolidated Entity will no longer aggregate HCDSMC in its schedule of administered funds. Previously the Consolidated Entity included the HCDSMC within its schedule of administered funds.

Administered expenses and administered cash outflows

The Consolidated Entity makes various transfer payments to eligible beneficiaries in the capacity of an agent responsible for the administration of the transfer process. Amounts relating to these transfer payments are not controlled by the Consolidated Entity, since they are made at the discretion of Government in accordance with Government policy. These transfers are disclosed as administered expenses and administered cash outflows.

Administered incomes and administered cash inflows

The Consolidated Entity collects various revenues and grants on behalf of Government. The amounts are not controlled by the Consolidated Entity and are not recognised by the Consolidated Entity. These amounts are disclosed as administered revenues and administered cash inflows.

THE DEPARTMENT FOR HEALTH AND AGEING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

Administered assets and liabilities

The Consolidated Entity manages various assets and liabilities on behalf of the Government. The amounts are not controlled by the Consolidated Entity and are not recognised by the Consolidated Entity. These amounts are disclosed as administered assets and liabilities.

Administered contingent assets and liabilities

The Consolidated Entity has no administered contingent assets and liabilities.

48.1 Administered funds - budgetary reporting and explanations of major variances between budget and actual amounts

The following administered funds disclosed in detail in Note 48 have had budgets tabled in parliament for the 2014-15 financial year:

- Minister's Salary
- Complaints Commissioner

The following administered funds disclosed in detail in Note 48 have not had budgets tabled in parliament for the 2014-15 financial year:

- Private Practice Funds
- Other

As no budgets have been tabled, budgetary reporting information is not disclosed for these administered funds.

Explanations are only required for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of the original budgeted total expenses. As these criteria were not met no explanations of variances between original budget and actual amounts are provided.

	Original Budget ¹ 2015 \$'000	Actual 2015 \$'000	Variance \$'000
Statement of Comprehensive Income			
Expenses			
Employee benefit expenses	429	403	26
Supplies and services	-	1	(1)
Total expenses	429	404	25
 Net cost of providing services	 429	 404	 25
 Revenues from SA Government			
Revenues from SA Government	429	404	25
Total revenues from SA Government	429	404	25
 Net result	 -	 -	 -
 Total comprehensive result	 -	 -	 -

¹The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

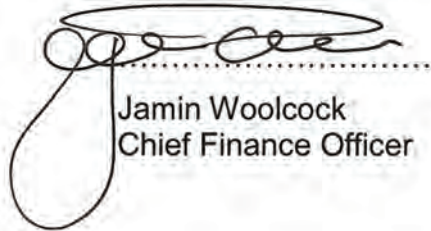
Certification of the financial statements

We certify that the:

- financial statements of the Department for Health and Ageing:
 - are in accordance with the accounts and records of the authority; and
 - comply with relevant Treasurer's instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the authority at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by the Department for Health and Ageing over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



David Swan
Chief Executive Officer



Jamin Woolcock
Chief Finance Officer

Date 21/9/15

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

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To the Chief Executive Department for Health and Ageing

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Department for Health and Ageing, and the consolidated entity comprising the Department for Health and Ageing and its controlled entities for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2015
- Disaggregated Disclosures - Assets and Liabilities as at 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chief Executive and the Chief Finance Officer.

The financial report comprises the Department for Health and Ageing and the entities it controlled at the year's end or from time to time during the financial year.

The Chief Executive's Responsibility for the Financial Report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

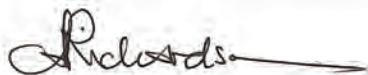
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Department for Health and Ageing and its controlled entities as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson

Auditor-General

22 September 2015

Central Adelaide Local
Health Network Incorporated

Financial report
for the year ended
30 June 2015

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2015

	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
Expenses					
Staff benefit expenses	4	1,190,546	1,177,796	1,185,054	1,173,192
Supplies and services	5	595,152	578,734	592,287	576,763
Depreciation and amortisation expense	6	60,626	61,098	60,333	60,811
Grants and subsidies	7	7,191	1,296	6,679	1,007
Borrowing costs	8	618	650	618	650
Net gain/(loss) from disposal of non-current and other assets	15	4,778	300	4,778	300
Other expenses	9	124,217	50,783	124,069	49,375
Total expenses		1,983,128	1,870,657	1,973,818	1,862,098
Income					
Revenue from fees and charges	11	283,368	271,731	274,947	264,722
Grants and contributions	12	92,097	90,627	92,332	91,482
Interest revenue	13	2,925	4,092	2,647	3,766
Resources received free of charge	14	178	66	178	66
Other revenue	16	33,755	27,571	33,162	25,073
Total income		412,323	394,087	403,266	385,109
Net cost of providing services		1,570,805	1,476,570	1,570,552	1,476,989
Revenues from SA Government					
Revenue from SA Government	17	1,429,537	1,428,526	1,429,537	1,428,526
Net result		(141,268)	(48,044)	(141,015)	(48,463)
Other comprehensive income					
Items that will not be reclassified to net result					
Adjustment to recognise additional investment in available for sale assets		-	136	-	-
Changes in property, plant and equipment asset revaluation surplus		(42,888)	(4,991)	(42,888)	(4,991)
Items that will be reclassified subsequently to net result when specific conditions are met					
Fair value gain on financial assets		(164)	447	-	-
Total other comprehensive income		(43,052)	(4,408)	(42,888)	(4,991)
Total comprehensive result		(184,320)	(52,452)	(183,903)	(53,454)

The net result and total comprehensive result are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$ '000	\$ '000	\$ '000	\$ '000
Current assets					
Cash and cash equivalents	18	123,605	143,038	121,950	142,030
Receivables	19	57,245	60,742	55,532	60,108
Inventories	20	10,708	8,800	10,499	8,542
Other financial assets	21	14,281	16,813	8,101	9,442
Total current assets		205,839	229,393	196,082	220,122
Non-current assets					
Receivables	19	6,348	12,017	6,348	12,017
Other financial assets	21	3,303	3,518	1,150	1,150
Property, plant and equipment	22	701,680	842,592	701,434	842,191
Investment property	23	3,825	4,094	-	269
Intangible assets	24	21,026	12,049	21,008	11,930
Total non-current assets		736,182	874,270	729,940	867,557
Total assets		942,021	1,103,663	926,022	1,087,679
Current liabilities					
Payables	26	90,256	80,546	89,582	80,144
Borrowings	27	679	642	679	642
Staff benefits	28	162,320	143,939	161,806	143,573
Provisions	29	9,512	10,123	9,512	10,123
Other liabilities	30	4,002	1,784	4,002	1,784
Total current liabilities		266,769	237,034	265,581	236,266
Non-current liabilities					
Payables	26	9,468	6,878	9,468	6,878
Borrowings	27	10,946	11,625	10,946	11,625
Staff benefits	28	168,809	170,128	168,792	170,123
Provisions	29	19,488	26,172	19,488	26,172
Other liabilities	30	3,039	1,025	3,039	1,025
Total non-current liabilities		211,750	215,828	211,733	215,823
Total liabilities		478,519	452,862	477,314	452,089
Net assets		463,502	650,801	448,708	635,590
Equity					
Asset revaluation surplus	31	30,738	74,797	30,738	74,797
Other reserves	31	935	1,099	-	-
Retained earnings	31	431,829	574,905	417,970	560,793
Total equity		463,502	650,801	448,708	635,590
The total equity is attributable to the SA Government as owner					
Unrecognised contractual commitments	33				
Contingent assets and liabilities	36				

The above statement should be read in conjunction with the accompanying notes.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2015

CONSOLIDATED

	Note	Asset revaluation surplus \$ '000	Other reserves \$ '000	Retained earnings \$ '000	Total \$ '000
Balance at 30 June 2013		79,760	652	594,824	675,236
Error correction	35	-	-	37,615	37,615
Restated balance at 30 June 2013		79,760	652	632,439	712,851
Net result for 2013-14		-	-	(48,044)	(48,044)
Gain/loss on revaluation of other financial assets	-	-	581	-	581
Gain/loss on realisation of other financial assets	-	-	(134)	-	(134)
Adjustment to recognise additional investment in available for sale assets	-	-	-	136	136
Correction to prior period asset revaluation	22	(4,991)	-	-	(4,991)
Total comprehensive result for 2013-14		(4,991)	447	(47,908)	(52,452)
Transfer between equity components		28		(28)	-
Transactions with SA Government as owner					
Net assets transferred as a result of an administrative restructure	34	-	-	(9,598)	(9,598)
Balance at 30 June 2014	31	74,797	1,099	574,905	650,801
Net result for 2014-15		-	-	(141,268)	(141,268)
Gain/loss on revaluation of property during 2014-2015	22	(45,095)	-	-	(45,095)
Gain/loss on revaluation of plant and equipment during 2014-2015	22	2,207	-	-	2,207
Gain/loss on other financial assets		-	(164)	-	(164)
Total comprehensive result for 2014-15		(42,888)	(164)	(141,268)	(184,320)
Transfer between equity components		(1,171)	-	1,171	-
Transactions with SA Government as owner					
Net liabilities received from an administrative restructure	34	-	-	(1,472)	(1,472)
Net assets transferred as a result of an administrative restructure	34	-	-	(1,507)	(1,507)
Balance at 30 June 2015	31	30,738	935	431,829	463,502

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2015

PARENT

	Note	Asset revaluation surplus \$ '000	Other reserves \$ '000	Retained earnings \$ '000	Total \$ '000
Balance at 30 June 2013		79,760		581,267	661,027
Error correction	35	-	-	37,615	37,615
Restated balance at 30 June 2013		79,760	-	618,882	698,642
Net result for 2013-14		-	-	(48,463)	(48,463)
Correction to prior period asset revaluation		(4,991)	-	-	(4,991)
Total comprehensive result for 2013-14		(4,991)	-	(48,463)	(53,454)
Transfer between equity components		28		(28)	-
Transactions with SA Government as owner					
Net assets transferred as a result of an administrative restructure	34	-	-	(9,598)	(9,598)
Balance at 30 June 2014	31	74,797	-	560,793	635,590
Net result for 2014-15		-	-	(141,015)	(141,015)
Gain/loss on revaluation of property during 2014-2015	22	(45,095)	-	-	(45,095)
Gain/loss on revaluation of plant and equipment during 2014-2015	22	2,207	-	-	2,207
Total comprehensive result for 2014-15		(42,888)	-	(141,015)	(183,903)
Transfer between equity components		(1,171)	-	1,171	-
Transactions with SA Government as owner					
Net liabilities received from an administrative restructure	34	-	-	(1,472)	(1,472)
Net assets transferred as a result of an administrative restructure	34	-	-	(1,507)	(1,507)
Balance at 30 June 2015	31	30,738	-	417,970	448,708

All changes in equity are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2015

	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$ '000	\$ '000	\$ '000	\$ '000
Cash flows from operating activities					
Cash outflows					
Staff benefit payments		(1,178,094)	(1,147,309)	(1,172,769)	(1,138,159)
Payments for supplies and services		(686,511)	(668,602)	(705,669)	(659,133)
Payments for grants and subsidies		(7,390)	(2,140)	(6,878)	(1,083)
Interest paid		(618)	(650)	(618)	(650)
Payments for paid parental leave scheme		(3,775)	(2,966)	(3,775)	(2,966)
Other payments		(45,904)	(42,730)	(25,756)	(41,091)
Cash used in operations		(1,922,291)	(1,864,397)	(1,915,465)	(1,843,082)
Cash Inflows					
Fees and charges		287,289	296,303	281,611	281,254
Grants and contributions		92,751	91,786	92,986	92,641
Interest received		3,167	4,317	2,877	3,720
GST recovered		89,037	57,548	89,037	56,167
Receipts for paid parental leave scheme		3,814	2,989	3,814	2,989
Other receipts		36,989	31,797	36,396	26,832
Cash generated from operations		513,047	484,740	506,721	463,603
Cash flows from SA Government					
Receipts from SA Government		1,421,417	1,408,750	1,421,418	1,409,592
Total cash flows from SA Government		1,421,417	1,408,750	1,421,418	1,409,592
Net cash provided by / (used in) operating activities		12,173	29,093	12,674	30,113
Cash flows from investing activities					
Cash outflows					
Purchase of property, plant and equipment		(21,198)	(11,858)	(21,103)	(11,783)
Purchase of intangibles		(11,028)	(5,301)	(11,028)	(5,301)
Purchase of investments		1,244	(4,409)	-	-
Cash used in investing activities		(30,982)	(21,568)	(32,131)	(17,084)
Cash inflows					
Proceeds from sale of property, plant and equipment		19	8	19	8
Proceeds from sale/maturities of investments		(2)	976	-	-
Cash generated from investing activities		17	984	19	8
Net cash provided by / (used in) investing activities		(30,965)	(20,584)	(32,112)	(17,076)

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2015

		Consolidated		Parent	
	Note	2015	2014	2015	2014
		\$ '000	\$ '000	\$ '000	\$ '000
Cash flows from financing activities					
Cash outflows					
Repayment of finance leases		(642)	(607)	(642)	(607)
Cash used in financing activities		(642)	(607)	(642)	(607)
Net cash provided by / (used in) financing activities		(642)	(607)	(642)	(607)
Net increase/(decrease) in cash and cash equivalents		(19,434)	7,902	(20,080)	12,430
Cash and cash equivalents at the beginning of the period		143,038	135,136	142,030	129,600
Cash and cash equivalents at the end of the period	18	123,604	143,038	121,950	142,030
Non-cash transactions	37	(129,911)	(82,092)	(76,588)	(80,796)

The above statement should be read in conjunction with the accompanying notes.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK

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CENTRAL ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

1 Objectives of Central Adelaide Local Health Network

The Central Adelaide Local Health Network Incorporated (the Hospital) is an incorporated Hospital under the *Health Care Act 2008* (the Act). It was incorporated on 1 July 2011.

The Chief Executive Officer administers and manages the Hospital under delegation from the Chief Executive of the Department for Health and Ageing (the Department) and is accountable to the Chief Executive of the Department.

The Central Adelaide Local Health Network Health Advisory Council Incorporated was established pursuant to the Act. The Council's functions include advising, monitoring, providing strategic oversight, conferring and making recommendations to the Chief Executive of the Department and the Chief Executive of the Hospital. The Council has no powers to direct or make decisions with respect to the management and administration of the Hospital.

The Hospital's objectives are to:

- promote, maintain and improve the health of the public;
- efficiently conduct and manage health services;
- monitor, maintain and improve the quality and safety of health services;
- efficiently conduct and manage statewide services, including BreastScreen SA, South Australian Dental Services, DonatLife SA and Prison Health SA;
- provide health advice and information to the public relating to health services available;
- initiate, facilitate, support and conduct research into any area of health service activity, and to foster innovation in the provision of health services; and
- improve services and patient care through ongoing teaching and professional development of staff.

1.1 Administrative restructures

2014-15

- Following a review of Departmental functions, effective 1 June 2015, the Chief Executive of the Department approved the transfer of Financial Business Advisory and Hospital based Revenue Services employees within Finance to the Local Health Networks and the SA Ambulance Service Inc.
- Health Portfolio Executive approved on 2 October 2008 the establishment of a consolidated procurement, contracting and supply chain service. This service provides the foundation for delivering best practice procurement, contracting and supply chain management across SA Health. Effective 3 November 2014, inventory associated with the Royal Adelaide Hospital (RAH), Hampstead Rehabilitation Centre and the Queen Elizabeth Hospital were transferred to the Distribution Centre Division of the Department. Effective 25 May 2015, inventory associated with SA Pathology was transferred to the Distribution Centre Division of the Department.

2013-14

- A new SA Biomedical Engineering (SA BME) organisation structure was approved by the Chief Executive of the Department on 3 January 2013 (eA539379). This new state-wide service will deliver efficiencies, maximise the use of resources, ensure that consistent and easily accessible services are available across SA, and provide a network wide management approach to the maintenance and operation of medical equipment. The transition took place in two tranches, the first tranche of in-scope staff were transferred as of 7 October 2013 and the second tranche as of 18 November 2013. All in-scope staff and their associated staff benefits, transferred from the Hospital to a consolidated state-wide biomedical engineering service within the Department.
- Health Portfolio Executive approved on 2 October 2008 the establishment of a consolidated procurement, contracting and supply chain service. This service provides the foundation for delivering best practice procurement, contracting and supply chain management across SA Health. Effective 24 March 2014, inventory associated with Glenside Mental Health Services was transferred to the Distribution Centre Division of the Department.
- As a result of the Health Care (Local Health Networks) Proclamation 2011 as approved by the Governor in the Government Gazette dated 9 June 2011, all primary and mental health services located in the Northern Adelaide area of that hospital's area of activities is transferred to the Northern Adelaide Local Health Network Incorporated (NALHN). This move of these functions was finalised effective 1 July 2013.

Details of the assets, rights and liabilities that transferred are provided in Note 34.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

2 Summary of significant accounting policies

2.1 Statement of compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*, and the requirements of the *Health Care Act 2008*.

The Hospital has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Hospital is a not-for-profit entity.

Except for AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities* which the Hospital has early adopted, Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Hospital for the reporting period ending 30 June 2015 (refer Note 3).

2.2 Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgment in the process of applying the Hospital's accounting policies. The areas involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, that have been included in this financial report:
 - a) revenues, expenses, financial assets and financial liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature;
 - b) expenses incurred as a result of engaging consultants;
 - c) staff targeted voluntary separation package information;
 - d) staff whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths), and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those staff; and
 - e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than direct out of pocket reimbursement.

The Hospital's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the applicable valuation policy.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and are presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

2.3 Reporting entity

The parent entity is comprised of:

Acute Services

- Royal Adelaide Hospital (RAH), Hampstead Rehabilitation Centre, St Margaret's Rehabilitation Centre
- The Queen Elizabeth Hospital, Pregnancy Advisory Centre

SA Pathology

Primary Health Care Services

- Rehabilitation Services - Community
- Prison Health SA
- Ambulatory Services
- Community Health

Statewide Services

- South Australian Dental Services
- BreastScreen SA

Mental Health Services

The consolidated accounts of the Hospital include the assets, liabilities, revenues and expenses of Medvet Science Pty Ltd (Medvet). From 1 July 2011 all the issued capital of Medvet (1,150,000 ordinary shares) is held by the Hospital. The Hospital has effective control over, and a 100% interest in, the net assets of the entities under its control. When preparing the consolidated accounts the effect of all transactions between entities within the economic entity have been eliminated in full. Accounting policies are applied consistently across the economic entity.

2.4 Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change, or as otherwise noted.

Where presentation and classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial statements for the preceding period.

2.5 Rounding

All amounts in the financial statements are rounded to the nearest thousand dollars (\$'000).

2.6 Taxation

The Hospital is not subject to income tax. The Hospital is liable for fringe benefits tax (FBT) and goods and services tax (GST).

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

Effective 1 January 2014, the Department for Health and Ageing, incorporated Hospitals and the SA Ambulance Service Inc were grouped for GST purposes with the ATO. All transactions between the GST group members are not subject to GST. The Department acts as an agent on behalf of the incorporated Hospitals and SA Ambulance Service Inc for the purpose of remitting GST to, and recovering GST from, the ATO.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

2.7 Expenses

Expenses are recognised in the Hospital's Statement of Comprehensive Income when, and only when, it is probable that the flow of economic benefits from the Hospital will occur, and can be reliably measured.

Expenses have been classified according to their nature, and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are the specific recognition criteria:

Resources provided free of charge

Resources provided free of charge are recorded as expenditure in the Statement of Comprehensive Income at their fair value.

Resources provided free of charge are recorded in the line items to which they relate.

Contributions paid

Contributions payable will be recognised as a liability and expense when the Hospital has a present obligation to pay the contribution and the expense recognition criteria are met.

Borrowing costs

Borrowing costs are recognised as an expense when incurred.

Staff benefits expenses

Staff benefits expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Hospital to the superannuation plan in respect of current services of current hospital staff. The Department of Treasury and Finance (DTF) centrally recognises the superannuation liability in the whole of government financial statements.

2.8 Income

Income is recognised in the Hospital's Statement of Comprehensive Income when, and only when, it is probable that the flow of economic benefits to the Department will occur, and can be reliably measured.

Income has been classified according to its nature, and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are the specific recognition criteria:

Fees and charges

Revenues from fees and charges are derived from the provision of goods and services to other SA government agencies and to the public. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Gain from disposal of non-current assets

Income from the disposal of non-current assets is recognised when control of the asset has passed to the buyer, and determined by comparing proceeds with the carrying amount. When revalued assets are sold, any identified revaluation increments are transferred to retained earnings.

Resources received free of charge

Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value.

Resources received free of charge are recorded as such with revenue being separately disclosed.

Contributions received

Contributions are recognised as an asset and income when the Hospital obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met.

Other revenue

Other income consists of car park revenue, intellectual property royalties and donations.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

2.9 Revenues from SA Government

The Department provides recurrent and capital funding under a service level agreement (SLA) to the Hospital for the provision of general health services.

Contributions from the Department are recognised as revenues when the Hospital obtains control over the funding. Control over the funding is normally obtained upon receipt.

2.10 Foreign currency transactions

Transactions in foreign currency are translated into the Hospital's functional currency (Australian dollars) at the exchange rates at the dates the transactions occur.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the original transaction.

Foreign currency differences are recognised in the Statement of Comprehensive Income.

2.11 Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. The Hospital has a clearly identifiable operating cycle of 12 months. Therefore, assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle will be classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Hospital has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

2.12 Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

2.13 Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand, deposits at call and other short-term, highly liquid investments with maturities of three months or less, that are readily converted to cash, and which are subject to insignificant risk of changes in value.

Cash and cash equivalents in the Statement of Cash Flows consist of cash and cash equivalents as defined above, net of bank overdrafts. Cash is measured at nominal value.

2.14 Receivables

Receivables include amounts receivable from goods and services, GST recoverable, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other agencies and to the public. The Hospital's trading terms for receivables are generally 30 days.

Other debtors arise outside the normal course of selling goods and services to other agencies and to the public.

Doubtful Debts

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Hospital will not be able to collect the debt. Bad debts are written off only after all reasonable effort has been made to collect the debt.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

2.15 Inventories

Inventories held for distribution at no or nominal consideration are measured at the lower of average weighted cost and replacement cost. Inventories (other than those held for distribution at no or nominal consideration) are measured at the lower of average weighted cost or their net realisable value.

The amount of any inventory write-down to net realisable value/replacement cost or inventory losses are recognised in the Statement of Comprehensive Income as an expense in the period the write-down or loss occurred. Any write-down reversals are also recognised in the statement of comprehensive income as an expense reduction.

Inventories include:

- Drug supplies;
- Imprest supplies; and
- Other supplies.

2.16 Other financial assets

The Hospital measures financial assets at historical cost, except for listed equities which are measured at market value.

2.17 Non-current assets held for sale

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale is expected to be completed one year from the date of classification.

Non-current assets classified as held for sale are presented separately from the other assets in the Statement of Financial Position.

2.18 Non-current asset acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation. Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. Where assets are acquired at no or nominal value as part of a restructure of administrative arrangements, the assets are recorded at the value held by the transferor public authority prior to the restructure.

The Hospital capitalises all non-current tangible property, plant and equipment and intangible assets that it controls valued at or greater than \$10,000.

Assets recorded as works in progress represent projects physically incomplete as at the reporting date.

Componentisation of complex assets is generally performed when the complex asset's fair value at the time of acquisition is equal to or greater than \$5 million for infrastructure assets and \$1 million for other assets.

2.19 Revaluation of non-current assets

In accordance with Accounting Policy Framework III *Asset Accounting Framework*:

- all non-current tangible assets are valued at written down cost (a proxy for fair value);
- the Hospital revalues all land, buildings and site improvements triennially via an independent certified practicing valuer;
- triennial revaluation of other non-current assets by a Certified Practicing Valuer is only performed when the assets fair value at the time of acquisition is greater than \$1 million, and the estimated useful life exceeds three years;
- if at any time management considers that the carrying amount of an asset greater than \$1 million materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place; and
- non-current tangible assets that are acquired between revaluations are held at cost, until the next valuation, when they are revalued to fair value.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Any revaluation increase is credited to the revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income.

Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the revaluation surplus to the extent of the credit balance existing in revaluation reserves for that asset class.

Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class, but are not offset in respect of assets in different classes.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Upon disposal or derecognition, any asset revaluation surplus relating to that asset is transferred to retained earnings.

2.20 Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. The amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. For revalued assets, an impairment loss is offset against the revaluation surplus for that class of assets, to the extent that the impairment loss does not exceed the amount in the respective asset revaluation surplus.

2.21 Valuation of existing Royal Adelaide Hospital buildings and site improvements (RAH assets)

Due to the upcoming completion of the new Royal Adelaide Hospital, some degree of uncertainty exists regarding the future use of some of the buildings and site improvements assets located at the existing RAH site. As these buildings and site improvements are of a specialised nature, it is difficult to reliably measure the asset value.

Due to this inherent estimation uncertainty, management have decided to value the buildings and site improvements at nil value. It is acknowledged that the ultimate market value and application of these RAH site assets will be determined following the current expression of interest process and decision of Cabinet, however due to the uncertainty at this time this conservative valuation approach has been adopted.

The associated land has been valued using the market approach, which considers transactions for similar land in the area and includes adjustment for factors specific to the land being valued such as size, location and current use.

2.22 Depreciation and amortisation of non-current assets

All non-current assets, that have a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible and leasehold assets, whilst depreciation is applied to physical assets such as property, plant and equipment.

The useful lives, depreciation and amortisation methods of all major assets held by the Hospital are reassessed on an annual basis.

Changes in expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is the shorter.

Land and non current assets held for sale are not depreciated.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

Depreciation/amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	40 - 80
Leasehold improvements	Life of lease
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	5 - 15
• Computing equipment and software	3 - 5
• Vehicles	2 - 25
• Other plant and equipment	3 - 25
Intangibles	5 - 10

2.23 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The Hospital only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of, or internal development of software, is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10,000.

Capitalised software is amortised over the useful life of the asset.

2.24 Investment properties

Investment properties represent properties held to earn rentals and/or for capital appreciation. Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset, will flow to the Hospital.

Subsequent to initial recognition at cost, investment properties are revalued to fair value with changes in the fair value recognised as income or expense in the period that they arise. The properties are not depreciated and are not tested for impairment.

Rental income from the leasing of investment properties is recognised in the Statement of Comprehensive Income as part of other revenue, on a straight line basis over the lease term.

2.25 Fair value measurement

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

The Hospital classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 – traded in active markets, and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market, and are derived from inputs (inputs other than quoted prices included within Level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market, and are derived from unobservable inputs.

The valuation processes and fair value changes are reviewed at each reporting date.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Non-financial assets

In determining fair value, the Hospital has taken into account the characteristic of the asset (eg condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible and financially feasible).

The Hospital's current use is the highest and best use of the asset unless other factors suggest an alternative use. As the Hospital did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to Note 22, 23 and 25 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

Financial assets/liabilities

Investments in listed entities are recognised at fair value based on quoted market prices for identical assets at reporting date. The Hospital does not recognise any other financial assets or financial liabilities at fair value.

2.26 Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

2.27 Payables

Payables include creditors, accrued expenses, GST payable, staff on-costs and Paid Parental Leave Scheme payable.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to normal operations of the Hospital.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period, and where an invoice has not been processed/received.

The Paid Parental Leave Scheme payable represents amounts which the Hospital has received from the Commonwealth Government to forward onto eligible staff via the Hospital's standard payroll processes. That is, the Hospital is acting as a conduit through which the payment to eligible staff is made on behalf of the Family Assistance Office.

All payables are measured at their nominal amount, are unsecured, and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Staff benefits on-costs include superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave (SERL).

The Hospital makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed superannuation schemes.

2.28 Borrowings/Financial Liabilities

The Hospital measures financial liabilities including borrowings/debt at historical cost.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

2.29 Staff benefits

These benefits accrue for staff as a result of services provided up to the reporting date that remain unpaid. Long-term staff benefits are measured at present value, and short-term staff benefits are measured at nominal amounts.

Salaries, wages, annual leave, SERL and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the SERL liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. In the unusual event where salary and wages, annual leave and SERL liability are payable later than 12 months, the liability will be measured at present value.

No provision has been made for sick leave, as all sick leave is non-vesting, and the average sick leave taken in future years by staff is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave was determined through an actuarial assessment undertaken by Mercer Consulting (Australia) Pty Ltd, in accordance with AASB 119 *Employee Benefits*. The following assumptions were made by the Actuary when performing the assessment:

- Salary increases of 3 percent; and
- Discounting of 2.8 percent per annum based on the gross 7 year Commonwealth bond rate prevailing at 30 June 2015.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the health sector across government.

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

2.30 Provisions

Provisions are recognised when the Hospital has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The Hospital is an exempt employer under the *Workers Rehabilitation and Compensation Act 1986*. Under a scheme arrangement, the Hospital is responsible for the management of workers rehabilitation and compensation, and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

Although the Department provides funds to the Hospital for the settlement of lump sum and redemption payments, the cost of these claims, together with other claim costs, are met directly by the Hospital, and are thus reflected as an expense from ordinary activities in the Statement of Comprehensive Income.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2015 provided by a consulting actuary engaged through the Office for the Public Sector. The provision is for the estimated cost of ongoing payments to staff as required under current legislation. The liability covers claims incurred but not yet paid, incurred but not reported and the anticipated direct and indirect costs of settling these claims. The liability for outstanding claims is measured as the present value of the expected future payments reflecting the fact that all claims do not have to be paid in the immediate future.

With respect to the workers compensation liability, the Hospital includes an amount receivable for the lump sum and redemption portion of the workers compensation claims which is specifically funded by the Department.

2.31 Specific Purpose Funds

The Hospital receives specific purpose funds from various sources including government, private sector and individuals. The amounts are controlled by the Hospital, and are used to help achieve the Hospital objectives, notwithstanding that specific uses can be determined by the grantor or donor. Accordingly, the amounts are treated as revenue at the time they are earned or at the time control passes to the Hospital.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

2.32 Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

The Hospital has entered into finance leases and operating leases.

Finance leases

Finance leases which transfer substantially all the risks and benefits/rewards incidental to ownership of the leased assets to the Hospital, are capitalised at inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments.

Minimum lease payments are allocated between interest expense/borrowing costs and reduction of the lease liability to each period during the lease term, so as to produce a constant periodic rate of interest on the remaining balance of the liability. Lease liabilities are classified as both current and non-current.

Where there is no reasonable assurance that the Hospital will obtain ownership of the capitalised asset at the end of the lease term, the asset is amortised over the shorter of the lease term and its useful life.

Operating leases

For operating leases, the lessor retains substantially the entire risks and rewards incidental to ownership of the leased assets. Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a basis which is representative of the pattern of benefits derived from the leased assets.

Lease incentives

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset. Incentives received to enter into operating leases are recognised as a liability.

The aggregate benefit of lease incentives received by the Hospital in respect of operating leases have been recorded as a reduction of rental expense over the lease term, on a straight line basis.

Lease incentives in the form of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

2.33 Professional indemnity and general public insurance

Professional indemnity and general public liability claims arising from the Hospital's operations are managed as part of the State Government Insurance Program. The Hospital pays an annual premium to the Department for Health and Ageing. The Department for Health and Ageing and the SA Government Financing Authority, SAICORP Division are responsible for meeting the cost of any claims. Consequently, no provision for these claims is recognised in the Hospital's financial statements.

2.34 Build Own Operate Transfer Scheme - Carpark

In 1999-00, the RAH site entered into a Build Own Operate Transfer (BOOT) structured financing arrangement for the construction and operation of a staff carpark facility on RAH controlled site land.

Construction of the carpark

At commencement of the arrangement, the RAH received funds of \$16.843 million from a private financier as consideration for the fee for use of the site land as a transfer of the obligation to make the construction payments to the builder.

The construction payments of the carpark totalled \$14.500 million, and construction was completed in 2001-02. The remaining funds represent the prepaid site license fee revenue, reported as unearned revenue in the Statement of Financial Position. These funds were used to make the initial finance lease payments until the carpark became operational in March 2002. As at 30 June 2013 the remaining unexpended funds have been invested to satisfy the Capital Reserve Fund and Insurance Fund requirements as specified in the carpark agreement and are reflected in the cash balances.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

Carpark under finance lease

The arrangement is for the RAH to license the site land to a third party who organised the financing, construction and the operation of the new carpark. The operator may lease the remaining spaces to the general public. This arrangement is for a 28 year term, at which time the car park ownership will be transferred to the RAH. This arrangement is shown in the Statement of Financial Position as a liability and a property asset.

Carpark revenue

From 2002-03, the RAH received an annual fee of \$0.155 million (indexed) from the carpark operator. This represents a royalty on the revenue received by the carpark operator as a result of renting to the general public. This revenue is recognised in the year it is earned and is recorded as rental property revenue.

2.35 Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources, and are disclosed at their nominal value. Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable or payable. If GST is not recoverable or payable, the commitments or contingencies are disclosed on a gross basis.

2.36 SA Government/Non-SA Government disclosures

The Hospital has adopted the requirements of Accounting Policy Framework II *General Purpose Financial Statements Framework* where the Hospital must disclose by way of a note, whether transactions are with entities that are within, or external to, the SA Government. These transactions are classified by their nature, and relate to revenues, expenses, financial assets and financial liabilities.

2.37 Continuity of Operations

As at 30 June 2015, the Hospital had working capital deficiency of \$60.930 million (\$7.641 million deficiency). The Government is committed to the ongoing funding of the Hospital to enable it to perform its functions.

2.38 Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue, where the events relate to a condition which arose after 30 June, and which may have a material impact of the results of subsequent years.

3 New and revised accounting standards and policies

Except for AASB 2015-7 which the Hospital has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Hospital for the period ending 30 June 2015. The Hospital has assessed the impact of the new and amended standards and interpretations and considers there will be no material impact on the accounting policies or the financial statements of the Hospital.

Accounting Standards

In accordance with the new AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements* and AASB 12 *Disclosure of Interests in Other Entities*, which became effective for the first time in 2014-15, the Hospital has reviewed its control assessments (ie the Hospital's involvement with the entity; protective and substantive rights; ability to direct major relevant activities etc) and has concluded that there is no impact. The Hospital does not currently control another entity, have any joint arrangements within the scope of AASB 11 or have any interests in structured entities. The Hospital will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10, AASB 11 and AASB 12 for future years.

Refer to Note 37 for further information about the Hospital's interests in other entities. The Hospital will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10, AASB 11 and AASB 12 for future years.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Early adoption of Accounting Standards

In accordance with Accounting Policy Framework II *General Purpose Financial Statement Framework*, the Hospital has applied Australian Accounting Standards approved for early adoption by the Department of Treasury and Finance. The only Australian Accounting Standard applied and approved for early adoption by the Hospital for the 2014-15 financial year is AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities* which amends AASB 13 *Fair Value Measurement*.

The adopted changes are reflected in Note 23 and Note 25. The Hospital has not early adopted any other new or amended Australian Accounting Standards and Interpretations for the period ending 30 June 2015.

Accounting Standards issued or amended but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Hospital for the period ending 30 June 2015. The Hospital has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Hospital.

4 Staff benefit expenses	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Salaries and wages	965,822	937,250	961,462	933,558
TVSP (refer below)	2,644	9,658	2,644	9,658
Long service leave (LSL)	20,707	31,577	20,614	31,529
Annual leave	87,406	84,505	87,213	84,335
Skills and experience retention leave (SERL)	4,011	3,138	4,011	3,138
Staff on-costs - superannuation	100,314	92,896	99,894	92,536
Staff on-costs - other	230	125	-	-
Workers compensation	2,621	12,914	2,584	12,879
Board and committee fees	192	232	67	89
Other staff related expenses	6,599	5,501	6,565	5,470
Total staff benefit expenses	1,190,546	1,177,796	1,185,054	1,173,192
Targeted voluntary separation packages (TVSPs)	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Amount paid during the reporting period to separated staff:				
TVSPs	2,644	10,975	2,644	10,975
Annual leave, LSL and SERL paid to those employees	1,116	3,068	1,116	3,068
	3,760	14,043	3,760	14,043
Recovery from the Department of Treasury and Finance *	854	13,421	854	13,421
Net cost to the Hospital	2,906	622	2,906	622
Number of staff who received a TVSP during the reporting period	46	97	46	97

*TVSP recoveries from DTF are to be recognised when the not-for-profit entity obtains control over the funds associated with the TVSP recovery or the right to receive the TVSP recovery from DTF. This will generally be upon receipt of the funds or obtaining written confirmation/substantiation from DTF that provides a right to receive the funds associated with the TVSP recovery.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK

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For the year ended 30 June 2015

Remuneration of staff	Consolidated		Parent	
	2015	2014	2015	2014
The number of staff whose remuneration received or receivable falls with	No.	No.	No.	No.
\$141,500 - \$151,499	135	131	134	130
\$151,500 - \$161,499	110	102	110	102
\$161,500 - \$171,499	77	75	76	74
\$171,500 - \$181,499	53	53	53	53
\$181,500 - \$191,499	59	46	58	45
\$191,500 - \$201,499	40	33	40	33
\$201,500 - \$211,499	29	37	29	37
\$211,500 - \$221,499	29	29	29	29
\$221,500 - \$231,499	35	24	35	24
\$231,500 - \$241,499	25	17	25	17
\$241,500 - \$251,499	10	18	10	18
\$251,500 - \$261,499	22	12	22	12
\$261,500 - \$271,499	17	17	17	17
\$271,500 - \$281,499	10	10	10	10
\$281,500 - \$291,499	15	22	14	21
\$291,500 - \$301,499	18	26	18	26
\$301,500 - \$311,499	24	20	24	20
\$311,500 - \$321,499	17	14	17	14
\$321,500 - \$331,499	19	12	19	12
\$331,500 - \$341,499	12	20	12	20
\$341,500 - \$351,499	17	16	17	16
\$351,500 - \$361,499	18	15	18	15
\$361,500 - \$371,499	19	13	19	13
\$371,500 - \$381,499	21	18	21	18
\$381,500 - \$391,499	18	14	18	14
\$391,500 - \$401,499	12	12	12	12
\$401,500 - \$411,499	11	10	11	10
\$411,500 - \$421,499	13	10	13	10
\$421,500 - \$431,499	6	19	6	19
\$431,500 - \$441,499	16	12	16	12
\$441,500 - \$451,499	8	12	8	12
\$451,500 - \$461,499	14	10	14	10
\$461,500 - \$471,499	10	11	10	11
\$471,500 - \$481,499	6	4	6	4
\$481,500 - \$491,499	11	6	11	6
\$491,500 - \$501,499	7	8	7	8
\$501,500 - \$511,499	6	6	6	6
\$511,500 - \$521,499	6	7	6	7
\$521,500 - \$531,499	3	3	3	3
\$531,500 - \$541,499	5	13	5	13
\$541,500 - \$551,499	7	8	7	8
\$551,500 - \$561,499	12	8	12	8
\$561,500 - \$571,499	8	6	8	6
\$571,500 - \$581,499	8	6	8	6
\$581,500 - \$591,499	4	7	4	7
\$591,500 - \$601,499	3	6	3	6
\$601,500 - \$611,499	4	2	4	2
\$611,500 - \$621,499	7	-	7	-
\$621,500 - \$631,499	-	1	-	1

CENTRAL ADELAIDE LOCAL HEALTH NETWORK

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For the year ended 30 June 2015

	Consolidated		Parent	
	2015	2014	2015	2014
	No.	No.	No.	No.
\$631,500 - \$641,499	1	1	1	1
\$641,500 - \$651,499	2	1	2	1
\$651,500 - \$661,499	1	1	1	1
\$661,500 - \$671,499	2	-	2	-
\$681,500 - \$691,499	1	-	1	-
\$701,500 - \$711,499	-	1	-	1
\$711,500 - \$721,499	1	-	1	-
\$771,500 - \$781,499	1	1	1	1
\$851,500 - \$861,499	-	1	-	1
\$901,500 - \$911,499	1	-	1	-
Total number of staff	1,046	987	1,042	983

	\$'000	\$'000	\$'000	\$'000
Total remuneration received or due and receivable by staff included	284,622	268,105	283,836	267,319

The table includes all staff who received remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (ie there has been no increase in executive remuneration since 1 July 2013). Remuneration of staff reflects all costs of employment including salaries and wages, superannuation contributions, FBT and any other salary sacrifice benefits.

Where staff have left the Hospital, the remuneration reflects lump sum long service leave, annual leave and termination benefits. Remuneration does not include inventor royalty payments.

Staff whose remuneration was equal to or greater than the base executive remuneration level can be categorised by employment group as follows:

- Medical (excluding Nursing) remuneration \$257.896 million, 894 staff (\$246.279 million, 865 staff);
- Executive remuneration \$6.076 million, 27 staff (\$3.621 million, 17 staff);
- Nursing remuneration \$7.442 million, 49 staff (\$5.409 million, 35 staff);
- Non-medical (i.e. administration) remuneration \$13.209 million, 76 staff (\$12.796 million, 70 staff);

The total remuneration received by these staff for the year was \$284.622 million (\$268.105 million).

For the purpose of this note, remuneration does not include amounts in payment or reimbursement of out of pocket expenses incurred for the benefit of the entity or a controlled entity.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
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For the year ended 30 June 2015

5 Supplies and services	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Administration	8,223	7,801	9,382	9,327
Advertising	1,004	717	828	597
Communication	3,273	2,137	3,199	2,064
Computing	18,697	19,592	18,528	19,423
Contractors	15,208	7,861	15,148	7,816
Contractors - agency staff	38,407	35,798	38,407	35,790
Consultants	2,121	1,263	2,067	1,254
Contract of services	2	-	2	-
Cost of goods sold	1,890	1,579	-	-
Drug supplies	98,458	94,507	98,458	94,507
Electricity, gas and fuel	13,636	15,170	13,605	15,139
Fee for service	15,017	25,808	15,017	25,808
Food supplies	9,126	8,189	9,126	8,189
Health surveys	18	17	18	17
Housekeeping	40,337	41,526	40,296	41,479
Insurance	9,132	8,843	9,058	8,764
Internal SA Health SLA payments	24,883	22,170	24,883	22,170
Legal	657	497	323	265
Medical, surgical and laboratory supplies	150,421	152,460	150,500	152,470
Minor equipment	7,482	7,077	7,472	7,062
Motor vehicle expenses	1,937	3,037	1,897	2,995
Occupancy rent and rates	12,306	9,754	12,115	9,539
Patient transport	7,276	6,709	7,276	6,709
Payments to Shared Services SA	10,713	10,077	10,713	10,077
Periodical, journals and publications	580	970	576	967
Postage	6,319	6,599	6,301	6,578
Printing and stationery	6,380	6,029	6,350	5,976
Rental expense on operating lease	3,582	3,524	3,582	3,524
Repairs and maintenance	38,215	35,398	38,206	35,384
Security	10,052	8,269	10,052	8,269
Staff training and development	11,083	10,426	10,964	10,311
Staff travel expenses	9,846	9,732	9,745	9,647
Waste removal	313	58	313	58
Other supplies and services	18,558	15,140	17,880	14,588
Total supplies and services	595,152	578,734	592,287	576,763

Consolidated		2015		2014
The number and dollar amount of consultancies paid/payable	No.	\$'000	No.	\$'000
(included in supplies and services expense) that fell within the following bands:				
Below \$10,000	3	17	4	21
Above \$10,000	14	2,104	5	1,242
Total paid/payable to consultants engaged	17	2,121	9	1,263

Parent		2015		2014
The number and dollar amount of consultancies paid/payable	No.	\$'000	No.	\$'000
(included in supplies and services expense) that fell within the following bands:				
Below \$10,000	2	9	2	12
Above \$10,000	11	2,058	5	1,242
Total paid/payable to consultants engaged	13	2,067	7	1,254

The 2014 comparative information for Supplies and services has been amended to better reflect the nature of the transactions in accordance with Note 2.7 above. The amendments made had no impact on reported equity.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
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The following significant adjustments were made to the 2014 comparative information:

	Consolidated		Parent	
	2014	2014	2014	2014
	Reported	Adjusted	Reported	Adjusted
	\$'000	\$'000	\$'000	\$'000
Supplies and Services				
Contractors - agency staff	65,368	35,798	65,360	35,790
Contract of services	249	-	249	-
Internal SA Health SLA payments	-	22,170	-	22,170
Staff training and development	16,449	10,426	16,334	10,311
Staff travel expenses	4,534	9,732	4,449	9,647

6 Depreciation and amortisation expense

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings and improvements	36,711	38,467	36,711	38,467
Site Improvements	1,704	1,454	1,704	1,454
Computing equipment	262	372	97	210
Medical, surgical, dental and biomedical equipment	16,497	16,331	16,492	16,326
Motor vehicles	243	673	236	666
Power generation and transmission	11	11	11	11
Other plant and equipment	660	728	645	714
Total depreciation	56,088	58,036	55,896	57,848

Amortisation

Buildings and improvements under finance lease	873	868	873	868
Leasehold improvements	1,312	974	1,312	974
Intangible assets	2,353	1,220	2,252	1,121
Total amortisation	4,538	3,062	4,437	2,963

Total depreciation and amortisation	60,626	61,098	60,333	60,811
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Change in depreciation due to a revaluation

The Hospital revalued its Buildings/Site Improvements and Building under finance leases down during 2014-15. As a result of the revaluation, depreciation on these assets has decreased in the current reporting period amounting \$1.551 million.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
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For the year ended 30 June 2015

7	Grants and subsidies	Consolidated		Parent	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
	Capital grants	3,401	122	3,401	122
	Subsidies	512	289	-	-
	Funding to non-government organisations	3,258	713	3,258	713
	Other	20	172	20	172
	Total grants and subsidies	7,191	1,296	6,679	1,007

The 2014 comparative information for Grants and subsidies has been amended to better reflect the nature of the transactions in accordance with Note 2.7 above. The amendments made had no impact on reported equity.

The following significant adjustments were made to the 2014 comparative information:

	Consolidated		Parent	
	2014	2014	2014	2014
	Reported	Adjusted	Reported	Adjusted
	\$'000	\$'000	\$'000	\$'000
Grants and subsidies				
Recurrent Grants	331	-	331	-
Funding to non-government organisations	-	713	-	713
Other	308	172	308	172

8	Borrowing costs	Consolidated		Parent	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
	Finance charges on finance leases	618	650	618	650
	Total borrowing cost expenses	618	650	618	650

The Hospital does not capitalise borrowing costs. The total borrowing costs from financial liabilities not at fair value through profit and loss was \$0.618 million (\$0.650 million).

9	Other expenses	Note	Consolidated		Parent	
			2015	2014	2015	2014
			\$'000	\$'000	\$'000	\$'000
	Bad and doubtful debts	19	5,519	10,101	5,518	9,996
	Loss on revaluation of buildings and improvements		54,181	-	54,181	-
	Royalty payments		10,199	7,675	10,199	7,675
	Soil remediation expenses		20,000	-	20,000	-
	Surplus assets transferred to the Department		22,433	6,773	22,433	6,773
	Bank fees and charges		108	166	96	166
	Transfer of research units		-	2,556	-	2,556
	Net loss on revaluation of shares		1,376	1,643	1,367	1,641
	Other		10,401	21,869	10,275	20,568
	Total other expenses		124,217	50,783	124,069	49,375

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
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For the year ended 30 June 2015

10 Auditor's remuneration	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements				
Auditor fees - auditing financial statements	433	457	368	398
Total audit fees	433	457	368	398

No other services were provided by the Auditor-General's Department.

Auditor's remuneration costs are recognised in the Statement of Comprehensive Income and included in the balance of 'Other expenses – Other' (refer Note 9).

11 Revenue from fees and charges	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Ambulance transport	122	111	122	111
Fines, fees and penalties	161	2,054	161	2,054
Insurance recoveries from health services	568	478	568	478
Patient and client fees	206,604	196,976	198,183	189,967
Private practice fees	20,003	20,431	20,003	20,431
Recoveries	35,952	37,133	35,952	37,133
Residential and other aged care charges	-	1	-	1
Sale of goods - medical supplies	139	327	139	327
Other user charges and fees	19,819	14,220	19,819	14,220
Total fees and charges	283,368	271,731	274,947	264,722

12 Grants and contributions	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
12.1 Commonwealth revenues / grants and contributions				
Commonwealth grants and donations	8,287	9,724	8,287	9,724
Pharmaceutical benefits scheme Commonwealth subsidy	69,989	64,416	69,989	64,416
Total Commonwealth grants and contributions	78,276	74,140	78,276	74,140
12.2 Grants and contributions from SA Government agencies	\$'000	\$'000	\$'000	\$'000
Other grants and contributions from SA Government agencies	2,049	344	2,284	1,199
Total grants and contributions from SA Government agencies	2,049	344	2,284	1,199
12.3 Private sector grants and contributions	\$'000	\$'000	\$'000	\$'000
Private sector capital contributions	18	-	18	-
Private sector grants and contributions	11,754	16,143	11,754	16,143
Total private sector grants and contributions	11,772	16,143	11,772	16,143
Total grants and contributions	92,097	90,627	92,332	91,482

Restrictions on contributions received

Of the \$92.097 million (\$90.627 million) received in 2014-15 for grants and contributions, \$7.693 million (\$6.906 million) was provided for specific purposes, such as research and associated activities.

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For the year ended 30 June 2015

13 Interest revenue	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Interest from SAFA	1,161	2,631	1,161	2,631
Bank Interest	852	1,461	574	1,135
Interest on Special Purpose Funds (SPF)	912	-	912	-
Total interest received	2,925	4,092	2,647	3,766
14 Resources received free of charge	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Land and improvements	160	-	160	-
Plant and equipment	18	66	18	66
Total resources received free of charge	178	66	178	66
15 Net gain/(loss) from disposal of non-current and other assets	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Land and buildings				
Proceeds from disposal	-	-	-	-
Less net book value of assets disposed	(491)	(49)	(491)	(49)
Net gain/(loss) from disposal of land and buildings	(491)	(49)	(491)	(49)
Plant and equipment				
Proceeds from disposal	19	8	19	8
Less net book value of assets disposed	(4,041)	(259)	(4,041)	(259)
Net gain/(loss) from disposal of plant and equipment	(4,022)	(251)	(4,022)	(251)
Investment property				
Proceeds from disposal	-	-	-	-
Less net book value of assets disposed	(269)	-	(269)	-
Net gain/(loss) from disposal of intangibles	(269)	-	(269)	-
Intangibles				
Proceeds from disposal	-	-	-	-
Less net book value of assets disposed	4	-	4	-
Net gain/(loss) from disposal of intangibles	4	-	4	-
Total assets				
Total proceeds from disposal	19	8	19	8
Less total value of assets disposed	(4,797)	(308)	(4,797)	(308)
Total net gain/loss from disposal of assets	(4,778)	(300)	(4,778)	(300)

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16 Other revenue	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Commissions revenue	20	23	20	23
Dividend revenue	91	240	-	-
Royalty income	14,667	12,258	14,667	12,258
Training revenue	14	-	14	-
Donations received	8,066	5,599	8,066	5,599
Other	10,897	9,451	10,395	7,193
Total other income	33,755	27,571	33,162	25,073

17 Revenue from SA Government	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Revenues from SA Government (the Department contributions for the provision of health services)				
Recurrent funding	1,331,217	1,352,555	1,331,217	1,352,555
Capital funding	97,466	62,550	97,466	62,550
TVSP recovery funds from Department of Treasury and Finance	854	13,421	854	13,421
Total revenues from Department for Health and Ageing	1,429,537	1,428,526	1,429,537	1,428,526

Total revenues from SA Government consist of \$1,331.217 million (\$1,352.555 million) for operational funding and \$97.466 million (\$62.550 million) for capital projects. For details on expenditure associated with the operational funding and capital funding received refer to the above expenditure notes.

There were no material variations between the amount appropriated and the expenditure associated with this appropriation.

18 Cash and cash equivalents	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand - non-government financial institutions	123,531	45,859	121,876	44,851
Deposits with SA Government Financing Authority	-	97,103	-	97,103
Imprest account/cash on hand	74	76	74	76
Total cash	123,605	143,038	121,950	142,030

Interest rate risk

Cash on hand is non-interest bearing. Interest rate risk exposure is detailed in Note 32. The carrying amount of cash and cash equivalents represents fair value.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
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19 Receivables	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Patient/client fees				
Compensable	10,250	9,406	10,250	9,406
Aged care	6	6	6	6
Other	23,267	25,742	23,267	24,345
Workers compensation provision recoverable	3,167	3,319	3,167	3,319
Interest income receivable	113	381	-	256
Prepayments	951	1,168	782	1,002
Debtors	12,803	12,558	11,235	13,410
Receivables	50,557	52,580	48,707	51,744
Less: allowance for doubtful debts	(10,330)	(11,263)	(10,252)	(11,120)
Sundry receivables and accrued revenue	13,827	12,329	13,830	12,329
GST recoverable	3,191	7,096	3,247	7,155
Total current receivables	57,245	60,742	55,532	60,108
Non-Current				
Workers compensation provision recoverable	5,175	10,797	5,175	10,797
Debtors	178	163	178	163
Receivables	5,353	10,960	5,353	10,960
GST recoverable	995	1,057	995	1,057
Total non-current receivables	6,348	12,017	6,348	12,017
Total receivables	63,593	72,759	61,880	72,125

Interest rate and credit risk

Receivables are raised for goods and services provided for which payment has not been received. The hospital's trading terms for receivables are generally 30 days. Trade receivables, prepayments and accrued revenues are non-interest bearing. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Categorisation and maturity analysis of financial instruments, ageing analysis of financial assets and risk exposure information

Refer to Note 32.

Bad and doubtful debts

The Hospital has recognised a bad and doubtful debt expense of \$5.519 million (\$10.101 million) in the Statement of Comprehensive Income.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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Movement in the allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired.

An allowance for impairment loss has been recognised in other expenses in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Movements in the allowance for doubtful debts (impairment loss)				
Carrying amount at the beginning of the period	11,263	8,615	11,120	7,698
Amounts written off	(2,336)	(7,419)	(2,336)	(6,540)
Amounts recovered during the year	(63)	(39)	-	(39)
Increase/(Decrease) in allowance recognised in the Statement of Comprehensive Income	1,466	10,106	1,468	10,001
Carrying amount at the end of the period	10,330	11,263	10,252	11,120

20 Inventories	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current - held for distribution				
Drug supplies	6,883	6,717	6,883	6,717
Medical, surgical and laboratory supplies	-	1,263	-	1,263
Food and hotel supplies	-	113	-	113
Engineering supplies	-	2	-	2
Inventory imprest stock	3,457	9	3,457	9
Other	368	696	159	438
Total current inventories - held for distribution	10,708	8,800	10,499	8,542
Total current inventories	10,708	8,800	10,499	8,542

Inventory adjustment

The Hospital has recognised an inventory adjustment of -\$0.136 million (\$0.380 million) to net realisable value in the Statement of Comprehensive Income.

The 2014 comparative information for Inventory has been amended to better reflect the nature of the transactions in accordance with Note 2.4 above. The amendments made had no impact on reported equity.

The following significant adjustments were made to the 2014 comparative information:

	Consolidated		Parent	
	2014	2014	2014	2014
	Reported	Adjusted	Reported	Adjusted
	\$'000	\$'000	\$'000	\$'000
Inventories				
Drug Supplies	6,380	6,717	6,380	6,717
Inventory imprest stock	-	9	-	9
Other	856	696	598	438
Work in progress at net realisable value	186	0	186	0

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
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21 Other financial assets	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Term deposits:				
Finance institutions	6,938	8,103	758	732
Other investments	7,343	8,710	7,343	8,710
Total current investments	14,281	16,813	8,101	9,442
Non-current				
Other investments	3,303	3,518	1,150	1,150
Total non-current investments	3,303	3,518	1,150	1,150
Total investments	17,584	20,331	9,251	10,592

Categorisation and maturity analysis of other financial assets and risk exposure information

Refer to Note 32.

22 Property, plant and equipment	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Land and buildings				
Land at fair value	199,310	202,800	199,310	202,800
Land at fair value	199,310	202,800	199,310	202,800
Buildings and improvements at fair value	340,885	564,168	340,885	564,168
Buildings and improvements under finance lease at fair value	20,300	21,627	20,300	21,627
Site improvements at fair value	22,805	36,516	22,805	36,516
Buildings and improvements under construction (work in progress)	35,613	30,108	35,613	30,108
Buildings and improvements	419,603	652,419	419,603	652,419
Accumulated amortisation - buildings and improvements under finance lease	77	1,736	77	1,736
Accumulated depreciation - buildings and improvements	2,220	83,933	2,220	83,933
Accumulated amortisation/depreciation	2,297	85,669	2,297	85,669
Total land, buildings and improvements	616,616	769,550	616,616	769,550
Leasehold improvements				
Leasehold improvements at fair value	22,658	11,534	22,658	11,534
Accumulated amortisation	6,215	5,666	6,215	5,666
Total leasehold improvements	16,443	5,868	16,443	5,868

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	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Plant and equipment				
Computing equipment at cost (deemed fair value)	3,753	5,158	2,866	4,293
Medical, surgical, dental and biomedical equipment at cost (deemed fair value)	154,126	152,935	153,855	152,663
Motor vehicles at cost (deemed fair value)	3,397	3,264	3,363	3,231
Power generation and transmission at cost (deemed fair value)	328	328	328	328
Plant and equipment - major at cost (deemed fair value)	992	-	992	-
Other plant and equipment at cost (deemed fair value)	10,498	13,642	10,398	13,544
Plant and equipment under construction (work in progress)	8,996	7,889	8,982	7,889
Total plant and equipment	182,090	183,216	180,784	181,948
Accumulated depreciation - computing equipment	3,526	4,691	2,801	4,131
Accumulated depreciation - medical, surgical, dental and biomedical equipment	101,995	103,688	101,724	103,422
Accumulated depreciation - motor vehicles	951	768	935	759
Accumulated depreciation - power generation and transmission	108	97	108	97
Accumulated depreciation - other plant and equipment	6,889	6,798	6,841	6,766
Accumulated amortisation/depreciation	113,469	116,042	112,409	115,175
Total plant and equipment	68,621	67,174	68,375	66,773
Total property, plant and equipment	701,680	842,592	701,434	842,191

Valuation of land and buildings

An independent valuation of land and buildings, including site improvements, was performed in May 2015 by a Certified Practising Valuer from Australian Valuation Solutions Pty Ltd, as at 1 June 2015 using the fair value methodology.

The valuer arrived at the fair value of unrestricted land using the market approach. The valuation was based on recent market transactions for similar land and buildings (non-specialised) in the area and includes adjustment for factors specific to the land and buildings being valued such as size, location and current use.

The valuer used depreciated replacement cost for specialised buildings, due to there not being an active market for such land and buildings. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature of the assets, including the restricted use of the assets; the size, condition, location and current use of the assets. The valuation was based on a combination of internal records, specialised knowledge and the acquisition/transfer costs.

Valuation of plant and equipment

All items of plant and equipment that had a fair value at the time of acquisition less than \$1 million have not been revalued in accordance with Accounting Policy Framework III Asset Accounting Framework. The carrying value of these items are deemed to approximate fair value. These assets are classified in Level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the asset condition and remaining useful life.

The Hospital's plant and equipment assets with a fair value greater than \$1 million were revalued using the fair value methodology, as at 1 June 2015, based on independent valuations performed by Simon O'Leary, AAPI, C.P.V, Australian Valuation Solutions Pty Ltd.

Resources received free of charge

In 2015, the following assets were transferred to the health service free of charge:

- Land located at Murray Bridge and valued at \$160,000 was transferred from SA Ambulance Service Inc to the Hospital.
- A video conference unit valued at \$17,671 was donated to the Hospital.

Refer to Note 14.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
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For the year ended 30 June 2015

CONSOLIDATED

Reconciliation of land and improvements

The following table shows the movement of land and improvements during 2014-15

	Land	Buildings and improve- ments	Leasehold improve- ments	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	202,800	536,642	5,868	30,108	775,418
Additions	-	840	57	20,009	20,906
Assets received free of charge	160	-	-	-	160
Disposals	-	(60)	-	-	(60)
Revaluation increment/(decrement)	6,790	(51,885)	-	-	(45,095)
Loss on revaluation of buildings and improvements	-	(54,180)	-	-	(54,180)
Write offs	(350)	(81)	-	-	(431)
Depreciation and amortisation	-	(39,288)	(1,312)	-	(40,600)
Acquisition/(disposal) through transfers	(10,090)	(12,899)	-	-	(22,989)
Transfers between asset classes	-	2,604	11,836	(14,504)	(64)
Other movements	-	-	(6)	-	(6)
Carrying amount at the end of the period	199,310	381,693	16,443	35,613	633,059

Reconciliation of land and improvements

The following table shows the movement of land and improvements during 2013-14

	Land	Buildings and improve- ments	Leasehold improve- ments	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	209,055	506,320	5,353	83,577	804,305
Prior year adjustments- asset revaluation	-	(2,331)	-	-	(2,331)
Additions	195	2,581	-	19,118	21,894
Write offs	-	-	-	(74)	(74)
Disposals	(6,450)	(302)	-	-	(6,752)
Depreciation and amortisation	-	(40,789)	(974)	-	(41,763)
Transfers between asset classes	-	71,163	1,489	(72,513)	139
Carrying amount at the end of the period	202,800	536,642	5,868	30,108	775,418

Land includes land only holdings at fair value and site land at fair value

Buildings and improvements include buildings and improvements at fair value, buildings and improvements under finance lease and site improvements at fair value

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
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Reconciliation of plant and equipment

The following table shows the movement of plant and equipment during 2014-15

	Medical/ surgical/ dental/ biomedical	Computer equipment	Capital works in progress	Other plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	49,247	467	7,889	9,571	67,174
Additions	8,457	65	12,505	95	21,122
Assets received free of charge	-	-	-	18	18
Disposals	(131)	-	-	(21)	(152)
Revaluation increment/(decrement)	2,172	-	-	35	2,207
Write-offs	(323)	-	(3,560)	(6)	(3,889)
Depreciation and amortisation	(16,497)	(262)	-	(914)	(17,673)
Transfers between asset classes	9,206	-	(7,838)	(1,494)	(126)
Other movements	-	(43)	-	(17)	(60)
Carrying amount at the end of the period	52,131	227	8,996	7,267	68,621

Reconciliation of plant and equipment

The following table shows the movement of plant and equipment during 2013-14

	Medical/ surgical/ dental/ biomedical	Computer equipment	Capital works in progress	Other plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	63,406	494	15,391	5,871	85,162
Prior year adjustments - asset revaluation	(2,573)	-	-	(87)	(2,660)
Additions	3,494	107	7,492	2,015	13,108
Assets received free of charge	55	-	-	11	66
Disposals	(175)	-	-	(84)	(259)
Write-offs	(15)	-	(2,988)	-	(3,003)
Depreciation and amortisation	(16,331)	(372)	-	(1,412)	(18,115)
Transfers between asset classes	1,386	238	(12,006)	3,257	(7,125)
Carrying amount at the end of the period	49,247	467	7,889	9,571	67,174

Other plant and equipment includes motor vehicles under finance lease, motor vehicles at cost, plant and equipment - major at cost, plant and equipment under finance lease, power generation and transmission and other plant and equipment at cost.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
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PARENT

Reconciliation of land and improvements

The following table shows the movement of land and improvements during 2014-15

	Land	Buildings and improve- ments	Leasehold improve- ments	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	202,800	536,642	5,868	30,108	775,418
Additions	-	840	57	20,009	20,906
Assets received free of charge	160	-	-	-	160
Disposals	-	(60)	-	-	(60)
Revaluation increment/(decrement)	6,790	(51,885)	-	-	(45,095)
Loss on revaluation of buildings and improvements	-	(54,180)	-	-	(54,180)
Write-offs	(350)	(81)	(6)	-	(437)
Depreciation and amortisation	-	(39,288)	(1,312)	-	(40,600)
Acquisition/(disposal) through transfers	(10,090)	(12,899)	-	-	(22,989)
Transfers between asset classes	-	2,604	11,836	(14,504)	(64)
Carrying amount at the end of the period	199,310	381,693	16,443	35,613	633,059

Reconciliation of land and improvements

The following table shows the movement of land and improvements during 2013-14

	Land	Buildings and improve- ments	Leasehold improve- ments	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	209,055	506,320	5,353	83,577	804,305
Additions	195	2,581	-	19,118	21,894
Disposals	(6,450)	(302)	-	-	(6,752)
Revaluation increment/(decrement)	-	(2,331)	-	-	(2,331)
Depreciation and amortisation	-	(40,789)	(974)	-	(41,763)
Transfers between asset classes	-	71,163	1,489	(72,513)	139
Other movements	-	-	-	(74)	(74)
Carrying amount at the end of the period	202,800	536,642	5,868	30,108	775,418

Land includes land only holdings at fair value and site land at fair value

Buildings and improvements include buildings and improvements at fair value, buildings and improvements under finance lease and site improvements at fair value

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Reconciliation of plant and equipment

The following table shows the movement of plant and equipment during 2014-15

	Medical/ surgical/ dental/ biomedical	Computer equipment	Capital works in progress	Other plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	49,241	162	7,889	9,481	66,773
Additions	8,458	-	12,490	80	21,028
Assets received free of charge	-	-	-	18	18
Disposals	(131)	-	-	(21)	(152)
Revaluation increment/(decrement)	2,172	-	-	35	2,207
Write-offs	(323)	-	(3,559)	(10)	(3,892)
Depreciation and amortisation	(16,492)	(97)	-	(892)	(17,481)
Transfers between asset classes	9,206	-	(7,838)	(1,494)	(126)
Carrying amount at the end of the period	52,131	65	8,982	7,197	68,375

Reconciliation of plant and equipment

The following table shows the movement of plant and equipment during 2013-14

	Medical/ surgical/ dental/ biomedical	Computer equipment	Capital works in progress	Other plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	63,395	81	15,382	5,791	84,649
Prior year adjustments - asset revaluation	(2,573)	-	-	(87)	(2,660)
Additions	3,494	62	7,492	1,984	13,032
Assets received free of charge	55	-	-	11	66
Disposals	(175)	-	-	(84)	(259)
Write-off non-current assets	(15)	-	(2,988)	-	(3,003)
Depreciation and amortisation	(16,326)	(210)	-	(1,391)	(17,927)
Transfers between asset classes	1,386	229	(11,997)	3,257	(7,125)
Carrying amount at the end of the period	49,241	162	7,889	9,481	66,773

Other plant and equipment includes motor vehicles under finance lease, motor vehicles at cost, plant and equipment - major at cost, plant and equipment under finance lease, power generation and transmission and other plant and equipment at cost

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23 Investment property	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Investment property (at cost)	3,825	4,094	-	269
Total investment property	3,825	4,094	-	269

Valuation of investment property

The investment property located at Dalglish Street, Thebarton was performed by Carol Simons, B Bus. Prop(Val), AAPI Certified Practising Valuer, an independent valuer from Knight Frank Valuations as at 10 June 2014. The valuer arrived at a fair value based on recent market transactions for similar properties in the area taking in to account zoning and restricted use.

Impairment

There were no indications of impairment of investment property assets at 30 June 2015.

CONSOLIDATED

Reconciliation of investment property

The following table shows the movement of investment property during 2014-15

	Investment property	TOTAL
	\$'000	\$'000
Carrying amount at the beginning of the period	4,094	4,094
Impairment losses	(269)	(269)
Carrying amount at the end of the period	3,825	3,825

Reconciliation of investment property

The following table shows the movement of investment property during 2013-14

	Investment property	TOTAL
	\$'000	\$'000
Carrying amount at the beginning of the period	5,269	5,269
Revaluation increment/(decrement)	(1,175)	(1,175)
Carrying amount at the end of the period	4,094	4,094

PARENT

Reconciliation of investment property

The following table shows the movement of investment property during 2014-15

	Investment property	TOTAL
	\$'000	\$'000
Carrying amount at the beginning of the period	269	269
Impairment losses	(269)	(269)
Carrying amount at the end of the period	-	-

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Reconciliation of investment property

The following table shows the movement of investment property during 2013-14

	Investment property \$'000	TOTAL \$'000
Carrying amount at the beginning of the period	269	269
Carrying amount at the end of the period	269	269

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Amounts recognised in statement of Comprehensive Income for investment property				
Rental income	483	483	-	-
Total amount recognised in Statement of Comprehensive Income	483	483	-	-

24 Intangible assets	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Computer software				
Internally developed computer software	20	20	20	20
Accumulated amortisation (Internally developed)	(20)	(20)	(20)	(20)
Other computer software	18,155	6,482	18,155	6,482
Accumulated amortisation (Other computer software)	(3,879)	(1,627)	(3,879)	(1,627)
Other intangibles	2,395	2,395	-	-
Accumulated amortisation (Other intangibles)	(2,377)	(2,280)	-	(4)
Intangibles under construction (Work in progress)	6,732	7,079	6,732	7,079
Total computer software	21,026	12,049	21,008	11,930
Total intangible assets	21,026	12,049	21,008	11,930

Impairment

There were no indications of impairment of intangible assets at 30 June 2015.

CONSOLIDATED

Reconciliation of intangibles

The following table shows the movement of intangibles during 2014-15

	Capital works in progress \$'000	Other computer software \$'000	Other Intangibles \$'000	TOTAL \$'000
Carrying amount at the beginning of the period	7,079	4,855	115	12,049
Additions	11,136	-	-	11,136
Write-off non-current assets	-	-	4	4
Amortisation	-	(2,252)	(101)	(2,353)
Transfers between asset classes	(11,483)	11,673	-	190
Carrying amount at the end of the period	6,732	14,276	18	21,026

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Reconciliation of intangibles

The following table shows the movement of intangibles during 2013-14

	Capital works in progress	Other computer software	Other Intangibles	TOTAL
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	3,757	1,529	218	5,504
Additions	108	671	-	779
Amortisation	-	(1,121)	(99)	(1,220)
Transfers between asset classes	3,214	3,772	-	6,986
Other movements	-	4	(4)	-
Carrying amount at the end of the period	7,079	4,855	115	12,049

PARENT

Reconciliation of intangibles

The following table shows the movement of intangibles during 2014-15

	Capital works in progress	Other computer software	Other Intangibles	TOTAL
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	7,079	4,855	(4)	11,930
Additions	11,136	-	-	11,136
Write-off non-current assets	-	-	4	4
Amortisation	-	(2,252)	-	(2,252)
Transfers between asset classes	(11,483)	11,673	-	190
Carrying amount at the end of the period	6,732	14,276	-	21,008

Reconciliation of intangibles

The following table shows the movement of intangibles during 2013-14

	Capital works in progress	Other computer software	Other Intangibles	TOTAL
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	3,757	1,529	-	5,286
Additions	108	671	-	779
Amortisation	-	(1,121)	-	(1,121)
Transfers between asset classes	3,214	3,772	-	6,986
Other movements	-	4	(4)	-
Carrying amount at the end of the period	7,079	4,855	(4)	11,930

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25 Fair value measurement

Fair value hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The Hospital categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2015.

The Hospital had no valuations categorised into Level 1 or Level 2.

Fair value measurements at 30 June 2015

	Consolidated		Parent	
	Level 3	2015	Level 3	2015
	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements				
Land (note 22)	199,310	199,310	199,310	199,310
Buildings (note 22)	381,693	381,693	381,693	381,693
Leasehold improvements (note 22)	16,443	16,443	16,443	16,443
Plant and Equipment (note 22)	59,625	59,625	59,393	59,393
Investment Property (note 23)	3,825	3,825	-	-
Total recurring fair value measurements	660,896	660,896	656,839	656,839
Total	660,896	660,896	656,839	656,839

Fair value measurements at 30 June 2014

	Consolidated		Parent	
	Level 3	2014	Level 3	2014
	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements				
Land (note 22)	202,800	202,800	202,800	202,800
Buildings (note 22)	536,642	536,642	536,642	536,642
Leasehold improvements (note 22)	5,868	5,868	5,868	5,868
Plant and Equipment (note 22)	59,285	59,285	58,884	58,884
Investment Property (note 23)	4,094	4,094	269	269
Total recurring fair value measurements	808,689	808,689	804,463	804,463
Total	808,689	808,689	804,463	804,463

Valuation techniques and inputs

Land fair values were derived by using the market approach, being recent sales transactions of other similar land holdings within the region, adjusted for differences in key attributes such as property size, zoning and any restrictions on use, and then adjusted with a discount factor. For this reason they are deemed to have been valued using Level 3 valuation inputs.

Due to the predominantly specialised nature of health service assets, the majority of building and plant and equipment valuations have been undertaken using a cost approach (depreciated replacement cost), an accepted valuation methodology under AASB 13. The extent of unobservable inputs and professional judgement required in valuing these assets is significant, and as such they are deemed to have been valued using Level 3 valuation inputs.

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Unobservable inputs used to arrive at final valuation figures included:

- Estimated remaining useful life, which is an economic estimate and by definition, is subject to economic influences;
- Cost rate, which is the estimated cost to replace an asset with the same service potential as the asset undergoing valuation (allowing for over-capacity), and based on a combination of internal records including: refurbishment and upgrade costs, historical construction costs, functional utility users, industry construction guides, specialised knowledge and estimated acquisition/transfer costs;
- Characteristics of the asset, including condition, location, any restrictions on sale or use and the need for ongoing provision of Government services;
- Effective life, being the expected life of the asset assuming general maintenance is undertaken to enable functionality but no upgrades are incorporated which extend the technical life or functional capacity of the asset; and
- Depreciation methodology, noting that AASB 13 dictates that regardless of the depreciation methodology adopted, the exit price should remain unchanged.

Although there was some land valued using Level 2 inputs, the fair value of these were immaterial in comparison to the whole class, therefore all land has been classified as Level 3.

Although there were some buildings valued using Level 2 inputs, the fair value of these was immaterial in comparison to the whole class, therefore all buildings have been classified as Level 3.

Valuation techniques and inputs used to derive Level 3 fair values are at Note 22 and 23. There were no changes in valuation techniques during 2015.

The following table is a reconciliation of fair value measurements using significant unobservable inputs (Level 3).

Reconciliation of Level 3 recurring fair value measurements at 30 June 2015

CONSOLIDATED

	Land \$'000	Buildings and improve- ments \$'000	Plant and equipment \$'000	Investment properties \$'000	Total \$'000
Carrying amount at the beginning of the period	202,800	542,510	59,285	4,094	808,689
Additions	-	897	8,617	-	9,514
Assets received free of charge	160	-	18	-	178
Disposals	-	(60)	(152)	(269)	(481)
Write-off non-current assets	(350)	(81)	(329)	-	(760)
Loss on revaluation of buildings and improvements	-	(54,180)	-	-	(54,180)
Acquisition / (disposal) through transfers	(10,090)	(12,899)	-	-	(22,989)
Transfer into Level 3*	-	14,440	9,206	-	23,646
Transfer out of Level 3*	-	-	(1,494)	-	(1,494)
Other movements	-	(6)	(60)	-	(66)
Gains/(losses) for the period recognised in net result:					
- Depreciation and amortisation	-	(40,600)	(17,673)	-	(58,273)
Total gains/(losses) recognised in net result	-	(40,600)	(17,673)	-	(58,273)
Gains/(losses) for the period recognised in Other Comprehensive Income (OCI)					
- Revaluation increment/(decrement)	6,790	(51,885)	2,207	-	(42,888)
Total gains/(losses) recognised OCI	6,790	(51,885)	2,207	-	(42,888)
Carrying amount at the end of the period	199,310	398,136	59,625	3,825	660,896

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Reconciliation of Level 3 recurring fair value measurements at 30 June 2014

	Land \$'000	Buildings and improve- ments \$'000	Plant and equipment \$'000	Investment properties \$'000	Total \$'000
Carrying amount at the beginning of the period	209,055	511,673	69,771	5,269	795,768
Additions	195	2,581	5,616	-	8,392
Assets received free of charge	-	-	66	-	66
Disposals	(6,450)	(302)	(259)	-	(7,011)
Write-off non-current assets	-	-	(15)	-	(15)
Depreciation and amortisation	-	(41,763)	-	-	(41,763)
Transfer into Level 3*	-	72,652	4,881	-	77,533
Gains/(losses) for the period recognised in net result:					
- Revaluation increment/(decrement)	-	-	-	(1,175)	(1,175)
- Depreciation and amortisation	-	-	(18,115)	-	(18,115)
Total gains/(losses) recognised in net result	-	-	(18,115)	(1,175)	(19,290)
Gains/(losses) for the period recognised in Other Comprehensive Income (OCI)					
- Revaluation increment/(decrement)	-	(2,331)	(2,660)	-	(4,991)
Total gains/(losses) recognised OCI	-	(2,331)	(2,660)	-	(4,991)
Carrying amount at the end of the period	202,800	542,510	59,285	4,094	808,689

* The Hospital's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Assets transferred into Level 3 comprise capitalisation of assets from work in progress.

Buildings and improvements includes leasehold improvements but excludes works in progress.

Plant and equipment includes computer, medical, surgical, dental, biomedical and other plant and equipment but excludes works in progress.

Reconciliation of Level 3 recurring fair value measurements at 30 June 2015

PARENT

	Land \$'000	Buildings and improve- ments \$'000	Plant and equipment \$'000	Investment properties \$'000	Total \$'000
Carrying amount at the beginning of the period	202,800	542,510	58,884	269	804,463
Additions	-	897	8,538	-	9,435
Assets received free of charge	160	-	18	-	178
Disposals	-	(60)	(152)	-	(212)
Write-off non-current assets	(350)	(87)	(333)	(269)	(1,039)
Loss on revaluation of buildings and improvements	-	(54,180)	-	-	(54,180)
Acquisition / (disposal) through transfers	(10,090)	(12,899)	-	-	(22,989)
Transfer into Level 3*	-	14,440	9,206	-	23,646
Transfer out of Level 3*	-	-	(1,494)	-	(1,494)
Gains/(losses) for the period recognised in net result:					
- Depreciation and amortisation	-	(40,600)	(17,481)	-	(58,081)
Total gains/(losses) recognised in net result	-	(40,600)	(17,481)	-	(58,081)
Gains/(losses) for the period recognised in Other Comprehensive Income (OCI)					
- Revaluation increment/(decrement)	6,790	(51,885)	2,207	-	(42,888)
Total gains/(losses) recognised OCI	6,790	(51,885)	2,207	-	(42,888)
Carrying amount at the end of the period	199,310	398,136	59,393	-	656,839

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Reconciliation of Level 3 recurring fair value measurements at 30 June 2014

	Land \$'000	Buildings and improve- ments \$'000	Plant and equipment \$'000	Investment properties \$'000	Total \$'000
Carrying amount at the beginning of the period	209,055	511,673	69,267	269	790,264
Additions	195	2,581	5,540	-	8,316
Assets received free of charge	-	-	66	-	66
Disposals	(6,450)	(302)	(259)	-	(7,011)
Write-off non-current assets	-	-	(15)	-	(15)
Transfer into Level 3*	-	72,652	4,872	-	77,524
Gains/(losses) for the period recognised in net result:					
- Depreciation and amortisation	-	(41,763)	(17,927)	-	(59,690)
Total gains/(losses) recognised in net result	-	(41,763)	(17,927)	-	(59,690)
Gains/(losses) for the period recognised in Other Comprehensive Income (OCI)					
- Revaluation increment/(decrement)	-	(2,331)	(2,660)	-	(4,991)
Total gains/(losses) recognised OCI	-	(2,331)	(2,660)	-	(4,991)
Carrying amount at the end of the period	202,800	542,510	58,884	269	804,463

* The Hospital's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Assets transferred into Level 3 comprise capitalisation of assets from work in progress.

Buildings and improvements includes leasehold improvements but excludes works in progress.

Plant and equipment includes computer, medical, surgical, dental, biomedical and other plant and equipment but excludes works in progress.

26 Payables	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Current				
Creditors and accrued expenses	71,587	63,339	70,943	62,960
Paid Parental Leave Scheme payable	205	166	205	166
Staff on-costs	14,823	13,001	14,793	12,978
Other payables	3,641	4,040	3,641	4,040
Total current payables	90,256	80,546	89,582	80,144
Non-current				
Creditors and accrued expenses	104	-	104	-
Staff on-costs	9,364	6,878	9,364	6,878
Total non-current payables	9,468	6,878	9,468	6,878
Total payables	99,724	87,424	99,050	87,022

As a result of an actuarial assessment performed by Mercer Consulting (Australia) Pty Ltd, the percentage of the proportion of long service leave taken as leave has increased from the 2014 rate of 40% to 51%. Further, the average factor for the calculation of employer superannuation cost on-costs has decreased from 11.04% in 2014 to 10.12%. These rates are used in the employment on-costs calculation. The net financial effect of the above changes in the current financial year is an increase in the employment on-costs of \$2.817 million and staff benefits expense of \$2.817 million. The estimated impact on 2016 and 2017 is \$2.901 million and \$2.988 million respectively.

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Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are generally settled within 30 days. Staff on-costs are settled when the respective staff benefits that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to the amounts being payable on demand.

Categorisation of financial instruments, maturity analysis of borrowings and risk exposure information

Refer to Note 32.

27 Borrowings	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Finance lease	679	642	679	642
Total current borrowings	679	642	679	642
Non-current				
Finance lease	10,946	11,625	10,946	11,625
Total non-current borrowings	10,946	11,625	10,946	11,625
Total borrowings	11,625	12,267	11,625	12,267

Categorisation of financial instruments, maturity analysis of payables and risk exposure information

Refer to Note 32.

Defaults and breaches

There were no defaults or breaches on any of the above liabilities throughout the year.

28 Staff benefits	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Annual leave	95,208	88,636	95,008	88,453
Long service leave	28,308	21,475	28,094	21,326
Accrued salaries and wages	30,932	28,236	30,841	28,210
Fringe benefits tax	9	8	-	-
Skills and experience retention leave	7,807	5,563	7,807	5,563
Other	56	21	56	21
Total current staff benefits	162,320	143,939	161,806	143,573
Non-current				
Long service leave	168,809	170,128	168,792	170,123
Total non-current staff benefits	168,809	170,128	168,792	170,123
Total staff benefits	331,129	314,067	330,598	313,696

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AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability. The actuarial assessment performed by Mercer Consulting (Australia) Pty Ltd has provided a basis for the measurement of long service leave. AASB 119 requires the use of a yield on long term Commonwealth Government bonds which matches the expected term of the liabilities as the discount rate in the measurement of the long service leave liability. The appropriate yield on long term Commonwealth Government bonds has decreased from 2014 (3.50%) to 2015 (2.85%).

This decrease of the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability. The net financial effect of the change in the current financial year is an increase in the long service leave liability of \$10.052 million and staff benefit expense of \$10.571 million. The impact on the future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption is the long-term discount rate.

The actuarial assessment performed by Mercer Consulting (Australia) Pty Ltd, reduced the salary inflation rate from 4.0% per annum thereafter, to 3.0% per annum. As a result, there was a net reduction in the long service leave liability of \$14.460 million for the current financial year.

Annual leave and SERL staff benefits calculations at 30 June 2015 include a salary inflation rate of 3%.

29 Provisions	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Provision for workers compensation	9,512	10,123	9,512	10,123
Total current provisions	9,512	10,123	9,512	10,123
Non-current				
Provision for workers compensation	19,488	26,172	19,488	26,172
Total non-current provisions	19,488	26,172	19,488	26,172
Total provisions	29,000	36,295	29,000	36,295

29.1 Reconciliation of workers compensation	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
The following table shows the movement of workers compensation:				
Carrying amount at the beginning of the period	36,295	37,161	36,295	37,161
Increase (decrease) in provisions recognised	(3,593)	6,616	(3,593)	6,616
Reductions arising from payments/other sacrifices of future economic benefits	(3,702)	(7,482)	(3,702)	(7,482)
Carrying amount at the end of the period	29,000	36,295	29,000	36,295

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by Taylor Fry Consulting Actuaries.

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30 Other liabilities	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Unclaimed monies	902	617	902	617
Unearned revenue	1,603	949	1,603	949
Lease incentive	160	-	160	-
Other	1,337	218	1,337	218
Total current other liabilities	4,002	1,784	4,002	1,784
Non-current				
Unearned revenue	941	1,025	941	1,025
Lease incentive	1,430	-	1,430	-
Other	668	-	668	-
Total non-current other liabilities	3,039	1,025	3,039	1,025
Total other liabilities	7,041	2,809	7,041	2,809
31 Equity	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Asset revaluation surplus	30,738	74,797	30,738	74,797
Other reserves	935	1,099	-	-
Retained earnings	431,829	574,905	417,970	560,793
Total equity	463,502	650,801	448,708	635,590

The asset revaluation surplus is used to record increments and decrements in the fair value of land, buildings and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

32 Financial instruments / financial risk management

32.1 Financial risk management

Risk management is managed by the Department for Health and Ageing's Risk and Assurance Services section and risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

The Hospital is exposed to financial risk – liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

32.2 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2.

Refer to Table 32.3 for the carrying amounts of each of the following categories of financial assets and liabilities: Held-to-maturity investments; loan and receivables; and financial liabilities measured at cost.

The Hospital does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes.

All of the resulting fair value estimates are included in Level 2 as all significant inputs required are observable.

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer Notes 2, 19 and 26).
- Borrowings are initially recognised at fair value, plus any transaction cost directly attributable to the borrowings, then subsequently held at amortised cost. The fair value of borrowings approximates the carrying amount, as the impact of discounting is not significant (refer Notes 2 and 27).
- Held-to-maturity investments are initially recognised at fair value, then subsequently held at amortised cost. This is the most representative of fair value in the circumstances (refer Notes 2 and 21).

CENTRAL ADELAIDE LOCAL HEALTH NETWORK

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32.3 Liquidity risk

Liquidity risk arises from the possibility that the Hospital is unable to meet its financial obligations as they fall due. The continued existence of the Hospital is dependent on State Government policy and on continued funding from the Department for Health and Ageing for the Hospital's administration and program delivery. The Hospital settles undisputed accounts within 30 days from the date of the invoice or the date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The Hospital's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount recorded in Table 32.3 represent the Hospital's maximum exposure.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

The following table discloses the carrying amount of each category of financial instrument held by the Hospital including the contractual maturity analysis for financial assets and liabilities (ie liquidity risk).

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Table 32.3 Categorisation and maturity analysis of financial assets and liabilities

CONSOLIDATED

	Notes	Carrying amount/ Fair value \$'000	Contractual maturities			
			Current \$'000	Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
2015						
<i>Financial assets</i>						
Cash and equivalent						
Cash and cash equivalents	18, 37	123,605	123,605	-	-	-
Loans and receivables						
Receivables (1) (2)	19	49,936	49,936	-	-	-
Held to maturity investments						
Other financial assets	21	17,584	14,281	-	3,303	-
Total financial assets		191,125	187,822	-	3,303	-
<i>Financial liabilities</i>						
Financial liabilities at cost						
Payables (1)	26	74,954	74,850	-	104	-
Borrowings	27	-	-	-	-	-
Other liabilities	30	7,041	5,452	160	640	789
Finance lease liability	33	11,625	679	-	3,130	7,816
Total financial liabilities		93,620	80,981	160	3,874	8,605

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	Notes	Carrying amount/ Fair value	Contractual maturities			
			Current	Within 1 year	1 - 5 years	More than 5 years
2014		\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and equivalent						
Cash and cash equivalents	18, 37	143,038	143,038	-	-	-
Loans and receivables						
Receivables (1) (2)	19	49,159	49,159	-	-	-
Held to maturity investments						
Other financial assets	21	20,331	16,813	-	3,518	-
Total financial assets		212,528	209,010	-	3,518	-
Financial liabilities						
Financial liabilities at cost						
Payables (1)	26	67,379	67,379	-	-	-
Borrowings	27	-	-	-	-	-
Other liabilities	30	2,809	2,809	-	-	-
Finance lease liability	33	12,267	642	-	2,959	8,666
Total financial liabilities		82,455	70,830	-	2,959	8,666

PARENT

	Notes	Carrying amount/ Fair value	Contractual maturities			
			Current	Within 1 year	1 - 5 years	More than 5 years
2015		\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and equivalent						
Cash and cash equivalents	18, 37	121,950	121,950	-	-	-
Loans and receivables						
Receivables (1) (2)	19	48,336	48,336	-	-	-
Held to maturity investments						
Other financial assets	21	9,251	8,101	-	1,150	-
Total financial assets		179,537	178,387	-	1,150	-
Financial liabilities						
Financial liabilities at cost						
Payables (1)	26	74,310	74,206	-	104	-
Borrowings	27	-	-	-	-	-
Other liabilities	30	7,041	7,041	-	-	-
Finance lease liability	33	11,625	679	-	3,130	7,816
Total financial liabilities		92,976	81,926	-	3,234	7,816

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	Notes	Carrying amount/ Fair value	Contractual maturities			
			Current	Within 1 year	1 - 5 years	More than 5 years
2014		\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and equivalent						
Cash and cash equivalents	18, 37	142,030	142,030	-	-	-
Loans and receivables						
Receivables (1) (2)	19	48,632	48,632	-	-	-
Held to maturity investments						
Other financial assets	21	10,592	9,442	-	1,150	-
Total financial assets		201,254	200,104	-	1,150	-
Financial liabilities						
Financial liabilities at cost						
Payables (1)	26	67,000	67,000	-	-	-
Borrowings	27	-	-	-	-	-
Other liabilities	30	2,809	2,809	-	-	-
Finance lease liability	33	12,267	642	-	2,959	8,666
Total financial liabilities		82,076	70,451	-	2,959	8,666

- (1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth taxes; Auditor-General's Department audit fees etc). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).
- (2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in Note 19 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

32.4 Credit risk

Credit risk arises when there is the possibility of the Hospital's debtors defaulting on their contractual obligations resulting in financial loss to the Hospital. The Hospital measures credit risk on a fair value basis and monitors risk on a regular basis.

The Hospital has minimal concentration of credit risk. The Hospital does not engage in high risk hedging for its financial assets.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer to Note 19 for information on the allowance for impairment in relation to receivables.

The carrying amount of financial assets as detailed in Table 32.4 represents the Hospital's maximum exposure to credit risk.

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The following table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets.

Table 32.4 Aging analysis of financial assets

CONSOLIDATED						
2015	Carrying amount	Not past due and not impaired	Past due but not impaired			Impaired financial assets
			Overdue for < 30 days	Overdue for 30 - 60 days	Overdue > 60 days	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	123,605	123,605	-	-	-	-
Receivables (1)	49,936	28,075	2,723	3,912	15,226	10,252
Other financial assets	17,584	17,584	-	-	-	-
	191,125	169,264	2,723	3,912	15,226	10,252
2014						
Cash and cash equivalents	143,038	143,038	-	-	-	-
Receivables	49,159	38,954	4,030	3,045	3,130	11,120
Other financial assets	20,331	20,331	-	-	-	-
	212,528	202,323	4,030	3,045	3,130	11,120
PARENT						
2015	Carrying amount	Not past due and not impaired	Past due but not impaired			Impaired financial assets
			Overdue for < 30 days	Overdue for 30 - 60 days	Overdue > 60 days	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	121,950	121,950	-	-	-	-
Receivables (1)	48,336	26,475	2,723	3,912	15,226	10,252
Other financial assets	9,251	9,251	-	-	-	-
	179,537	157,676	2,723	3,912	15,226	10,252
2014						
Cash and cash equivalents	142,030	142,030	-	-	-	-
Receivables	48,632	38,427	4,030	3,045	3,130	11,120
Other financial assets	10,592	10,592	-	-	-	-
	201,254	191,049	4,030	3,045	3,130	11,120

(1) Receivable amounts disclosed here exclude amounts relating to statutory receivables (amounts owing to Government). They are carried at cost.

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32.5 Market risk

Market risk for the Hospital is primarily through interest rate risk. Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. Any exposure to foreign currency risks is managed by SAFA.

32.6 Sensitivity disclosure analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Hospital as it has been determined that the possible impact on comprehensive income or total equity from fluctuations in interest rates is immaterial.

33 Unrecognised contractual commitments

33.1 Operating lease revenue commitments

Commitments in relation to operating leases contracted for at the reporting date but not recognised as assets are receivable as follows:

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Within one year	809	1,123	326	979
Later than one year but not longer than five years	80	499	-	326
Total operating lease revenue commitments	889	1,622	326	1,305

The operating lease relates to the property owned by the Hospital and leased to external parties.

33.2 Operating lease expenditure commitments

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:				
Within one year	12,552	7,577	12,402	7,577
Later than one year but not longer than five years	25,667	22,359	25,626	22,359
Later than five years	32,755	23,735	32,755	23,735
Total operating lease commitments	70,974	53,671	70,783	53,671
Representing:				
Non-cancellable operating leases	70,974	53,671	70,783	53,671
Total operating lease commitments	70,974	53,671	70,783	53,671

The Hospital has a number of lease agreements for property leased from external parties. Lease terms vary in length. Each lease agreement has renewal options for a determined period, exercisable by both the lessor and lessee.

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33.3 Finance lease liabilities commitments

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Within one year	2,086	1,987	2,086	1,987
Later than one year but not longer than five years	8,346	7,948	8,346	7,948
Later than five years	15,126	16,393	15,126	16,393
Total finance lease commitments	25,558	26,328	25,558	26,328
Less future finance lease charges and contingent rentals	(13,933)	(14,061)	(13,933)	(14,061)
Amount recognised as a liability	11,625	12,267	11,625	12,267
Total finance lease commitments	11,625	12,267	11,625	12,267

The present value of finance leases payable is as follows:

Within one year	679	642	679	642
Later than one year but not longer than five years	3,130	2,959	3,130	2,959
Later than five years	7,816	8,666	7,816	8,666
Present value of finance leases	11,625	12,267	11,625	12,267

Included in the Financial Report as:

Current borrowings (Note 27)	679	642	679	642
Non-current borrowings (Note 27)	10,946	11,625	10,946	11,625
Total included in borrowings	11,625	12,267	11,625	12,267

The Hospital finance lease is for the lease of the RAH car park. The leases are non-cancellable with some leases having the right of renewal. Rent is payable in arrears.

New Royal Adelaide Hospital financing arrangements

A 35 year contract was entered into in June 2011 with SA Health Partnership Consortium (SAHP) to build, operate, maintain and provide non-medical support services for the new Royal Adelaide Hospital (new RAH). Upon completion it will be the largest, most technologically advanced hospital in South Australia and one of the most advanced in Australia. This arrangement is a Public Private Partnership (PPP).

Construction of the new RAH is expected to be completed in the 2016 calendar year. The nominal construction cost for the new RAH pursuant to the PPP arrangement is estimated at \$1,850 million. Under the arrangement, SAHP will finance, maintain and provide non-medical support services including facilities management by Spotless and information communication technology (ICT) support and maintenance by Hewlett Packard for the duration of the contract. Once construction is completed and commercial acceptance has been reached, the Hospital will commence operating the new RAH to provide all core clinical services, staffing, teaching, training and research.

At commercial acceptance, the Hospital will record a finance lease to recognise the new RAH as a leased asset and a liability for the amount to be repaid over the remaining 30 year lease period. In addition, other commitments associated with the PPP arrangement (e.g. finance, facilities management, ICT) will be recognised at commercial acceptance.

At the conclusion of the contract in 2046, the Hospital will take ownership of the new RAH. SAHP have an obligation to deliver the new RAH in a condition fit for its intended purpose and fully maintained in accordance with the agreed asset management plan.

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An additional \$417 million of state works expenditure has been approved and budgeted for by the Hospital in relation to the new RAH. These works include core clinical equipment, precinct works, project management costs and transition works. A portion of these costs will be capitalised where the costs meet the definition and recognition criteria of an asset. Expenditure from project inception to 30 June 2015 amounted to \$113.9 million, including utilities infrastructure works \$36.1 million, core clinical equipment and ICT \$18.5 million and project management and transitioning \$59.2 million.

The contract includes a method for remediation of contamination of the hospital site.

33.4 Expenditure Commitments

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Capital commitments				
Capital expenditure contracted for at the reporting date but are not recognised as liabilities in the financial report, are payable as follows:				
Within one year	43,412	4,666	43,412	4,666
Total capital commitments	43,412	4,666	43,412	4,666

The Hospital's capital commitments are for plant and equipment ordered but not received.

Included in capital expenditure commitments above is \$42.527 million which relates directly to new RAH capital expenditure commitments.

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Remuneration Commitments				
Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:				
Within one year	126,187	125,926	126,187	125,926
Later than one year but not longer than five years	22,638	29,985	22,638	29,985
Total remuneration commitments	148,825	155,911	148,825	155,911

Amounts disclosed include commitments arising from executive and other service contracts. The Hospital does not offer fixed-term remuneration contracts greater than five years.

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Other commitments				
Within one year	29,367	12,373	29,367	12,373
Later than one year but not longer than five years	1,962	885	1,962	885
Later than five years	197	-	197	-
Total other commitments	31,526	13,258	31,526	13,258

The other commitments are for agreements for goods and services ordered but not received.

Included in other expenditure commitments above is \$15.776 million which relates directly to new RAH other expenditure commitments.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
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34 Transferred functions

Transferred in

2014-15

- Following a review of Departmental functions, effective 1 June 2015, the Chief Executive of the Department approved the transfer of Financial Business Advisory and Hospital based Revenue Services employees within Finance to the Local Health Networks and the SA Ambulance Service Inc.

	Consolidated	Parent
	2015	2015
	\$'000	\$'000
Assets and liabilities transferred to the Hospital were:		
Payables	81	81
Staff benefit	1,391	1,391
Total liabilities	1,472	1,472
Total net assets / (liabilities) transferred	(1,472)	(1,472)

Net assets assumed by the Hospital as a result of the administrative restructure are at the carrying amount of those assets in the transferor's Statement of Financial Position immediately prior to the transfer. The net assets transferred were treated as a contribution by the Government as owner.

2013-14

- There were no transfers in during this period.

Transferred Out

2014-15

- Health Portfolio Executive approved on 2 October 2008 the establishment of a consolidated procurement, contracting and supply chain service. This service provides the foundation for delivering best practice procurement, contracting and supply chain management across SA Health. Effective 3 November 2014, inventory associated with the Royal Adelaide Hospital (RAH), Hampstead Rehabilitation Centre and the Queen Elizabeth Hospital were transferred to the Distribution Centre Division of the Department. Effective 25 May 2015, inventory associated with SA Pathology was transferred to the Distribution Centre Division of the Department.

	Consolidated	Parent
	2015	2015
	\$'000	\$'000
Assets and liabilities transferred from the Hospital were:		
Inventory	1,507	1,507
Total assets	1,507	1,507
Total net assets / (liabilities) transferred	1,507	1,507

2013-14

- A new SA Biomedical Engineering (SA BME) organisation structure was approved by the Chief Executive of the Department on 3 January 2013 (eA539379). This new state-wide service will deliver efficiencies, maximise the use of resources, ensure that consistent and easily accessible services are available across SA, and provide a network wide management approach to the maintenance and operation of medical equipment. The transition took place in two tranches, the first tranche of in-scope staff were transferred as of 7 October 2013 and the second tranche as of 18 November 2013. All in-scope staff and their associated staff benefits, transferred from the Hospital to a consolidated state-wide biomedical engineering service within the Department.
- Health Portfolio Executive approved on 2 October 2008 the establishment of a consolidated procurement, contracting and supply chain service. This service provides the foundation for delivering best practice procurement, contracting and supply chain management across SA Health. Effective 24 March 2014, inventory associated with Glenside Mental Health Services was transferred to the Distribution Centre Division of the Department.

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- As a result of the Health Care (Local Health Networks) Proclamation 2011 as approved by the Governor in the Government Gazette dated 9 June 2011, all primary and mental health services located in the Northern Adelaide area of that hospital's area of activities is transferred to the Northern Adelaide Local Health Network Incorporated (NALHN). This move of these functions was finalised effective 1 July 2013.

	Consolidated	Parent
	2014	2014
	\$'000	\$'000
Assets and liabilities transferred from the Hospital were:		
Receivables	1,517	1,517
Property, plant and equipment	36,934	36,934
Other assets	20	20
Total assets	38,471	38,471
Payables	1,043	1,043
Provisions	4,084	4,084
Staff benefit expense	23,746	23,746
Total liabilities	28,873	28,873
Total net assets / (liabilities) transferred	9,598	9,598

Net assets transferred by the Hospital as a result of the administrative restructures were at the carrying amount immediately prior to the transfer. The net assets transferred were treated as a distribution to the Government as owner.

35 Prior period error

35.1 Prior period error- Northern mental health

During the 2014-15 financial year, it was identified that Northern mental health and primary health care transactions should have been reflected in the NALHN financial report effective 1 July 2013.

Total income and expense adjustments to comparatives from this prior period error were:

	2014
	\$'000
Staff benefit expenses	(81,771)
Supplies and services	(32,329)
Depreciation and amortisation expense	(1,523)
Grants and subsidies	(3)
Other expenses	(338)
Total expenses	(115,964)
Revenue from fees and charges	(2,715)
Grants and contributions	(2,869)
Other revenue	(68)
Total income	(5,652)
Net cost of providing services	(110,312)
Adjustment to recognise additional investment in available for sale assets	
Revenue from SA Government	(115,801)
Total comprehensive result	5,489

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Total assets and liabilities adjustments to comparatives from this prior period error were:

	2014 \$'000
Current assets	
Receivables	(402)
Total current assets	(402)
Non-current assets	
Receivables	(1,283)
Property, plant and equipment	(42,569)
Total non-current assets	(43,852)
Total assets	(44,254)
Current liabilities	
Payables	(963)
Staff benefits	(10,849)
Provisions	(1,276)
Total current liabilities	(13,088)
Non-current liabilities	
Staff benefits	(11,691)
Provisions	(3,122)
Total non-current liabilities	(14,813)
Total liabilities	(27,901)
Net assets	(16,353)
Equity	
Retained earnings	(16,353)
Total equity	(16,353)

35.2 Prior period error- New Royal Adelaide Hospital (new RAH) land

During the year, a review of land titles identified a previously unrecorded parcel of land which had vested to the Minister for Health in 2012-13. This error was corrected as a prior period adjustment to the 2013-14 opening balance of retained earnings and disclosed as such in the statement of changes in equity. The value of the adjustment was \$37.615 million.

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36 Contingent assets and liabilities

The Hospital is not aware of any contingent assets.

During the past years, the RAH engaged a number of maintenance contractors. Six contractors have successfully lodged claims seeking employee entitlements valued at \$581,936. These claims were settled during the 2014-15 financial year. Similar claims for a further eleven contractors remain outstanding as at the end of the financial year. The circumstances around each individual claim will determine its success or otherwise and as such it is not possible to reliably measure the value of any contingent liability.

The new RAH project is being delivered under a public-private partnership agreement with SA Health Partnership Nominees Pty Limited (SAHP). The contract includes a regime for the remediation of contamination of the hospital site, requiring SA Health to pay 80% of the cost of remediating any "unknown contamination". SAHP has submitted a claim for remediation of unknown contamination made of up 24 components. One part of the claim (two components) for approximately \$1.000 million has been agreed at 50% of the claimed cost. The balance of the claim (22 components) was submitted by SAHP in late 2014, to which the Project Director responded with her determination in December 2014. Subsequent discussions between both parties resulted in SAHP submitting a proposal to enter into commercial settlement on 17 September 2015. On this same day, the Minister for Health and SAHP executed a Deed of Settlement and Release, involving the commercial settlement of remediation contamination claims, capital modifications and other disputed matters.

The Hospital has a lease arrangement in place for the new Royal Adelaide Hospital (refer to Note 33 unrecognised contractual commitments for details) and is expected to have a leased asset and finance lease obligation to be recognised in the Statement of Financial Position. At this time, the exact timing of this recognition is dependent upon commercial acceptance being reached, which is currently anticipated in the 2016 calendar year. This is reliant upon strict commercial acceptance criteria being met.

Guarantees

The Hospital has made no guarantees.

37 Cash flow reconciliation

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:				
Cash and cash equivalents disclosed in the Statement of Financial Position	123,605	143,038	121,950	142,030
Cash as per Statement of Financial Position	123,605	143,038	121,950	142,030
Balance as per Statement of Cash Flows	123,604	143,038	121,950	142,030

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Reconciliation of net cash provided by operating activities to net cost of providing services:

Net cash provided by (used in) operating activities	12,174	29,093	12,674	30,113
Department for Health and Ageing contributions for the provision of health services	(1,429,537)	(1,427,916)	(1,429,537)	(1,427,916)

Add/less non cash items

Depreciation and amortisation expense of non-current assets	(60,626)	(60,775)	(61,544)	(60,201)
Gain/loss on sale or disposal of non-current assets	(4,778)	(300)	(4,778)	(300)
Increments/decrements on revaluation of non-current assets	(1,367)	(1,641)	(1,367)	(1,641)
Assets acquired at no cost or nominal consideration	178	66	178	66
Interest credited directly to investments	26	24	26	24
Loss on revaluation of buildings and improvements	(54,182)	-	-	-
Impairment	(68)	-	-	-
Acquisitions from DH Capital Program	13,895	24,875	13,884	24,875
Gain on sale of equities	-	167	-	-
Loss on sale of equities	-	(2)	-	-
Declared surplus assets transferred to the Department	(22,989)	(6,703)	(22,987)	(6,703)
Write offs	-	(3,077)	-	(3,078)
Revaluation of investment property	-	(1,175)	-	-
Prior Period Adjustment to Retained Earnings	-	(33,551)	-	(33,838)

Movement in assets / liabilities

Increase / (Decrease) in receivables	(9,166)	(9,129)	(12,245)	(10,419)
Increase / (Decrease) in inventories	3,415	(296)	3,464	(384)
Increase / (Decrease) in other current assets	-	(30,491)	-	-
(Increase) / Decrease in staff benefits	(15,671)	22,540	(15,511)	(7,898)
(Increase) / Decrease in payables and provisions	2,123	22,641	24,393	21,231
(Increase) / Decrease in other liabilities	(4,232)	(310)	(4,232)	(310)
Net cost of providing services	(1,570,805)	(1,475,960)	(1,497,582)	(1,476,379)

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38 Interests in other entities

Controlled Entities

The Hospital has a 100% interest (1,150,000 shares) in Medvet Science Pty Ltd (Medvet). Medvet is a national provider of on-site health and safety services delivered by qualified and experienced professional staff to businesses throughout Australia.

Joint arrangements

The Hospital participates in the following joint operations:

Name of arrangement	Nature of the arrangement	Principal activity	Location	Interest
Centre for Cancer Biology Alliance	Agreement with University of South Australia	Undertake health and medical research in South Australia as an integrated clinical, educational and research activity, with a focus on cancer research.	Adelaide SA	50%
South Australian Cancer Genome Facility	Agreement with University of Adelaide	Provide cost effective and high quality genomics services and support research into the initiation and progression of, and treatment and genetic determinants for cancer, to provide access to the equipment within the facility.	Adelaide SA	50%

Structured entities

The Hospital participates in the unconsolidated structured entity, CTM@CRC Ltd - the CRC for Cell Therapy Manufacturing (CTM). CTM is a cooperative research centre designed to implement research to provide new treatments and develop new materials-based manufacturing technologies to increase the accessibility, affordability and efficacy of cell therapies for previously incurable, or difficult to treat diseases.

CTM is funded by cash and in-kind resources from a number of partners in the health and research sectors throughout Australia in addition to a \$20.000 million grant from the Australian government. CTM's headquarters are at the University of South Australia's Mawson Lakes campus.

39 Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

CONSOLIDATED

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES						
4 Staff benefit expenses	3,638	3,471	1,186,908	1,174,325	1,190,546	1,177,796
Salaries and wages	-	22	965,822	937,228	965,822	937,250
TVSP (refer below)	-	-	2,644	9,658	2,644	9,658
Long service leave (LSL)	-	-	20,707	31,577	20,707	31,577
Annual leave	-	-	87,406	84,505	87,406	84,505
Skills and experience retention leave (SERL)	-	-	4,011	3,138	4,011	3,138
Staff on-costs - superannuation	-	-	100,314	92,896	100,314	92,896
Staff on-costs - other	-	102	230	23	230	125
Workers compensation	-	35	2,621	12,879	2,621	12,914
Board and committee fees	-	-	192	232	192	232
Other staff related expenses	3,638	3,312	2,961	2,189	6,599	5,501

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
5 Supplies and services	148,046	118,662	447,106	460,072	595,152	578,734
Administration	1,248	1,849	6,975	5,952	8,223	7,801
Advertising	259	264	745	453	1,004	717
Communication	1,258	88	2,015	2,049	3,273	2,137
Computing	13,614	13,860	5,083	5,732	18,697	19,592
Contractors	394	340	14,814	7,521	15,208	7,861
Contractors - agency staff	9,598	8,544	28,809	27,254	38,407	35,798
Consultants	-	-	2,121	1,263	2,121	1,263
Contract of services	-	-	2	-	2	-
Cost of goods sold	-	3	1,890	1,576	1,890	1,579
Drug supplies	876	568	97,582	93,939	98,458	94,507
Electricity, gas and fuel	187	166	13,449	15,004	13,636	15,170
Fee for service	1,265	748	13,752	25,060	15,017	25,808
Food supplies	204	72	8,922	8,117	9,126	8,189
Health surveys	-	-	18	17	18	17
Housekeeping	1,710	1,492	38,627	40,034	40,337	41,526
Insurance	8,484	8,219	648	624	9,132	8,843
Internal SA Health SLA payments	24,883	22,170	-	-	24,883	22,170
Legal	298	247	359	250	657	497
Medical, surgical and laboratory supplies	25,154	21,584	125,267	130,876	150,421	152,460
Minor equipment	2,120	794	5,362	6,283	7,482	7,077
Motor vehicle expenses	1,408	1,401	529	1,636	1,937	3,037
Occupancy rent and rates	3,873	5,136	8,433	4,618	12,306	9,754
Patient transport	5,616	5,136	1,660	1,573	7,276	6,709
Payments to Shared Services SA	10,713	10,077	-	-	10,713	10,077
Periodical, journals and publications	306	54	274	916	580	970
Postage	101	55	6,218	6,544	6,319	6,599
Printing and stationery	879	495	5,501	5,534	6,380	6,029
Rental expense on operating lease	1,313	367	2,269	3,157	3,582	3,524
Repairs and maintenance	28,581	13,771	9,634	21,627	38,215	35,398
Security	362	69	9,690	8,200	10,052	8,269
Staff training and development	135	203	10,948	10,223	11,083	10,426
Staff travel expenses	5	7	9,841	9,725	9,846	9,732
Waste removal	2	2	311	56	313	58
Other supplies and services	3,200	881	15,358	14,259	18,558	15,140

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
6 Depreciation and amortisation expense	-	-	60,626	61,098	60,626	61,098
Buildings and improvements	-	-	36,711	38,467	36,711	38,467
Site improvements	-	-	1,704	1,454	1,704	1,454
Computing equipment	-	-	262	372	262	372
Medical, surgical, dental and biomedical equipment	-	-	16,497	16,331	16,497	16,331
Motor vehicles	-	-	243	673	243	673
Power generation and transmission	-	-	11	11	11	11
Other plant and equipment	-	-	660	728	660	728
Buildings and improvements under finance lease	-	-	873	868	873	868
Leasehold improvements	-	-	1,312	974	1,312	974
Intangible assets	-	-	2,353	1,220	2,353	1,220
7 Grants and subsidies	3,421	122	3,770	1,174	7,191	1,296
Capital grants	3,401	122	-	-	3,401	122
Subsidies	-	-	512	289	512	289
Funding to non-government organisations	-	-	3,258	713	3,258	713
Other	20	-	-	172	20	172
8 Borrowing costs	-	-	618	650	618	650
Finance charges on finance leases	-	-	618	650	618	650
9 Other expenses	28,112	12,823	95,672	37,503	123,784	50,326
Bad and doubtful debts	-	-	5,519	10,101	5,519	10,101
Royalty payments	4,027	2,616	6,172	5,059	10,199	7,675
Surplus assets transferred to the Department	22,429	6,703	4	70	22,433	6,773
Bank fees and charges	-	-	108	166	108	166
Transfer of research units	-	-	-	2,556	-	2,556
Soil remediation expenses	-	-	20,000	-	20,000	-
Net loss on revaluation of shares	-	-	1,376	1,643	1,376	1,643
Loss on revaluation of buildings and ii	-	-	54,181	-	54,181	-
Other (excluding audit fees)	1,656	3,504	8,312	17,908	9,968	21,412
10 Auditor's remuneration	433	457	-	-	433	457
Auditor fees - auditing financial statements	433	457	-	-	433	457
TOTAL EXPENSES	183,650	135,535	1,794,700	1,734,822	1,978,350	1,870,357

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME						
11 Revenue from fees and charges	77,709	70,239	205,659	201,492	283,368	271,731
Ambulance transport	111	65	11	46	122	111
Fines, fees and penalties	-	-	161	2,054	161	2,054
Insurance recoveries from health services	568	478	-	-	568	478
Patient and client fees	42,999	42,058	163,605	154,918	206,604	196,976
Private practice fees	-	-	20,003	20,431	20,003	20,431
Recoveries	29,355	26,476	6,597	10,657	35,952	37,133
Residential and other aged care charges	-	-	-	1	-	1
Sale of goods - medical supplies	67	40	72	287	139	327
Other user charges and fees	4,609	1,122	15,210	13,098	19,819	14,220
12 Grants and contributions	2,049	344	90,048	90,283	92,097	90,627
Commonwealth grants and donations	-	-	8,287	9,724	8,287	9,724
Commonwealth aged care subsidies	-	-	-	-	-	-
Pharmaceutical benefits scheme Commonwealth subsidy	-	-	69,989	64,416	69,989	64,416
Other grants and contributions from SA Government agencies	2,049	344	-	-	2,049	344
Private sector capital contributions	-	-	18	-	18	-
Private sector grants and contributions	-	-	11,754	16,143	11,754	16,143
13 Interest revenue	2,073	2,631	852	1,461	2,925	4,092
Interest from SAFA	1,161	2,631	-	-	1,161	2,631
Bank interest	-	-	852	1,461	852	1,461
Interest on Special Purpose Funds (SPF)	912	-	-	-	912	-
14 Resources received free of charge	-	-	178	66	178	66
Land and improvements	-	-	160	-	160	-
Plant and equipment	-	-	18	66	18	66
15 Net gain/(loss) from disposal of non-current and other assets	-	-	(4,778)	(300)	(4,778)	(300)
Total proceeds from disposal	-	-	19	8	19	8
Less total value of assets disposed	-	-	(4,797)	(308)	(4,797)	(308)
16 Other revenue	187	394	33,568	27,177	33,755	27,571
Commissions revenue	-	-	20	23	20	23
Dividend revenue	-	-	91	240	91	240
Royalty income	-	-	14,667	12,258	14,667	12,258
Training revenue	-	-	14	-	14	-
Donations received	2	-	8,064	5,599	8,066	5,599
Other	185	394	10,712	9,057	10,897	9,451
17 Revenue from SA Government	1,429,537	1,428,526	-	-	1,429,537	1,428,526
Recurrent funding	1,331,217	1,352,555	-	-	1,331,217	1,352,555
Capital funding	97,466	62,550	-	-	97,466	62,550
TVSP recovery funds from	854	13,421	-	-	854	13,421
TOTAL INCOME	1,511,555	1,502,134	325,527	320,179	1,837,082	1,822,313

CENTRAL ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
FINANCIAL ASSETS						
18 Cash and cash equivalents	-	97,103	121,950	44,927	121,950	142,030
Cash at bank or on hand - non-government financial institutions	-	-	121,876	44,851	121,876	44,851
Deposits with SA Government	-	97,103	-	-	-	97,103
Imprest account/cash on hand	-	-	74	76	74	76
19 Receivables	9,689	15,096	53,904	57,663	63,593	72,759
Patient/client fees						
Compensable	-	-	10,250	9,406	10,250	9,406
Aged care	-	-	6	6	6	6
Other	-	24	23,267	25,718	23,267	25,742
Workers compensation provision recoverable	8,342	14,116	-	-	8,342	14,116
Interest income receivable	-	219	113	162	113	381
Prepayments	-	-	951	1,168	951	1,168
Debtors	1,347	586	11,634	12,135	12,981	12,721
Less: allowance for doubtful debts	-	-	(10,330)	(11,263)	(10,330)	(11,263)
Sundry receivables and accrued revenue	-	151	13,827	12,178	13,827	12,329
GST recoverable	-	-	4,186	8,153	4,186	8,153
21 Other financial assets	-	-	17,584	20,331	17,584	20,331
Finance institutions	-	-	6,938	8,103	6,938	8,103
Other investments	-	-	10,646	12,228	10,646	12,228
TOTAL FINANCIAL ASSETS	9,689	112,199	193,438	122,921	203,127	235,120
FINANCIAL LIABILITIES						
26 Payables	6,855	9,460	92,869	77,964	99,724	87,424
Creditors and accrued expenses	6,855	9,183	64,836	54,156	71,691	63,339
Paid Parental Leave Scheme payable	-	-	205	166	205	166
Staff on-costs	-	-	24,187	19,879	24,187	19,879
Other payables	-	277	3,641	3,763	3,641	4,040
27 Borrowings	-	-	11,625	12,267	11,625	12,267
Finance lease	-	-	11,625	12,267	11,625	12,267
30 Other liabilities	-	-	7,041	2,809	7,041	2,809
Unclaimed monies	-	-	902	617	902	617
Unearned revenue	-	-	2,544	1,974	2,544	1,974
Lease incentive	-	-	1,590	-	1,590	-
Other	-	-	2,005	218	2,005	218
TOTAL FINANCIAL LIABILITIES	6,855	9,460	111,535	93,040	118,390	102,500

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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PARENT

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES						
4 Staff benefit expenses	3,638	3,312	1,181,416	1,169,880	1,185,054	1,173,192
Salaries and wages	-	-	961,462	933,558	961,462	933,558
TVSP (refer below)	-	-	2,644	9,658	2,644	9,658
Long service leave (LSL)	-	-	20,614	31,529	20,614	31,529
Annual leave	-	-	87,213	84,335	87,213	84,335
Skills and experience retention leave (SERL)	-	-	4,011	3,138	4,011	3,138
Staff on-costs - superannuation	-	-	99,894	92,536	99,894	92,536
Workers compensation	-	-	2,584	12,879	2,584	12,879
Board and committee fees	-	-	67	89	67	89
Other staff related expenses	3,638	3,312	2,927	2,158	6,565	5,470
5 Supplies and services	149,284	120,195	443,003	456,568	592,287	576,763
Administration	2,407	3,375	6,975	5,952	9,382	9,327
Advertising	259	264	569	333	828	597
Communication	1,258	88	1,941	1,976	3,199	2,064
Computing	13,614	13,860	4,914	5,563	18,528	19,423
Contractors	394	340	14,754	7,476	15,148	7,816
Contractors - agency staff	9,598	8,544	28,809	27,246	38,407	35,790
Consultants	-	-	2,067	1,254	2,067	1,254
Contract of services	-	-	2	-	2	-
Drug supplies	876	568	97,582	93,939	98,458	94,507
Electricity, gas and fuel	187	166	13,418	14,973	13,605	15,139
Fee for service	1,265	748	13,752	25,060	15,017	25,808
Food supplies	204	72	8,922	8,117	9,126	8,189
Health surveys	-	-	18	17	18	17
Housekeeping	1,710	1,492	38,586	39,987	40,296	41,479
Insurance	8,484	8,219	574	545	9,058	8,764
Internal SA Health SLA payments	24,883	22,170	-	-	24,883	22,170
Legal	298	247	25	18	323	265
Medical, surgical and laboratory supplies	25,233	21,594	125,267	130,876	150,500	152,470
Minor equipment	2,120	794	5,352	6,268	7,472	7,062
Motor vehicle expenses	1,408	1,401	489	1,594	1,897	2,995
Occupancy rent and rates	3,873	5,136	8,242	4,403	12,115	9,539
Patient transport	5,616	5,136	1,660	1,573	7,276	6,709
Payments to Shared Services SA	10,713	10,077	-	-	10,713	10,077
Periodical, journals and publications	306	54	270	913	576	967
Postage	101	55	6,200	6,523	6,301	6,578
Printing and stationery	879	495	5,471	5,481	6,350	5,976
Rental expense on operating lease	1,313	367	2,269	3,157	3,582	3,524

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Repairs and maintenance	28,581	13,771	9,625	21,613	38,206	35,384
Security	362	69	9,690	8,200	10,052	8,269
Staff training and development	135	203	10,829	10,108	10,964	10,311
Staff travel expenses	5	7	9,740	9,640	9,745	9,647
Waste removal	2	2	311	56	313	58
Other supplies and services	3,200	881	14,680	13,707	17,880	14,588
6 Depreciation and amortisation expense	-	-	60,333	60,811	60,333	60,811
Buildings and improvements	-	-	36,711	38,467	36,711	38,467
Site improvements	-	-	1,704	1,454	1,704	1,454
Computing equipment	-	-	97	210	97	210
Medical, surgical, dental and biomedical equipment	-	-	16,492	16,326	16,492	16,326
Motor vehicles	-	-	236	666	236	666
Power generation and transmission	-	-	11	11	11	11
Other plant and equipment	-	-	645	714	645	714
Buildings and improvements under finance lease	-	-	873	868	873	868
Leasehold improvements	-	-	1,312	974	1,312	974
Intangible assets	-	-	2,252	1,121	2,252	1,121
7 Grants and subsidies	3,421	122	3,258	885	6,679	1,007
Capital grants	3,401	122	-	-	3,401	122
Funding to non-government organisations	-	-	3,258	713	3,258	713
Other	20	-	-	172	20	172
8 Borrowing costs	-	-	618	650	618	650
Finance charges on finance leases	-	-	618	650	618	650
9 Other expenses	28,112	12,823	95,589	36,154	123,701	48,977
Bad and doubtful debts	-	-	5,518	9,996	5,518	9,996
Royalty payments	4,027	2,616	6,172	5,059	10,199	7,675
Surplus assets transferred to the Department	22,429	6,703	4	70	22,433	6,773
Bank fees and charges	-	-	96	166	96	166
Transfer of research units	-	-	-	2,556	-	2,556
Loss on revaluation of buildings and in	-	-	54,181	-	54,181	-
Net loss on revaluation of shares	-	-	1,367	1,641	1,367	1,641
Soil remediation expenses	-	-	20,000	-	20,000	-
Other (excluding audit fees)	1,656	3,504	8,251	16,666	9,907	20,170
10 Auditor's remuneration	368	398	-	-	368	398
Auditor fees - auditing financial staten	368	398	-	-	368	398
TOTAL EXPENSES	184,823	136,850	1,784,217	1,724,948	1,969,040	1,861,798

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME						
11 Revenue from fees and charges	(77,637)	(70,134)	(197,310)	(194,588)	(274,947)	(264,722)
Ambulance transport	(111)	(65)	(11)	(46)	(122)	(111)
Fines, fees and penalties	-	-	(161)	(2,054)	(161)	(2,054)
Insurance recoveries from health services	(568)	(478)	-	-	(568)	(478)
Patient and client fees	(42,927)	(41,953)	(155,256)	(148,014)	(198,183)	(189,967)
Private practice fees	-	-	(20,003)	(20,431)	(20,003)	(20,431)
Recoveries	(29,355)	(26,476)	(6,597)	(10,657)	(35,952)	(37,133)
Residential and other aged care charge	-	-	-	(1)	-	(1)
Sale of goods - medical supplies	(67)	(40)	(72)	(287)	(139)	(327)
Other user charges and fees	(4,609)	(1,122)	(15,210)	(13,098)	(19,819)	(14,220)
12 Grants and contributions	(2,284)	(1,199)	(90,048)	(90,283)	(92,332)	(91,482)
Commonwealth grants and donations	-	-	(8,287)	(9,724)	(8,287)	(9,724)
Commonwealth aged care subsidies	-	-	-	-	-	-
Pharmaceutical benefits scheme	-	-	(69,989)	(64,416)	(69,989)	(64,416)
Commonwealth subsidy	-	-	-	-	-	-
Other grants and contributions from SA Government agencies	(2,284)	(1,199)	-	-	(2,284)	(1,199)
Private sector capital contributions	-	-	(18)	-	(18)	-
Private sector grants and contributions	-	-	(11,754)	(16,143)	(11,754)	(16,143)
13 Interest revenue	(2,073)	(2,631)	(574)	(1,135)	(2,647)	(3,766)
Interest from SAFA	(1,161)	(2,631)	-	-	(1,161)	(2,631)
Bank interest	-	-	(574)	(1,135)	(574)	(1,135)
Interest on Special Purpose Funds (SPF)	(912)	-	-	-	(912)	-
14 Resources received free of charge	-	-	(178)	(66)	(178)	(66)
Land and improvements	-	-	(160)	-	(160)	-
Plant and equipment	-	-	(18)	(66)	(18)	(66)
15 Net gain/(loss) from disposal of non-current and other assets	-	-	4,778	300	4,778	300
Total proceeds from disposal	-	-	(19)	(8)	(19)	(8)
Less total value of assets disposed	-	-	4,797	308	4,797	308
16 Other revenue	(187)	(394)	(32,975)	(24,679)	(33,162)	(25,073)
Commissions revenue	-	-	(20)	(23)	(20)	(23)
Royalty income	-	-	(14,667)	(12,258)	(14,667)	(12,258)
Training revenue	-	-	(14)	-	(14)	-
Donations received	(2)	-	(8,064)	(5,599)	(8,066)	(5,599)
Other	(185)	(394)	(10,210)	(6,799)	(10,395)	(7,193)
17 Revenue from SA Government	(1,429,537)	(1,428,526)	-	-	(1,429,537)	(1,428,526)
Recurrent funding	(1,331,217)	(1,352,555)	-	-	(1,331,217)	(1,352,555)
Capital funding	(97,466)	(62,550)	-	-	(97,466)	(62,550)
TVSP recovery funds from	(854)	(13,421)	-	-	(854)	(13,421)
TOTAL INCOME	(1,511,718)	(1,502,884)	(316,307)	(310,451)	(1,828,025)	(1,813,335)

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
FINANCIAL ASSETS						
18 Cash and cash equivalents	-	97,103	121,950	44,927	121,950	142,030
Cash at bank or on hand - non-government financial institutions	-	-	121,876	44,851	121,876	44,851
Deposits with SA Government	-	97,103	-	-	-	97,103
Imprest account/cash on hand	-	-	74	76	74	76
19 Receivables	9,717	16,056	52,163	56,069	61,880	72,125
Patient/client fees						
Compensable	-	-	10,250	9,406	10,250	9,406
Aged care	-	-	6	6	6	6
Other	-	-	23,267	24,345	23,267	24,345
Workers compensation provision recoverable	8,342	14,116	-	-	8,342	14,116
Interest income receivable	-	219	-	37	-	256
Prepayments	-	-	782	1,002	782	1,002
Debtors	1,375	1,570	10,038	12,003	11,413	13,573
Less: allowance for doubtful debts	-	-	(10,252)	(11,120)	(10,252)	(11,120)
Sundry receivables and accrued revenue	-	151	13,830	12,178	13,830	12,329
GST recoverable	-	-	4,242	8,212	4,242	8,212
21 Other financial assets	1,150	1,150	8,101	9,442	9,251	10,592
Finance institutions	-	-	758	732	758	732
Other investments	1,150	1,150	7,343	8,710	8,493	9,860
TOTAL FINANCIAL ASSETS	10,867	114,309	182,214	110,438	193,081	224,747
FINANCIAL LIABILITIES						
26 Payables	(7,407)	(9,720)	(91,643)	(77,302)	(99,050)	(87,022)
Creditors and accrued expenses	(7,407)	(9,443)	(63,640)	(53,517)	(71,047)	(62,960)
Paid Parental Leave Scheme payable	-	-	(205)	(166)	(205)	(166)
Staff on-costs	-	-	(24,157)	(19,856)	(24,157)	(19,856)
Other payables	-	(277)	(3,641)	(3,763)	(3,641)	(4,040)
27 Borrowings	-	-	(11,625)	(12,267)	(11,625)	(12,267)
Finance lease	-	-	(11,625)	(12,267)	(11,625)	(12,267)
30 Other liabilities	-	-	(7,041)	(2,809)	(7,041)	(2,809)
Unclaimed monies	-	-	(902)	(617)	(902)	(617)
Unearned revenue	-	-	(2,544)	(1,974)	(2,544)	(1,974)
Lease incentive	-	-	(1,590)	-	(1,590)	-
Other	-	-	(2,005)	(218)	(2,005)	(218)
TOTAL FINANCIAL LIABILITIES	(7,407)	(9,720)	(110,309)	(92,378)	(117,716)	(102,098)

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

40 Remuneration of board and committee members

Members of boards/committees that served for all or part of the financial year were:

Central Adelaide Local Health Network Consumer Advisory Council

Barber C * (resigned 21/10/2014)	Heydrich S	Nicholas M (resigned 13/05/2015)
Chester M	Materne J (resigned 20/01/2015)	O'Keefe K (appointed 16/12/2014)
Cocking M	McMahon J	Porrovecchio J * (resigned 20/01/2015)
Cousins M	Meakins V * (appointed 20/01/2015)	Sutton P (appointed 18/11/2014)
Curry M	Morris C * (appointed 18/11/2014)	Williams M
Fyfe D (Chair)	Nagel L (appointed 17/03/2015)	Zeitz K * (resigned 19/08/2014)

Central Adelaide Local Health Network Advisory Council

Beilby J	Evans T (Presiding Member)	Miller S
Deegan V	Fyfe D	White S *
Dimonte R	Kildea N (appointed 01/07/2014)	Zeitz C *
Ellery B	Lawson A	

Central Adelaide Local Health Network Risk Management & Audit Committee

Deegan V (Chair)	Footer I (resigned 05/02/2015)	May E (appointed 29/08/2014)
Ellery B (appointed 05/02/2015)		

Central Adelaide Rehabilitation Services (CARS) Consumer Advocacy Group
(Was Hampstead Rehabilitation Centre Consumer Advisory Panel)

Angel D (resigned 12/12/2014)	Chester M	Machen V
Arkley G (appointed 13/02/2015)	Fyfe D (resigned 27/03/2015)	Whitehorn W (resigned 13/12/2014)
Arthur M (resigned 13/02/2015)	Heydrich S (Chair)	Whiteway L (appointed 27/03/2015)
Bedford L (appointed 13/02/2015)	Honeychurch P (appointed 08/08/2014)	

Hampstead Rehabilitation Centre Brain Injury Rehabilitation Services Consultative Advisory Panel

Angel D	Furda J	Kaschinkus M (Chair)
Bunning A	Fyfe D	Morgan T
Canavan D	Horan A	Sleeman K

Royal Adelaide Hospital Consumer Advisory Group

Apsey B (resigned 16/12/2014)	Cocking M	Matiasz S (appointed 20/01/2015)
Bah S (appointed 19/05/2015)	Durand M (appointed 21/04/2015)	Meakins V * (appointed 20/01/2015)
Barber C * (resigned 21/10/2014)	Fyfe D	Morris C * (appointed 18/11/2014)
Brown R	Materne J (resigned 20/01/2015)	Neale D (appointed 19/05/2015)
Chester M (Chair)		

Royal Adelaide Hospital Research Ethics Committee

Andrews J A/Prof	Louise J Dr	Prideaux M
Bradley J Dr	McCulloch D	Thornton A Dr (Chair)
Chatterton B A/Prof	McInerney M	van Der Linden B Rev
Evans D Dr	Need A A/Prof	Williams P Rev
Fitzgerald A	O'Connor S	Wilmot J
Lee J Dr	Parry B	

SA Cancer Service - Reform Committee (no paid members in 2014-15)

Adams J Dr * (Chair)	Flora E *	Nicholson A *
Bear D *	Karapetis C A/Prof *	Nussey S *
Bessen T Dr *	Karnon J Prof *	Powell K *
Bollen C Dr *	Keefe D Prof *	Stephenson M Dr *
Calver T *	McInnes M *	Vasileff H *
Edge N *	Miller C Dr *	Zwart L *

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

SA Cancer Service - Strategic Committee

Adams J Dr *	Keefe D Prof *	Plew S
Bardy P A/Prof *	Marker J	Robinson P Dr *
Eckert M Dr * (Chair)	McMenemy J *	Selva S Dr *
Flora E *	Mitchell A	Swetenham K *
Frank O Dr	Morris S *	Tapp H Dr *
Gill G Prof *	Mukherjee R Dr *	To B * Prof
Hayward A *	Piro D	Zwart L *

The Queen Elizabeth Consumer Advisory Group

Armstrong K (resigned 30/09/2014)	Dunn R (appointed 30/09/2014)	Morris C * (appointed 18/11/2014)
Barber C * (resigned 21/10/2014)	Duffy L	Namow T (resigned 30/09/2014)
Baylis S (appointed 21/04/2015) (resigned 28/04/2015)	McMahon J	Williams M (resigned 30/09/2014)
Curry M (Chair)		

The Queen Elizabeth Hospital Research Ethics Committee

Boyce M Rev *	Lai C Dr*	McNeil J A/Prof*
Carr P	Lupoi G (appointed 25/07/2014)	Prasanna S Dr * (appointed 01/12/2015)
Challen J *	Mahadaven D Dr *	Ruffin R Prof * (Chair)
Crabb A (appointed 10/07/2014)	Mathew T A/Prof * (resigned 30/09/2014)	Ryan C *
Drummond C Dr*	May J Rev *	Sewell D
Huxtable E	McCulloch D	Singla A Dr *
Kuyper J		

Medvet Board

DiMonte R (appointed 18/7/2014)	Johansen G	Short R Prof
Evans T (Chair)	Koehler A Dr	
Gardner P	Martin K (resigned 27/11/2014)	

	2015	2014
The number of members whose remuneration received or receivable falls within the following bands is:	No. of Members	No. of Members
\$0	85	171
\$1 - \$9,999	42	64
\$10,000 - \$19,999	1	3
\$20,000 - \$29,999	-	1
\$30,000 - \$39,999	3	2
\$50,000 - \$59,999	1	1
Total	132	242

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, FBT and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$0.195 million (\$0.230 million).

* In accordance with the *Department of Premier and Cabinet Circular No. 016*, government employees did not receive any remuneration for board/committee duties during the financial year.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

41 Events after balance date

The Hospital is not aware of any material events occurring between the end of the reporting period and when the financial statements were authorised.

CENTRAL ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

42 Schedules of administered funds

The following incomes, expenses, assets and liabilities were administered but not controlled by the Hospital and have not been included in the financial statements. In accordance with Accounting Policy Framework II *General Purpose Financial Statements* para. APS 3.13.2, these items are regarded as insignificant to the Hospital's overall performance and are disclosed in the following schedules.

Description of categories of administered funds

Research & Other includes monies held on trust for specific research fund activities.

Patient Trusts and Fund Raising represent monies held on trust on behalf of patients and fundraising activities.

Private Practice represents funds billed on behalf of salaried medical officers and subsequently distributed to the Hospital and salaried medical officers according to individual Rights of Private Practice Deeds of Agreement.

Schedule of Administered Expenses and Income

	Research & Other	Patient Trusts and Fund Raising	Private Practice Funds	Total
	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000
Administered expenses				
Staff benefit expenses	501	-	-	501
Supplies and services	559	34	(248)	345
Other expenses	-	448	41,273	41,721
Total administered expenses	1,060	482	41,025	42,567
Administered income				
Grants and contributions	940	-	-	940
Revenues from fees and charges	2	-	40,987	40,989
Interest	-	4	-	4
Other revenues	23	624	463	1,110
Total administered income	965	628	41,450	43,043
Net result	(95)	146	425	476

	Research & Other	Patient Trusts and Fund Raising	Private Practice Funds	Total
	2014	2014	2014	2014
	\$'000	\$'000	\$'000	\$'000
Administered expenses				
Staff benefit expenses	437	-	-	437
Supplies and services	787	24	-	811
Other expenses	-	432	40,088	40,520
Total administered expenses	1,224	456	40,088	41,768
Administered income				
Grants and contributions	1,212	-	-	1,212
Revenues from fees and charges	-	-	40,164	40,164
Interest	-	4	-	4
Other revenues	31	511	27	569
Total administered income	1,243	515	40,191	41,949
Net result	19	59	103	181

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

Schedule of Administered Assets and Liabilities

	Research & Other	Patient Trusts and Fund Raising	Private Practice Funds	Total
	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
Administered current assets				
Cash and cash equivalents	1,064	709	2,808	4,581
Receivables	38	-	5,930	5,968
Total administered current assets	1,102	709	8,738	10,549
Total administered assets	1,102	709	8,738	10,549
Administered current liabilities				
Payables	691	14	5,280	5,985
Staff benefits	65	-	(24)	41
Other current provisions/liabilities	59	(1)	(31)	27
Total administered current liabilities	815	13	5,225	6,053
Total administered liabilities	815	13	5,225	6,053
Net administered assets	287	696	3,513	4,496

	Research & Other	Patient Trusts and Fund Raising	Private Practice Funds	Total
	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000
Administered current assets				
Cash and cash equivalents	204	550	2,059	2,813
Receivables	322	-	6,458	6,780
Total administered current assets	526	550	8,517	9,593
Total administered assets	526	550	8,517	9,593
Administered current liabilities				
Payables	102	-	5,402	5,504
Staff benefits	42	-	-	42
Other current provisions/liabilities	-	-	27	27
Total administered current liabilities	144	-	5,429	5,573
Total administered liabilities	144	-	5,429	5,573
Net administered assets	382	550	3,088	4,020

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Schedule of Administered Changes in Equity

	Research & Other	Patient Trusts and Fund Raising	Private Practice Funds	Total
	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
Balance at the beginning of the reporting period	382	550	3,088	4,020
Net result	(95)	146	425	476
Total recognised income and expenses for the period	(95)	146	425	476
Balance at the end of the reporting period	287	696	3,513	4,496

	Research & Other	Patient Trusts and Fund Raising	Private Practice Funds	Total
	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000
Balance at the beginning of the reporting period	363	491	2,985	3,839
Net result	19	59	103	181
Total recognised income and expenses for the period	19	59	103	181
Balance at the end of the reporting period	382	550	3,088	4,020

Schedule of Administered Cash Flows

	Research & Other	Patient Trusts and Fund Raising	Private Practice Funds	Total
	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
Cash flows from operating activities				
Cash inflows				
Grants and contributions	1,224	-	-	1,224
Fees and charges	2	-	41,515	41,517
Interest revenue	-	4	-	4
Other revenue	23	623	463	1,109
Total cash inflows	1,249	627	41,978	43,854
Cash outflows				
Staff benefit payments	478	-	-	478
Supplies and services	(89)	19	(248)	(318)
Other payments	-	448	41,477	41,925
Total cash outflows	389	467	41,229	42,085
Net cash inflows/cash outflows from operating activities	860	160	749	1,769
Net increase / (decrease) in cash held	860	160	749	1,769
Cash at the beginning of the reporting period	204	549	2,059	2,812
Cash at the end of the reporting period	1,064	709	2,808	4,581

CENTRAL ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

	Research & Other	Patient Trusts and Fund Raising	Private Practice Funds	Total
	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000
Cash flows from operating activities				
Cash inflows				
Grants and contributions	915	-	-	915
Fees and charges	-	-	40,280	40,280
Interest revenue	-	4	-	4
Other revenue	31	513	27	571
Total cash inflows	946	517	40,307	41,770
Cash outflows				
Staff benefit payments	452	-	-	452
Supplies and services	642	24	-	666
Other payments	-	432	41,495	41,927
Total cash outflows	1,094	456	41,495	43,045
Net cash inflows/cash outflows from operating activities	(148)	61	(1,188)	(1,275)
Net increase / (decrease) in cash held	(148)	61	(1,188)	(1,275)
Cash at the beginning of the reporting period	352	489	3,247	4,088
Cash at the end of the reporting period	204	550	2,059	2,813

Administered expenses and administered cash outflows

The Hospital makes various transfer payments to eligible beneficiaries in the capacity of an agent responsible for the administration of the transfer process. Amounts relating to these transfer payments are not controlled by the Hospital, since they are made at the discretion of government in accordance with government policy. These transfers are disclosed as administered expenses and administered cash outflows.

Administered incomes and administered cash inflows

The Hospital collects various revenues and grants on behalf of government. The amounts are not controlled by the Hospital and are not recognised by the Hospital. These amounts are disclosed as administered revenues and administered cash inflows.

Administered assets and liabilities

The Hospital manages various assets and liabilities on behalf of the Government. The amounts are not controlled by the Hospital and are not recognised by the Hospital. These amounts are disclosed as administered assets and liabilities.

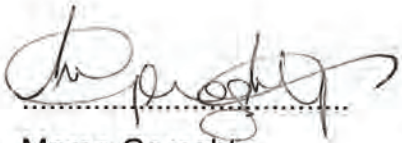
Administered contingent assets and liabilities

The Hospital has no administered contingent assets and liabilities.

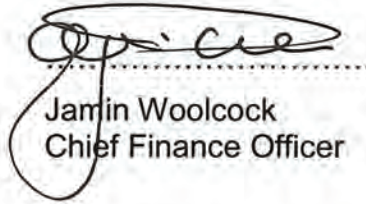
Certification of the financial statements

We certify that the:

- financial statements of the Central Adelaide Local Health Network Inc.:
 - are in accordance with the accounts and records of the authority; and
 - comply with relevant Treasurer's instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the authority at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by the Central Adelaide Local Health Network Inc. over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Maree Geraghty
Interim Chief Executive Officer



Jamin Woolcock
Chief Finance Officer

Date 21/9/2015

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

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State Administration Centre
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Adelaide SA 5000
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Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Chief Executive Officer Central Adelaide Local Health Network Incorporated

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 36(2) of the *Health Care Act 2008*, I have audited the accompanying financial report of the Central Adelaide Local Health Network Incorporated and the consolidated entity comprising the Central Adelaide Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Interim Chief Executive Officer and the Chief Finance Officer.

The financial report comprises the Central Adelaide Local Health Network Incorporated and the entities it controlled at the year's end or from time to time during the financial year.

The Chief Executive Officer's Responsibility for the Financial Report

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, and Australian Accounting Standards, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

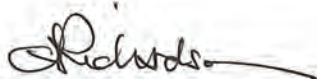
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Central Adelaide Local Health Network Incorporated and its subsidiaries as at 30 June 2015, their financial performance and their cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson
Auditor-General
22 September 2015

Country Health SA Local Health Network Incorporated

Financial report
for the year ended
30 June 2015

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2015

	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
Expenses					
Staff benefit expenses	4	497,990	491,954	497,990	491,954
Supplies and services	5	317,884	304,210	317,879	304,172
Depreciation and amortisation expense	6	28,786	26,585	16,569	15,507
Grants and subsidies	7	3,786	4,409	3,432	4,345
Borrowing costs	8	1,972	1,901	1,972	1,901
Net loss from disposal of non-current assets	15	297	2,442	297	2,439
Other expenses	9	3,832	7,115	8,058	46,549
Total expenses		854,547	838,616	846,197	866,867
Income					
Revenue from fees and charges	11	83,399	81,362	83,399	81,362
Grants and contributions	12	131,868	124,345	133,439	125,412
Interest revenue	13	2,727	3,166	2,396	2,785
Resources received free of charge	14	510	12	510	12
Other revenue	16	2,516	1,931	1,647	1,057
Total income		221,020	210,816	221,391	210,628
Net cost of providing services		633,527	627,800	624,806	656,239
Revenues from SA Government					
Revenue from SA Government	17	616,530	638,954	616,530	638,954
Net result		(16,997)	11,154	(8,276)	(17,285)
Other comprehensive income					
Items that will not be reclassified to net result					
Changes in property, plant and equipment asset revaluation surplus		90,662	(543)	27,025	(543)
Total other comprehensive income		90,662	(543)	27,025	(543)
Total comprehensive result		73,665	10,611	18,749	(17,828)

The net result and total comprehensive result are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes.

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED

STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

		Consolidated		Parent	
	Note	2015	2014	2015	2014
		\$ '000	\$ '000	\$ '000	\$ '000
Current assets					
Cash and cash equivalents	19	55,544	60,288	50,114	55,522
Receivables	20	30,701	34,235	31,207	34,772
Inventories	21	5,116	5,579	5,116	5,579
Other financial assets	22	55,941	48,626	47,805	40,034
Total current assets		147,302	148,728	134,242	135,907
Non-current assets					
Receivables	20	5,761	9,712	5,761	9,712
Other financial assets	22	77	77	-	-
Property, plant and equipment	23	878,861	790,348	449,646	416,786
Intangible assets	24	860	700	860	700
Total non-current assets		885,559	800,837	456,267	427,198
Total assets		1,032,861	949,565	590,509	563,105
Current liabilities					
Payables	26	36,764	35,069	36,778	35,069
Borrowings	27	3,154	2,999	3,154	2,999
Staff benefits	28	71,952	63,321	71,952	63,321
Provisions	29	7,104	7,183	7,104	7,183
Other liabilities	30	46,849	41,368	46,849	41,368
Total current liabilities		165,823	149,940	165,837	149,940
Non-current liabilities					
Payables	26	3,142	2,103	3,142	2,103
Borrowings	27	22,022	24,921	22,022	24,921
Staff benefits	28	69,838	68,071	69,838	68,071
Provisions	29	14,768	18,369	14,768	18,369
Total non-current liabilities		109,770	113,464	109,770	113,464
Total liabilities		275,593	263,404	275,607	263,404
Net assets		757,268	686,161	314,902	299,701
Equity					
Asset revaluation surplus	31	178,324	87,133	99,893	72,339
Retained earnings	31	578,944	599,028	215,009	227,362
Total equity		757,268	686,161	314,902	299,701

The total equity is attributable to the SA Government as owner

Unrecognised contractual commitments 33

Contingent assets and liabilities 35

The above statement should be read in conjunction with the accompanying notes.

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
STATEMENT OF CASH FLOWS
For the year ended 30 June 2015

	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$ '000	\$ '000	\$ '000	\$ '000
Cash flows from operating activities					
Cash outflows					
Staff benefit payments		(491,743)	(483,824)	(491,743)	(483,824)
Payments for supplies and services		(340,100)	(328,130)	(340,081)	(328,062)
Payments for grants and subsidies		(4,024)	(4,642)	(3,635)	(4,578)
Interest paid		(1,972)	(1,901)	(1,972)	(1,901)
Residential aged care bonds refunded		(6,373)	(7,891)	(6,373)	(7,891)
Payments for paid parental leave scheme		(1,690)	(1,476)	(1,690)	(1,476)
Other payments		(3,482)	(3,187)	(4,465)	(7,157)
Cash used in operations		(849,384)	(831,051)	(849,959)	(834,889)
Cash Inflows					
Fees and charges		85,711	78,660	85,756	77,697
Grants and contributions		132,519	120,078	134,090	126,145
Interest received		1,098	1,690	966	1,536
Residential aged care bonds received		15,153	8,072	15,153	8,072
GST recovered		19,143	23,898	19,107	23,898
Receipts for paid parental leave scheme		1,757	1,496	1,757	1,496
Other receipts		2,502	416	1,633	5,761
Cash generated from operations		257,883	234,310	258,462	244,605
Cash flows from SA Government					
Receipts from SA Government		598,939	571,349	598,939	565,207
Total cash flows from SA Government		598,939	571,349	598,939	565,207
Net cash provided by / (used in) operating activities		7,438	(25,392)	7,442	(25,077)
Cash flows from investing activities					
Cash outflows					
Purchase of property, plant and equipment		(3,432)	(6,319)	(3,432)	(6,319)
Purchase of intangibles		(181)	-	(181)	-
Purchase of investments		(10,187)	(21,751)	(8,500)	(19,638)
Cash used in investing activities		(13,800)	(28,070)	(12,113)	(25,957)
Cash inflows					
Proceeds from sale of property, plant and equipment		29	90	29	90
Proceeds from sale/maturities of investments		4,333	1,852	1,978	494
Cash generated from investing activities		4,362	1,942	2,007	584
Net cash provided by / (used in) investing activities		(9,438)	(26,128)	(10,106)	(25,373)

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
STATEMENT OF CASH FLOWS
For the year ended 30 June 2015

		Consolidated		Parent	
	Note	2015	2014	2015	2014
		\$ '000	\$ '000	\$ '000	\$ '000
Cash flows from financing activities					
Cash outflows					
Repayment of finance leases		(2,067)	(2,200)	(2,067)	(2,200)
Repayment of borrowings		(677)	(625)	(677)	(625)
Cash used in financing activities		(2,744)	(2,825)	(2,744)	(2,825)
Net cash provided by / (used in) financing activities		(2,744)	(2,825)	(2,744)	(2,825)
Net increase/(decrease) in cash and cash equivalents		(4,744)	(54,345)	(5,408)	(53,275)
Cash and cash equivalents at the beginning of the period		60,288	114,633	55,522	108,797
Cash and cash equivalents at the end of the period	19	55,544	60,288	50,114	55,522
Non-cash transactions	36	(6,175)	38,891	2,587	10,217

The above statement should be read in conjunction with the accompanying notes.

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2015

CONSOLIDATED

	Note	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total \$ '000
Balance at 30 June 2013	31	89,079	586,118	675,197
Net result for 2013-14		-	11,154	11,154
Correction to prior period asset revaluation	23	(543)	-	(543)
Total comprehensive result for 2013-14		(543)	11,154	10,611
Transfer between equity components		(1,403)	1,403	-
Transactions with SA Government as owner				
Net assets transferred as a result of an administrative restructure	34	-	353	353
Balance at 30 June 2014	31	87,133	599,028	686,161
Net result for 2014-15		-	(16,997)	(16,997)
Gain/loss on revaluation of property during 2014-2015	23	90,662	-	90,662
Derecognition of assets during 2014-2015		529	(529)	-
Total comprehensive result for 2014-15		91,191	(17,526)	73,665
Transactions with SA Government as owner				
Net assets received from an administrative restructure	34	-	(1,661)	(1,661)
Net assets transferred as a result of an administrative restructure	34	-	(897)	(897)
Balance at 30 June 2015	31	178,324	578,944	757,268

PARENT

	Note	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total \$ '000
Balance at 30 June 2013	31	74,285	260,953	335,238
Net result for 2013-14		-	(17,285)	(17,285)
Correction to prior period asset revaluation		(543)	-	(543)
Total comprehensive result for 2013-14		(543)	(17,285)	(17,828)
Transfer between equity components		(1,403)	1,403	-
Transactions with SA Government as owner				
Net assets transferred as a result of an administrative restructure	34	-	(17,709)	(17,709)
Balance at 30 June 2014	31	72,339	227,362	299,701
Net result for 2014-15		-	(8,276)	(8,276)
Gain/loss on revaluation of property during 2014-2015	23	27,025	-	27,025
Derecognition of assets during 2014-2015		529	(529)	-
Total comprehensive result for 2014-15		27,554	(8,805)	18,749
Transactions with SA Government as owner				
Net assets received from an administrative restructure	34	-	(1,661)	(1,661)
Net assets transferred as a result of an administrative restructure	34	-	(1,887)	(1,887)
Balance at 30 June 2015	31	99,893	215,009	314,902

All changes in equity are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes.

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED

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COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

1 Objectives of Country Health Local Health Network Incorporated

Effective 1st July 2011 Country Health SA Hospital Incorporated was renamed to Country Health SA Local Health Network Incorporated (the Hospital). The *Health Care Act 2008* (the Act) became effective on 1 July 2008. As a consequence the former Hospitals and Incorporated Health Centres, as listed below, were abolished and became sites of the new Country Health SA Hospital Incorporated. At the same time a number of Health Advisory Councils (as listed below) were established and certain assets, rights and liabilities were vested in the Health Advisory Councils with the remainder of the assets, rights and liabilities of the former Hospitals and Incorporated Health Centres being vested in the new Country Health SA Hospital Incorporated.

By proclamation dated 26 June 2008, the following assets, rights and liabilities were vested in the Incorporated Health Advisory Councils:

- all real property, including any estate, interest or right in, over or in respect of such property except for all assets, rights and liabilities associated with any land dedicated under any legislation dealing with Crown lands; and
- all funds and personal property held on trust and bank accounts and investments that are solely constituted by the proceeds of fundraising except for all gift funds, and other funds or personal property constituting gifts or deductible contributions under the *Income Tax Assessment Act 1997* (Commonwealth).

Effective 1 July 2011, the Incorporated Health Advisory Councils were provided with notification of endorsement as a deductible gift recipient, and notification of endorsement for charity tax concessions.

The above assets, rights and liabilities of the former Hospitals whose Health Advisory Council elected not to become incorporated were vested in the Country Health SA Board Health Advisory Council Inc.

Effective 1 July 2008 the following Hospitals and Incorporated Health Centres were dissolved and the associated Health Advisory Councils were established.

Dissolved Hospitals and Incorporated Health Centres

Balaklava and Riverton Districts Health
 Barossa Area Health Services Incorporated
 Bordertown Memorial Hospital
 Burra Clare Snowtown Health Service
 Ceduna District Health Services Incorporated
 Coober Pedy Hospital and Health Services
 Eastern Eyre Health and Aged Care Incorporated
 Eudunda & Kapunda Health Service
 Gawler Health Service Incorporated
 Hawker Memorial Hospital Incorporated

 Kangaroo Island Health Service
 Kingston Soldiers' Memorial Hospital
 Leigh Creek Health Services Incorporated

 Lower Eyre Health Services Incorporated
 Loxton Hospital Complex Incorporated
 Mallee Health Service Incorporated
 The Mannum District Hospital
 Meningie and Districts Memorial Hospital and Health Services Incorporated
 Mid North Health
 Mid-West Health
 Millicent and District Hospital and Health Services Incorporated

Established Health Advisory Councils

Balaklava Riverton Health Advisory Council Inc.
 Barossa and Districts Health Advisory Council Inc.
 Bordertown and District Health Advisory Council Inc.
 Lower North Health Advisory Council Inc.
 Ceduna District Health Services Health Advisory Council Inc.
 Far North Health Advisory Council (Unincorporated)
 Eastern Eyre Health Advisory Council Inc.

 Eudunda Kapunda Health Advisory Council Inc.
 Gawler District Health Advisory Council Inc.
 Hawker District Memorial Health Advisory Council (Unincorporated)
 Kangaroo Island Health Advisory Council Inc.
 Kingston/Robe Health Advisory Council Inc.
 Leigh Creek Health Services Health Advisory Council (Unincorporated)
 Lower Eyre Health Advisory Council Inc.
 Loxton and Districts Health Advisory Council Inc.
 Mallee Health Service Health Advisory Council Inc.
 Mannum District Hospital Health Advisory Council
 Coorong Health Service Health Advisory Council Inc.

 Mid North Health Advisory Council Inc.
 Mid-West Health Advisory Council Inc.
 Millicent and Districts Health Advisory Council Inc.

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

Dissolved Hospitals and Incorporated Health Centres

Mount Barker District Soldiers' Memorial Hospital Incorporated
 Mount Gambier and Districts Health Service Incorporated
 The Murray Bridge Soldiers' Memorial Hospital Incorporated
 Naracoorte Health Service Incorporated
 Northern Adelaide Hills Health Service
 Northern Yorke Peninsula Health Service

 Penola War Memorial Hospital
 Port Augusta Hospital and Regional Health Services Incorporated
 Port Broughton District Hospital and Health Services Incorporated
 Port Lincoln Health Services Incorporated
 Port Pirie Regional Health Service Incorporated
 Quorn Health Services Incorporated

 Renmark Paringa District Hospital Incorporated
 Riverland Regional Health Service Incorporated
 South Coast District Hospital Incorporated
 Southern Flinders Health Incorporated

 Strathalbyn & District Health Service
 Taillem Bend District Hospital
 Waikerie Health Services Incorporated
 The Whyalla Hospital and Health Services Inc.
 Yorke Peninsula Health Service
 Ceduna Koonibba Aboriginal Health Service Incorporated
 Country Health SA Incorporated

 Pika Wiya Health Service

Established Health Advisory Councils

Hills Area Health Advisory Council Inc.

 Mount Gambier and Districts Health Advisory Council Inc.
 The Murray Bridge Soldiers' Memorial Hospital Health Advisory Council Inc.
 Naracoorte Area Health Advisory Council Inc.
 Hills Area Health Advisory Council Inc.
 Northern Yorke Peninsula Health Advisory Council Inc.
 Penola and Districts Health Advisory Council Inc.
 Port Augusta, Roxby Downs, Woomera Health Advisory Council (Unincorporated)
 Port Broughton District Hospital and Health Services Health Advisory Council Inc.
 Port Lincoln Health Advisory Council
 Port Pirie Health Service Advisory Council (Unincorporated)
 Quorn Health Services Health Advisory Council (Unincorporated)
 Renmark Paringa District Health Advisory Council Inc.

 Berri Barmera District Health Advisory Council Inc.

 South Coast Health Advisory Council Inc.
 Southern Flinders Health Advisory Council (Unincorporated)
 Hills Area Health Advisory Council Inc.
 Coorong Health Service Health Advisory Council Inc.
 Waikerie and Districts Health Advisory Council Inc.
 The Whyalla Hospital and Health Services Health Advisory Council (Unincorporated)
 Yorke Peninsula Health Advisory Council Inc.
 Ceduna Koonibba Aboriginal Health Advisory Council Inc.
 Country Health SA Board Health Advisory Council Inc.
 Pika Wiya Health Advisory Council Inc.

The Health Advisory Councils have no powers to direct or make decisions with respect to the management and administration of the Hospital.

By proclamation, effective the 1 July 2011, the following Health Advisory Councils were dissolved with their assets, rights and liabilities transferred to their respective Community Controlled Aboriginal Health Services.

Ceduna Koonibba Aboriginal Health
 Pika Wiya Health Advisory Council Inc.

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

1.1 Objectives

The Hospital is an incorporated Hospital under the Act.

Hospitals incorporated under the Act are funded from various sources. Funding can be obtained from the Department for Health and Ageing (the Department), the Commonwealth Government, Public Donations, Private Practice Funds, Foundations and other sources.

Users of these financial statements should note that the South Australian Government funds the major part but not the entire operations of the Hospital.

The Hospital's objectives are to:

- promote, maintain and improve the health of the public;
- efficiently conduct and manage, within its identified resources, health services for its Local Health Network (LHN);
- appraise and monitor health resources and future health needs of the LHN's community;
- monitor, maintain and improve the quality and safety of health services in the LHN;
- allocate funds to local health service units in accordance with the region's plan and each local health service unit's Service Agreement;
- provide support and administrative services where appropriate to all local health service units;
- establish, provide, maintain and enhance hospital, medical and allied health services and facilities for the care and treatment of sick people in the LHN;
- establish, maintain and enhance a range of community health services in the region including domiciliary care services, day care services, and services for the aged and disabled including the mentally ill;
- efficiently conduct and manage within its identified resources, health services on a statewide basis, as specified in any service agreement;
- make available to the public information and advice concerning health and the health services available within its LHN;
- initiate, facilitate, support and conduct research into any area of public health and health needs and to foster innovation in the provision of health services; and
- provide or promote such other health services and facilities in the region as may seem necessary or desirable from time to time.

The Health Advisory Councils objectives are to:

- advise on the health service needs, priorities and issues within the local areas with particular emphasis upon those issues in the context of consumers of health services, carers and volunteers;
- ascertain the health needs of the Community and the attitude of the Community to the development of health services within the Community;
- advocate on behalf of the Community to support the planning and provision of health services as part of an integrated statewide health system for the benefit of the Community;
- hold assets for the benefit, purposes and use of, the Health Unit sites on terms and conditions determined or approved by the Minister; and
- undertake such other activities as the Health Advisory Councils may determine for the benefit or support of health services in the local area.

1.2 Administrative restructures

Transferred in

2014-15

- Following a review of Departmental functions, effective 1 June 2015, the Chief Executive of the Department approved the transfer of Financial Business Advisory and Hospital based Revenue Services employees within Finance to the Local Health Networks and the SA Ambulance Service Inc.

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

Transferred out

2014-15

- As discussed in Note 1, the assets, rights and liabilities of the former Hospitals and Incorporated Health Centres were vested in the Hospital and the Health Advisory Councils on 1 July 2008. Due to the need to seek clarification from Crown Law it was not possible to transfer all of the assets vested in the Health Advisory Councils in the previous financial year and as a result additional transfers of assets from the Parent Entity to the Health Advisory Councils have occurred in the current financial year.
- Health Portfolio Executive approved on 2 October 2008 the establishment of a consolidated procurement, contracting and supply chain service. This service provides the foundation for delivering best practice procurement, contracting and supply chain management across SA Health. During the financial year additional inventory was transferred from the Hospital to the SA Distribution Centre division of the Department. The finalisation of the inventory transfer will occur in July 2015.

Transferred out

2013-14

- As discussed in Note 1, the assets, rights and liabilities of the former Hospitals and Incorporated Health Centres were vested in the Hospital and the Health Advisory Councils on 1 July 2008. Due to the need to seek clarification from Crown Law it was not possible to transfer all of the assets vested in the Health Advisory Councils in the previous financial year and as a result additional transfers of assets from the Parent Entity to the Health Advisory Councils have occurred in the current financial year.
- As a result of the *Public Sector (Reorganisation of Public Sector Operations) Notice 2012* approved by the Premier in Government Gazettes dated 4 November 2013, eight staff members from the Hospital were transferred to the Department of Planning, Transport and Infrastructure.
- A new SA Biomedical Engineering (SA BME) organisation structure was approved by the Chief Executive of the Department on 3 January 2013. This new state-wide service will deliver efficiencies, maximise the use of resources, ensure that consistent and easily accessible services are available across SA and provide a network wide management approach to the maintenance and operation of medical equipment. The transition took place in two phases, the first tranche of in-scope staff were transferred as of 7 October 2013 and the second phase as of 18 November 2013. All in-scope staff and their associated staff benefits transferred from the Hospital to a consolidated state-wide biomedical engineering service within the Department.
- Health Portfolio Executive approved on 2 October 2008 the establishment of a consolidated procurement, contracting and supply chain service. This service provides the foundation for delivering best practice procurement, contracting and supply chain management across SA Health. During the financial year additional inventory was transferred from the Hospital to the SA Distribution Centre division of the Department.

Details of the assets, rights and liabilities that transferred are provided in Note 34.

2 Summary of significant accounting policies

2.1 Statement of compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*, and the requirements of the *Health Care Act 2008*.

The Hospital has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Hospital is a not-for-profit entity.

Refer to Note 3 for Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective for the Hospital for the reporting period ending 30 June 2015.

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

2.2 Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgment in the process of applying the Hospital's accounting policies. The areas involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, that have been included in this financial report:
 - a) revenues, expenses, financial assets and financial liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature;
 - b) expenses incurred as a result of engaging consultants;
 - c) staff targeted voluntary separation package information;
 - d) staff whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths), and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those staff; and
 - e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than direct out of pocket reimbursement.

The Hospital's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the applicable valuation policy.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and are presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

2.3 Reporting entity

The parent entity is comprised of the bodies that were dissolved under proclamation (i.e. the former Hospitals and Incorporated Health Centres as detailed in Note 1). The Northern Yorke Private Hospital (NYPH) ceased to be controlled under the application of Australian Accounting Standard Board standard AASB10 *Consolidated Financial Statements* as at 1 July 2014 as the hospital has no controlling representation on the NYPH board and the hospital is acting as an agent for NYPH. The assets and liabilities of NYPH were transferred to profit and loss in the parent and comparatives have not been restated as NYPH was considered immaterial.

The parent entity does not control any other entity and has no interests in unconsolidated structured entities. In forming this view, the parent entity considered its involvement with a number of different entities and determined that it does not control any of them.

The consolidated accounts of the Hospital include the assets, liabilities, revenues and expenses of the parent entity and the Health Advisory Councils as detailed in Note 1. The Hospital has effective control over, and a 100% interest in, the net assets of the entities under its control.

When preparing the consolidated accounts the effect of all transactions between entities within the economic entity have been eliminated in full. Accounting policies are applied consistently across the economic entity.

The Hospital does not control any other entity and has no interests in unconsolidated structured entities. In forming this view, the Hospital considered its involvement with a number of different entities and determined that it does not control any of them.

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

In making this assessment, the Hospital considered its power over the entities, its exposure or rights (eg protective and substantive rights) to variable returns from its involvement with the entities and the ability to use its power to affect return amounts (e.g. ability to direct relevant major activities).

The Hospital has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

2.4 Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change, or as otherwise noted.

Where presentation and classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial statements for the preceding period.

2.5 Rounding

All amounts in the financial statements are rounded to the nearest thousand dollars (\$'000).

2.6 Taxation

The Hospital is not subject to income tax. The Hospital is liable for fringe benefits tax (FBT) and goods and services tax (GST).

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

Effective 1 January 2014, the Department, incorporated Hospitals and the SA Ambulance Service were grouped for GST purposes with the ATO. All transactions between the GST group members are not subject to GST. The Department acts as an agent on behalf of the incorporated Hospitals and SA Ambulance Service for the purpose of remitting GST to, and recovering GST from, the ATO.

2.7 Expenses

Expenses are recognised in the Hospital's Statement of Comprehensive Income when, and only when, it is probable that the flow of economic benefits from the Hospital will occur, and can be reliably measured.

Expenses have been classified according to their nature, and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are the specific recognition criteria:

Resources provided free of charge

Resources provided free of charge are recorded as expenditure in the Statement of Comprehensive Income at their fair value.

Resources provided free of charge are recorded in the line items to which they relate.

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

Contributions paid

Contributions payable will be recognised as a liability and expense when the Hospital has a present obligation to pay the contribution and the expense recognition criteria are met.

Borrowing costs

Borrowing costs are recognised as an expense when incurred.

Staff benefits expenses

Staff benefits expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Hospital to the superannuation plan in respect of current services of current hospital staff. The Department of Treasury and Finance (DTF) centrally recognises the superannuation liability in the whole of government financial statements.

2.8 Income

Income is recognised in the Hospital's Statement of Comprehensive Income when, and only when, it is probable that the flow of economic benefits to the Hospital will occur, and can be reliably measured.

Income has been classified according to its nature, and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are the specific recognition criteria:

Fees and charges

Revenues from fees and charges are derived from the provision of goods and services to other SA government agencies and to the public. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Gain from disposal of non-current assets

Income from the disposal of non-current assets is recognised when control of the asset has passed to the buyer, and determined by comparing proceeds with the carrying amount. When revalued assets are sold, any identified revaluation increments are transferred to retained earnings.

Resources received free of charge

Resources received free of charge are recorded as such with revenue being separately disclosed.

Contributions received

Contributions are recognised as an asset and income when the Hospital obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met.

Other revenue

Other revenue consists of donations.

2.9 Revenue from SA Government

The Department provides recurrent and capital funding under a service level agreement (SLA) to the Hospital for the provision of general health services.

Contributions from the Department are recognised as revenues when the Hospital obtains control over the funding. Control over the funding is normally obtained upon receipt.

2.10 Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. The Hospital has a clearly identifiable operating cycle of 12 months. Therefore, assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle will be classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Hospital has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

2.11 Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

2.12 Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand, deposits at call and other short-term, highly liquid investments with maturities of three months or less, that are readily converted to cash, and which are subject to insignificant risk of changes in value.

Cash and cash equivalents in the Statement of Cash Flows consist of cash and cash equivalents as defined above, net of bank overdrafts. Cash is measured at nominal value.

2.13 Receivables

Receivables include amounts receivable from goods and services, GST recoverable, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other agencies and to the public. The Hospital's trading terms for receivables are generally 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Other debtors arise outside the normal course of selling goods and services to other agencies and to the public.

Doubtful Debts

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Hospital will not be able to collect the debt. Bad debts are written off only after all reasonable effort has been made to collect the debt.

2.14 Inventories

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost. Inventories (other than those held for distribution at no or nominal consideration) are measured at the lower of cost or their net realisable value.

Cost is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distributing to customers.

The amount of any inventory write-down to net realisable value/replacement cost or inventory losses are recognised in the Statement of Comprehensive Income as an expense in the period the write-down or loss occurred. Any write-down reversals are also recognised in the Statement of Comprehensive Income as an expense reduction.

Inventories include:

- Drug supplies;
- Medical, surgical and laboratory supplies;
- Food and hotel supplies;
- Engineering supplies; and
- Other supplies.

2.15 Other financial assets

The Hospital measures financial assets and debts at historical cost, except for listed equities which are measured at market value.

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

2.16 Non-current asset acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation. Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. Where assets are acquired at no or nominal value as part of a restructure of administrative arrangements, the assets are recorded at the value held by the transferor public authority prior to the restructure.

The Hospital capitalises all non-current tangible property, plant and equipment and intangible assets that it controls valued at or greater than \$10,000.

Assets recorded as works in progress represent projects physically incomplete as at the reporting date.

Componentisation of complex assets is generally performed when the complex asset's fair value at the time of acquisition is equal to or greater than \$5 million for infrastructure assets and \$1 million for other assets.

2.17 Revaluation of non-current assets

In accordance with Accounting Policy Framework III *Asset Accounting Framework*:

- all non-current tangible assets are valued at written down cost (a proxy for fair value);
- the Hospital revalues all land, buildings and site improvements triennially via a certified practicing valuer;
- triennial revaluation of other non-current assets by a Certified Practicing Valuer is only performed when the assets fair value at the time of acquisition is greater than \$1 million, and the estimated useful life exceeds three years;
- if at any time management considers that the carrying amount of an asset greater than \$1 million materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place; and
- non-current tangible assets that are acquired between revaluations are held at cost, until the next valuation, when they are revalued to fair value.

Any revaluation increase is credited to the revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income.

Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the revaluation surplus to the extent of the credit balance existing in revaluation reserves for that asset class.

Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class, but are not offset in respect of assets in different classes.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Upon disposal or derecognition, any asset revaluation surplus relating to that asset is transferred to retained earnings.

2.18 Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. The amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. For revalued assets, an impairment loss is offset against the revaluation surplus for that class of assets, to the extent that the impairment loss does not exceed the amount in the respective asset revaluation surplus.

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2.19 Depreciation and amortisation of non-current assets

All non-current assets, that have a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible and leasehold assets, whilst depreciation is applied to physical assets such as property, plant and equipment.

The useful lives, depreciation and amortisation methods of all major assets held by the Hospital are reassessed on an annual basis.

Changes in expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is the shorter.

Land and non current assets held for sale are not depreciated.

Depreciation/amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	10 - 80
Leasehold improvements	Life of lease
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	2 - 20
• Computing equipment and software	3 - 5
• Vehicles	2 - 20
• Other plant and equipment	3 - 30
Intangibles	5 - 10

2.20 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The Hospital has aged care bed licences which have an indefinite useful life therefore no amortisation is recognised.

2.21 Fair value measurement

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

The Hospital classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 – traded in active markets, and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market, and are derived from inputs (inputs other than quoted prices included within Level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market, and are derived from unobservable inputs.

The valuation processes and fair value changes are reviewed at each reporting date.

Non-financial assets

In determining fair value, the Hospital has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible and financially feasible).

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The Hospital's current use is the highest and best use of the asset unless other factors suggest an alternative use. As the Hospital did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to Note 23 and 25 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

Financial assets/liabilities

Investments in listed entities are recognised at fair value based on quoted market prices for identical assets at reporting date. The Hospital does not recognise any other financial assets or financial liabilities at fair value.

2.22 Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

2.23 Payables

Payables include creditors, accrued expenses, GST payable, staff on-costs and Paid Parental Leave Scheme payable.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to normal operations of the Hospital.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period, and where an invoice has not been processed/received.

The Paid Parental Leave Scheme payable represents amounts which the Hospital has received from the Commonwealth Government to forward onto eligible staff via the Hospital's standard payroll processes. That is, the Hospital is acting as a conduit through which the payment to eligible staff is made on behalf of the Family Assistance Office.

All payables are measured at their nominal amount, are unsecured, and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Staff benefits on-costs include superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave (SERL).

The Hospital makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed superannuation schemes.

2.24 Borrowings/Financial Liabilities

The Hospital measures financial liabilities including borrowings/debt at historical cost.

2.25 Staff benefits

These benefits accrue for staff as a result of services provided up to the reporting date that remain unpaid. Long-term staff benefits are measured at present value, and short-term staff benefits are measured at nominal amounts.

Salaries, wages, annual leave, skills and experience retention leave (SERL) and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

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The annual leave liability and the SERL liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. In the unusual event where salary and wages, annual leave and SERL liability are payable later than 12 months, the liability will be measured at present value.

No provision has been made for sick leave, as all sick leave is non-vesting, and the average sick leave taken in future years by staff is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave was determined through an actuarial assessment undertaken by Mercer Consulting (Australia) Pty Ltd, in accordance with AASB 119 *Employee Benefits*. The following assumptions were made by the Actuary when performing the assessment:

- Salary increases of 3 percent; and
- Discounting of 2.70 percent per annum based on the gross 6 year Commonwealth bond rate prevailing at 30 June 2015.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the health sector across government.

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

2.26 Provisions

Provisions are recognised when the Hospital has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The Hospital is an exempt employer under the *Workers Rehabilitation and Compensation Act 1986*. Under a scheme arrangement, the Hospital is responsible for the management of workers rehabilitation and compensation, and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

Although the Department provides funds to the Hospital for the settlement of lump sum and redemption payments, the cost of these claims, together with other claim costs, are met directly by the Hospital, and are thus reflected as an expense from ordinary activities in the Statement of Comprehensive Income.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2015 provided by a consulting actuary engaged through the Office for the Public Sector. The provision is for the estimated cost of ongoing payments to staff as required under current legislation. The liability covers claims incurred but not yet paid, incurred but not reported and the anticipated direct and indirect costs of settling these claims. The liability for outstanding claims is measured as the present value of the expected future payments reflecting the fact that all claims do not have to be paid in the immediate future.

With respect to the workers compensation liability, the Hospital includes an amount receivable for the lump sum and redemption portion of the workers compensation claims which is specifically funded by the Department.

2.27 Specific Purpose Funds

The Hospital receives specific purpose funds from various sources including government, private sector and individuals. The amounts are controlled by the Hospital, and are used to help achieve the Hospital objectives, notwithstanding that specific uses can be determined by the grantor or donor. Accordingly, the amounts are treated as revenue at the time they are earned or at the time control passes to the Hospital.

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2.28 Accommodation Bonds

Accommodation bonds are non-interest bearing deposits made by aged care facility residents to the economic entity upon their admission to low care accommodation. The liability for accommodation is carried at the amount that would be payable on exit of the resident. This is the amount received on entry of the resident less deductions for fees and retentions pursuant to the *Aged Care Act 1997*. Accommodation bonds are classified as current liabilities as the economic entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. The obligation to settle could occur at any time. These amounts have been disclosed in other liabilities as residential aged care bonds. Once a refunding event occurs the other liability becomes interest bearing. The interest rate applied is the prevailing interest rate at the time as prescribed by the Commonwealth Department of Health and Ageing.

2.29 Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

The Hospital has entered into finance leases and operating leases.

Finance leases

Finance leases which transfer substantially all the risks and benefits/rewards incidental to ownership of the leased assets to the Hospital, are capitalised at inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments.

Minimum lease payments are allocated between interest expense/borrowing costs and reduction of the lease liability to each period during the lease term, so as to produce a constant periodic rate of interest on the remaining balance of the liability. Lease liabilities are classified as both current and non-current.

Where there is no reasonable assurance that the Hospital will obtain ownership of the capitalised asset at the end of the lease term, the asset is amortised over the shorter of the lease term and its useful life.

Operating leases

For operating leases, the lessor retains substantially the entire risks and rewards incidental to ownership of the leased assets. Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

2.30 Professional indemnity and general public insurance

Professional indemnity and general public liability claims arising from the Hospital's operations are managed as part of the State Government Insurance Program. The Hospital pays an annual premium to the Department. The Department and the SA Government Financing Authority (SAFA), South Australian Insurance Corporation (SAICORP) Division are responsible for meeting the cost of any claims. Consequently, no provision for these claims is recognised in the Hospital's financial statements.

2.31 Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources, and are disclosed at their nominal value. Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable or payable. If GST is not recoverable or payable, the commitments or contingencies are disclosed on a gross basis.

2.32 SA Government/Non-SA Government disclosures

The Hospital has adopted the requirements of Accounting Policy Framework II *General Purpose Financial Statements Framework* where the Hospital must disclose by way of a note, whether transactions are with entities that are within, or external to, the SA Government. These transactions are classified by their nature, and relate to revenues, expenses, financial assets and financial liabilities.

2.33 Continuity of Operations

As at 30 June 2015, the Hospital had working capital deficiency of \$18.521 million (\$1.212 million deficiency). The Government is committed to the ongoing funding of the Hospital to enable it to perform its functions.

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2.34 Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue, where the events relate to a condition which arose after 30 June, and which may have a material impact of the results of subsequent years.

3 New and revised accounting standards and policies

The Hospital did not voluntarily change any of its accounting policies during 2014-15.

Accounting Standards

In accordance with the new AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements* and AASB 12 *Disclosure of Interests in Other Entities*, which became effective for the first time in 2014-15, the Hospital has reviewed its control assessments (i.e. the Hospital's involvement with the entity; protective and substantive rights; ability to direct major relevant activities etc) and has concluded, that except as outlined in Note 2.3, there is no impact. The Hospital does not currently control another entity, have any joint arrangements within the scope of AASB 11 or have any interests in structured entities. The Hospital will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10, AASB 11 and AASB 12 for future years.

Early adoption of Accounting Standards

In accordance with Accounting Policy Framework II *General Purpose Financial Statement Framework*, the Hospital has applied Australian Accounting Standards approved for early adoption by the Department of Treasury and Finance. The only Australian Accounting Standard applied and approved for early adoption by the Hospital for the 2014-15 financial year is AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities* which amends AASB 13 *Fair Value Measurement*.

The adopted changes are reflected in Note 24 and Note 25. The Hospital has not early adopted any other new or amended Australian Accounting Standards and Interpretations for the period ending 30 June 2015.

Accounting Standards issued or amended but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Hospital for the period ending 30 June 2015. The Hospital has assessed the impact of the new and amended standards and interpretations and considers there will be no material impact on the accounting policies or the financial statements of the Hospital, except as outlined below.

4 Staff benefit expenses

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	399,563	388,344	399,563	388,344
TVSP (refer below)	-	4,107	-	4,107
Long service leave (LSL)	10,887	10,603	10,887	10,603
Annual leave	37,443	37,817	37,443	37,817
Skills and experience retention leave (SERL)	1,810	1,362	1,810	1,362
Staff on-costs - superannuation	43,860	40,272	43,860	40,272
Workers compensation	4,438	9,082	4,438	9,082
Board and committee fees	86	61	86	61
Other staff related expenses	(97)	306	(97)	306
Total staff benefit expenses	497,990	491,954	497,990	491,954

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	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Targeted voluntary separation packages (TVSPs)				
Amount paid during the reporting period to separated staff:				
TVSPs	-	4,107	-	4,107
Annual leave, LSL and SERL paid to those employees	-	1,151	-	1,151
	-	5,258	-	5,258
Recovery from the Department of Treasury and Finance *	-	6,142	-	6,142
Net cost to the Hospital	-	(884)	-	(884)
Number of staff who received a TVSP during the reporting period	-	62	-	62

*TVSP recoveries from DTF are to be recognised when the not-for-profit entity obtains control over the funds associated with the TVSP recovery or the right to receive the TVSP recovery from DTF. This will generally be upon receipt of the funds or obtaining written confirmation/substantiation from DTF that provides a right to receive the funds associated with the TVSP recovery.

	Consolidated		Parent	
Remuneration of staff	2015	2014	2015	2014
The number of staff whose remuneration received or receivable falls within the following bands:	No.	No.	No.	No.
\$141,500-\$151,499	28	17	28	17
\$151,500-\$161,499	7	4	7	4
\$161,500-\$171,499	5	2	5	2
\$171,500-\$181,499	2	2	2	2
\$181,500-\$191,499	4	5	4	5
\$191,500-\$201,499	4	5	4	5
\$201,500-\$211,499	2	-	2	-
\$211,500-\$221,499	3	-	3	-
\$221,500-\$231,499	3	2	3	2
\$231,500-\$241,499	1	1	1	1
\$241,500-\$251,499	1	1	1	1
\$251,500-\$261,499	1	-	1	-
\$271,500-\$281,499	2	2	2	2
\$281,500-\$291,499	1	2	1	2
\$291,500-\$301,499	3	2	3	2
\$301,500-\$311,499	2	2	2	2
\$311,500-\$321,499	1	2	1	2
\$321,500-\$331,499	1	2	1	2
\$331,500-\$341,499	2	4	2	4
\$341,500-\$351,499	-	2	-	2
\$351,500-\$361,499	4	2	4	2
\$361,500-\$371,499	1	1	1	1
\$371,500-\$381,499	2	-	2	-
\$381,500-\$391,499	1	4	1	4

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	Consolidated		Parent	
	2015	2014	2015	2014
	No.	No.	No.	No.
\$391,500-\$401,499	1	3	1	3
\$401,500-\$411,499	3	2	3	2
\$411,500-\$421,499	1	-	1	-
\$421,500-\$431,499	1	4	1	4
\$431,500-\$441,499	-	1	-	1
\$441,500-\$451,499	1	-	1	-
\$451,500-\$461,499	3	2	3	2
\$461,500-\$471,499	1	-	1	-
\$471,500-\$481,499	-	1	-	1
\$481,500-\$491,499	2	1	2	1
\$501,500-\$511,499	-	1	-	1
\$521,500-\$531,499	1	-	1	-
\$531,500-\$541,499	-	1	-	1
\$541,500-\$551,499	-	1	-	1
\$561,500-\$571,499	1	-	1	-
\$581,500-\$591,499	1	-	1	-
\$601,500-\$611,499	1	-	1	-
\$621,500-\$631,499	1	-	1	-
\$641,500-\$651,499	-	1	-	1
Total number of staff	99	82	99	82

	\$'000	\$'000	\$'000	\$'000
Total remuneration received or due and receivable by staff included	25,611	23,146	25,611	23,146

The table includes all staff who received remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (ie there has been no increase in executive remuneration since 1 July 2013). Remuneration of staff reflects all costs of employment including salaries and wages, superannuation contributions, FBT and any other salary sacrifice benefits.

Where staff have left the Hospital, the remuneration reflects lump sum long service leave, annual leave and termination benefits.

Staff whose remuneration was equal to or greater than the base executive remuneration level can be categorised by employment group as follows:

- Medical (excluding Nursing) remuneration \$18.356 million, 56 staff (\$16.386 million, 49 staff);
- Executive remuneration \$2.745 million, 13 staff (\$2.735 million, 13 staff);
- Nursing remuneration \$3.597 million, 24 staff (\$3.392 million, 17 staff);
- Non-medical (i.e. administration) remuneration \$0.913 million, 6 staff (\$0.633 million, 3 staff);

The total remuneration received by these staff for the year was \$25.611 million (\$23.146 million).

For the purpose of this note, remuneration does not include amounts in payment or reimbursement of out of pocket expenses incurred for the benefit of the entity or a controlled entity.

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5 Supplies and services	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Administration	1,708	590	1,708	590
Advertising	508	962	508	962
Communication	3,300	4,081	3,300	4,081
Computing	10,958	7,521	10,958	7,521
Contractors	2,118	3,797	2,118	3,797
Contractors - agency staff	15,831	13,745	15,831	13,745
Consultants	119	46	119	46
Contract of services	19,910	19,872	19,910	19,872
Drug supplies	13,017	12,108	13,017	12,108
Electricity, gas and fuel	10,680	11,055	10,680	11,055
Fee for service	79,021	76,152	79,021	76,152
Finance lease contingent rentals	1,936	2,272	1,936	2,272
Food supplies	9,700	9,932	9,700	9,932
Housekeeping	7,566	7,628	7,566	7,628
Insurance	6,970	6,446	6,970	6,446
Internal SA Health SLA payments	14,502	14,021	14,502	14,021
Legal	104	129	101	120
Medical, surgical and laboratory supplies	36,437	35,772	36,437	35,772
Minor equipment	8,648	9,295	8,648	9,295
Motor vehicle expenses	2,874	2,931	2,874	2,931
Occupancy rent and rates	5,222	5,160	5,222	5,160
Patient transport	17,017	15,206	17,017	15,206
Payments to Shared Services SA	6,709	6,313	6,709	6,313
Periodical, journals and publications	171	135	171	135
Postage	1,255	1,366	1,255	1,366
Printing and stationery	3,530	2,884	3,530	2,884
Rental expense on operating lease	4,070	5,436	4,070	5,436
Repairs and maintenance	21,195	17,945	21,195	17,940
Security	518	592	518	592
Staff training and development	3,078	2,777	3,078	2,777
Staff travel expenses	3,373	2,921	3,373	2,921
Waste removal	1,367	1,343	1,367	1,343
Other supplies and services	4,472	3,777	4,470	3,753
Total supplies and services	317,884	304,210	317,879	304,172

Consolidated	2015		2014	
The number and dollar amount of consultancies paid/payable (included in supplies and services expense) that fell within the following bands:	No.	\$'000	No.	\$'000
Below \$10,000	1	6	2	14
Above \$10,000	5	113	1	32
Total paid/payable to consultants engaged	6	119	3	46

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Parent		2015		2014
The number and dollar amount of consultancies paid/payable (included in supplies and services expense) that fell within the following bands:	No.	\$'000	No.	\$'000
Below \$10,000	1	6	2	14
Above \$10,000	5	113	1	32
Total paid/payable to consultants engaged	6	119	3	46

The 2014 comparative information for supplies and services has been amended to better reflect the nature of the transactions in accordance with Note 2.7 above. Reclassification has occurred from Note 7 grants and subsidies. The amendments made had no impact on reported equity.

The following significant adjustments were made to the 2014 comparative information:

	Consolidated		Parent	
	2014	2014	2014	2014
	Reported	Adjusted	Reported	Adjusted
	\$'000	\$'000	\$'000	\$'000
Supplies and Services				
Contractors	-	3,797		3,797
Contractors - agency staff	31,563	13,745	31,563	13,745
Contract of service	-	19,872	-	19,872
Fee for service	75,905	76,152	75,905	76,152
Internal SA Health SLA payments	-	14,021	-	14,021

6 Depreciation and amortisation expense

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings and improvements	20,351	18,273	9,051	7,900
Site Improvements	1,528	1,023	611	318
Computing equipment	5	14	5	14
Medical, surgical, dental and biomedical equipment	3,539	3,788	3,539	3,788
Motor vehicles	121	90	121	90
Power generation and transmission	439	286	439	286
Other plant and equipment	521	580	521	580
Total depreciation	26,504	24,054	14,287	12,976

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Amortisation				
Buildings and improvements under finance lease	2,047	2,120	2,047	2,120
Leasehold improvements	159	343	159	343
Plant and equipment under finance lease	55	68	55	68
Intangible assets	21	-	21	-
Total amortisation	2,282	2,531	2,282	2,531
Total depreciation and amortisation	28,786	26,585	16,569	15,507

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7 Grants and subsidies	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Recurrent grants	302	209	302	209
Funding to non-government organisations	3,130	4,136	3,130	4,136
Other	354	64	-	-
Total grants and subsidies	3,786	4,409	3,432	4,345

The 2014 comparative information for grants and subsidies has been amended to better reflect the nature of the transactions in accordance with Note 2.7 above. Reclassification has occurred from grants and subsidies to Note 5 supplies and services. The amendments made had no impact on reported equity.

The following significant adjustments were made to the 2014 comparative information:

Grants and subsidies	Consolidated		Parent	
	2014	2014	2014	2014
	Reported	Adjusted	Reported	Adjusted
	\$'000	\$'000	\$'000	\$'000
Recurrent grants	24,348	209	24,348	209
Capital grants	3	-	3	-
Subsidies	113	-	113	-
Funding to non-government organisations	-	4,136	-	4,136

8 Borrowing costs	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Finance charges on finance leases	1,792	1,685	1,792	1,685
Interest on borrowings	171	205	171	205
Other finance charges	9	11	9	11
Total borrowing cost expenses	1,972	1,901	1,972	1,901

9 Other expenses	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
Bad and doubtful debts	20	2,105	3,943	2,105	3,943
Donated assets expense		270	18	4,497	39,452
Bank fees and charges		58	80	57	79
Net loss on revaluation of shares		26	-	26	-
Other		1,373	3,074	1,373	3,075
Total other expenses		3,832	7,115	8,058	46,549

10 Auditor's remuneration	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements				
Auditor fees - auditing financial statements	695	717	695	717
Auditor fees - other services	56	55	56	55
Total audit fees	751	772	751	772

No other services were provided by the Auditor-General's Department.

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Auditor's remuneration costs are recognised in the Statement of Comprehensive Income and included in the balance of 'Other expenses – Other' (refer Note 9).

11 Revenue from fees and charges	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Ambulance transport	23	-	23	-
Fines, fees and penalties	4	-	4	-
Insurance recoveries from health services	66	112	66	112
Patient and client fees	20,472	21,614	20,472	21,614
Private practice fees	849	249	849	249
Recoveries	15,275	13,741	15,275	13,741
Residential and other aged care charges	26,248	25,228	26,248	25,228
Sale of goods - medical supplies	1,622	1,525	1,622	1,525
Other user charges and fees	18,840	18,893	18,840	18,893
Total fees and charges	83,399	81,362	83,399	81,362

12 Grants and contributions	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
12.1 Commonwealth revenues / grants and contributions				
Commonwealth grants and donations	40,487	40,448	40,487	40,448
Commonwealth aged care subsidies	67,978	62,626	67,978	62,626
Pharmaceutical benefits scheme Commonwealth subsidy	5,791	4,164	5,791	4,164
Total Commonwealth grants and contributions	114,256	107,238	114,256	107,238
12.2 Grants and contributions from SA Government agencies	\$'000	\$'000	\$'000	\$'000
Capital contributions	-	-	353	610
Other Grants and Contributions from SA Government agencies	8,556	7,439	9,774	7,896
Total grants and contributions from SA Government agencies	8,556	7,439	10,127	8,506
12.3 Private sector grants and contributions	\$'000	\$'000	\$'000	\$'000
Private sector capital contributions	228	-	228	-
Private sector grants and contributions	8,828	9,668	8,828	9,668
Total private sector grants and contributions	9,056	9,668	9,056	9,668
Total grants and contributions	131,868	124,345	133,439	125,412

Restrictions on contributions received

Of the \$131.868 million (\$124.345 million) received in 2014-15 for grants and contributions, \$132.858 million (\$124.345 million) was provided for specific purposes, such as health services and associated activities.

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13 Interest revenue	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Interest from SAFA	33	33	33	33
Bank Interest	2,694	3,133	2,363	2,752
Total interest received	2,727	3,166	2,396	2,785
14 Resources received free of charge	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Buildings	510	-	510	-
Plant and equipment	-	12	-	12
Total resources received free of charge	510	12	510	12
15 Net gain/(loss) from disposal of non-current and other assets	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Land and buildings				
Proceeds from disposal	-	90	-	90
Less net book value of assets disposed	(16)	(2,050)	(16)	(2,047)
Net gain/(loss) from disposal of land and buildings	(16)	(1,960)	(16)	(1,957)
Plant and equipment				
Proceeds from disposal	29	-	29	-
Less net book value of assets disposed	(310)	(482)	(310)	(482)
Net gain/(loss) from disposal of plant and equipment	(281)	(482)	(281)	(482)
Total assets				
Total proceeds from disposal	29	90	29	90
Less total value of assets disposed	(326)	(2,532)	(326)	(2,529)
Total net gain/loss from disposal of assets	(297)	(2,442)	(297)	(2,439)
16 Other revenue	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Commissions revenue	9	7	9	7
Dividend revenue	4	4	4	4
Training revenue	5	2	5	2
Other	2,498	1,918	1,629	1,044
Total other revenue	2,516	1,931	1,647	1,057

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17 Revenue from SA Government	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Revenue from SA Government (Department contributions for the provision of health services)				
Recurrent funding	586,523	556,834	586,523	556,834
Capital funding	30,007	75,978	30,007	75,978
TVSP recovery funds from Department of Treasury and Finance	-	6,142	-	6,142
Total revenues from Department for Health and Ageing	616,530	638,954	616,530	638,954

Total revenue from SA Government consist of \$586.523 million (\$556.834 million) for operational funding and \$30.007 million (\$75.978 million) for capital projects. For details on expenditure associated with the operational funding and capital funding received refer to the above expenditure notes.

There were no material variations between the amount appropriated and the expenditure associated with this appropriation.

18 Unexpended funding commitments

The Hospital is engaged in a variety of funding programs involving State and Commonwealth sources who provide monies to the Hospital on the premise that these funds are expended in a manner consistent with the terms of the program. The Hospital had outstanding funding commitments to the following programs:

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Aboriginal Primary Health Care Access Plan /Office for Aboriginal and Torres Strait Islander Health	-	400	-	400
Trachoma	150	300	150	300
Home and Community Care /Aged Care Assessment Program	425	-	425	-
Total unexpended funding commitments	575	700	575	700

19 Cash and cash equivalents

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand - non-government financial institutions	55,433	60,141	50,004	55,376
Imprest account/cash on hand	111	147	110	146
Total cash	55,544	60,288	50,114	55,522

Interest rate risk

Cash on hand is non-interest bearing. Interest rate risk exposure is detailed in Note 32. The carrying amount of cash and cash equivalents represents fair value.

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20 Receivables	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Patient/client fees				
Compensable	44	50	44	50
Aged care	6,042	7,297	6,042	7,297
Other	4,587	4,259	4,587	4,259
Workers compensation provision recoverable	2,484	2,366	2,484	2,366
Interest income receivable	448	360	413	312
Prepayments	720	351	720	351
Debtors	8,573	13,733	8,573	13,733
Receivables	22,898	28,416	22,863	28,368
Less: allowance for doubtful debts	(2,234)	(2,780)	(2,234)	(2,780)
Sundry receivables and accrued revenue	8,665	7,246	9,210	7,836
GST recoverable	1,372	1,353	1,368	1,348
Total current receivables	30,701	34,235	31,207	34,772
Non-Current				
Workers compensation provision recoverable	3,886	7,627	3,886	7,627
Debtors	123	137	123	137
Receivables	4,009	7,764	4,009	7,764
GST recoverable	1,752	1,948	1,752	1,948
Total non-current receivables	5,761	9,712	5,761	9,712
Total receivables	36,462	43,947	36,968	44,484

Interest rate and credit risk

Receivables are raised for goods and services provided for which payment has not been received. Receivables are generally settled within 30 days. Trade receivables, prepayments and accrued revenues are non-interest bearing. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Categorisation and maturity analysis of financial instruments, ageing analysis of financial assets and risk exposure

Refer to Note 32.

Bad and doubtful debts

The Hospital has recognised a bad and doubtful debt expense of \$2.105 million (\$3.943 million) in the Statement of Comprehensive Income.

Movement in the allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired.

An allowance for impairment loss has been recognised in other expenses in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

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	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Movements in the allowance for doubtful debts (impairment loss)				
Carrying amount at the beginning of the period	2,780	1,114	2,780	1,114
Amounts written off	(842)	(919)	(842)	(919)
Amounts recovered during the year	-	1	-	1
Increase/(Decrease) in allowance recognised in the Statement of Comprehensive Income	296	2,584	296	2,584
Carrying amount at the end of the period	2,234	2,780	2,234	2,780

Revision of accounting estimates

During the year, the Hospital reassessed the calculation of doubtful debts allowance for aged care, as a result of new information available regarding collectability rates. This has resulted in an increase in the allowance for doubtful debts.

Based on the ageing profile of receivables as at 30 June 2015, this has resulted in an increase of \$0.688 million in the amount of doubtful debts expense for aged care, calculated on these receivables in the 2014-15 financial year relative to the amount that would have been expensed based on the previous estimate of the doubtful debts allowance.

It is impracticable to estimate the effect on future years.

21 Inventories

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current - held for distribution				
Drug supplies	1,928	1,538	1,928	1,538
Medical, surgical and laboratory supplies	2,401	2,974	2,401	2,974
Food and hotel supplies	510	705	510	705
Engineering supplies	88	95	88	95
Other	189	267	189	267
Total current inventories	5,116	5,579	5,116	5,579

Inventory write-down

The Hospital has recognised an inventory write-down of \$0.021 million (\$0.589 million) to net realisable value in the Statement of Comprehensive Income.

22 Other financial assets

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Term deposits:				
Finance institutions	54,632	47,305	46,496	38,713
SA Government Financing Authority	1,225	1,215	1,225	1,215
Other investments	84	106	84	106
Total current investments	55,941	48,626	47,805	40,034

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	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Non-current				
Other investments	77	77	-	-
Total non-current investments	77	77	-	-
Total investments	56,018	48,703	47,805	40,034

Categorisation and maturity analysis of other financial assets and risk exposure information

Refer to Note 32.

23 Property, plant and equipment

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Land and buildings				
Land only holdings at fair value	875	1,114	145	387
Site land at fair value	46,106	43,893	18,659	18,055
Land at fair value	46,981	45,007	18,804	18,442
Buildings and improvements at fair value	626,275	619,977	274,552	264,004
Buildings and improvements under finance lease at fair value	90,714	81,178	90,714	81,178
Site improvements at fair value	97,541	20,584	46,902	8,287
Buildings and improvements under construction (work in progress)	2,690	45,201	2,690	45,201
Buildings and improvements	817,220	766,940	414,858	398,670
Accumulated amortisation - buildings and improvements under finance lease	172	3,228	172	3,228
Accumulated depreciation - buildings and improvements	2,555	36,997	1,231	15,724
Accumulated amortisation/depreciation	2,727	40,225	1,403	18,952
Total land, buildings and improvements	861,474	771,722	432,259	398,160
Leasehold improvements				
Leasehold improvements at fair value	741	741	741	741
Accumulated amortisation	539	380	539	380
Total leasehold improvements	202	361	202	361
Plant and equipment				
Computing equipment at cost (deemed fair value)	348	348	348	348
Medical, surgical, dental and biomedical equipment at cost (deemed fair value)	42,096	42,481	42,096	42,481
Motor vehicles at cost (deemed fair value)	2,574	2,696	2,574	2,696
Power generation and transmission at cost (deemed fair value)	5,940	5,431	5,940	5,431
Other plant and equipment at cost (deemed fair value)	9,635	10,734	9,635	10,734
Plant and equipment under finance lease at fair value	565	565	565	565
Plant and equipment under construction (work in progress)	1,824	555	1,824	555
Total plant and equipment	62,982	62,810	62,982	62,810

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	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Accumulated depreciation - computing equipment	343	338	343	338
Accumulated depreciation - medical, surgical, dental and biomedical equipment	34,180	33,146	34,180	33,146
Accumulated depreciation - motor vehicles	1,891	1,908	1,891	1,908
Accumulated depreciation - power generation and transmission	3,517	3,077	3,517	3,077
Accumulated depreciation - other plant and equipment	5,453	5,718	5,453	5,718
Accumulated amortisation - plant and equipment under finance lease	413	358	413	358
Accumulated amortisation/depreciation	45,797	44,545	45,797	44,545
Total plant and equipment	17,185	18,265	17,185	18,265
Total property, plant and equipment	878,861	790,348	449,646	416,786

Valuation of land and buildings

An independent valuation of land and buildings, including site improvements, was performed in May 2015 by a Certified Practising Valuer from Liquid Pacific Holdings Pty Ltd, as at 1 June 2015.

The valuer arrived at the fair value of unrestricted land using the market approach. The valuation was based on recent market transactions for similar land and buildings (non-specialised) in the area and includes adjustment for factors specific to the land and buildings being valued such as size, location and current use.

The valuer used depreciated replacement cost for specialised land and buildings, due to there not being an active market for such land and buildings. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature of the assets, including the restricted use of the assets; the size, condition, location and current use of the assets. The valuation was based on a combination of internal records, specialised knowledge and the acquisition/transfer costs.

Impairment

There were no indications of impairment of property, plant and equipment and infrastructure assets at 30 June 2015.

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
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Reconciliation of land and improvements

The following table shows the movement of land and improvements during 2014-15

	Land	Buildings and improve- ments	Leasehold improve- ments	Capital works in progress	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	45,007	681,514	361	45,201	772,083
Additions	-	22	-	23,276	23,298
Assets received free of charge	-	-	-	510	510
Disposals	(211)	(75)	-	-	(286)
Revaluation increment/(decrement)	2,185	88,477	-	-	90,662
Depreciation and amortisation	-	(23,926)	(159)	-	(24,085)
Transfers between asset classes	-	65,794	-	(66,296)	(502)
Other movements	-	(3)	-	(1)	(4)
Carrying amount at the end of the period	46,981	811,803	202	2,690	861,676

Reconciliation of land and improvements

The following table shows the movement of land and improvements during 2013-14

	Land	Buildings and improve- ments	Leasehold improve- ments	Capital works in progress	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	45,528	580,615	65	103,912	730,120
Additions	-	420	-	69,669	70,089
Disposals	(521)	(1,529)	-	-	(2,050)
Revaluation increment/(decrement)	-	(543)	-	-	(543)
Depreciation and amortisation	-	(21,412)	(343)	-	(21,755)
Transfers between asset classes	-	123,920	639	(127,806)	(3,247)
Other movements	-	43	-	(574)	(531)
Carrying amount at the end of the period	45,007	681,514	361	45,201	772,083

Land includes land only holdings at fair value and site land at fair value

Buildings and improvements include buildings and improvements at fair value, buildings and improvements under finance lease and site improvements at fair value

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
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Reconciliation of plant and equipment

The following table shows the movement of plant and equipment during 2014-15

	Medical/ surgical/ dental/ biomedical	Computer equipment	Capital works in progress	Other plant and equipment	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	9,335	10	555	8,365	18,265
Additions	744	-	2,451	215	3,410
Disposals	(155)	-	-	(155)	(310)
Depreciation and amortisation	(3,539)	(5)	-	(1,136)	(4,680)
Transfers between asset classes	1,530	-	(1,182)	154	502
Other movements	1	-	-	(3)	(2)
Carrying amount at the end of the period	7,916	5	1,824	7,440	17,185

Reconciliation of plant and equipment

The following table shows the movement of plant and equipment during 2013-14

	Medical/ surgical/ dental/ biomedical	Computer equipment	Capital works in progress	Other plant and equipment	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	9,311	24	1,523	5,970	16,828
Additions	1,304	-	1,400	883	3,587
Assets received free of charge	12	-	-	-	12
Disposals	(197)	-	-	(285)	(482)
Depreciation and amortisation	(3,788)	(14)	-	(1,024)	(4,826)
Transfers between asset classes	2,692	-	(2,265)	2,820	3,247
Other movements	1	-	(103)	1	(101)
Carrying amount at the end of the period	9,335	10	555	8,365	18,265

Other plant and equipment includes motor vehicles under finance lease, motor vehicles at cost, plant and equipment - major at cost, plant and equipment under finance lease, power generation and transmission and other plant and equipment at cost.

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PARENT

Reconciliation of land and improvements

The following table shows the movement of land and improvements during 2014-15

	Land	Buildings and improve- ments	Leasehold improve- ments	Capital works in progress	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	18,442	334,517	361	45,201	398,521
Additions	-	22	-	23,276	23,298
Assets received free of charge	-	-	-	510	510
Disposals	(211)	(75)	-	(3,163)	(3,449)
Revaluation increment/(decrement)	650	26,375	-	-	27,025
Depreciation and amortisation	-	(11,709)	(159)	-	(11,868)
Acquisition/(disposal) through administrative	(77)	(913)	-	-	(990)
Transfers between asset classes	-	62,550	-	(63,133)	(583)
Other movements	-	(2)	-	(1)	(3)
Carrying amount at the end of the period	18,804	410,765	202	2,690	432,461

Reconciliation of land and improvements

The following table shows the movement of land and improvements during 2013-14

	Land	Buildings and improve- ments	Leasehold improve- ments	Capital works in progress	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	20,003	278,995	65	103,912	402,975
Additions	-	420	-	69,669	70,089
Disposals	(521)	(35,853)	-	(5,065)	(41,439)
Revaluation increment/(decrement)	-	(543)	-	-	(543)
Depreciation and amortisation	-	(10,338)	(343)	-	(10,681)
Acquisition/(disposal) through administrative	(1,040)	(17,022)	-	-	(18,062)
Transfers between asset classes	-	118,855	639	(122,741)	(3,247)
Other movements	-	3	-	(574)	(571)
Carrying amount at the end of the period	18,442	334,517	361	45,201	398,521

Land includes land only holdings at fair value and site land at fair value

Buildings and improvements include buildings and improvements at fair value, buildings and improvements under finance lease and site improvements at fair value

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
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Reconciliation of plant and equipment

The following table shows the movement of plant and equipment during 2014-15

	Medical/ surgical/ dental/ biomedical	Computer equipment	Capital works in progress	Other plant and equipment	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	9,335	10	555	8,365	18,265
Additions	744	-	2,451	215	3,410
Disposals	(155)	-	-	(155)	(310)
Depreciation and amortisation	(3,539)	(5)	-	(1,136)	(4,680)
Transfers between asset classes	1,530	-	(1,182)	154	502
Other movements	1	-	-	(3)	(2)
Carrying amount at the end of the period	7,916	5	1,824	7,440	17,185

Reconciliation of plant and equipment

The following table shows the movement of plant and equipment during 2013-14

	Medical/ surgical/ dental/ biomedical	Computer equipment	Capital works in progress	Other plant and equipment	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	9,311	24	1,523	5,970	16,828
Additions	1,304	-	1,400	883	3,587
Assets received free of charge	12	-	-	-	12
Disposals	(197)	-	-	(285)	(482)
Depreciation and amortisation	(3,788)	(14)	-	(1,024)	(4,826)
Transfers between asset classes	2,692	-	(2,265)	2,820	3,247
Other movements	1	-	(103)	1	(101)
Carrying amount at the end of the period	9,335	10	555	8,365	18,265

Other plant and equipment includes motor vehicles under finance lease, motor vehicles at cost, plant and equipment - major at cost, plant and equipment under finance lease, power generation and transmission and other plant and equipment at cost.

24 Intangible assets

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Computer software and residential aged care bed licences				
Other computer software	181	-	181	-
Accumulated amortisation (Other Computer Software)	21	-	21	-
Residential aged care bed licences	700	700	700	700
Total intangible assets	860	700	860	700

Impairment

There were no indications of impairment of intangible assets at 30 June 2015.

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CONSOLIDATED

Reconciliation of intangibles

The following table shows the movement of intangibles during 2014-15

	Capital works in progress	Internally developed computer software	Other computer software	Bed Licences	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	-	-	-	700	700
Additions	153	-	28	-	181
Amortisation	-	-	(21)	-	(21)
Transfers between asset classes	(153)	-	153	-	-
Carrying amount at the end of the period	-	-	160	700	860

Reconciliation of intangibles

The following table shows the movement of intangibles during 2013-14

	Capital works in progress	Internally developed computer software	Other computer software	Bed Licences	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	-	-	-	700	700
Carrying amount at the end of the period	-	-	-	700	700

PARENT

Reconciliation of intangibles

The following table shows the movement of intangibles during 2014-15

	Capital works in progress	Internally developed computer software	Other computer software	Bed Licences	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	-	-	-	700	700
Additions	153	-	28	-	181
Amortisation	-	-	(21)	-	(21)
Transfers between asset classes	(153)	-	153	-	-
Carrying amount at the end of the period	-	-	160	700	860

Reconciliation of intangibles

The following table shows the movement of intangibles during 2013-14

	Capital works in progress	Internally developed computer software	Other computer software	Bed Licences	TOTAL
		\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	-	-	-	700	700
Carrying amount at the end of the period	-	-	-	700	700

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25 Fair Value Measurement

Fair Value Hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The Hospital categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2015.

The Hospital had no valuations categorised into Level 1.

Fair value measurements at 30 June 2015

	Consolidated			Parent		
	Level 2	Level 3	2015	Level 2	Level 3	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements						
Land (Note 23)	46,981	-	46,981	18,804	-	18,804
Buildings (Note 23)	-	811,803	811,803	-	410,765	410,765
Leasehold improvements (Note 23)	-	202	202	-	202	202
Plant and Equipment (Note 23)	-	15,361	15,361	-	15,361	15,361
Total	46,981	827,366	874,347	18,804	426,328	445,132

Fair value measurements at 30 June 2014

	Consolidated			Parent		
	Level 2	Level 3	2014	Level 2	Level 3	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements						
Land (Note 23)	45,007	-	45,007	18,442	-	18,442
Buildings (Note 23)	-	681,514	681,514	-	334,517	334,517
Leasehold improvements (Note 23)	-	361	361	-	361	361
Plant and Equipment (Note 23)	-	17,710	17,710	-	17,710	17,710
Total	45,007	699,585	744,592	18,442	352,588	371,030

There were no transfers of assets between Level 1 and 2 fair value hierarchy levels in 2014-15. The Hospital's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques and inputs

Land fair values were derived by using Level 2 valuation inputs, being recent sales transactions of other similar land holdings within the region, adjusted for differences in key attributes such as property size, zoning and any restrictions on use.

Due to the predominantly specialised nature of health service assets, the majority of building and plant and equipment valuations have been undertaken using a cost approach (depreciated replacement cost), an accepted valuation methodology under AASB 13. The extent of unobservable inputs and professional judgement required in valuing these assets is significant, and as such they are deemed to have been valued using Level 3 valuation inputs.

Unobservable inputs used to arrive at final valuation figures included:

- Estimated remaining useful life, which is an economic estimate and by definition, is subject to economic influences;
- Cost rate, which is the estimated cost to replace an asset with the same service potential as the asset undergoing valuation (allowing for over-capacity), and based on a combination of internal records including: refurbishment and upgrade costs, historical construction costs, functional utility users, industry construction guides, specialised knowledge and estimated acquisition/transfer costs;

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- Characteristics of the asset, including condition, location, any restrictions on sale or use and the need for ongoing provision of Government services;
- Effective life, being the expected life of the asset assuming general maintenance is undertaken to enable functionality but no upgrades are incorporated which extend the technical life or functional capacity of the asset; and
- Depreciation methodology, noting that AASB 13 dictates that regardless of the depreciation methodology adopted, the exit price should remain unchanged.

Although there were some buildings valued using Level 2 inputs, the fair value of these was immaterial in comparison to the whole class, therefore all buildings have been classified as Level 3.

Valuation techniques and inputs used to derive Level 2 and 3 fair values are at Note 23. There were no changes in valuation techniques during 2015.

The following table is a reconciliation of fair value measurements using significant unobservable inputs (Level 3).

Reconciliation of Level 3 recurring fair value measurements at 30 June 2015

CONSOLIDATED

	Buildings and improve- ments \$'000	Plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	681,875	17,710	699,585
Additions	22	959	981
Disposals	(75)	(310)	(385)
Transfer into Level 3*	65,794	1,684	67,478
Other movements	(3)	(2)	(5)
Gains/(losses) for the period recognised in net result:			
- Depreciation and amortisation	(24,085)	(4,680)	(28,765)
Total gains/(losses) recognised in net result	(24,085)	(4,680)	(28,765)
Gains/(losses) for the period recognised in Other Comprehensive Income (OCI)			
- Revaluation increment/(decrement)	88,477	-	88,477
Total gains/(losses) recognised OCI	88,477	-	88,477
Carrying amount at the end of the period	812,005	15,361	827,366

Reconciliation of Level 3 recurring fair value measurements at 30 June 2014

	Buildings and improve- ments \$'000	Plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	580,680	15,305	595,985
Additions	420	2,187	2,607
Assets received free of charge	-	12	12
Disposals	(1,529)	(482)	(2,011)
Transfer into Level 3*	124,559	5,512	130,071
Other movements	43	2	45

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	Buildings and improve- ments \$'000	Plant and equipment \$'000	Total \$'000
Gains/(losses) for the period recognised in net result:			
- Depreciation and amortisation	(21,755)	(4,826)	(26,581)
Total gains/(losses) recognised in net result	(21,755)	(4,826)	(26,581)
Gains/(losses) for the period recognised in Other Comprehensive Income (OCI)			
- Revaluation increment/(decrement)	(543)	-	(543)
Total gains/(losses) recognised OCI	(543)	-	(543)
Carrying amount at the end of the period	681,875	17,710	699,585

* The Hospital's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.
Assets transferred into Level 3 comprise capitalisation of assets from work in progress.

Buildings and improvements includes leasehold improvements but excludes works in progress.

Plant and equipment includes computer, medical, surgical, dental, biomedical and other plant and equipment but excludes works in progress.

Reconciliation of Level 3 recurring fair value measurements at 30 June 2015

PARENT

	Buildings and improve- ments \$'000	Plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	334,878	17,710	352,588
Additions	22	959	981
Disposals	(75)	(310)	(385)
Acquisition / (disposal) through administrative restructuring	(913)	-	(913)
Transfer into Level 3*	62,550	1,684	64,234
Other movements	(2)	(2)	(4)
Gains/(losses) for the period recognised in net result:			
- Depreciation and amortisation	(11,868)	(4,680)	(16,548)
Total gains/(losses) recognised in net result **	(11,868)	(4,680)	(16,548)
Gains/(losses) for the period recognised in Other Comprehensive Income (OCI)			
- Revaluation increment/(decrement)	26,375	-	26,375
Total gains/(losses) recognised OCI	26,375	-	26,375
Carrying amount at the end of the period	410,967	15,361	426,328

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Reconciliation of Level 3 recurring fair value measurements at 30 June 2014

	Buildings and improve- ments \$'000	Plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	279,060	15,305	294,365
Additions	420	2,187	2,607
Assets received free of charge	-	12	12
Disposals	(35,853)	(482)	(36,335)
Acquisition / (disposal) through administrative restructuring	(17,022)	-	(17,022)
Acquisition / (disposal) through transfers	-	-	-
Transfer into Level 3*	119,494	5,512	125,006
Other movements	3	2	5
Gains/(losses) for the period recognised in net result:	-	-	-
- Depreciation and amortisation	(10,681)	(4,826)	(15,507)
Total gains/(losses) recognised in net result	(10,681)	(4,826)	(15,507)
Gains/(losses) for the period recognised in Other Comprehensive Income (OCI)	-	-	-
- Revaluation increment/(decrement)	(543)	-	(543)
Total gains/(losses) recognised OCI	(543)	-	(543)
Carrying amount at the end of the period	334,878	17,710	352,588

* The Hospital's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Assets transferred into Level 3 comprise capitalisation of assets from work in progress.

Buildings and improvements includes leasehold improvements but excludes works in progress.

Plant and equipment includes computer, medical, surgical, dental, biomedical and other plant and equipment but excludes works in progress.

26 Payables	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Creditors and accrued expenses	29,913	28,534	29,927	28,534
Paid Parental Leave Scheme payable	141	74	141	74
Staff on-costs	6,077	5,906	6,077	5,906
Other payables	633	555	633	555
Total current payables	36,764	35,069	36,778	35,069
Non-current				
Staff on-costs	3,142	2,103	3,142	2,103
Total non-current payables	3,142	2,103	3,142	2,103
Total payables	39,906	37,172	39,920	37,172

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As a result of an actuarial assessment performed by Mercer Consulting (Australia) Pty Ltd, the percentage of the proportion of long service leave taken as leave has increased from the 2014 rate of 40% to 51%. Further, the average factor for the calculation of staff superannuation cost on-cost has decreased from 10.85% in 2014 to 9.96%. These rates are used in the staff on-cost calculation. The net financial effect of the above changes in the current financial year is an increase in the staff on-cost of \$1.114 million and staff benefits expense of \$1.114 million. The estimated impact on 2016 and 2017 is \$1.148 million and \$1.182 million respectively.

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Staff on-costs are settled when the respective staff benefits that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to the amounts being payable on demand.

Categorisation of financial instruments, maturity analysis of borrowings and risk exposure information

Refer to Note 32.

27 Borrowings	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Loans	734	666	734	666
Finance lease	2,420	2,333	2,420	2,333
Total current borrowings	3,154	2,999	3,154	2,999
Non-current				
Loans	2,754	3,499	2,754	3,499
Finance lease	19,268	21,422	19,268	21,422
Total non-current borrowings	22,022	24,921	22,022	24,921
Total borrowings	25,176	27,920	25,176	27,920

Categorisation of financial instruments, maturity analysis of payables and risk exposure information

Refer to Note 32.

The 2014 comparative information for borrowings has been amended in accordance with Note 2.1 above. Finance leases were reclassified from other liabilities to borrowings in accordance with the Department of Treasury and Finance model financial statements. The amendments made had no impact on reported equity.

The following significant adjustments were made to the 2014 comparative information:

Borrowings	Consolidated		Parent	
	2014	2014	2014	2014
	Reported	Adjusted	Reported	Adjusted
	\$'000	\$'000	\$'000	\$'000
Finance lease - current	-	2,333	-	2,333
Finance lease - non current	-	21,422	-	21,422

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28 Staff benefits	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Annual leave	40,083	37,692	40,083	37,692
Long service leave	11,584	8,555	11,584	8,555
Accrued salaries and wages	17,050	14,733	17,050	14,733
Skills and experience retention leave	3,216	2,307	3,216	2,307
Other	19	34	19	34
Total current staff benefits	71,952	63,321	71,952	63,321
Non-current				
Long service leave	69,838	68,071	69,838	68,071
Total non-current staff benefits	69,838	68,071	69,838	68,071
Total staff benefits	141,790	131,392	141,790	131,392

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability. The actuarial assessment performed by Mercer Consulting (Australia) Pty Ltd has provided a basis for the measurement of long service leave.

AASB119 requires the use of a yield on long term Commonwealth Government bonds which matches the expected term of the liabilities as the discount rate in the measurement of the long service leave liability. The appropriate yield on long term Commonwealth Government bonds has decreased from 2014 (3.5%) to 2015 (2.7%).

This decrease of the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

Annual leave and skills and experience retention leave staff benefits calculations at 30 June 2015 include a salary inflation rate of 3%

The net financial effect of the change in the current financial year is an increase in the long service leave liability of \$4.080 million and staff benefit expense of \$4.287 million. The impact on the future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption is the long-term discount rate.

The actuarial assessment performed by Mercer Consulting (Australia) Pty Ltd, reduced the salary inflation rate from 4.0% per annum, to 3.0% per annum. As a result, there was a net reduction in the long service leave liability of \$4.722 million for the current financial year.

29 Provisions	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Provision for workers compensation	7,104	7,183	7,104	7,183
Total current provisions	7,104	7,183	7,104	7,183
Non-current				
Provision for workers compensation	14,768	18,369	14,768	18,369
Total non-current provisions	14,768	18,369	14,768	18,369
Total provisions	21,872	25,552	21,872	25,552

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29.1 Reconciliation of workers compensation	Consolidated		Parent	
The following table shows the movement of workers compensation:	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	25,552	25,059	25,552	25,059
Additional provisions recognised	-	493	-	493
Reductions resulting from re-measurement or settlement without cost	(3,680)	-	(3,680)	-
Carrying amount at the end of the period	21,872	25,552	21,872	25,552

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by Taylor Fry Consulting Actuaries.

30 Other liabilities	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Unclaimed monies	235	206	235	206
Unearned revenue	134	1,734	134	1,734
Residential aged care bonds	46,402	39,333	46,402	39,333
Other	78	95	78	95
Total other liabilities	46,849	41,368	46,849	41,368

The 2014 comparative information for other liabilities has been amended in accordance with Note 2.1 above. Finance leases were reclassified from other liabilities to borrowings in accordance with the Department of Treasury and Finance model financial statements. The amendments made had no impact on reported equity.

The following significant adjustments were made to the 2014 comparative information:

	Consolidated		Parent	
	2014	2014	2014	2014
	Reported	Adjusted	Reported	Adjusted
	\$'000	\$'000	\$'000	\$'000
Other liabilities				
Finance lease - current	2,333	-	2,333	-
Finance lease - non current	21,422	-	21,422	-

31 Equity	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Asset revaluation surplus	178,324	87,133	99,893	72,339
Retained earnings	578,944	599,028	215,009	227,362
Total equity	757,268	686,161	314,902	299,701

The asset revaluation surplus is used to record increments and decrements in the fair value of land, buildings and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

32 Financial instruments / financial risk management

32.1 Financial risk management

Risk management is managed by the Department for Health and Ageing's Risk and Assurance Services section and risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

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The Hospital is exposed to financial risk – liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

32.2 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2.

Refer to Table 32.3 for the carrying amounts of each of the following categories of financial assets and liabilities: Held-to-maturity investments; loan and receivables; and financial liabilities measured at cost.

The Hospital does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in Level 2 as all significant inputs required are observable.

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer Notes 2, 20 and 26).
- Borrowings are initially recognised at fair value, plus any transaction cost directly attributable to the borrowings, then subsequently held at amortised cost. The fair value of borrowings approximates the carrying amount, as the impact of discounting is not significant (refer Notes 2 and 27).
- Held-to-maturity investments are initially recognised at fair value, then subsequently held at amortised cost. This is the most representative of fair value in the circumstances (refer Notes 2 and 22).

32.3 Liquidity risk

Liquidity risk arises from the possibility that the Hospital is unable to meet its financial obligations as they fall due. The continued existence of the Hospital is dependent on State Government policy and on continued funding from the Department for Health and Ageing for the Hospital's administration and program delivery. The Hospital settles undisputed accounts within 30 days from the date of the invoice or the date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The Hospital's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount recorded in Table 32.3 represent the Hospital's maximum exposure.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

The following table discloses the carrying amount of each category of financial instrument held by the Hospital including the contractual maturity analysis for financial assets and liabilities (ie liquidity risk).

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Table 32.3 Categorisation and maturity analysis of financial assets and liabilities

CONSOLIDATED

	Notes	Carrying amount/ Fair value	Contractual maturities			
			Current	Within 1 year	1 - 5 years	More than 5 years
2015		\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and equivalent						
Cash and cash equivalents	19, 36	55,544	55,544	-	-	-
Loans and receivables						
Receivables	20	26,248	26,125	-	123	-
Held to maturity investments						

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	Notes	Carrying amount/ Fair value	Contractual maturities			
			Current	Within 1 year	1 - 5 years	More than 5 years
2015		\$'000	\$'000	\$'000	\$'000	\$'000
Other financial assets	22	56,018	55,941	-	77	-
Total financial assets		137,810	137,610	-	200	-
Financial liabilities						
Financial liabilities at cost						
Payables	26	30,546	30,546	-	-	-
Borrowings	27	3,488	61	673	2,754	-
Other financial liabilities	30	46,849	46,849	-	-	-
Finance lease liability	33	21,688	314	3,454	12,613	5,307
Total financial liabilities		102,571	77,770	4,127	15,367	5,307

	Notes	Carrying amount/ Fair value	Contractual maturities			
			Current	Within 1 year	1 - 5 years	More than 5 years
2014		\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and equivalent						
Cash and cash equivalents	19, 36	60,288	60,288	-	-	-
Loans and receivables						
Receivables	20	30,302	30,165	-	137	-
Held to maturity investments						
Other financial assets	22	48,703	48,626	-	77	-
Total financial assets		139,293	139,079	-	214	-
Financial liabilities						
Financial liabilities at cost						
Payables	26	29,089	29,089	-	-	-
Borrowings	27	4,165	56	611	3,499	-
Other financial liabilities	30	41,368	41,368	-	-	-
Finance lease liability	33	23,755	314	3,449	9,746	10,246
Total financial liabilities		98,377	70,827	4,060	13,245	10,246

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	Notes	Carrying amount/ Fair value	Contractual maturities			
			Current	Within 1 year	1 - 5 years	More than 5 years
2015		\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and equivalent						
Cash and cash equivalents	19, 36	50,114	50,114	-	-	-
Loans and receivables						
Receivables	20	26,758	26,635	-	123	-
Held to maturity investments						
Other financial assets	22	47,805	47,805	-	-	-
Total financial assets		124,677	124,554	-	123	-
Financial liabilities						
Financial liabilities at cost						
Payables	26	30,560	30,560	-	-	-
Borrowings	27	3,488	61	673	2,754	-
Other financial liabilities	30	46,849	46,849	-	-	-
Finance lease liability	33	21,688	314	3,454	12,613	5,307
Total financial liabilities		102,585	77,784	4,127	15,367	5,307

	Notes	Carrying amount/ Fair value	Contractual maturities			
			Current	Within 1 year	1 - 5 years	More than 5 years
2014		\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and equivalent						
Cash and cash equivalents	19, 36	55,522	55,522	-	-	-
Loans and receivables						
Receivables	20	30,844	30,707	-	137	-
Held to maturity investments						
Other financial assets	22	40,034	40,034	-	-	-
Total financial assets		126,400	126,263	-	137	-
Financial liabilities						
Financial liabilities at cost						
Payables	26	29,089	29,089	-	-	-
Borrowings	27	4,165	56	611	3,499	-
Other financial liabilities	30	41,368	41,368	-	-	-
Finance lease liability	33	23,755	314	3,449	9,746	10,246
Total financial liabilities		98,377	70,827	4,060	13,245	10,246

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- (1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth taxes; Auditor-General's Department audit fees etc). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).
- (2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in Note 20 as trade and other receivables in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

The 2014 comparative information for the categorisation and maturity analysis of financial assets and liabilities has been amended to include disclosure of contractual arrangements previously omitted and exclude items considered to be statutory in nature in line with current year treatment.

32.4 Credit risk

Credit risk arises when there is the possibility of the Hospital's debtors defaulting on their contractual obligations resulting in financial loss to the Hospital. The Hospital measures credit risk on a fair value basis and monitors risk on a regular basis.

The Hospital has minimal concentration of credit risk. The Hospital has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Hospital does not engage in high risk hedging for its financial assets. No collateral is held as security and no credit enhancements relate to financial assets held by the Hospital.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer to Note 20 for information on the allowance for impairment in relation to receivables.

The carrying amount of financial assets as detailed in represents the Hospital's maximum exposure to credit risk.

The following table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets.

Table 32.4 Aging analysis of financial assets

CONSOLIDATED						
2015	Carrying amount	Not past due and not impaired	Past due but not impaired			Impaired financial assets
			Overdue for < 30 days	Overdue for 30 - 60 days	Overdue > 60 days	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	55,544	55,544	-	-	-	-
Receivables	26,248	20,125	1,187	775	4,161	2,234
Other financial assets	56,018	56,018	-	-	-	-
	137,810	131,687	1,187	775	4,161	2,234
2014						
Cash and cash equivalents	60,288	60,288	-	-	-	-
Receivables	30,302	25,835	924	652	2,891	2,780
Other financial assets	48,703	48,703	-	-	-	-
	139,293	134,826	924	652	2,891	2,780

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PARENT

2015	Carrying amount	Not past due and not impaired	Past due but not impaired			Impaired financial assets
			Overdue for < 30 days	Overdue for 30 - 60 days	Overdue > 60 days	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	50,114	50,114	-	-	-	-
Receivables	26,758	20,635	1,187	775	4,161	2,234
Other financial assets	47,805	47,805	-	-	-	-
	124,677	118,554	1,187	775	4,161	2,234
2014						
Cash and cash equivalents	55,522	55,522	-	-	-	-
Receivables	30,844	26,377	924	652	2,891	2,780
Other financial assets	40,034	40,034	-	-	-	-
	126,400	121,933	924	652	2,891	2,780

(1) Receivable amounts disclosed here exclude amounts relating to statutory receivables (amounts owing to Government). They are carried at cost.

The 2014 comparative information for the aging analysis of financial assets has been amended to include disclosure in accordance with the Department of Treasury and Finance model financial statements.

32.5 Market risk

Market risk for the Hospital is primarily through interest rate risk. Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. Any exposure to foreign currency risks is managed by SAFA.

32.6 Sensitivity disclosure analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Hospital as it has been determined that the possible impact on comprehensive income or total equity from fluctuations in interest rates is immaterial.

33 Unrecognised contractual commitments

33.1 Operating lease expenditure commitments

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities in the financial statements, are payable as follows:				
Within one year	1,284	927	1,284	927
Later than one year but not longer than five years	1,469	676	1,469	676
Later than five years	753	25	753	25
Total operating lease commitments	3,506	1,628	3,506	1,628
Representing:				
Cancellable operating leases	3,506	1,628	3,506	1,628
Total operating lease commitments	3,506	1,628	3,506	1,628

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The Hospital has a number of lease agreements for office accommodation. Lease terms vary in length. Each lease agreement has renewal options for a determined period, exercisable by both the lessor and lessee.

33.2 Finance lease liabilities commitments

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Commitments in relation to finance leases contracted for at the reporting date but not recognised as liabilities, are payable as follows:				
Within one year	6,327	6,380	6,327	6,380
Later than one year but not longer than five years	25,307	25,522	25,307	25,522
Later than five years	14,076	19,808	14,076	19,808
Total finance lease commitments	45,710	51,710	45,710	51,710
Less future finance lease charges and contingent rentals	(24,022)	(27,955)	(24,022)	(27,955)
Amount recognised as a liability	21,688	23,755	21,688	23,755
Total finance lease commitments	21,688	23,755	21,688	23,755

The present value of finance leases payable is as follows:

Within one year	3,768	3,763	3,768	3,763
Later than one year but not longer than five years	12,613	9,746	12,613	9,746
Later than five years	5,307	10,246	5,307	10,246
Present value of finance leases	21,688	23,755	21,688	23,755

Included in the Financial Statements as:

Current borrowings (Note 27)	2,420	2,333	2,420	2,333
Non-current borrowings (Note 27)	19,268	21,422	19,268	21,422
Total included in borrowings	21,688	23,755	21,688	23,755

The Hospital has entered into a number of finance leases. These finance leases are for buildings. The leases are non-cancellable with some leases having the right of renewal. Rent is payable in arrears.

The lease of the Health Facility to Mt Gambier and Districts Health Service is for 25 years with an option for a 10 year renewal. After 35 years the land and buildings revert to the the Department. The lease commenced on 30 June 1997. The base rental for the 25 year term increases according to CPI each quarter. For the 10 year renewal the rental is determined according to a different method related to a valuation of the property and its replacement cost.

33.3 Expenditure Commitments

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Remuneration Commitments				
Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:				
Within one year	16,715	24,602	16,715	24,602
Later than one year but not longer than five years	5,298	10,350	5,298	10,350
Total remuneration commitments	22,013	34,952	22,013	34,952

Amounts disclosed include commitments arising from executive and other service contracts. The Hospital does not offer fixed-term remuneration contracts greater than five years.

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	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Other commitments				
Within one year	10,756	11,188	10,756	11,188
Later than one year but not longer than five years	9,859	15,230	9,859	15,230
Later than five years	5,235	7,052	5,235	7,052
Total other commitments	25,850	33,470	25,850	33,470

The other commitments are for agreements for goods and services ordered but not received and funding to various non-government organisations.

34 Transferred functions

Transferred in
2014-15

- Following a review of Departmental functions, effective 1 June 2015, the Chief Executive of the Department approved the transfer of Financial Business Advisory and Hospital based Revenue Services employees within Finance to the Local Health Networks and the SA Ambulance Service Inc.

	Consolidated	Parent
	2015	2015
	\$'000	\$'000
Assets and liabilities transferred to the Hospital were:		
Payables	93	93
Employee benefit expense	1,568	1,568
Total liabilities	1,661	1,661
Total net assets / (liabilities) transferred	(1,661)	(1,661)

2013-14

- There were no transfers in during this period.

Transferred Out
2014-15

- As discussed in Note 1, the assets, rights and liabilities of the former Hospitals and Incorporated Health Centres were vested in the Hospital and the Health Advisory Councils on 1 July 2008. Due to the need to seek clarification from Crown Law it was not possible to transfer all of the assets vested in the Health Advisory Councils in the previous financial year and as a result additional transfers of assets from the Parent Entity to the Health Advisory Councils have occurred in the current financial year.
- Health Portfolio Executive approved on 2 October 2008 the establishment of a consolidated procurement, contracting and supply chain service. This service provides the foundation for delivering best practice procurement, contracting and supply chain management across SA Health. During the financial year additional inventory was transferred from the Hospital to the SA Distribution Centre division of the Department. The finalisation of the inventory transfer will occur in July 2015.

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	Consolidated	Parent
	2015	2015
	\$'000	\$'000
Assets and liabilities transferred from the Hospital were:		
Property, plant and equipment	-	990
Inventory	897	897
Total assets	897	1,887
Total net assets / (liabilities) transferred	897	1,887

2013-14

- As discussed in Note 1 above, the assets, rights and liabilities of the former Hospitals and Incorporated Health Centres were vested in the Hospital and the Health Advisory Councils on 1 July 2008. Due to the need to seek clarification from Crown Law it was not possible to transfer all of the assets vested in the Health Advisory Councils in the previous financial year and as a result additional transfers of assets from the Parent Entity to the Health Advisory Councils have occurred in the current financial year.
- As a result of the *Public Sector (Reorganisation of Public Sector Operations) Notice 2012* approved by the Premier in Government Gazettes dated 4 November 2013, eight staff members from the Hospital were transferred to the Department of Planning, Transport and Infrastructure.
- Health Portfolio Executive approved a portfolio wide organisational restructure and a new SA Biomedical Engineering (SA BME) organisation structure was approved within the Department. A consolidated state-wide biomedical engineering service was created to meet the SA BME cost saving strategy and other efficiencies. The transition took place in two phases the first being effective as of 7 October 2013 and the second as of 18 November 2013, all in-scope staff and their associated staff benefits transferred from the Hospital to the Department.
- Health Portfolio Executive approved on 2 October 2008 the establishment of a consolidated procurement, contracting and supply chain service. This service provides the foundation for delivering best practice procurement, contracting and supply chain management across SA Health. During the financial year additional inventory was transferred from the Hospital to the SA Distribution Centre division of the Department.

	Consolidated	Parent
	2014	2014
	\$'000	\$'000
Total income and expenses that transferred were:		
Staff benefit expenses	65	65
Total expenses	65	65
Net result	(65)	(65)

	Consolidated	Parent
	2014	2014
	\$'000	\$'000
Assets and liabilities transferred from the Hospital were:		
Property, plant and equipment	-	18,062
Inventory	7	7
Total assets	7	18,069
Payables	20	20
Staff benefit expense	340	340
Total liabilities	360	360
Total net assets / (liabilities) transferred	(353)	17,709

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Net assets transferred by the Hospital as a result of the administrative restructures were at the carrying amount immediately prior to the transfer. The net assets transferred were treated as a distribution to the Government as owner.

35 Contingent assets and liabilities

The Hospital is not aware of any contingent assets. The only contingent liabilities of the Hospital are as follows:

Health Advisory Councils

Under the Act, all real property except for property associated with Crown Land of the former Hospitals and Health Centre entities was to be transferred to the associated Health Advisory Council. To date a limited number of real properties have not transferred to the Health Advisory Councils as the vesting instruments have not been finalised or there is a requirement to seek clarification from Crown Law regarding encumbrances on some properties and whether a Health Advisory Council can hold property that is encumbered. Given the uncertainty of the outcome of the advice sought from Crown Law it is not possible to reliably measure the value of the real property that could transfer to the Health Advisory Councils in the future. Similarly, it is not possible to determine when the vesting instruments will be finalised or to reliably measure the value of the real property that will transfer to the Health Advisory Councils at that time.

36 Cash flow reconciliation

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:				
Cash and cash equivalents disclosed in the Statement of Financial Position	55,544	60,288	50,114	55,522
Cash as per Statement of Financial Position	55,544	60,288	50,114	55,522
Balance as per Statement of Cash Flows	55,544	60,288	50,114	55,522
Reconciliation of net cash provided by operating activities to net cost of providing services:				
Net cash provided by (used in) operating activities	7,438	(25,392)	7,442	(25,077)
Department contributions for the provision of health services	(616,530)	(638,954)	(616,530)	(638,954)
Add/less non cash items				
Depreciation and amortisation expense of non-current assets	(28,786)	(26,585)	(16,569)	(15,507)
Gain/loss on sale or disposal of non-current assets	(297)	(2,442)	(297)	(2,439)
Assets acquired at no cost or nominal consideration	510	89	510	12
Interest credited directly to investments	1,541	1,289	1,329	1,047
Capital revenues	21,214	67,160	21,214	67,160
Asset donated free of charge	(270)	-	(3,513)	(39,392)
Revaluation of investments	(80)	7	(80)	7
Recoverable amount write downs	-	(678)	-	(671)
Other	(7)	51	(7)	-

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	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Movement in assets / liabilities				
Increase / (Decrease) in receivables	(7,484)	5,163	(7,515)	5,084
Increase / (Decrease) in inventories	434	30	434	30
(Increase) / Decrease in staff benefits	(8,830)	(7,557)	(8,830)	(7,557)
(Increase) / Decrease in payables and provisions	3,101	(650)	3,087	(651)
(Increase) / Decrease in other liabilities	(5,481)	669	(5,481)	669
Net cost of providing services	(633,527)	(627,800)	(624,806)	(656,239)

37 Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

CONSOLIDATED

Note	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES						
4 Staff benefit expenses	207	-	497,783	491,954	497,990	491,954
Salaries and wages	-	-	399,563	388,344	399,563	388,344
TVSP (refer below)	-	-	-	4,107	-	4,107
Long service leave (LSL)	-	-	10,887	10,603	10,887	10,603
Annual leave	-	-	37,443	37,817	37,443	37,817
Skills and experience retention leave (SERL)	-	-	1,810	1,362	1,810	1,362
Staff on-costs - superannuation	-	-	43,860	40,272	43,860	40,272
Workers compensation	-	-	4,438	9,082	4,438	9,082
Board and committee fees	-	-	86	61	86	61
Other staff related expenses	207	-	(304)	306	(97)	306
5 Supplies and services	94,929	80,299	222,955	223,911	317,884	304,210
Administration	572	72	1,136	518	1,708	590
Advertising	381	518	127	444	508	962
Communication	926	2,019	2,374	2,062	3,300	4,081
Computing	9,804	6,485	1,154	1,036	10,958	7,521
Contractors	56	-	2,062	3,797	2,118	3,797
Contractors - agency staff	8,320	7,286	7,511	6,459	15,831	13,745
Consultants	-	-	119	46	119	46
Contract of services	241	-	19,669	19,872	19,910	19,872
Drug supplies	405	199	12,612	11,909	13,017	12,108
Electricity, gas and fuel	85	106	10,595	10,949	10,680	11,055
Fee for service	4,044	3,149	74,977	73,003	79,021	76,152
Finance lease contingent rentals	-	-	1,936	2,272	1,936	2,272
Food supplies	143	28	9,557	9,904	9,700	9,932
Housekeeping	575	101	6,991	7,527	7,566	7,628
Insurance	5,838	5,632	1,132	814	6,970	6,446
Internal SA Health SLA payments	14,502	14,021	-	-	14,502	14,021
Legal	94	120	10	9	104	129

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EXPENSES	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Medical, surgical and laboratory supplies	9,980	6,048	26,457	29,724	36,437	35,772
Minor equipment	320	413	8,328	8,882	8,648	9,295
Motor vehicle expenses	2,355	2,339	519	592	2,874	2,931
Occupancy rent and rates	2,525	2,958	2,697	2,202	5,222	5,160
Patient transport	9,390	8,388	7,627	6,818	17,017	15,206
Payments to Shared Services SA	6,709	6,313	-	-	6,709	6,313
Periodical, journals and publications	4	3	167	132	171	135
Postage	19	4	1,236	1,362	1,255	1,366
Printing and stationery	305	122	3,225	2,762	3,530	2,884
Rental expense on operating lease	3,898	4,977	172	459	4,070	5,436
Repairs and maintenance	11,486	8,154	9,709	9,791	21,195	17,945
Security	43	152	475	440	518	592
Staff training and development	199	198	2,879	2,579	3,078	2,777
Staff travel expenses	49	28	3,324	2,893	3,373	2,921
Waste removal	-	-	1,367	1,343	1,367	1,343
Other supplies and services	1,661	466	2,811	3,311	4,472	3,777
6 Depreciation and amortisation expense	-	-	28,786	26,585	28,786	26,585
Buildings and improvements	-	-	20,351	18,273	20,351	18,273
Site improvements	-	-	1,528	1,023	1,528	1,023
Computing equipment	-	-	5	14	5	14
Medical, surgical, dental and biomedical equipment	-	-	3,539	3,788	3,539	3,788
Motor vehicles	-	-	121	90	121	90
Power generation and transmission	-	-	439	286	439	286
Other plant and equipment	-	-	521	580	521	580
Buildings and improvements under finance lease	-	-	2,047	2,120	2,047	2,120
Leasehold improvements	-	-	159	343	159	343
Plant and equipment under finance lease	-	-	55	68	55	68
Intangible assets	-	-	21	-	21	-
7 Grants and subsidies	227	209	3,559	4,200	3,786	4,409
Recurrent grants	227	209	75	-	302	209
Funding to non-government organisations	-	-	3,130	4,136	3,130	4,136
Other	-	-	354	64	354	64
8 Borrowing costs	180	216	1,792	1,685	1,972	1,901
Finance charges on finance leases	-	-	1,792	1,685	1,792	1,685
Interest on borrowings	171	205	-	-	171	205
Other finance charges	9	11	-	-	9	11
9 Other expenses	272	20	2,809	6,323	3,081	6,343
Bad and doubtful debts	-	-	2,105	3,943	2,105	3,943
Donated assets expense	270	18	-	-	270	18
Bank fees and charges	-	-	58	80	58	80
Net loss on revaluation of shares	-	-	26	-	26	-

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EXPENSES	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other (excluding audit fees)	2	2	620	2,300	622	2,302
10 Auditor's remuneration	521	531	230	241	751	772
Auditor fees - auditing financial statements	521	531	174	186	695	717
Auditor fees - other services	-	-	56	55	56	55
TOTAL EXPENSES	96,336	81,275	757,914	754,899	854,250	836,174

INCOME	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
11 Revenue from fees and charges	3,896	6,360	79,503	75,002	83,399	81,362
Ambulance transport	-	-	23	-	23	-
Fines, fees and penalties	-	-	4	-	4	-
Insurance recoveries from health services	66	112	-	-	66	112
Patient and client fees	-	-	20,472	21,614	20,472	21,614
Private practice fees	108	249	741	-	849	249
Recoveries	3,162	3,084	12,113	10,657	15,275	13,741
Residential and other aged care charges	-	3	26,248	25,225	26,248	25,228
Sale of goods - medical supplies	92	109	1,530	1,416	1,622	1,525
Other user charges and fees	468	2,803	18,372	16,090	18,840	18,893
12 Grants and contributions	8,556	7,439	123,312	116,906	131,868	124,345
Commonwealth grants and donations	-	-	40,487	40,448	40,487	40,448
Commonwealth aged care subsidies	-	-	67,978	62,626	67,978	62,626
Pharmaceutical benefits scheme	-	-	5,791	4,164	5,791	4,164
Commonwealth subsidy	-	-	-	-	-	-
Other grants and contributions from SA Government agencies	8,556	7,439	-	-	8,556	7,439
Private sector capital contributions	-	-	228	-	228	-
Private sector grants and contributions	-	-	8,828	9,668	8,828	9,668
13 Interest revenue	33	33	2,694	3,133	2,727	3,166
Interest from SAFA	33	33	-	-	33	33
Bank interest	-	-	2,694	3,133	2,694	3,133
14 Resources received free of charge	-	-	510	12	510	12
Buildings	-	-	510	-	510	-
Plant and equipment	-	-	-	12	-	12
15 Net gain/(loss) from disposal of non-curr	-	90	(297)	(2,532)	(297)	(2,442)
Total proceeds from disposal	-	90	29	-	29	90
Less total value of assets disposed	-	-	(326)	(2,532)	(326)	(2,532)
16 Other revenue	2	28	2,514	1,903	2,516	1,931
Commissions revenue	-	-	9	7	9	7
Dividend revenue	-	-	4	4	4	4

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	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
INCOME	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Training revenue	-	-	5	2	5	2
Other	2	28	2,496	1,890	2,498	1,918
17 Revenue from SA Government	616,530	638,954	-	-	616,530	638,954
Recurrent funding	586,523	556,834	-	-	586,523	556,834
Capital funding	30,007	75,978	-	-	30,007	75,978
TVSP recovery funds from Department of Treasury and Finance	-	6,142	-	-	-	6,142
TOTAL INCOME	629,017	652,904	208,236	194,424	837,253	847,328
	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
FINANCIAL ASSETS	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
19 Cash and cash equivalents	-	-	55,544	60,288	55,544	60,288
Cash at bank or on hand - non- government financial institutions	-	-	55,433	60,141	55,433	60,141
Imprest account/cash on hand	-	-	111	147	111	147
20 Receivables	8,146	14,570	28,316	29,377	36,462	43,947
Patient/client fees						
Compensable	-	-	44	50	44	50
Aged care	-	-	6,042	7,297	6,042	7,297
Other	-	-	4,587	4,259	4,587	4,259
Workers compensation provision recoverable	6,370	9,993	-	-	6,370	9,993
Interest income receivable	2	3	446	357	448	360
Prepayments	144	-	576	351	720	351
Debtors	1,491	2,697	7,205	11,173	8,696	13,870
Less: allowance for doubtful debts	-	-	(2,234)	(2,780)	(2,234)	(2,780)
Sundry receivables and accrued revenue	139	1,877	8,526	5,369	8,665	7,246
GST recoverable	-	-	3,124	3,301	3,124	3,301
22 Other financial assets	1,225	1,215	54,793	47,488	56,018	48,703
Finance institutions	-	-	54,632	47,305	54,632	47,305
SA Government Financing Authority	1,225	1,215	-	-	1,225	1,215
Other investments	-	-	161	183	161	183
TOTAL FINANCIAL ASSETS	9,371	15,785	138,653	137,153	148,024	152,938
FINANCIAL LIABILITIES						
26 Payables	6,387	11,955	33,519	25,217	39,906	37,172
Creditors and accrued expenses	6,387	11,955	23,526	16,579	29,913	28,534
Paid Parental Leave Scheme payable	-	-	141	74	141	74
Staff on-costs	-	-	9,219	8,009	9,219	8,009
Other payables	-	-	633	555	633	555
27 Borrowings	3,488	4,165	21,688	23,755	25,176	27,920
Loans	3,488	4,165	-	-	3,488	4,165
Finance lease	-	-	21,688	23,755	21,688	23,755

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
FINANCIAL LIABILITIES	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 Other liabilities	9	11	46,840	41,357	46,849	41,368
Unclaimed monies	-	-	235	206	235	206
Unearned revenue	-	5	134	1,729	134	1,734
Residential aged care bonds	-	-	46,402	39,333	46,402	39,333
Other	9	6	69	89	78	95
TOTAL FINANCIAL LIABILITIES	9,884	16,131	102,047	90,329	111,931	106,460

PARENT

Note	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
EXPENSES	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
4 Staff benefit expenses	207	-	497,783	491,954	497,990	491,954
Salaries and wages	-	-	399,563	388,344	399,563	388,344
TVSP (refer below)	-	-	-	4,107	-	4,107
Long service leave (LSL)	-	-	10,887	10,603	10,887	10,603
Annual leave	-	-	37,443	37,817	37,443	37,817
Skills and experience retention leave (SERL)	-	-	1,810	1,362	1,810	1,362
Staff on-costs - superannuation	-	-	43,860	40,272	43,860	40,272
Workers compensation	-	-	4,438	9,082	4,438	9,082
Board and committee fees	-	-	86	61	86	61
Other staff related expenses	207	-	(304)	306	(97)	306
5 Supplies and services	94,929	80,299	222,950	223,873	317,879	304,172
Administration	572	72	1,136	518	1,708	590
Advertising	381	518	127	444	508	962
Communication	926	2,019	2,374	2,062	3,300	4,081
Computing	9,804	6,485	1,154	1,036	10,958	7,521
Contractors	56	-	2,062	3,797	2,118	3,797
Contractors - agency staff	8,320	7,286	7,511	6,459	15,831	13,745
Consultants	-	-	119	46	119	46
Contract of services	241	-	19,669	19,872	19,910	19,872
Drug supplies	405	199	12,612	11,909	13,017	12,108
Electricity, gas and fuel	85	106	10,595	10,949	10,680	11,055
Fee for service	4,044	3,149	74,977	73,003	79,021	76,152
Finance lease contingent rentals	-	-	1,936	2,272	1,936	2,272
Food supplies	143	28	9,557	9,904	9,700	9,932
Housekeeping	575	101	6,991	7,527	7,566	7,628
Insurance	5,838	5,632	1,132	814	6,970	6,446
Internal SA Health SLA payments	14,502	14,021	-	-	14,502	14,021
Legal	94	120	7	-	101	120
Medical, surgical and laboratory supplies	9,980	6,048	26,457	29,724	36,437	35,772
Minor equipment	320	413	8,328	8,882	8,648	9,295
Motor vehicle expenses	2,355	2,339	519	592	2,874	2,931

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
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For the year ended 30 June 2015

EXPENSES	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Occupancy rent and rates	2,525	2,958	2,697	2,202	5,222	5,160
Patient transport	9,390	8,388	7,627	6,818	17,017	15,206
Payments to Shared Services SA	6,709	6,313	-	-	6,709	6,313
Periodical, journals and publications	4	3	167	132	171	135
Postage	19	4	1,236	1,362	1,255	1,366
Printing and stationery	305	122	3,225	2,762	3,530	2,884
Rental expense on operating lease	3,898	4,977	172	459	4,070	5,436
Repairs and maintenance	11,486	8,154	9,709	9,786	21,195	17,940
Security	43	152	475	440	518	592
Staff training and development	199	198	2,879	2,579	3,078	2,777
Staff travel expenses	49	28	3,324	2,893	3,373	2,921
Waste removal	-	-	1,367	1,343	1,367	1,343
Other supplies and services	1,661	466	2,809	3,287	4,470	3,753
6 Depreciation and amortisation expense	-	-	16,569	15,507	16,569	15,507
Buildings and improvements	-	-	9,051	7,900	9,051	7,900
Site improvements	-	-	611	318	611	318
Computing equipment	-	-	5	14	5	14
Medical, surgical, dental and biomedical equipment	-	-	3,539	3,788	3,539	3,788
Motor vehicles	-	-	121	90	121	90
Power generation and transmission	-	-	439	286	439	286
Other plant and equipment	-	-	521	580	521	580
Buildings and improvements under finance lease	-	-	2,047	2,120	2,047	2,120
Leasehold improvements	-	-	159	343	159	343
Plant and equipment under finance lease	-	-	55	68	55	68
Intangible assets	-	-	21	-	21	-
7 Grants and subsidies	227	209	3,205	4,136	3,432	4,345
Recurrent grants	227	209	75	-	302	209
Funding to non-government organisations	-	-	3,130	4,136	3,130	4,136
8 Borrowing costs	180	216	1,792	1,685	1,972	1,901
Finance charges on finance leases	-	-	1,792	1,685	1,792	1,685
Interest on borrowings	171	205	-	-	171	205
Other finance charges	9	11	-	-	9	11
9 Other expenses	4,499	39,454	2,808	6,323	7,307	45,777
Bad and doubtful debts	-	-	2,105	3,943	2,105	3,943
Donated assets expense	4,497	39,452	-	-	4,497	39,452
Bank fees and charges	-	-	57	79	57	79
Net loss on revaluation of shares	-	-	26	-	26	-

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

EXPENSES	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other (excluding audit fees)	2	2	620	2,301	622	2,303
10 Auditor's remuneration	521	531	230	241	751	772
Auditor fees - auditing financial statements	521	531	174	186	695	717
Auditor fees - other services	-	-	56	55	56	55
TOTAL EXPENSES	100,563	120,709	745,337	743,719	845,900	864,428

INCOME	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
11 Revenue from fees and charges	3,896	6,360	79,503	75,002	83,399	81,362
Ambulance transport	-	-	23	-	23	-
Fines, fees and penalties	-	-	4	-	4	-
Insurance recoveries from health services	66	112	-	-	66	112
Patient and client fees	-	-	20,472	21,614	20,472	21,614
Private practice fees	108	249	741	-	849	249
Recoveries	3,162	3,084	12,113	10,657	15,275	13,741
Residential and other aged care charges	-	3	26,248	25,225	26,248	25,228
Sale of goods - medical supplies	92	109	1,530	1,416	1,622	1,525
Other user charges and fees	468	2,803	18,372	16,090	18,840	18,893
12 Grants and contributions	10,127	8,506	123,312	116,906	133,439	125,412
Commonwealth grants and donations	-	-	40,487	40,448	40,487	40,448
Commonwealth aged care subsidies	-	-	67,978	62,626	67,978	62,626
Pharmaceutical benefits scheme	-	-	5,791	4,164	5,791	4,164
Commonwealth subsidy	-	-	-	-	-	-
Capital contributions	353	610	-	-	353	610
Other grants and contributions from SA Government agencies	9,774	7,896	-	-	9,774	7,896
Private sector capital contributions	-	-	228	-	228	-
Private sector grants and	-	-	8,828	9,668	8,828	9,668
13 Interest revenue	33	33	2,363	2,752	2,396	2,785
Interest from SAFA	33	33	-	-	33	33
Bank interest	-	-	2,363	2,752	2,363	2,752
14 Resources received free of charge	-	-	510	12	510	12
Buildings	-	-	510	-	510	-
Plant and equipment	-	-	-	12	-	12
15 Net gain/(loss) from disposal of non-current assets	-	90	(297)	(2,529)	(297)	(2,439)
Total proceeds from disposal	-	90	29	-	29	90
Less total value of assets disposed	-	-	(326)	(2,529)	(326)	(2,529)
16 Other revenue	2	28	1,645	1,029	1,647	1,057
Commissions revenue	-	-	9	7	9	7

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME						
Dividend revenue	-	-	4	4	4	4
Training revenue	-	-	5	2	5	2
Other	2	28	1,627	1,016	1,629	1,044
17 Revenue from SA Government	616,530	638,954	-	-	616,530	638,954
Recurrent funding	586,523	556,834	-	-	586,523	556,834
Capital funding	30,007	75,978	-	-	30,007	75,978
TVSP recovery funds from Department of Treasury and Finance	-	6,142	-	-	-	6,142
TOTAL INCOME	630,588	653,971	207,036	193,172	837,624	847,143
	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
FINANCIAL ASSETS						
19 Cash and cash equivalents	-	-	50,114	55,522	50,114	55,522
Cash at bank or on hand - non- government financial institutions	-	-	50,004	55,376	50,004	55,376
Imprest account/cash on hand	-	-	110	146	110	146
20 Receivables	8,691	15,160	28,277	29,324	36,968	44,484
Patient/client fees						
Compensable	-	-	44	50	44	50
Aged care	-	-	6,042	7,297	6,042	7,297
Other	-	-	4,587	4,259	4,587	4,259
Workers compensation provision recoverable	6,370	9,993	-	-	6,370	9,993
Interest income receivable	2	3	411	309	413	312
Prepayments	144	-	576	351	720	351
Debtors	1,491	2,697	7,205	11,173	8,696	13,870
Less: allowance for doubtful debts	-	-	(2,234)	(2,780)	(2,234)	(2,780)
Sundry receivables and accrued revenue	684	2,467	8,526	5,369	9,210	7,836
GST recoverable	-	-	3,120	3,296	3,120	3,296
22 Other financial assets	1,225	1,215	46,580	38,819	47,805	40,034
Finance institutions	-	-	46,496	38,713	46,496	38,713
SA Government Financing Authority	1,225	1,215	-	-	1,225	1,215
Other investments	-	-	84	106	84	106
TOTAL FINANCIAL ASSETS	9,916	16,375	124,971	123,665	134,887	140,040
FINANCIAL LIABILITIES						
26 Payables	6,401	11,955	33,519	25,217	39,920	37,172
Creditors and accrued expenses	6,401	11,955	23,526	16,579	29,927	28,534
Paid Parental Leave Scheme payable	-	-	141	74	141	74
Staff on-costs	-	-	9,219	8,009	9,219	8,009
Other payables	-	-	633	555	633	555
27 Borrowings	3,488	4,165	21,688	23,755	25,176	27,920
Loans	3,488	4,165	-	-	3,488	4,165
Finance lease	-	-	21,688	23,755	21,688	23,755

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
FINANCIAL LIABILITIES	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 Other liabilities	9	11	46,840	41,357	46,849	41,368
Unclaimed monies	-	-	235	206	235	206
Unearned revenue	-	5	134	1,729	134	1,734
Residential aged care bonds	-	-	46,402	39,333	46,402	39,333
Other	9	6	69	89	78	95
TOTAL FINANCIAL LIABILITIES	9,898	16,131	102,047	90,329	111,945	106,460

38 Remuneration of board and committee members

Members of boards/committees that served for all or part of the financial year were:

Country Health SA Risk Management and Audit Committee

Stubbs T Dr (Chair)

Martin M

Drew J

Wilson R Dr (appointed 14/05/2014)

Country Health SA Local Health Network Health Advisory Council Inc (Governing Council)

Blacker P (Presiding Member)

Healy R

Sparkes D

Evans L

Newbury J

Taylor M (ceased 30/06/2015)

Gregurke K

Sam G

	2015	2014
	No. of	No. of
\$0	2	2
\$1 - \$9,999	8	7
\$10,000 - \$19,999	1	1
\$20,000 - \$29,999	1	-
Total	12	10

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, FBT and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$0.086 million (\$0.064 million).

In accordance with the *Department of Premier and Cabinet Circular No. 016*, government employees did not receive any remuneration for board/committee duties during the financial year.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

39 Events after balance date

The Hospital is not aware of any material events occurring between the end of the reporting period and when the financial statements were authorised.

40 Segment information

The Hospital is required by Commonwealth funding requirements to disclose segment information for Residential Aged Care services.

Residential Aged Care Services funded by the Commonwealth are provided through the following Aged Care Facilities which form part of the Hospital and are not separately incorporated.

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
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For the year ended 30 June 2015

	RAC ID
• Ira Parker Nursing Home, Balaklava	6004
• Bonney Lodge, Barmera	6149
• Hawdon House, Barmera	6005
• Charla Lodge, Bordertown	6027
• Kara House, Clare	6016
• Glenview Homes, Gumeracha	6138
• Hills Mallee Southern Aged Care Facility	6178
• Kapunda Homes	6057
• Loxton District Nursing Home	6405
• Loxton Hostel for the Aged	6064
• Sheoak Lodge, Millicent	6510
• Naracoorte Nursing Home	6926
• Orroroo Community Home	6070
• Nalya Lodge, Peterborough	6122
• Renmark Nursing Home	6936
• Renmark Hostel	6075
• Wakefield Aged Care Service	6190
• Strathalbyn & District Aged Care Facility	6181
• Melaleuca Court Nursing Home, Yorketown	6512
• Hammill House, Port Pirie	6302
• Symonds Wing, Jamestown	6305
• Eudunda Hostel	6045

Segment disclosures required by AASB 8 *Operating Segments* are as follows:

Segment revenues and expenses

	Residential Aged Care Services	Other operations	Consol- idated
	2015	2015	2015
	\$'000	\$'000	\$'000
Segment expenses			
Staff benefits	47,117	450,873	497,990
Interest and other borrowing costs	180	1,792	1,972
Depreciation and amortisation	171	28,615	28,786
Other	11,146	314,653	325,799
Total segment expenses	58,614	795,933	854,547
Segment revenues			
Resident charges	15,892	67,507	83,399
Government grants and subsidies	43,351	88,517	131,868
Other	907	621,376	622,283
Total segment revenue	60,150	777,400	837,550
Segment result	1,536	(18,533)	(16,997)

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

	Residential Aged Care Services	Other operations	Consol- idated
	2014	2014	2014
	\$'000	\$'000	\$'000
Segment expenses			
Staff benefits	47,043	444,911	491,954
Interest and other borrowing costs	215	1,686	1,901
Depreciation and amortisation	171	26,414	26,585
Other	10,749	307,427	318,176
Total segment expenses	58,178	780,438	838,616
Segment revenues			
Resident charges	15,415	65,947	81,362
Government grants and subsidies	39,063	85,282	124,345
Other	913	643,150	644,063
Total segment revenue	55,391	794,379	849,770
Segment result	(2,787)	13,941	11,154

Segment assets, liabilities and equity

	Residential Aged Care Services	Other operations	Consol- idated
	2015	2015	2015
	\$'000	\$'000	\$'000
Segment current assets			
Cash and cash equivalents	13,593	41,951	55,544
Receivables	4,002	26,699	30,701
Inventories	55	5,061	5,116
Other	8,337	47,604	55,941
Total segment current assets	25,987	121,315	147,302
Segment non-current assets			
Receivables	-	5,761	5,761
Property, plant and equipment	6,550	872,311	878,861
Other	-	937	937
Total segment non-current assets	6,550	879,009	885,559
Total segment assets	32,537	1,000,324	1,032,861
Segment current liabilities			
Payables	850	35,914	36,764
Borrowings	734	2,420	3,154
Staff benefits	5,523	66,429	71,952
Other	20,483	33,470	53,953
Total segment current liabilities	27,590	138,233	165,823

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For the year ended 30 June 2015

	Residential Aged Care Services	Other operations	Consol- idated
	2015	2015	2015
	\$'000	\$'000	\$'000
Segment non-current liabilities			
Payables	178	2,964	3,142
Borrowings	2,754	19,268	22,022
Staff benefits	4,424	65,414	69,838
Other	-	14,768	14,768
Total segment non-current liabilities	7,356	102,414	109,770
Total segment liabilities	34,946	240,647	275,593
Net segment assets	(2,409)	759,677	757,268
Segment equity			
Retained earnings	(3,563)	582,507	578,944
Asset revaluation surplus	1,154	177,170	178,324
Total segment equity	(2,409)	759,677	757,268
Changes in equity			
Balance at the beginning of the reporting period	(4,119)	690,280	686,161
Gain on revaluation of property, plant and equipment	174	90,488	90,662
Net transfers in/out from administrative restructures	-	(2,558)	(2,558)
Net income/expenses recognised directly in equity	174	87,930	88,104
Net operating result / deficit	1,536	(18,533)	(16,997)
Total recognised income and expenses for the period	1,710	69,397	71,107
Balance at the end of the reporting period	(2,409)	759,677	757,268

	Residential Aged Care Services	Other operations	Consol- idated
	2014	2014	2014
	\$'000	\$'000	\$'000
Segment current assets			
Cash and cash equivalents	5,062	55,226	60,288
Receivables	3,631	30,604	34,235
Inventories	60	5,519	5,579
Other	8,080	40,546	48,626
Total segment current assets	16,833	131,895	148,728
Segment non-current assets			
Receivables	-	9,712	9,712
Property, plant and equipment	6,536	783,812	790,348
Other	-	777	777
Total segment non-current assets	6,536	794,301	800,837
Total segment assets	23,369	926,196	949,565

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For the year ended 30 June 2015

	Residential Aged Care Services	Other operations	Consol- idated
	2014	2014	2014
	\$'000	\$'000	\$'000
Segment current liabilities			
Payables	912	34,157	35,069
Borrowings	665	2,334	2,999
Staff benefits	4,652	58,669	63,321
Other	13,883	34,668	48,551
Total segment current liabilities	20,112	129,828	149,940
Segment non-current liabilities			
Payables	105	1,998	2,103
Borrowings	3,499	21,422	24,921
Staff benefits	3,772	64,299	68,071
Other	-	18,369	18,369
Total segment non-current liabilities	7,376	106,088	113,464
Total segment liabilities	27,488	235,916	263,404
Net segment assets	(4,119)	690,280	686,161
Segment equity			
Retained earnings	(5,099)	604,127	599,028
Asset revaluation surplus	980	86,153	87,133
Total segment equity	(4,119)	690,280	686,161
Changes in equity			
Balance at the beginning of the reporting period	4,122	671,075	675,197
Gain on revaluation of property, plant and equipment		(543)	(543)
Net transfers in/out from administrative restructures	(5,454)	5,807	353
Net income/expenses recognised directly in equity	(5,454)	5,264	(190)
Net operating result / deficit	(2,787)	13,941	11,154
Total recognised income and expenses for the period	(8,241)	19,205	10,964
Balance at the end of the reporting period	(4,119)	690,280	686,161

Segment Cash Flows

	Residential Aged Care Services	Other operations	Consol- idated
	2015	2015	2015
	\$'000	\$'000	\$'000
2015			
<u>Segment cash flows from operating activities</u>			
Segment cash inflows			
Resident charges	15,130	70,581	85,711
Government grants and subsidies	43,351	89,168	132,519
Accommodation bonds received	9,932	5,221	15,153
Other	650	622,789	623,439
Total segment cash inflows	69,063	787,759	856,822

COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

	Residential Aged Care Services	Other operations	Consol- idated
	2015	2015	2015
	\$'000	\$'000	\$'000
Segment cash outflows			
Staff benefits	(45,429)	(446,314)	(491,743)
Interest and other borrowing costs	(180)	(1,792)	(1,972)
Accommodation bonds refunded	(2,941)	(3,432)	(6,373)
Other	(11,295)	(338,001)	(349,296)
Total segment cash outflows	(59,845)	(789,539)	(849,384)
Net segment cash inflows/cash outflows from operating activities	9,218	(1,780)	7,438
<u>Segment cash flows from investing activities</u>			
Segment cash inflows			
Proceeds from sale/maturity of investments	-	4,333	4,333
Proceeds from sale of property, plant and equipment	-	29	29
Total segment cash inflows	-	4,362	4,362
Segment cash outflows			
Payments for purchase of investments	-	(10,187)	(10,187)
Payments for property plant and equipment	(11)	(3,602)	(3,613)
Total segment cash outflows	(11)	(13,789)	(13,800)
Net segment cash inflows/cash outflows from investing activities	(11)	(9,427)	(9,438)
<u>Segment cash flows from financing activities</u>			
Segment cash outflows			
Repayment of borrowing	(676)	(2,068)	(2,744)
Total segment cash outflows	(676)	(2,068)	(2,744)
Net segment cash inflows/cash outflows from financing activities	(676)	(2,068)	(2,744)
Net increase / (decrease) in cash held	8,531	(13,275)	(4,744)
Cash at the beginning of the reporting period	5,062	55,226	60,288
Cash at the end of the reporting period	13,593	41,951	55,544

	Residential Aged Care Services	Other operations	Consol- idated
	2014	2014	2014
	\$'000	\$'000	\$'000
2014			
<u>Segment cash flows from operating activities</u>			
Segment cash inflows			
Resident charges	15,430	63,230	78,660
Government grants and subsidies	39,063	81,015	120,078
Accommodation bonds received	3,219	4,853	8,072
Other	674	598,175	598,849
Total segment cash inflows	58,386	747,273	805,659

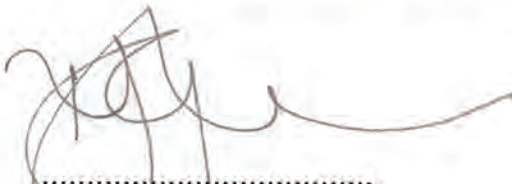
COUNTRY HEALTH LOCAL HEALTH NETWORK INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

	Residential Aged Care Services	Other operations	Consol- idated
	2014	2014	2014
	\$'000	\$'000	\$'000
Segment cash outflows			
Staff benefits	(45,803)	(438,021)	(483,824)
Interest and other borrowing costs	(215)	(1,686)	(1,901)
Accommodation bonds refunded	(3,362)	(4,529)	(7,891)
Other	(10,597)	(326,838)	(337,435)
Total segment cash outflows	(59,977)	(771,074)	(831,051)
Net segment cash inflows/cash outflows from operating activities	(1,591)	(23,801)	(25,392)
Segment cash flows from investing activities			
Segment cash inflows			
Proceeds from sale/maturity of investments	-	1,852	1,852
Proceeds from sale of property, plant and equipment	-	90	90
Total segment cash inflows	-	1,942	1,942
Segment cash outflows			
Payments for purchase of investments	-	(21,751)	(21,751)
Payments for property plant and equipment	-	(6,319)	(6,319)
Total segment cash outflows	-	(28,070)	(28,070)
Net segment cash inflows/cash outflows from investing activities	-	(26,128)	(26,128)
Segment cash flows from financing activities			
Segment cash outflows			
Repayment of borrowing	(621)	(2,204)	(2,825)
Total segment cash outflows	(621)	(2,204)	(2,825)
Net segment cash inflows/cash outflows from financing activities	(621)	(2,204)	(2,825)
Net increase / (decrease) in cash held	(2,212)	(52,133)	(54,345)
Cash at the beginning of the reporting period	7,274	107,359	114,633
Cash at the end of the reporting period	5,062	55,226	60,288

Certification of the financial statements

We certify that the:

- financial statements of the Country Health SA Local Health Network Inc.:
 - are in accordance with the accounts and records of the authority; and
 - comply with relevant Treasurer's instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the authority at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by the Country Health SA Local Health Network Inc. over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



.....
Rebecca Graham
A/Chief Executive Officer



.....
Jamin Woolcock
Chief Finance Officer

Date 17. 9. 2015
.....

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

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To the Acting Chief Executive Officer Country Health SA Local Health Network Incorporated

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 36(2) of the *Health Care Act 2008*, I have audited the accompanying financial report of the Country Health SA Local Health Network Incorporated and the consolidated entity comprising the Country Health SA Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Acting Chief Executive Officer and the Chief Finance Officer.

The financial report comprises the Country Health SA Local Health Network Incorporated and the entities it controlled at the year's end or from time to time during the financial year.

The Acting Chief Executive's Responsibility for the Financial Report

The Acting Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Acting Chief Executive Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

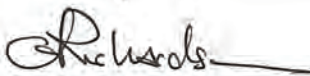
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Acting Chief Executive Officer, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Country Health SA Local Health Network Incorporated and its controlled entities as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson
Auditor-General
21 September 2015

Northern Adelaide Local
Health Network Incorporated

Financial report
for the year ended
30 June 2015

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2015

	Note	2015	2014
		\$'000	\$'000
Expenses			
Staff benefit expenses	4	394,603	381,818
Supplies and services	5	179,908	180,181
Depreciation and amortisation expense	6	24,147	23,210
Grants and subsidies	7	10	55
Net loss from disposal of non-current and other assets	14	282	133
Other expenses	8	3,007	3,262
Total expenses		601,957	588,659
Income			
Revenue from fees and charges	10	31,715	28,941
Grants and contributions	11	15,311	14,565
Interest revenue	12	342	329
Resources received free of charge	13	738	-
Other revenue	15	4,054	3,555
Total income		52,160	47,390
Net cost of providing services		549,797	541,269
Revenue from SA Government			
Revenue from SA Government	16	555,697	548,809
Total revenue from SA Government		555,697	548,809
Net result		5,900	7,540
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus		(21,047)	(11,884)
Total other comprehensive income		(21,047)	(11,884)
Total comprehensive result		(15,147)	(4,344)

The net result and total comprehensive result are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	Note	2015 \$ '000	2014 \$ '000
Current assets			
Cash and cash equivalents	17	22,283	14,527
Receivables	18	6,364	4,938
Inventories	19	2,728	1,371
Total current assets		31,375	20,836
Non-current assets			
Receivables	18	2,200	3,831
Property, plant and equipment	20	428,125	442,702
Intangible assets	21	57	50
Total non-current assets		430,382	446,583
Total assets		461,757	467,419
Current liabilities			
Payables	23	16,110	13,508
Staff benefits	24	49,142	44,052
Provisions	25	4,050	3,614
Other liabilities	26	252	158
Total current liabilities		69,554	61,332
Non-current liabilities			
Payables	23	2,176	1,474
Staff benefits	24	48,781	46,315
Provisions	25	7,922	9,131
Total non-current liabilities		58,879	56,920
Total liabilities		128,433	118,252
Net assets		333,324	349,167
Equity			
Asset revaluation surplus	27	5,338	26,385
Retained earnings	27	327,986	322,782
Total equity		333,324	349,167
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	29		
Contingent assets and liabilities	32		

The above statement should be read in conjunction with the accompanying notes.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2015

	Note	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2013		38,396	304,251	342,647
Net result for 2013-14		-	7,540	7,540
Correction to prior period asset revaluation	20	(11,884)	-	(11,884)
Total comprehensive result for 2013-14		(11,884)	7,540	(4,344)
Transfer between equity components		(127)	127	-
Transactions with SA Government as owner				
Net assets received as a result of an administrative restructure	30	-	10,864	10,864
Balance at 30 June 2014	27	26,385	322,782	349,167
Net result for 2014-15		-	5,900	5,900
Gain/(loss) on revaluation of property during 2014-15	20	(21,543)	-	(21,543)
Gain/(loss) on revaluation of plant and equipment during 2014-15	20	496	-	496
Total comprehensive result for 2014-15		(21,047)	5,900	(15,147)
Transactions with SA Government as owner				
Net assets received from an administrative restructure	30	-	(483)	(483)
Net assets transferred as a result of an administrative restructure	30	-	(213)	(213)
Balance at 30 June 2015	27	5,338	327,986	333,324

All changes in equity are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
STATEMENT OF CASH FLOWS
For the year ended 30 June 2015

	Note	2015 \$ '000	2014 \$ '000
Cash flows from operating activities			
Cash outflows			
Staff benefit expenses		(387,173)	(371,289)
Payments for supplies and services		(190,789)	(191,702)
Payments of grants and subsidies		(10)	(55)
Payments for paid parental leave scheme		(1,055)	(801)
Other payments		(2,447)	(3,263)
Cash used in operations		(581,474)	(567,110)
Cash inflows			
Fees and charges		31,496	33,129
Grants and contributions		15,341	14,605
Interest received		357	330
GST recovered		9,787	12,533
Receipts for paid parental leave scheme		1,051	817
Other receipts		4,206	3,632
Cash generated from operations		62,238	65,046
Cash flows from SA Government			
Receipts from SA Government		530,461	509,349
Cash generated from SA Government		530,461	509,349
Net cash provided by / (used in) operating activities		11,225	7,285
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(3,445)	(2,753)
Purchase of intangibles		(24)	(32)
Cash used in investing activities		(3,469)	(2,785)
Net cash provided by/(used in) investing activities		(3,469)	(2,785)
Net increase/(decrease) in cash and cash equivalents		7,756	4,500
Cash and cash equivalents at the beginning of the period		14,527	10,027
Cash and cash equivalents at the end of the period	17	22,283	14,527
Non-cash transactions	33	3,008	13,870

The above statement should be read in conjunction with the accompanying notes.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

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NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

1 Objectives of Northern Adelaide Local Health Network

The Northern Adelaide Local Health Network Incorporated (the Hospital) was incorporated on 1 July 2011 under the *Health Care Act 2008* (the Act).

The Chief Executive Officer administers and manages the Hospital under delegation from the Chief Executive of the Department for Health and Ageing (the Department) and is accountable to the Chief Executive of the Department.

The Northern Adelaide Local Health Network Health Advisory Council Incorporated was established pursuant to the Act. The Council's functions include advising, monitoring, providing strategic oversight, conferring and making recommendations to the Chief Executive of the Department and the Chief Executive Officer of the Hospital. The Council has no powers to direct or make decisions with respect to the management and administration of the Hospital.

The Hospital's primary objectives are to:

- promote, maintain and improve the health of the community in the north;
- monitor, maintain and improve services and programs to better meet the needs of the northern community, to enable patients to have access to the best care, first time, every time;
- improve the customer experience through partnerships between consumers, their families, carers and health care providers;
- ensure the Department, state and national priorities, services, outputs and outcomes are achieved;
- provide health advice and improve access to information to the public relating to health services available;
- initiate, facilitate, support and conduct research into any area of health service activity;
- foster innovation in the provision of health services.

1.1 Administrative restructures

2014-15

- During 2014-15, the imprest inventory in the Hospital's warehouse was transferred to the South Australian Distribution Centre in accordance with the Inventory Transfer Policy Directive as endorsed by the Chief Procurement Officer on 29 August 2014 and with the implementation of the One Procurement Solution. The transfer was effected September 2014 with amount being \$0.213 million.
- Following a review of Departmental functions, effective 1 June 2015, the Chief Executive of the Department approved the transfer of Financial Business Advisory and Hospital based Revenue Services employees within Finance to the Local Health Networks and the South Australian Ambulance Service Inc.

2013-14

- As a result of the Health Care (Local Health Networks) Proclamation 2011 as approved by the Governor in the Government Gazette dated 9 June 2011, all primary and mental health services located in the Northern Adelaide area of that hospital's area of activities is transferred to the Northern Adelaide Local Health Network Incorporated (NALHN). This move of these functions was finalised effective 1 July 2013.

Details of the assets, rights and liabilities that transferred are provided in Note 30.

2 Summary of significant accounting policies

2.1 Statement of compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*, and the requirements of the Act.

The Hospital has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Hospital is a not-for-profit entity.

Except for AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* which the Hospital has early adopted, Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Hospital for the reporting period 30 June 2015 (refer note 3).

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

2.2 Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgment in the process of applying the Hospital's accounting policies. The areas involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, that have been included in this financial report:
 - a) revenues, expenses, financial assets and financial liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature;
 - b) expenses incurred as a result of engaging consultants;
 - c) staff targeted voluntary separation package information (TVSP's);
 - d) staff whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths), and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those staff; and
 - e) board/committee member and remuneration information, where a board/committee member is entitled to receive income

The Hospital's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the applicable valuation policy.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and are presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

2.3 Reporting entity

The Hospital was established as an incorporated hospital under the Act on 1 July 2011.

The financial statements include all controlled activities of the Hospital. Transactions and balances relating to administered resources are not recognised as the Hospital's income, expenses, assets and liabilities. As administered items are insignificant in relation to the Hospital's overall financial performance and position, they are disclosed in the schedule of administered items in Note 38. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as the Hospital.

The Hospital does not control any other entity and has no interests in unconsolidated structured entities. In forming this view, the Hospital considered its involvement with a number of different entities and determined that it does not control any of them.

In making this assessment, the Hospital considered its power over the entities, its exposure or rights (eg protective and substantive rights) to variable returns from its involvement with the entities and the ability to use its power to affect return amounts (eg ability to direct relevant major activities).

The Hospital has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

2.4 Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change, or as otherwise noted.

Where presentation and classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial statements for the preceding period.

2.5 Rounding

All amounts in the financial statements are rounded to the nearest thousand dollars (\$'000).

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

2.6 Taxation

The Hospital is not subject to income tax. The Hospital is liable for fringe benefits tax (FBT) and goods and services tax (GST).

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

Effective 1 January 2014, the Department, incorporated Hospitals and the SA Ambulance Service Inc were grouped for GST purposes with the ATO. All transactions between the GST group members are not subject to GST. The Department acts as an agent on behalf of the incorporated Hospitals and SA Ambulance Service Inc for the purpose of remitting GST to, and recovering GST from, the ATO.

2.7 Expenses

Expenses are recognised in the Hospital's Statement of Comprehensive Income when, and only when, it is probable that the flow of economic benefits from the Hospital will occur, and can be reliably measured.

Expenses have been classified according to their nature, and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are the specific recognition criteria:

Resources provided free of charge

Resources provided free of charge are recorded as expenditure in the Statement of Comprehensive Income at their fair value.

Resources provided free of charge are recorded in the line items to which they relate.

Contributions paid

Contributions payable will be recognised as a liability and expense when the Hospital has a present obligation to pay the contribution and the expense recognition criteria are met.

Loss from disposal of non-current assets

Expenses from the disposal of non-current assets is recognised when control of the asset has passed to the buyer, and determined by comparing proceeds with the carrying amount. When revalued assets are sold, any identified revaluation increments are transferred to retained earnings.

Borrowing costs

Borrowing costs are recognised as an expense when incurred.

Staff benefits expenses

Staff benefits expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Hospital to the superannuation plan in respect of current services of current hospital staff. The Department of Treasury and Finance (DTF) centrally recognises the superannuation liability in the whole of government financial statements.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

2.8 Income

Income is recognised in the Hospital's Statement of Comprehensive Income when, and only when, it is probable that the flow of economic benefits to the Hospital will occur, and can be reliably measured.

Income has been classified according to its nature, and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are the specific recognition criteria:

Fees and charges

Revenues from fees and charges are derived from the provision of goods and services to other SA government agencies and to the public. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Gain from disposal of non-current assets

Income from the disposal of non-current assets is recognised when control of the asset has passed to the buyer, and determined by comparing proceeds with the carrying amount. When revalued assets are sold, any identified revaluation increments are transferred to retained earnings.

Resources received free of charge

Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value.

Resources received free of charge are recorded as such with revenue being separately disclosed.

Contributions received

Contributions are recognised as an asset and income when the Hospital obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met.

2.9 Revenue from SA Government

The Department provides recurrent and capital funding under a service level agreement to the Hospital for the provision of general health services.

Contributions from the Department are recognised as revenues when the Hospital obtains control over the funding. Control over the funding is normally obtained upon receipt.

2.10 Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. The Hospital has a clearly identifiable operating cycle of 12 months. Therefore, assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle will be classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Hospital has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

2.11 Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

2.12 Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand, deposits at call and other short-term, highly liquid investments with maturities of three months or less, that are readily converted to cash, and which are subject to insignificant risk of changes in value.

Cash and cash equivalents in the Statement of Cash Flows consist of cash and cash equivalents as defined above, net of bank overdrafts. Cash is measured at nominal value.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

2.13 Receivables

Receivables include amounts receivable from goods and services, GST recoverable, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other agencies and to the public. The Hospital's trading terms for receivables are generally 30 days.

Other debtors arise outside the normal course of selling goods and services to other agencies and to the public.

Doubtful Debts

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Hospital will not be able to collect the debt. Bad debts are written off only after all reasonable effort has been made to collect the debt.

2.14 Inventories

Inventories held for distribution at no or nominal consideration are measured at the lower of average weighted cost and replacement cost. Inventories (other than those held for distribution at no or nominal consideration) are measured at the lower of average weighted cost or their net realisable value.

The amount of any inventory write-down to net realisable value/replacement cost or inventory losses are recognised in the Statement of Comprehensive Income as an expense in the period the write-down or loss occurred. Any write-down reversals are also recognised in the Statement of Comprehensive Income as an expense reduction.

Inventories include:

- Drug supplies;
- Inventory imprest stock; and
- Other supplies.

2.15 Non-current asset acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets except intangible assets, are subsequently measured at fair value after allowing for accumulated depreciation. Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. Where assets are acquired at no or nominal value as part of a restructure of administrative arrangements, the assets are recorded at the value held by the transferor public authority prior to the restructure.

The Hospital capitalises all non-current tangible property, plant and equipment and intangible assets that it controls valued at or greater than \$10,000.

Assets recorded as works in progress represent projects physically incomplete as at the reporting date.

Componentisation of complex assets is generally performed when the complex asset's fair value at the time of acquisition is equal to or greater than \$5 million for infrastructure assets and \$1 million for other assets.

2.16 Revaluation of non-current assets

In accordance with Accounting Policy Framework III *Asset Accounting Framework*:

- all non-current tangible assets are valued at written down cost (a proxy for fair value);
- the Hospital revalues all land, buildings and site improvements triennially via a certified practicing valuer;
- triennial revaluation of other non-current tangible assets by a Certified Practicing Valuer is only performed when the assets fair value at the time of acquisition is greater than \$1 million, and the estimated useful life exceeds three years;
- if at any time management considers that the carrying amount of an asset greater than \$1 million materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place; and
- non-current tangible assets that are acquired between revaluations are held at cost, until the next valuation, when they are revalued to fair value.

Any revaluation increase is credited to the revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income.

Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the revaluation surplus to the extent of the credit balance existing in revaluation surplus for that asset class.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

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For the year ended 30 June 2015

Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class, but are not offset in respect of assets in different classes.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Upon disposal or derecognition, any asset revaluation surplus relating to that asset is transferred to retained earnings.

2.17 Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. The amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. For revalued assets, an impairment loss is offset against the revaluation surplus for that class of assets, to the extent that the impairment loss does not exceed the amount in the respective asset revaluation surplus.

2.18 Depreciation and amortisation of non-current assets

All non-current assets, that have a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible and leasehold assets, whilst depreciation is applied to physical assets such as property, plant and equipment.

The useful lives, depreciation and amortisation methods of all major assets held by the Hospital are reassessed on an annual basis.

Changes in expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is the shorter.

Land and non current assets held for sale are not depreciated.

Depreciation/amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	4 - 60
Leasehold improvements	Life of lease
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	1 - 15
• Computing equipment and software	3 - 12
• Other plant and equipment	3 - 20
Intangibles	5

2.19 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The acquisition of, or internal development of software, is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10,000.

Capitalised software is amortised over the useful life of the asset.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

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For the year ended 30 June 2015

2.20 Fair value measurement

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

The Hospital classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 – traded in active markets, and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market, and are derived from inputs (inputs other than quoted prices included within Level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market, and are derived from unobservable inputs.

The valuation processes and fair value changes are reviewed at each reporting date.

Non-financial assets

In determining fair value, the Hospital has taken into account the characteristic of the asset (eg condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible and financially feasible).

The Hospital's current use is the highest and best use of the asset unless other factors suggest an alternative use. As the Hospital did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Financial assets/liabilities

The Hospital does not recognise any financial assets or financial liabilities at fair value.

2.21 Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

2.22 Payables

Payables include creditors, accrued expenses, GST payable, staff on-costs and Paid Parental Leave Scheme payable.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to normal operations of the Hospital.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period, and where an invoice has not been processed/received.

The Paid Parental Leave Scheme payable represents amounts which the Hospital has received from the Commonwealth Government to forward onto eligible staff via the Hospital's standard payroll processes. That is, the Hospital is acting as a conduit through which the payment to eligible staff is made on behalf of the Family Assistance Office.

All payables are measured at their nominal amount, are unsecured, and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Staff benefits on-costs include superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave (SERL).

The Hospital makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed superannuation schemes.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

2.23 Staff benefits

These benefits accrue for staff as a result of services provided up to the reporting date that remain unpaid. Long-term staff benefits are measured at present value, and short-term staff benefits are measured at nominal amounts.

Salaries, wages, annual leave, SERL and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the SERL liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. In the unusual event where salary and wages, annual leave and SERL liability are payable later than 12 months, the liability will be measured at present value.

No provision has been made for sick leave, as all sick leave is non-vesting, and the average sick leave taken in future years by staff is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave was determined through an actuarial assessment undertaken by Mercer Consulting (Australia) Pty Ltd, in accordance with AASB 119 *Employee Benefits*. The following assumptions were made by the Actuary when performing the assessment:

- Salary increases of 3 percent; and
- Discounting of 2.95 percent per annum based on the gross 8 year plus Commonwealth bond rate prevailing at 30 June 2015.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the health sector across government.

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

2.24 Provisions

Provisions are recognised when the Hospital has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The Hospital is an exempt employer under the *Workers Rehabilitation and Compensation Act 1986*. Under a scheme arrangement, the Hospital is responsible for the management of workers rehabilitation and compensation, and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

Although the Department provides funds to the Hospital for the settlement of lump sum and redemption payments, the cost of these claims, together with other claim costs, are met directly by the Hospital, and are thus reflected as an expense from ordinary activities in the Statement of Comprehensive Income.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2015 provided by a consulting actuary engaged through the Office For Public Sector. The provision is for the estimated cost of ongoing payments to staff as required under current legislation. The liability covers claims incurred but not yet paid, incurred but not reported and the anticipated direct and indirect costs of settling these claims. The liability for outstanding claims is measured as the present value of the expected future payments reflecting the fact that all claims do not have to be paid in the immediate future.

With respect to the workers compensation liability, the Hospital includes an amount receivable for the lump sum and redemption portion of the workers compensation claims which is specifically funded by the Department.

2.25 Specific Purpose Funds

The Hospital receives specific purpose funds from various sources including government, private sector and individuals. The amounts are controlled by the Hospital, and are used to help achieve the Hospital objectives, notwithstanding that specific uses can be determined by the grantor or donor. Accordingly, the amounts are treated as revenue at the time they are earned or at the time control passes to the Hospital.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

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For the year ended 30 June 2015

2.26 Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

The Hospital has only entered into operating leases and has no finance lease arrangements in place.

Operating leases

For operating leases, the lessor retains substantially the entire risks and rewards incidental to ownership of the leased assets. Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a basis which is representative of the pattern of benefits derived from the leased assets.

2.27 Professional indemnity and general public insurance

Professional indemnity and general public liability claims arising from the Hospital's operations are managed as part of the State Government Insurance Program. The Hospital pays an annual premium to the Department. The Department and the SA Government Financing Authority (SAFA), South Australian Insurance Corporation (SAICORP) Division are responsible for meeting the cost of any claims. Consequently, no provision for these claims is recognised in the Hospital's financial statements.

2.28 Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources, and are disclosed at their nominal value. Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable or payable. If GST is not recoverable or payable, the commitments or contingencies are disclosed on a gross basis.

2.29 SA Government/Non-SA Government disclosures

The Hospital has adopted the requirements of Accounting Policy Framework II *General Purpose Financial Statements Framework* where the Hospital must disclose by way of a note, whether transactions are with entities that are within, or external to, the SA Government. These transactions are classified by their nature, and relate to revenues, expenses, financial assets and financial liabilities.

2.30 Continuity of Operations

As at 30 June 2015, the Hospital had working capital deficiency of \$38.179 million (\$40.496 million deficiency). The Government is committed to the ongoing funding of the Hospital to enable it to perform its functions.

2.31 Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue, where the events relate to a condition which arose after 30 June, and which may have a material impact of the results of subsequent years.

3 New and revised accounting standards and policies

Except for AASB 2015-7 which the Hospital has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Hospital for the period ending 30 June 2015. The Hospital has assessed the impact of the new and amended standards and interpretations and considers there will be no material impact on the accounting policies or the financial statements of the Hospital.

Accounting Standards

In accordance with the new AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements* and AASB 12 *Disclosure of Interests in Other Entities*, which became effective for the first time in 2014-15, the Hospital has reviewed its control assessments (i.e. the Hospital's involvement with the entity; protective and substantive rights; ability to direct major relevant activities etc.) and has concluded that there is no impact. The Hospital does not currently control another entity, have any joint arrangements within the scope of AASB 11 or have any interests in structured entities. The Hospital will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10, AASB 11 and AASB 12 for future years.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Early adoption of Accounting Standards

In accordance with Accounting Policy Framework II *General Purpose Financial Statement Framework*, the Hospital has applied Australian Accounting Standards approved for early adoption by the Department of Treasury and Finance. The only Australian Accounting Standard applied and approved for early adoption by the Hospital for the 2014-15 financial year is AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities* which amends AASB 13.

Accounting Standards issued or amended but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Hospital for the period ending 30 June 2015. The Hospital has assessed the impact of the new and amended standards and interpretations and considers there will be no material impact on the accounting policies or the financial statements of the Hospital.

4 Staff benefit expenses

	2015	2014
	\$'000	\$'000
Salaries and wages	317,175	304,450
TVSP (refer below)	172	1,317
Long service leave (LSL)	8,685	9,144
Annual leave	29,721	29,861
Skills and experience retention leave (SERL)	1,066	838
Staff on-costs - superannuation	32,654	29,917
Workers compensation	3,523	4,514
Board and committee fees	75	75
Other staff related expenses	1,532	1,702
Total staff benefit expenses	394,603	381,818
	2015	2014
	\$'000	\$'000
Targeted voluntary separation packages (TVSPs)		
Amount paid during the reporting period to separated staff:		
TVSPs	172	-
Annual leave, LSL and SERL paid to those employees	37	-
	209	-
Recovery from the Department of Treasury and Finance *	-	-
Net cost to the Hospital	209	-
Number of staff who received a TVSP during the reporting period	1	-

*TVSP recoveries from DTF are to be recognised when the not-for-profit entity obtains control over the funds associated with the TVSP recovery or the right to receive the TVSP recovery from DTF. This will generally be upon receipt of the funds or obtaining written confirmation/substantiation from DTF that provides a right to receive the funds associated with the TVSP recovery.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

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For the year ended 30 June 2015

Remuneration of staff	2015	2014
The number of staff whose remuneration received or receivable falls within the following bands:	No.	No.
\$141,500 - \$151,499	45	40
\$151,500 - \$161,499	33	23
\$161,500 - \$171,499	20	26
\$171,500 - \$181,499	14	14
\$181,500 - \$191,499	17	15
\$191,500 - \$201,499	7	12
\$201,500 - \$211,499	10	5
\$211,500 - \$221,499	8	6
\$221,500 - \$231,499	9	12
\$231,500 - \$241,499	10	6
\$241,500 - \$251,499	6	5
\$251,500 - \$261,499	4	7
\$261,500 - \$271,499	7	4
\$271,500 - \$281,499	6	5
\$281,500 - \$291,499	7	10
\$291,500 - \$301,499	8	10
\$301,500 - \$311,499	7	5
\$311,500 - \$321,499	5	2
\$321,500 - \$331,499	4	1
\$331,500 - \$341,499	6	7
\$341,500 - \$351,499	9	9
\$351,500 - \$361,499	10	15
\$361,500 - \$371,499	5	5
\$371,500 - \$381,499	8	8
\$381,500 - \$391,499	9	5
\$391,500 - \$401,499	5	3
\$401,500 - \$411,499	3	6
\$411,500 - \$421,499	6	4
\$421,500 - \$431,499	4	4
\$431,500 - \$441,499	3	3
\$441,500 - \$451,499	2	2
\$451,500 - \$461,499	1	1
\$461,500 - \$471,499	3	4
\$471,500 - \$481,499	1	1
\$481,500 - \$491,499	5	2
\$491,500 - \$501,499	3	2
\$501,500 - \$511,499	2	2
\$511,500 - \$521,499	2	-
\$521,500 - \$531,499	2	3
\$531,500 - \$541,499	-	1
\$551,500 - \$561,499	2	-
\$571,500 - \$581,499	-	1
\$581,500 - \$591,499	1	1
\$611,500 - \$621,499	1	1
\$621,500 - \$631,499	1	3
\$631,500 - \$641,499	2	-
\$641,500 - \$651,499	3	3
\$651,500 - \$661,499	1	1
\$661,500 - \$671,499	2	-
\$671,500 - \$681,499	-	1
\$681,500 - \$691,499	1	2
\$691,500 - \$701,499	1	-
\$701,500 - \$711,499	-	1
\$721,500 - \$731,499	1	-
Total	332	309
	\$'000	\$'000
Total remuneration received or due and receivable by staff included above:	91,884	85,318

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For the year ended 30 June 2015

The table includes all staff who received remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (i.e. there has been no increase in the base executive remuneration since 1 July 2013). Remuneration of staff reflects all costs of employment including salaries and wages, superannuation contributions, FBT and any other salary sacrifice benefits.

Where staff have left the Hospital, the remuneration reflects lump sum long service leave, annual leave and termination benefits.

Staff whose remuneration was equal to or greater than the base executive remuneration level can be categorised by employment group as follows:

- Medical (excluding Nursing) remuneration \$88.044 million, 307 staff (\$82.566 million, 293 staff);
- Executive remuneration \$0.732 million, 4 staff (\$1.086 million, 5 staff);
- Nursing remuneration \$2.668 million, 18 staff (\$1.061 million, 7 staff);
- Non-medical (i.e. administration) remuneration \$0.440 million, 3 staff (\$0.605 million, 4 staff).

The total remuneration received by these staff for the year was \$91.884 million (\$85.318 million).

For the purpose of this note, remuneration does not include amounts in payment or reimbursement of out of pocket expenses incurred for the benefit of the Hospital.

5 Supplies and services

	2015	2014
	\$'000	\$'000
Administration	1,027	942
Advertising	131	226
Communication	483	642
Computing	4,414	4,330
Contractors	346	516
Contractors - agency staff	19,308	20,144
Consultants	176	240
Contract of services	113	45
Drug supplies	17,310	18,945
Electricity, gas and fuel	4,992	5,199
Fee for service	6,009	6,103
Food supplies	3,885	3,581
Housekeeping	22,193	22,621
Insurance	5,236	5,116
Internal SA Health SLA payments	4,287	2,594
Legal	125	171
Medical, surgical and laboratory supplies	42,616	39,482
Minor equipment	1,192	2,315
Motor vehicle expenses	1,022	1,504
Occupancy rent and rates	6,132	5,521
Patient transport	4,523	4,328
Payments to Shared Services SA	2,363	2,223
Periodical, journals and publications	39	125
Postage	654	721
Printing and stationery	1,767	2,248
Rental expense on operating lease	364	318
Repairs and maintenance	10,323	12,272
Security	6,181	5,233
Staff training and development	5,127	4,723
Staff travel expenses	283	285
Waste removal	394	-
Other supplies and services	6,893	7,468
Total supplies and services	179,908	180,181

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
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For the year ended 30 June 2015

The 2014 comparative information for supplies and services has been amended to better reflect the nature of the transactions in accordance with Note 2.7 above. The amendments made had no impact on reported equity.

The following significant adjustments were made to the 2014 comparative information:

	2014 Reported \$'000	2014 Adjusted \$'000
Supplies and Services		
Contractors	10,544	516
Contractors - agency staff	15,337	20,144
Contract of services	-	45
Housekeeping	10,141	22,621
Internal SA Health SLA payments	-	2,594

	No.	2015 \$'000	No.	2014 \$'000
The number and dollar amount of consultancies paid/payable (included in supplies and services expense) that fell within the following bands:				
Below \$10,000	2	3	2	17
Above \$10,000	4	173	2	223
Total paid/payable to consultants engaged	6	176	4	240

6 Depreciation and amortisation expense

	2015 \$'000	2014 \$'000
Depreciation		
Buildings and improvements	19,220	18,789
Site improvements	416	140
Computing equipment	16	13
Medical, surgical, dental and biomedical equipment	3,937	4,025
Other plant and equipment	215	230
Total depreciation	23,804	23,197
Amortisation		
Leasehold improvements	326	3
Intangible assets	17	10
Total amortisation	343	13
Total depreciation and amortisation	24,147	23,210

The Hospital revalued its Buildings/Site Improvements down during 2014-15. As a result of the revaluation, depreciation on these assets has increased in the current reporting period. Depreciation expense increased by \$1.382 million as a result of changes in useful lives effective 1 June 2015.

7 Grants and subsidies

	2015 \$'000	2014 \$'000
Other	10	55
Total grants and subsidies	10	55

8 Other expenses

	Note	2015 \$'000	2014 \$'000
Bad and doubtful debts	18	1,430	860
Donated assets expense		560	-
Bank fees and charges		28	41
Other		989	2,361
Total other expenses		3,007	3,262

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For the year ended 30 June 2015

9 Auditor's remuneration

	2015	2014
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements		
Auditor fees - auditing financial statements	289	307
Total audit fees	289	307

No other services were provided by the Auditor-General's Department.

Auditor's remuneration costs are recognised in the Statement of Comprehensive Income and included in the balance of 'Other expenses – Other' (refer Note 8).

10 Revenue from fees and charges

	2015	2014
	\$'000	\$'000
Fines, fees and penalties	56	37
Insurance recoveries from health services	95	21
Patient and client fees	12,998	9,679
Private practice fees	5,536	5,600
Recoveries	9,083	10,538
Residential and other aged care charges	1,005	1,002
Sale of goods - medical supplies	30	27
Other user charges and fees	2,912	2,037
Total fees and charges	31,715	28,941

11 Grants and contributions

	2015	2014
	\$'000	\$'000
11.1 Commonwealth revenues/grants and contributions		
Commonwealth grants and donations	49	363
Commonwealth aged care subsidies	2,114	1,939
Pharmaceutical benefits scheme Commonwealth subsidy	11,568	10,988
Total Commonwealth grants and contributions	13,731	13,290

11.2 Grants and contributions from SA Government agencies	\$'000	\$'000
Other grants and contributions from SA Government agencies	75	23
Total grants and contributions from SA Government agencies	75	23

11.3 Private sector grants and contributions	\$'000	\$'000
Private sector capital contributions	-	-
Private sector grants and contributions	1,505	1,252
Total private sector grants and contributions	1,505	1,252
Total grants and contributions	15,311	14,565

Restrictions on contributions received

Of the \$15.311 million received in 2014-15 for grants and contributions, \$0.933 million was provided for specific purposes, such as research and associated activities.

12 Interest revenue

	2015	2014
	\$'000	\$'000
Interest from SAFA	84	181
Bank interest	88	148
Interest on Special Purpose Funds (SPF)	170	-
Total interest revenue	342	329

13 Resources received free of charge

	2015	2014
	\$'000	\$'000
Land and improvements	560	-
Plant and equipment	178	-
Total resources received free of charge	738	-

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14 Net gain/(loss) from disposal of non-current and other assets

	2015	2014
	\$'000	\$'000
Land and buildings		
Proceeds from disposal	-	-
Less net book value of assets disposed	(209)	-
Net gain/(loss) from disposal of land and buildings	(209)	-
Plant and equipment		
Proceeds from disposal	-	-
Less net book value of assets disposed	(73)	(133)
Net gain/(loss) from disposal of plant and equipment	(73)	(133)
Total assets		
Total proceeds from disposal	-	-
Less total value of assets disposed	(282)	(133)
Total net gain/(loss) from disposal of non-current and other assets	(282)	(133)

15 Other revenue

	2015	2014
	\$'000	\$'000
Car park revenue	1,982	1,881
Commissions revenue	-	7
Rent revenue	1,564	1,295
Other	508	372
Total other revenue	4,054	3,555

16 Revenue from SA Government

	2015	2014
	\$'000	\$'000
Revenue from SA Government (the Department's contributions for the provision of health services)		
Recurrent funding	533,893	507,898
Capital funding	21,804	40,911
Total revenue from Department for Health and Ageing	555,697	548,809
Total revenue from SA Government	555,697	548,809

17 Cash and cash equivalents

	2015	2014
	\$'000	\$'000
Cash at bank or on hand - non-government financial institutions	22,272	7,834
Deposits with SA Government Financing Authority	-	6,685
Imprest account/cash on hand	11	8
Total cash	22,283	14,527

Interest rate risk

Cash on hand is non-interest bearing. Interest rate risk exposure is detailed in Note 28. The carrying amount of cash and cash equivalents represents fair value.

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18 Receivables

Current	2015	2014
	\$'000	\$'000
Patient/client fees		
Compensable	573	316
Other	2,836	2,256
Workers compensation provision recoverable	1,323	1,165
Interest income receivable	-	15
Prepayments	155	205
Debtors	683	693
Receivables	5,570	4,650
Less: allowance for doubtful debts	(944)	(828)
Sundry receivables and accrued revenue	1,363	984
GST recoverable	375	132
Total current receivables	6,364	4,938
Non-current		
Workers compensation provision recoverable	2,150	3,761
Debtors	50	70
Total non-current receivables	2,200	3,831
Total receivables	8,564	8,769

Interest rate and credit risk

Receivables are raised for goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Trade receivables, prepayments and accrued revenues are non-interest bearing. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Categorisation and maturity analysis of financial instruments, ageing analysis of financial assets and risk exposure

Refer to Note 28.

Bad and doubtful debts

The Hospital has recognised a bad and doubtful debt expense of \$1.430 million (\$0.860 million) in the Statement of Comprehensive Income.

Movement in the allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired.

An allowance for impairment loss has been recognised in other expenses in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2015	2014
	\$'000	\$'000
Movements in the allowance for doubtful debts (impairment loss)		
Carrying amount at the beginning of the period	828	220
Amounts written off	(298)	(225)
Increase/(Decrease) in allowance recognised in the Statement of Comprehensive Income	414	833
Carrying amount at the end of the period	944	828

19 Inventories

	2015	2014
	\$'000	\$'000
Current - held for distribution		
Drug supplies	833	840
Medical, surgical and laboratory supplies	-	155
Food and hotel supplies	-	3
Inventory imprest stock	1,895	273
Other	-	100
Total current inventories	2,728	1,371

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20 Property, plant and equipment

	2015	2014
	\$'000	\$'000
Land and buildings		
Site land at fair value	36,240	31,730
Land and buildings	36,240	31,730
Buildings and improvements at fair value	340,140	401,173
Site improvements at fair value	17,649	1,512
Buildings and improvements under construction (work in progress)	16,760	26,834
Buildings and improvements	374,549	429,519
Accumulated depreciation - buildings and improvements	2,299	32,666
Accumulated amortisation/depreciation	2,299	32,666
Total land, buildings and improvements	408,490	428,583
Leasehold improvements		
Leasehold improvements at fair value	5,994	184
Accumulated amortisation	511	3
Total leasehold improvements	5,483	181
Plant and equipment		
Computing equipment at cost (deemed fair value)	876	1,125
Medical, surgical, dental and biomedical equipment at cost (deemed fair value)	30,974	31,615
Other plant and equipment at cost (deemed fair value)	5,266	4,881
Plant and equipment under construction (work in progress)	466	413
Total plant and equipment	37,582	38,034
Accumulated depreciation - computing equipment	849	1,082
Accumulated depreciation - medical, surgical, dental and biomedical equipment	18,635	19,259
Accumulated depreciation - other plant and equipment	3,946	3,755
Accumulated amortisation/depreciation	23,430	24,096
Total plant and equipment	14,152	13,938
Total property, plant and equipment	428,125	442,702

Valuation of land and buildings

An independent valuation of land and buildings, including site improvements, was performed in May 2015 by a Certified Practising Valuer from Australian Valuation Solutions Pty Ltd, as at 1st June 2015 using the fair value methodology.

The valuer arrived at the fair value of unrestricted land using the market approach. The valuation was based on recent market transactions for similar land and buildings (non-specialised) in the area and includes adjustment for factors specific to the land and buildings being valued such as size, location and current use.

The valuer used depreciated replacement cost for specialised land and buildings, due to there not being an active market for such land and buildings. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature of the assets, including the restricted use of the assets; the size, condition, location and current use of the assets. The valuation was based on a combination of internal records, specialised knowledge and the acquisition/transfer costs.

Valuation of plant and equipment

All items of plant and equipment that had a fair value at the time of acquisition less than \$1 million have not been revalued in accordance with Accounting Policy Framework III Asset Accounting Framework. The carrying value of these items are deemed to approximate fair value. These assets are classified in Level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the asset condition and remaining useful life.

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The Hospital's plant and equipment assets with a fair value greater than \$1 million were revalued using the fair value methodology, as at 1 June 2015, based on independent valuations performed by Simon O'Leary, AAPI, C.P.V, Australian Valuation Solutions Pty Ltd.

Impairment

There were no indications of impairment of property, plant and equipment and infrastructure assets at 30 June 2015.

Resources received free of charge

In June 2015, the Hospital received a piece of land at 77 Smart Road, Modbury and an Ultrasound Unit with 4 Transducers free of charge. Refer to Note 13.

Reconciliation of land and improvements

The following table shows the movement of land and improvements during 2014-15

	Land	Buildings and improve- ments	Leasehold improve- ments	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	31,730	370,019	181	26,834	428,764
Additions	-	509	-	26,400	26,909
Assets received free of charge	560	-	-	-	560
Disposals	-	-	(185)	(24)	(209)
Revaluation increment/(decrement)	3,950	(25,493)	-	-	(21,543)
Depreciation and amortisation	-	(19,636)	(326)	-	(19,962)
Transfers between asset classes	-	30,091	5,813	(36,450)	(546)
Carrying amount at the end of the period	36,240	355,490	5,483	16,760	413,973

Reconciliation of land and improvements

The following table shows the movement of land and improvements during 2013-14

	Land	Buildings and improve- ments	Leasehold improve- ments	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	12,940	258,109	-	113,622	384,671
Additions	-	-	-	41,060	41,060
Assets received from restructure	18,790	18,144	-	-	36,934
Impairment losses	-	-	-	(484)	(484)
Depreciation and amortisation	-	(18,929)	(3)	-	(18,932)
Transfers between asset classes	-	127,092	184	(127,364)	(88)
Prior Year adjustments-revaluation	-	(11,884)	-	-	(11,884)
Other movements	-	(2,513)	-	-	(2,513)
Carrying amount at the end of the period	31,730	370,019	181	26,834	428,764

Land includes land only holdings at fair value and site land at fair value.

Buildings and improvements include buildings and improvements at fair value and site improvements at fair value.

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Reconciliation of plant and equipment

The following table shows the movement of plant and equipment during 2014-15

	Medical/ surgical/ dental/ biomedical	Computer equipment	Capital works in progress	Other plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	12,356	43	413	1,126	13,938
Additions	2,457	-	289	489	3,235
Assets received free of charge	-	-	178	-	178
Disposals	(69)	-	-	(4)	(73)
Revaluation increment/(decrement)	496	-	-	-	496
Depreciation and amortisation	(3,937)	(16)	-	(215)	(4,168)
Transfers between asset classes	1,036	-	(414)	(76)	546
Carrying amount at the end of the period	12,339	27	466	1,320	14,152

Reconciliation of plant and equipment

The following table shows the movement of plant and equipment during 2013-14

	Medical/ surgical/ dental/ biomedical	Computer equipment	Capital works in progress	Other plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	10,875	15	4,496	962	16,348
Additions	1,981	41	730	76	2,828
Disposals	(84)	-	-	(49)	(133)
Write-off non-current assets	-	-	(925)	-	(925)
Depreciation and amortisation	(4,025)	(13)	-	(230)	(4,268)
Transfers between asset classes	3,609	-	(3,888)	367	88
Carrying amount at the end of the period	12,356	43	413	1,126	13,938

21 Intangible assets

	2015 \$'000	2014 \$'000
Computer Software		
Other computer software	84	60
Accumulated amortisation (Other computer software)	(27)	(10)
Total computer software	57	50
Total intangible assets	57	50

Impairment

There were no indications of impairment of intangible assets at 30 June 2015.

Reconciliation of intangibles

The following table shows the movement of intangibles during 2014-15

	Other computer software \$'000	Total \$'000
Carrying amount at the beginning of the period	50	50
Additions	24	24
Amortisation	(17)	(17)
Carrying amount at the end of the period	57	57

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Reconciliation of intangibles

The following table shows the movement of intangibles during 2013-14

	Other computer software \$'000	Total \$'000
Carrying amount at the beginning of the period	28	28
Additions	32	32
Amortisation	(10)	(10)
Carrying amount at the end of the period	50	50

22 Fair Value Measurement

Fair Value Hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The Hospital categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2015.

The Hospital had no valuations categorised into Level 1 and 2.

Fair value measurements at 30 June 2015

	Level 3 \$'000	2015 \$'000
Recurring fair value measurements		
Land (Note 20)	36,240	36,240
Buildings (Note 20)	355,490	355,490
Leasehold improvements (Note 20)	5,483	5,483
Plant and equipment (Note 20)	13,686	13,686
Total recurring fair value measurements	410,899	410,899
Total	410,899	410,899

Fair value measurements at 30 June 2014

	Level 3 \$'000	2014 \$'000
Recurring fair value measurements		
Land (Note 20)	31,730	31,730
Buildings (Note 20)	370,019	370,019
Leasehold improvements (Note 20)	181	181
Plant and equipment (Note 20)	13,525	13,525
Total recurring fair value measurements	415,455	415,455
Total	415,455	415,455

There were no transfers of assets between Level 1 and 2 fair value hierarchy levels in 2014-15. The Hospital's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques and inputs

Land fair values were derived by using the market approach, being recent sales transactions of other similar land holdings within the region, adjusted for differences in key attributes such as property size, zoning and any restrictions on use, and then adjusted with a discount factor. For this reason they are deemed to have been valued using Level 3 valuation inputs.

Due to the predominantly specialised nature of health service assets, the majority of building and plant and equipment valuations have been undertaken using a cost approach (depreciated replacement cost), an accepted valuation methodology under AASB 13. The extent of unobservable inputs and professional judgement required in valuing these assets is significant, and as such they are deemed to have been valued using Level 3 valuation inputs.

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Unobservable inputs used to arrive at final valuation figures included:

- Estimated remaining useful life, which is an economic estimate and by definition, is subject to economic influences;
- Cost rate, which is the estimated cost to replace an asset with the same service potential as the asset undergoing valuation (allowing for over-capacity), and based on a combination of internal records including: refurbishment and upgrade costs, historical construction costs, functional utility users, industry construction guides, specialised knowledge and estimated acquisition/transfer costs;
- Characteristics of the asset, including condition, location, any restrictions on sale or use and the need for ongoing provision of Government services;
- Effective life, being the expected lift of the asset assuming general maintenance is undertaken to enable functionality but no upgrades are incorporated which extend the technical life or functional capacity of the asset; and
- Depreciation methodology, noting that AASB 13 dictates that regardless of the depreciation methodology adopted, the exit price should remain unchanged.

Although there was some land valued using Level 2 inputs, the fair value of these were immaterial in comparison to the whole class, therefore all land has been classified as Level 3.

Although there were some buildings valued using Level 2 inputs, the fair value of these was immaterial in comparison to the whole class, therefore all buildings have been classified as Level 3.

Valuation techniques and inputs used to derive Level 3 fair values are at Note 20. There were no changes in valuation techniques during 2015.

The following table is a reconciliation of fair value measurements using significant unobservable inputs (Level 3).

Reconciliation of Level 3 recurring fair value measurements at 30 June 2015

	Land \$'000	Buildings and improve- ments	Leasehold improve- ments	Plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	31,730	370,019	181	13,525	415,455
Additions	-	509	-	2,946	3,455
Assets received free of charge	560	-	-	-	560
Disposals	-	-	(185)	(73)	(258)
Depreciation and amortisation	-	(19,636)	(326)	(4,168)	(24,130)
Transfer into Level 3*	-	30,091	5,813	960	36,864
Gains/(losses) for the period recognised in net result:					
- Revaluation increment/(decrement)	3,950	(25,493)	-	496	(21,047)
Total gains/(losses) recognised in net result	3,950	(25,493)	-	496	(21,047)
Carrying amount at the end of the period	36,240	355,490	5,483	13,686	410,899

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Reconciliation of Level 3 recurring fair value measurements at 30 June 2014

	Land \$'000	Buildings and improve- ments	Leasehold improve- ments	Plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	12,940	258,109	-	11,852	282,901
Additions	-	-	-	2,098	2,098
Disposals	-	-	-	(133)	(133)
Depreciation and amortisation	-	(18,929)	(3)	(4,268)	(23,200)
Assets received from restructure	18,790	18,144	-	-	36,934
Transfer into Level 3*	-	127,092	184	3,976	131,252
Other movements	-	(2,513)	-	-	(2,513)
Gains/(losses) for the period recognised in Other					
- Revaluation increment/(decrement)	-	(11,884)	-	-	(11,884)
Total gains/(losses) recognised OCI	-	(11,884)	-	-	(11,884)
Carrying amount at the end of the period	31,730	370,019	181	13,525	415,455

* The Hospital's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Assets transferred into Level 3 comprise capitalisation of assets from work in progress.

Buildings and improvements includes leasehold improvements but excludes works in progress.

Plant and equipment includes computer, medical, surgical, dental, biomedical and other plant and equipment but excludes works in progress.

23 Payables

	2015 \$'000	2014 \$'000
Current		
Creditors and accrued expenses	11,405	9,252
Paid Parental Leave Scheme payable	61	65
Staff on-costs	4,636	4,177
Other payables	8	14
Total current payables	16,110	13,508
Non-current		
Staff on-costs	2,176	1,474
Total non-current payables	2,176	1,474
Total payables	18,286	14,982

As a result of an actuarial assessment performed by Mercer Consulting (Australia) Pty Ltd, the proportion of LSL taken as leave has increased from 40% in 2014 to 51% and the average factor for the calculation of employer superannuation cost on-cost has decreased from 10.58% in 2014 to 9.71%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-costs of \$0.655 million and staff benefit expense of \$0.655 million. The estimated impact on 2016 and 2017 is \$0.675 million and \$0.695 million respectively.

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Staff on-costs are settled when the respective staff benefits that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to the amounts being payable on demand.

Categorisation of financial instruments, maturity analysis of financial assets and liabilities, and risk exposure information

Refer to Note 28.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

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24 Staff benefits

	2015	2014
	\$'000	\$'000
Current		
Annual leave	28,900	27,177
Long service leave	5,897	4,389
Accrued salaries and wages	12,222	11,063
Skills and experience retention leave	2,122	1,407
Other	1	16
Total current staff benefits	49,142	44,052
Non-current		
Long service leave	48,781	46,315
Total non-current staff benefits	48,781	46,315
Total staff benefits	97,923	90,367

AASB 119 *Employee Benefits* requires the use of a yield on long term Commonwealth Government bonds which matches the expected term of the liabilities as the discount rate in the measurement of the long service leave liability. The appropriate yield on long-term Commonwealth Government bonds has decreased from 2014 (3.60%) to 2015 (2.95%).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability. The net financial effect of the change in the current financial year is an increase in the reported long service leave liability of \$2.263 million and staff benefit expense of \$2.375 million. The impact on the future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

The actuarial assessment performed by Mercer Consulting (Australia) Pty Ltd, reduced the salary inflation rate from 4.0% per annum, to 3.0% per annum. As a result, there was a net reduction in the long service leave liability of \$3.277 million for the current financial year.

Annual leave and SERL staff benefits calculations at 30 June 2015 include a salary inflation rate of 3%

25 Provisions

	2015	2014
	\$'000	\$'000
Current		
Provision for workers compensation	4,050	3,614
Total current provisions	4,050	3,614
Non-current		
Provision for workers compensation	7,922	9,131
Total non-current provisions	7,922	9,131
Total provisions	11,972	12,745

25.1 Reconciliation of workers compensation

The following table shows the movement of workers compensation:

	2015	2014
	\$'000	\$'000
Carrying amount at the beginning of the period	12,745	7,624
Increase (decrease) in provisions recognised	1,221	5,910
Reductions arising from payments/other sacrifices of future economic benefits	(1,994)	(789)
Carrying amount at the end of the period	11,972	12,745

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by Taylor Fry Consulting Actuaries.

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26 Other liabilities		
	2015	2014
	\$'000	\$'000
Current		
Unclaimed monies	57	45
Unearned revenue	14	-
Other	181	113
Total current other liabilities	252	158
Total other liabilities	252	158

27 Equity		
	2015	2014
	\$'000	\$'000
Asset revaluation surplus	5,338	26,385
Retained earnings	327,986	322,782
Total equity	333,324	349,167

The asset revaluation surplus is used to record increments and decrements in the fair value of land, buildings and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

28 Financial instruments/financial risk management

28.1 Financial risk management

Risk management is managed by the Department for Health and Ageing's Risk and Assurance Services section and risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

The Hospital is exposed to financial risk – liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

28.2 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2.

Refer to Table 28.3 for the carrying amounts of each of the following categories of financial assets and liabilities: Loan and receivables; and financial liabilities measured at cost.

The Hospital does not recognise any financial assets or financial liabilities at fair value.

- The carrying value less impairment provisions of receivables is a reasonable approximation of their fair values due to the short-term nature of these (refer Notes 2 and Note 18).

28.3 Liquidity risk

Liquidity risk arises from the possibility that the Hospital is unable to meet its financial obligations as they fall due. The continued existence of the Hospital is dependent on State Government policy and on continued funding from the Department for the Hospital's administration and program delivery. The Hospital settles undisputed accounts within 30 days from the date of the invoice or the date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The Hospital's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount recorded in Table 28.3 represent the Hospital's maximum exposure.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

The following table discloses the carrying amount of each category of financial instrument held by the Hospital including the contractual maturity analysis for financial assets and liabilities (ie liquidity risk).

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

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Table 28.3 Categorisation and maturity analysis of financial assets and liabilities

	Notes	Carrying amount/ \$'000	Contractual maturities			
			Current \$'000	year \$'000	1 - 5 years \$'000	years \$'000
2015						
Financial assets						
Cash and equivalent						
- Cash and cash equivalents	17, 33	22,283	22,283	-	-	-
Loans and receivables						
- Receivables (1) (2)	18	4,452	4,452	-	-	-
Total financial assets		26,735	26,735	-	-	-
Financial liabilities						
Financial liabilities at cost						
- Payables (1)	23	11,123	11,123	-	-	-
- Other financial liabilities	26	238	238	-	-	-
Total financial liabilities		11,361	11,361	-	-	-

	Notes	Carrying amount/ \$'000	Contractual maturities			
			Current \$'000	year \$'000	20 \$'000	years \$'000
2014						
Financial assets						
Cash and equivalent						
- Cash and cash equivalents	17, 33	14,527	14,527	-	-	-
Loans and receivables						
- Receivables (1) (2)	18	3,416	3,416	-	-	-
Total financial assets		17,943	17,943	-	-	-
Financial liabilities						
Financial liabilities at cost						
- Payables (1)	23	8,961	8,961	-	-	-
- Other financial liabilities	26	158	158	-	-	-
Total financial liabilities		9,119	9,119	-	-	-

- (1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth taxes; Auditor-General's Department audit fees etc.). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).
- (2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in Note 18 as trade and other receivables in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

28.4 Credit risk

Credit risk arises when there is the possibility of the Hospital's debtors defaulting on their contractual obligations resulting in financial loss to the Hospital. The Hospital measures credit risk on a fair value basis and monitors risk on a regular basis.

The Hospital has minimal concentration of credit risk. The Hospital does not engage in high risk hedging for its financial assets.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer to Note 18 for information on the allowance for impairment in relation to receivables.

The carrying amount of financial assets as detailed in Table 28.4 represents the Hospital's maximum exposure to credit risk.

The following table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets.

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Table 28.4 Aging analysis of financial assets

2015	Carrying amount	Not past due and not impaired	Past due but not impaired			Impaired financial assets
			Overdue for < 30 days	Overdue for 30 - 60 days	Overdue > 60 days	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	22,283	22,283	-	-	-	-
Receivables (1)	4,452	2,556	662	333	901	(944)
	26,735	24,839	662	333	901	(944)
2014						
Cash and cash equivalents	14,527	14,527	-	-	-	-
Receivables	3,416	1,968	507	229	712	(828)
	17,943	16,495	507	229	712	(828)

(1) Receivable amounts disclosed here exclude amounts relating to statutory receivables (amounts owing to Government). They are carried at cost.

28.5 Market risk

The Hospital has limited exposure to interest rate risk.

28.6 Sensitivity disclosure analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Hospital as it has been determined that the possible impact on comprehensive income or total equity from fluctuations in interest rates is immaterial.

29 Unrecognised contractual commitments

29.1 Operating lease expenditure commitments

	2015	2014
	\$'000	\$'000
Commitments in relation to operating leases contracted for at the reporting date but not recognised		
Within one year	314	302
Later than one year but not longer than five years	1,386	1,333
Later than five years	511	878
Total operating lease commitments	2,211	2,513
Representing:		
Non-cancellable operating leases	2,211	2,513
Total operating lease commitments	2,211	2,513

The Hospital's operating lease is for office accommodation. Office accommodation is leased from Kirag Pty Ltd

29.2 Expenditure commitments

	2015	2014
	\$'000	\$'000
Capital commitments		
Capital expenditure contracted for at the reporting date but are not recognised as liabilities in the financial report, are payable as follows:		
Within one year	-	61
Total capital commitments	-	61

	2015	2014
	\$'000	\$'000
Remuneration commitments		
Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities in the financial statements, are payable as follows:		
Within one year	34,742	39,780
Later than one year but not longer than five years	5,642	9,314
Total remuneration commitments	40,384	49,094

Amounts disclosed include commitments arising from executive and other service contracts. The Hospital does not offer fixed-term remuneration contracts greater than five years.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	2015	2014
	\$'000	\$'000
Other commitments		
Other expenditure contracted for at the reporting date but are not recognised as liabilities in the financial statements, are payable as follows:		
Within one year	6,434	13,092
Later than one year but not longer than five years	-	6,121
Total other commitments	6,434	19,213
The other commitments are for agreements for goods and services ordered but not received.		

30 Transferred functions

Transferred in

2014-15

- Following a review of Departmental functions, effective 1 June 2015, the Chief Executive of the Department approved the transfer of Financial Business Advisory and Hospital based Revenue Services employees within Finance to the Local Health Networks and the South Australian Ambulance Service Inc.

2013-14

- As a result of the Health Care (Local Health Networks) Proclamation 2011 as approved by the Governor in the Government Gazette dated 9 June 2011, all primary and mental health services located in the Northern Adelaide area of that hospital's area of activities is transferred to the Northern Adelaide Local Health Network Incorporated (NALHN). This move of these functions was finalised effective 1 July 2013.

Assets and liabilities transferred to the Hospital were:

	2015	2014
	\$'000	\$'000
Receivables	-	1,517
Property, plant and equipment	-	36,934
Total assets	-	38,451
Payables	25	963
Provisions	-	4,084
Staff benefits	458	22,540
Total liabilities	483	27,587
Total net assets transferred	(483)	10,864

Net assets assumed by the Hospital as a result of the administrative restructure are at the carrying amount of those assets in the transferor's Statement of Financial Position immediately prior to the transfer. The net assets transferred were treated as a contribution by the Government as owner.

Transferred out

2014-15

- During 2014-15, the imprest inventory in the Hospital's warehouse was transferred to a the South Australian Distribution Centre in accordance with the Inventory Transfer Policy Directive as endorsed by the Chief Procurement Officer on 29 August 2014 and with the implementation of the One Procurement Solution. The transfer was effected September 2014 with amount being \$0.213 million.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

2013-14

- There were no transfers out during this period.

Assets and liabilities transferred from the Hospital were:

	2015	2014
	\$'000	\$'000
Other assets	213	-
Total assets	213	-
Total net assets/(liabilities) transferred	213	-

Net assets transferred by the Hospital as a result of the administrative restructures were at the carrying amount immediately prior to the transfer. The net assets transferred were treated as a distribution to the Government as owner.

31 Prior period error

2014

During the 2014-15 financial year, it was identified that Northern mental health and primary health care transactions should have been reflected in the NALHN financial report effective 1 July 2013.

Total income and expense adjustments to comparatives from this prior period error were: **\$'000**

Staff benefit expenses	81,771
Supplies and services	32,329
Depreciation and amortisation expense	1,523
Grants and subsidies	3
Other expenses	338
Total expenses	115,964

Revenue from fees and charges	2,715
Grants and contributions	2,869
Other revenue	68
Total income	5,652
Net cost of providing services	110,312

Revenue from SA Government	115,801
Net result	5,489
Changes in property, plant and equipment asset revaluation surplus	-
Total comprehensive result	5,489

Total assets and liabilities adjustments to comparatives from this prior period error were:

	2014
	\$'000
Current assets	
Receivables	402
Total current assets	402
Non-current assets	
Receivables	1,283
Property, plant and equipment	42,569
Total non-current assets	43,852
Total assets	44,254

Current liabilities

Payables	963
Staff benefits	10,849
Provisions	1,276
Total current liabilities	13,088

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Non-current liabilities	
Staff benefits	11,691
Provisions	3,122
Total non-current liabilities	14,813
Total liabilities	27,901
Net assets	16,353
Equity	
Retained earnings	16,353
Total equity	16,353

32 Contingent assets and liabilities

The Hospital is not aware of any contingent assets or liabilities.

33 Cash flow reconciliation

	2015	2014
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	22,283	14,527
Cash as per Statement of Financial Position	22,283	14,527
Balance as per the Statement of Cash Flows	22,283	14,527
Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash provided by (used in) operating activities	11,225	7,285
Department for Health and Ageing contributions for the provision of health services	(555,697)	(548,809)
Add/less non-cash items		
Depreciation and amortisation expense of non-current assets	(24,147)	(23,210)
Gain/loss on sale or disposal of non-current assets	(282)	(133)
Assets acquired at no cost or nominal consideration	738	-
Capital revenues	26,699	41,135
Asset write offs	-	(1,409)
Other asset movements	-	(2,513)
Movement in assets and liabilities		
Increase (decrease) in receivables	(205)	(3,789)
Increase (decrease) in inventories	1,570	356
(Increase) decrease in staff benefits	(7,098)	(9,692)
(Increase) decrease in payables and provisions	(2,506)	(496)
(Increase) decrease in other liabilities	(94)	6
Net cost of providing services	(549,797)	(541,269)

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

34 Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Note	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
4 Staff benefit expenses	-	-	394,603	381,818	394,603	381,818
Salaries and wages	-	-	317,175	304,450	317,175	304,450
TVSP (refer below)	-	-	172	1,317	172	1,317
Long service leave (LSL)	-	-	8,685	9,144	8,685	9,144
Annual leave	-	-	29,721	29,861	29,721	29,861
Skills and experience retention leave	-	-	1,066	838	1,066	838
Staff on-costs - superannuation	-	-	32,654	29,917	32,654	29,917
Workers compensation	-	-	3,523	4,514	3,523	4,514
Board and committee fees	-	-	75	75	75	75
Other staff related expenses	-	-	1,532	1,702	1,532	1,702
5 Supplies and services	60,316	47,787	119,592	132,394	179,908	180,181
Administration	220	38	807	904	1,027	942
Advertising	96	86	35	140	131	226
Communication	57	24	426	618	483	642
Computing	4,246	3,606	168	724	4,414	4,330
Contractors	46	3	300	513	346	516
Contractors - agency staff	8,786	9,062	10,522	11,082	19,308	20,144
Consultants	-	-	176	240	176	240
Contract of services	-	-	113	45	113	45
Drug supplies	402	141	16,908	18,804	17,310	18,945
Electricity, gas and fuel	38	-	4,954	5,199	4,992	5,199
Fee for service	631	68	5,378	6,035	6,009	6,103
Food supplies	69	15	3,816	3,566	3,885	3,581
Housekeeping	442	210	21,751	22,411	22,193	22,621
Insurance	4,874	4,746	362	370	5,236	5,116
Internal SA Health SLA payments	4,287	2,594	-	-	4,287	2,594
Legal	124	168	1	3	125	171
Medical, surgical and laboratory	17,731	13,566	24,885	25,916	42,616	39,482
Minor equipment	370	341	822	1,974	1,192	2,315
Motor vehicle expenses	1,001	754	21	750	1,022	1,504
Occupancy rent and rates	823	965	5,309	4,556	6,132	5,521
Patient transport	3,710	3,328	813	1,000	4,523	4,328
Payments to Shared Services SA	2,363	2,223	-	-	2,363	2,223
Periodical, journals and publications	2	1	37	124	39	125
Postage	36	38	618	683	654	721
Printing and stationery	582	239	1,185	2,009	1,767	2,248
Rental expense on operating lease	333	271	31	47	364	318
Repairs and maintenance	7,794	4,875	2,529	7,397	10,323	12,272
Security	117	81	6,064	5,152	6,181	5,233
Staff training and development	63	54	5,064	4,669	5,127	4,723
Staff travel expenses	6	1	277	284	283	285
Waste removal	11	-	383	-	394	-
Other supplies and services	1,056	289	5,837	7,179	6,893	7,468
6 Depreciation and amortisation expense	-	-	24,147	23,210	24,147	23,210
Buildings and improvements	-	-	19,220	18,789	19,220	18,789
Site improvements	-	-	416	140	416	140
Computing equipment	-	-	16	13	16	13
Medical, surgical, dental and	-	-	3,937	4,025	3,937	4,025
Other plant and equipment	-	-	215	230	215	230
Leasehold improvements	-	-	326	3	326	3
Intangible assets	-	-	17	10	17	10

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Note	SA Government		Non-SA Government		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
7 Grants and subsidies	-	3	10	52	10	55
Other	-	3	10	52	10	55
8 Other expenses	628	110	2,090	2,845	2,718	2,955
Bad and doubtful debts	-	-	1,430	860	1,430	860
Donated assets expense	560	-	-	-	560	-
Bank fees and charges	-	-	28	41	28	41
Other (excluding audit fees)	68	110	632	1,944	700	2,054
9 Auditor's remuneration	289	307	-	-	289	307
Auditor fees - auditing financial	289	307	-	-	289	307
Auditor fees - other services	-	-	-	-	-	-
TOTAL EXPENSES	61,233	48,207	540,442	540,319	601,675	588,526
INCOME						
10 Revenue from fees and charges	8,204	10,272	23,511	18,669	31,715	28,941
Fines, fees and penalties	-	-	56	37	56	37
Insurance recoveries from health	95	21	-	-	95	21
Patient and client fees	-	-	12,998	9,679	12,998	9,679
Private practice fees	-	-	5,536	5,600	5,536	5,600
Recoveries	7,895	10,019	1,188	519	9,083	10,538
Residential and other aged care	-	-	1,005	1,002	1,005	1,002
Sale of goods - medical supplies	13	15	17	12	30	27
Other user charges and fees	201	217	2,711	1,820	2,912	2,037
11 Grants and contributions	75	23	15,236	14,542	15,311	14,565
Commonwealth grants and donations	-	-	49	363	49	363
Commonwealth aged care subsidies	-	-	2,114	1,939	2,114	1,939
Pharmaceutical benefits scheme	-	-	11,568	10,988	11,568	10,988
Other grants and contributions from SA Government agencies	75	23	-	-	75	23
Private sector grants and contributions	-	-	1,505	1,252	1,505	1,252
12 Interest revenue	254	181	88	148	342	329
Interest from SAFA	84	181	-	-	84	181
Interest on Special Purpose Funds	170	-	-	-	170	-
Bank interest	-	-	88	148	88	148
13 Resources received free of charge	560	-	178	-	738	-
Land and improvements	560	-	-	-	560	-
Plant and equipment	-	-	178	-	178	-
14 Net gain/(loss) from disposal of non-current and other assets	-	-	(282)	(133)	(282)	(133)
Less total value of assets disposed	-	-	(282)	(133)	(282)	(133)
15 Other revenue	22	4	4,032	3,551	4,054	3,555
Commissions revenue	-	-	-	7	-	7
Car park revenue	1	-	1,981	1,881	1,982	1,881
Rent Revenue	-	-	1,564	1,295	1,564	1,295
Other	21	4	487	368	508	372
16 Revenue from SA Government	555,697	548,809	-	-	555,697	548,809
Recurrent funding	533,893	507,898	-	-	533,893	507,898
Capital funding	21,804	40,911	-	-	21,804	40,911
TOTAL INCOME	564,812	559,289	42,763	36,777	607,575	596,066

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Note	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
FINANCIAL ASSETS						
17 Cash and cash equivalents	-	6,685	22,283	7,842	22,283	14,527
Cash at bank or on hand - non-government financial institutions	-	-	22,272	7,834	22,272	7,834
Deposits with SA Government Financing Authority	-	6,685	-	-	-	6,685
Imprest account/cash on hand	-	-	11	8	11	8
18 Receivables	3,685	5,102	4,879	3,667	8,564	8,769
Patient/client fees						
Compensable	-	-	573	316	573	316
Other	-	-	2,836	2,256	2,836	2,256
Workers compensation provision	3,473	4,926	-	-	3,473	4,926
Interest income receivable	-	15	-	-	-	15
Prepayments	-	-	155	205	155	205
Debtors	212	136	521	627	733	763
Less: allowance for doubtful debts	-	-	(944)	(828)	(944)	(828)
Sundry receivables and accrued	-	25	1,363	959	1,363	984
GST recoverable	-	-	375	132	375	132
TOTAL FINANCIAL ASSETS	3,685	11,787	27,162	11,509	30,847	23,296
FINANCIAL LIABILITIES						
23 Payables	1,784	1,854	16,502	13,128	18,286	14,982
Creditors and accrued expenses	1,784	1,848	9,621	7,404	11,405	9,252
Paid Parental Leave Scheme payable	-	-	61	65	61	65
Staff on-costs	-	-	6,812	5,651	6,812	5,651
Other payables	-	6	8	8	8	14
26 Other liabilities	(2)	-	254	158	252	158
Unclaimed monies	-	-	57	45	57	45
Unearned revenue	-	-	14	-	14	-
Other	(2)	-	183	113	181	113
TOTAL FINANCIAL LIABILITIES	1,782	1,854	16,756	13,286	18,538	15,140

35 Remuneration of board and committee members

Members of boards/committees that served for all or part of the financial year were:

Northern Adelaide Local Health Network Consumer Advisory Council

Abbott N (resigned 13/05/2015)	Hicks R	Parrott T (resigned 15/08/2014)
Brooks C * (resigned 23/09/2014)	Isemonger J	Patching A
Chand R (resigned 28/04/2015)	Loughhead M	Thompson M
Davidson F	Lowden H	Turner M
Davies I	Miller S * (resigned 20/11/2014)	Whatley G
Davison-Park B	Mossop J	White A (Chair)
Green L	Owen V *	

Northern Adelaide Local Health Network Health Advisory Council

Dibb-Leigh J (ceased 22/07/14)	Porter A (ceased 08/08/14)
Durrant M (appointed 01/07/14)	Smith J (appointed 01/07/14)
Hains S (Chair) (appointed 01/07/14)	Vlachoulis N (appointed 01/07/14)
Isemonger J (appointed 01/07/14)	Wilson B (appointed 01/07/14)
Jenkins S * (appointed 01/07/14)	
Lampard F (appointed 01/07/14)	

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Northern Adelaide Local Health Network Outpatient Department

Steering Committee

Beare C *	Mullen P *
Heffernan D *	Owen V * (Chair)
Hobbs M *	Parr S *
Hodby C *	Puvogel K *
Jaavuo S *	Saunders H *
Jasoria V Dr	Thomas R Dr *
Klassmann L *	Wareham C *

Northern Adelaide Local Health Network Risk Management & Audit Committee

Hains S (Chair)
McGowan C
Penn G *
Smith J

	2015	2014
The number of members whose remuneration received or receivable falls within the following bands:	No. of Members	No. of Members
\$0	23	19
\$1 - \$9,999	21	20
\$10,000 - \$19,999	1	1
Total	45	40

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, FBT and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$0.081 million (\$0.079 million).

*In accordance with the *Department of Premier and Cabinet Circular No. 016*, government employees did not receive any remuneration for board/committee duties during the financial year.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

36 Events after the reporting period

The Hospital is not aware of any material events occurring between the end of the reporting period and when the financial statements were authorised.

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

37 Segment information

The Hospital is required by Commonwealth funding requirements to disclose segment information for Residential Aged Care services.

Residential Aged Care Services funded by the Commonwealth are provided through Makk & McLeay Nursing Home, which is part of the Hospital and not separately incorporated.

Segment disclosures required by AASB 8 *Operating Segments* are as follows:

Segment income and expenses

	Residential Aged Care Services	Other operations	Consolidated
2015	2015	2015	2015
	\$'000	\$'000	\$'000
Segment expenses			
Staff benefit expenses	4,352	390,251	394,603
Depreciation and amortisation	403	23,744	24,147
Other	1,888	181,319	183,207
Total segment expenses	6,643	595,314	601,957
Segment income			
Revenue from fees and charges	657	31,058	31,715
Government grants and subsidies	2,033	13,278	15,311
Other	3,826	557,005	560,831
Total segment income	6,516	601,341	607,857
Segment result	(127)	6,027	5,900

	Residential Aged Care Services	Other operations	Consolidated
2014	2014	2014	2014
	\$'000	\$'000	\$'000
Segment expenses			
Staff benefit expenses	5,512	376,306	381,818
Depreciation and amortisation	437	22,773	23,210
Other	1,923	181,708	183,631
Total segment expenses	7,872	580,787	588,659
Segment income			
Revenue from fees and charges	609	28,332	28,941
Government grants and subsidies	1,886	12,679	14,565
Other	4,868	547,825	552,693
Total segment income	7,363	588,836	596,199
Segment result	(509)	8,049	7,540

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Segment assets, liabilities and equity

	Residential Aged Care Services	Other operations	Consolidated
2015	2015	2015	2015
	\$'000	\$'000	\$'000
Segment current assets			
Cash and cash equivalents	5	22,278	22,283
Receivables	20	6,344	6,364
Inventories	-	2,728	2,728
Total segment current assets	25	31,350	31,375
Segment non-current assets			
Receivables	30	2,170	2,200
Property, plant and equipment	3,215	424,910	428,125
Other	-	57	57
Total segment non-current assets	3,245	427,137	430,382
Total segment assets	3,270	458,487	461,757
Segment current liabilities			
Payables	100	16,010	16,110
Staff benefits	857	48,285	49,142
Other	64	4,238	4,302
Total segment current liabilities	1,021	68,533	69,554
Segment non-current liabilities			
Payables	41	2,135	2,176
Staff benefits	785	47,996	48,781
Other	114	7,808	7,922
Total segment non-current liabilities	940	57,939	58,879
Total segment liabilities	1,961	126,472	128,433
Net segment assets	1,309	332,015	333,324
Segment equity			
Retained earnings	1,309	326,677	327,986
Asset revaluation surplus	-	5,338	5,338
Total segment equity	1,309	332,015	333,324
Changes in equity			
Balance at the beginning of the reporting period	1,436	347,731	349,167
Gain on revaluation of property, plant and equipment	-	(21,047)	(21,047)
Net transfers in/out from administrative restructures	-	(696)	(696)
Net operating result / deficit	(127)	6,027	5,900
Balance at the end of the reporting period	1,309	332,015	333,324

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	Residential Aged Care Services	Other operations	Consolidated
2014	2014	2014	2014
	\$'000	\$'000	\$'000
Segment current assets			
Cash and cash equivalents	8	14,519	14,527
Receivables	58	4,880	4,938
Inventories	-	1,371	1,371
Total segment current assets	66	20,770	20,836
Segment non-current assets			
Receivables	56	3,775	3,831
Property, plant and equipment	3,465	439,237	442,702
Other	-	50	50
Total segment non-current assets	3,521	443,062	446,583
Total segment assets	3,587	463,832	467,419
Segment current liabilities			
Payables	171	13,337	13,508
Staff benefits	888	43,164	44,052
Other	63	3,709	3,772
Total segment current liabilities	1,122	60,210	61,332
Segment non-current liabilities			
Payables	36	1,438	1,474
Staff benefits	861	45,454	46,315
Other	132	8,999	9,131
Total segment non-current liabilities	1,029	55,891	56,920
Total segment liabilities	2,151	116,101	118,252
Net segment assets	1,436	347,731	349,167
Segment equity			
Retained earnings	1,436	321,346	322,782
Asset revaluation surplus	-	26,385	26,385
Total segment equity	1,436	347,731	349,167
Changes in equity			
Balance at the beginning of the reporting period	1,945	340,702	342,647
Gain on revaluation of property, plant and equipment	-	(11,884)	(11,884)
Net transfers in/out from administrative restructures	-	10,864	10,864
Net operating result / deficit	(509)	8,049	7,540
Balance at the end of the reporting period	1,436	347,731	349,167

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Segment Statement of Cash Flows

	Residential Aged Care Services	Other operations	Consolidated
2015	2015	2015	2015
	\$'000	\$'000	\$'000
<u>Segment cash flows from operating activities</u>			
Segment cash inflows			
Fees and charges	657	30,839	31,496
Grants and contributions	2,033	13,308	15,341
Other	4,086	541,776	545,862
Total segment cash inflows	6,776	585,923	592,699
Segment cash outflows			
Staff benefit expenses	(4,465)	(382,708)	(387,173)
Other	(2,162)	(192,139)	(194,301)
Total segment cash outflows	(6,627)	(574,847)	(581,474)
Net segment cash inflows/cash outflows from operating activities	149	11,076	11,225
<u>Segment cash flows from investing activities</u>			
Segment cash outflows			
Payments for property plant and equipment	(152)	(3,317)	(3,469)
Net segment cash inflows/cash outflows from investing activities	(152)	(3,317)	(3,469)
Net increase / (decrease) in cash held	(3)	7,759	7,756
Cash at the beginning of the reporting period	8	14,519	14,527
Cash at the end of the reporting period	5	22,278	22,283

	Residential Aged Care Services	Other operations	Consolidated
2014	2014	2014	2014
	\$'000	\$'000	\$'000
<u>Segment cash flows from operating activities</u>			
Segment cash inflows			
Fees and charges	609	32,520	33,129
Grants and contributions	1,697	12,908	14,605
Other	4,850	521,811	526,661
Total segment cash inflows	7,156	567,239	574,395
Segment cash outflows			
Staff benefit expenses	(5,472)	(365,817)	(371,289)
Other	(1,680)	(194,141)	(195,821)
Total segment cash outflows	(7,152)	(559,958)	(567,110)
Net segment cash inflows/cash outflows from operating activities	4	7,281	7,285
<u>Segment cash flows from investing activities</u>			
Segment cash outflows			
Payments for property plant and equipment	-	(2,785)	(2,785)
Total segment cash outflows	-	(2,785)	(2,785)
Net segment cash inflows/cash outflows from investing activities	-	(2,785)	(2,785)
Net increase / (decrease) in cash held	4	4,496	4,500
Cash at the beginning of the reporting period	4	10,023	10,027
Cash at the end of the reporting period	8	14,519	14,527

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

38 Schedules of administered funds

The following incomes, expenses, assets and liabilities were administered but not controlled by the Hospital and have not been included in the financial statements. In accordance with Accounting Policy Framework II *General Purpose Financial Statements* para. 3.13.2, these items are regarded as insignificant to the Hospital's overall performance and are disclosed in the following schedules.

Description of categories of administered funds

The Nurses Education Fund was established to provide funds to contributing nurses of the Lyell McEwin Health Services to attend professional education activities relevant to nursing practice and areas of nursing expertise.

The Medical Staff Society Trust Fund was set up by medical staff and accumulated through staff contributions for retiring medical staff.

Private Practice represents funds billed on behalf of salaried medical officers and subsequently distributed to the Hospital and salaried medical officers according to individual Rights of Private Practice Deeds of Agreement.

Schedule of administered expenses and Income for the year ended 30 June 2015

	Private Practice Funds	Nurses Education Fund & Other	Total
	2015 \$'000	2015 \$'000	2015 \$'000
Administered expenses			
Supplies and services	1	43	44
Other expenses	10,004	-	10,004
Total administered expenses	10,005	43	10,048
Administered income			
Revenues from fees and charges	10,000	-	10,000
Other revenues	-	45	45
Total administered income	10,000	45	10,045
Net result	(5)	2	(3)
	Private Practice Funds	Nurses Education Fund & Other	Total
	2014 \$'000	2014 \$'000	2014 \$'000
Administered expenses			
Supplies and services	3	46	49
Other expenses	9,533	-	9,533
Total administered expenses	9,536	46	9,582
Administered income			
Revenues from fees and charges	9,704	-	9,704
Other revenues	-	48	48
Total administered income	9,704	48	9,752
Net result	168	2	170

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

**Schedule of administered assets and liabilities
as at 30 June 2015**

	Private Practice Funds	Nurses Education Fund & Other	Total
	2015 \$'000	2015 \$'000	2015 \$'000
Administered current assets			
Cash and cash equivalents	690	139	829
Receivables	591	-	591
Total administered current assets	1,281	139	1,420
Total administered assets	1,281	139	1,420
Administered current liabilities			
Payables	44	-	44
Total administered current liabilities	44	-	44
Total administered liabilities	44	-	44
Net administered assets	1,237	139	1,376

	Private Practice Funds	Nurses Education Fund & Other	Total
	2014 \$'000	2014 \$'000	2014 \$'000
Administered current assets			
Cash and cash equivalents	759	137	896
Receivables	483	-	483
Total administered current assets	1,242	137	1,379
Total administered assets	1,242	137	1,379
Net administered assets	1,242	137	1,379

**Schedule of administered changes in equity
for the year ended 30 June 2015**

	Private Practice Funds	Nurses Education Fund & Other	Total
	2015 \$'000	2015 \$'000	2015 \$'000
Balance at the beginning of the reporting period	1,242	137	1,379
Net result	(5)	2	(3)
Balance at the end of the reporting period	1,237	139	1,376

	Private Practice Funds	Nurses Education Fund & Other	Total
	2014 \$'000	2014 \$'000	2014 \$'000
Balance at the beginning of the reporting period	1,074	135	1,209
Net result	168	2	170
Balance at the end of the reporting period	1,242	137	1,379

NORTHERN ADELAIDE LOCAL HEALTH NETWORK

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

**Schedule of Administered Cash Flows
for the year ended 30 June 2015**

	Private Practice Funds	Nurses Education Fund & Other	Total
	2015 \$'000	2015 \$'000	2015 \$'000
<u>Cash flows from operating activities</u>			
Cash inflows			
Fees and charges	9,895	-	9,895
Other revenue	-	45	45
Total cash inflows	9,895	45	9,940
Cash outflows			
Supplies and services	1	43	44
Other payments	9,963	-	9,963
Total cash outflows	9,964	43	10,007
Net cash inflows/cash outflows from operating activities	(69)	2	(67)
Net increase/(decrease) in cash held	(69)	2	(67)
Cash at the beginning of the reporting period	759	137	896
Cash at the end of the reporting period	690	139	829

	Private Practice Funds	Nurses Education Fund & Other	Total
	2014 \$'000	2014 \$'000	2014 \$'000
<u>Cash flows from operating activities</u>			
Cash inflows			
Fees and charges	9,759	-	9,759
Other revenue	-	48	48
Total cash inflows	9,759	48	9,807
Cash outflows			
Supplies and services	(3)	(49)	(52)
Other payments	(9,537)	-	(9,537)
Total cash outflows	(9,540)	(49)	(9,589)
Net cash inflows/cash outflows from operating activities	219	(1)	218
Net increase/(decrease) in cash held	219	(1)	218
Cash at the beginning of the reporting period	540	138	678
Cash at the end of the reporting period	759	137	896

Administered expenses and administered cash outflows

The Hospital makes various transfer payments to eligible beneficiaries in the capacity of an agent responsible for the administration of the transfer process. Amounts relating to these transfer payments are not controlled by the Hospital, since they are made at the discretion of government in accordance with government policy. These transfers are disclosed as administered expenses and administered cash outflows.

Administered incomes and administered cash inflows

The Hospital collects various revenues on behalf of the Government. The amounts are not controlled by the Hospital and are not recognised by the Hospital. These amounts are disclosed as administered revenues and administered cash inflows.

Administered assets and liabilities

The Hospital manages various assets and liabilities on behalf of the Government. The amounts are not controlled by the Hospital and are not recognised by the Hospital. These amounts are disclosed as administered assets and liabilities.

Administered contingent assets and liabilities

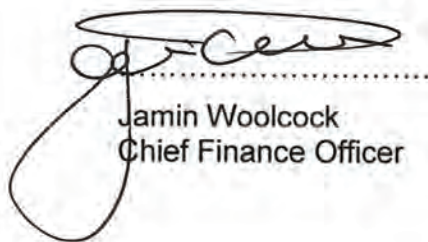
The Hospital has no administered contingent assets and liabilities.

Certification of the financial statements

We certify that the:

- financial statements of the Northern Adelaide Local Health Network Inc.:
 - are in accordance with the accounts and records of the authority; and
 - comply with relevant Treasurer's instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the authority at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by the Northern Adelaide Local Health Network Inc. over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.


.....
Jackie Hanson
Chief Executive Officer


.....
Jamin Woolcock
Chief Finance Officer

Date 18/9/15
.....



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To the Chief Executive Officer Northern Adelaide Local Health Network Incorporated

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 36 of the *Health Care Act 2008*, I have audited the accompanying financial report of the Northern Adelaide Local Health Network Incorporated for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chief Executive Officer and the Chief Finance Officer.

The Chief Executive Officer's Responsibility for the Financial Report

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

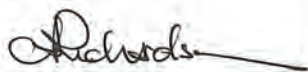
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Northern Adelaide Local Health Network Incorporated as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson
Auditor-General
22 September 2015

SA Ambulance Service Inc

Financial report
for the year ended
30 June 2015

SA AMBULANCE SERVICE INC
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Expenses			
Staff benefit expenses	4	153,713	150,023
Supplies and services	5	63,053	62,831
Depreciation and amortisation expense	6	9,195	8,927
Bad and Doubtful Debts	7	14,161	14,037
Other expenses	7	1,693	1,223
Total expenses		241,815	237,041
Income			
Revenue from fees and charges	9	114,228	106,626
Interest revenue	10	210	323
Resources received free of charge	11	91	17
Net gain/(loss) from disposal of non-current and other assets	12	177	685
Other revenue	13	2,211	2,411
Total income		116,917	110,062
Net cost of providing services		124,898	126,979
Revenue from SA Government			
Revenue from SA Government	14	127,202	125,795
Total revenue from SA Government		127,202	125,795
Net result		2,304	(1,184)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus		2,857	-
Items that will be reclassified subsequently to net result when specific conditions are met			
Gains or (losses) recognised directly in equity		(3,729)	5,000
Total other comprehensive income		(872)	5,000
Total comprehensive result		1,432	3,816

The net result and total comprehensive result are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes.

SA AMBULANCE SERVICE INC
STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	Note	2015 \$ '000	2014 \$ '000
Current assets			
Cash and cash equivalents	15	19,625	14,460
Receivables	16	16,172	17,579
Inventories	17	245	24
Other assets	18	46	85
Total current assets		36,088	32,148
Non-current assets			
Receivables	16	1,408	2,423
Property, plant and equipment	19	75,372	73,253
Intangible assets	20	2,935	4,045
Total non-current assets		79,715	79,721
Total assets		115,803	111,869
Current liabilities			
Payables	22	7,058	11,959
Staff benefits	23	33,895	29,971
Provisions	24	2,567	2,297
Other liabilities	25	927	240
Total current liabilities		44,447	44,467
Non-current liabilities			
Payables	22	1,756	1,258
Staff benefits	23	36,995	33,882
Provisions	24	4,844	5,771
Total non-current liabilities		43,595	40,911
Total liabilities		88,042	85,378
Net assets		27,761	26,491
Equity			
Contributed capital	26	6,298	6,298
Asset revaluation surplus	26	15,807	12,950
Other reserves	26	36,994	40,833
Accumulated losses	26	(31,338)	(33,590)
Total equity		27,761	26,491
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	28		
Contingent assets and liabilities	30		

The above statement should be read in conjunction with the accompanying notes.

SA AMBULANCE SERVICE INC
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2015

	Note	Contributed capital \$ '000	Asset revaluation surplus \$ '000	Other reserves \$ '000	Accum- ulated Losses \$ '000	Total \$ '000
Balance at 30 June 2013		6,298	12,950	7,976	(10,571)	16,653
Changes in accounting policy		-	-	25,167	(19,145)	6,022
Restated balance at 30 June 2013		6,298	12,950	33,143	(29,716)	22,675
Net result for 2013-14		-	-	-	(1,184)	(1,184)
Gain on revaluation of Defined Benefit Fund Liability		-	-	5,000	-	5,000
Total comprehensive result for 2013-14		-	-	5,000	(1,184)	3,816
Transfer between equity components		-	-	2,690	(2,690)	-
Balance at 30 June 2014	26	6,298	12,950	40,833	(33,590)	26,491
Error correction		-	-	-	-	-
Restated balance at 30 June 2014	26	6,298	12,950	40,833	(33,590)	26,491
Net result for 2014-15		-	-	-	2,304	2,304
Gain/(loss) on revaluation of property during 2014-15	19	-	2,767	-	-	2,767
Gain/(loss) on revaluation of plant and equipment during 2014-15	19	-	90	-	-	90
Loss on revaluation of Defined Benefit Fund Liability		-	-	(3,729)	-	(3,729)
Total comprehensive result for 2014-15		-	2,857	(3,729)	2,304	1,432
Transfer between equity components		-	-	(110)	110	-
Transactions with SA Government as owner						
Net assets received from an administrative restructure	29	-	-	-	(162)	(162)
Balance at 30 June 2015	26	6,298	15,807	36,994	(31,338)	27,761

All changes in equity are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes.

SA AMBULANCE SERVICE INC
STATEMENT OF CASH FLOWS
For the year ended 30 June 2015

	Note	2015 \$ '000	2014 \$ '000
Cash flows from operating activities			
Cash outflows			
Staff benefit expenses		(151,301)	(144,545)
Payments for supplies and services		(70,893)	(65,726)
Payments for paid parental leave scheme		(368)	(377)
Other payments		(15,926)	(15,501)
Cash used in operations		(238,488)	(226,149)
Cash inflows			
Fees and charges		116,726	112,071
Interest received		218	323
GST recovered		2,299	2,780
Receipts for paid parental leave scheme		359	386
Other receipts		2,854	2,257
Cash generated from operations		122,456	117,817
Cash flows from SA Government			
Receipts from SA Government		127,818	125,537
Cash generated from SA Government		127,818	125,537
Net cash provided by operating activities		11,786	17,205
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(7,161)	(11,613)
Purchase of intangibles		-	(48)
Cash used in investing activities		(7,161)	(11,661)
Cash inflows			
Proceeds from sale of property, plant and equipment		540	892
Cash generated from investing activities		540	892
Net cash used in investing activities		(6,621)	(10,769)
Net increase in cash and cash equivalents		5,165	6,436
Cash and cash equivalents at the beginning of the period		14,460	8,024
Cash and cash equivalents at the end of the period	15	19,625	14,460
Non-cash transactions	31	(8,662)	(8,093)

The above statement should be read in conjunction with the accompanying notes.

SA AMBULANCE SERVICE INC**NOTE INDEX**

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SA AMBULANCE SERVICE INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

1 Objectives of SA Ambulance Service Inc

The SA Ambulance Service Inc (SAAS) is an incorporated association under the *Health Care Act 2008* (the Act).

Health Services incorporated under the Act are funded from various sources. In addition to fees charged for services provided other funding can be obtained from the Department for Health and Ageing (the Department), the Commonwealth Government, public donations, private practice funds, foundations and other sources.

The Act was proclaimed on 1 July 2008 and repealed the *Ambulance Services Act 1992*. Under the provisions of the Act, SAAS ceased to be an association under the *Associations Incorporation Act 1985* but continues in existence as the same body corporate but now constituted under the Act. As a result of these legislative changes, administration of the body corporate changed from the previous Ambulance Board to the Chief Executive Officer of the Department for Health and Ageing who in turn has delegated day to day operational responsibilities to the Chief Executive Officer of SAAS.

The Act also provides for the establishment of local Health Advisory Councils (HACs). The SA Ambulance Service Volunteer Health Advisory Council (SAASVHAC) was established on 1 July 2008 as an unincorporated body. The role of the council is to provide advice and advocacy on SAAS volunteer matters to the Minister for Health and Ageing and the Chief Executive Officer and management of SAAS.

Users of these financial statements should note that the South Australian Government funds a significant part but not the entire operations of SAAS.

SAAS is the principal provider of emergency ambulance services in South Australia. This includes:

- out-of-hospital emergency care and transport;
- a non-emergency ambulance transport service;
- emergency and major events management; and
- medical retrieval services.

To complement the provision of ambulance services, SAAS also:

- collaborates with Flinders University to deliver the Bachelor of Paramedic Sciences and the Master of Paramedic Sciences;
- administers the contract for inter-hospital patient transfer by the Royal Flying Doctor Service;
- promotes and administers the Ambulance Cover subscription scheme; and
- promotes and manages Call Direct - a 24-hour personal monitoring emergency service.

SAAS's objectives are to provide a high quality pre-hospital care and patient transport.

1.1 Administrative restructures

2014-15

Following a review of Departmental functions, effective 1 June 2015, the Chief Executive of the Department approved the transfer of Financial Business Advisory and Hospital based Revenue Services employees within Finance to the Local Health Networks and the South Australian Ambulance Service.

Details of the assets, rights and liabilities that transferred are provided in Note 29.

2 Summary of significant accounting policies

2.1 Statement of compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*, and the requirements of the Act.

SAAS has applied Australian Accounting Standards that are applicable to not-for-profit entities, as SAAS is a not-for-profit entity.

Refer to Note 3 for Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective for SAAS for the reporting period ending 30 June 2015.

2.2 Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgment in the process of applying SAAS's accounting policies. The areas involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, that have been included in this financial report:
 - a) revenues, expenses, financial assets and financial liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature;
 - b) expenses incurred as a result of engaging consultants;
 - c) staff targeted voluntary separation package information (TVSP);
 - d) staff whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths), and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those staff; and
 - e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than direct out of pocket reimbursement.

SAAS's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the applicable valuation policy.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and are presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

2.3 Reporting entity

SAAS was incorporated under the *Associations Incorporation Act 1985* on 1 July 1993 under the name SA St John Ambulance Service Incorporated. The service continued in existence with the name SA Ambulance Service Inc under the *Ambulance Services Act 1992* until it was repealed on 10 April 2008. From this date the service has continued under the Act.

SAAS's financial statements includes the operations of the SA Ambulance Development Fund. This fund is a Charitable Trust administered by SAAS pursuant to a Declaration of Trust. The fund receives donations, gifts and bequests from the public which are applied by the Trustee to improve the services offered by SAAS. The funds cannot be used for the day to day operating expenses of SAAS.

SAAS does not control any other entity and has no interests in unconsolidated structured entities. In forming this view, SAAS considered its involvement with a number of different entities and determined that it does not control any of them.

In making this assessment, SAAS considered its power over the entities, its exposure or rights (eg protective and substantive rights) to variable returns from its involvement with the entities and the ability to use its power to affect return amounts (eg ability to direct relevant major activities).

SAAS has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

2.4 Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or Accounting Policy Statements have required a change, or as otherwise noted.

Where presentation and classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial statements for the preceding period.

2.5 Rounding

All amounts in the financial statements are rounded to the nearest thousand dollars (\$'000).

2.6 Taxation

SAAS is not subject to income tax. SAAS is liable for fringe benefits tax (FBT) and goods and services tax (GST).

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

Effective 1 January 2014, the Department for Health and Ageing, incorporated Hospitals and SAAS were grouped for GST purposes with the ATO. All transactions between the GST group members are not subject to GST. The Department acts as an agent on behalf of the incorporated Hospitals and SAAS for the purpose of remitting GST to, and recovering GST from, the ATO.

2.7 Expenses

Expenses are recognised in SAAS's Statement of Comprehensive Income when, and only when, it is probable that the flow of economic benefits from SAAS will occur, and can be reliably measured.

Expenses have been classified according to their nature, and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are the specific recognition criteria:

Resources provided free of charge

Resources provided free of charge are recorded as expenditure in the Statement of Comprehensive Income at their fair value.

Resources provided free of charge are recorded in the line items to which they relate.

Contributions paid

Contributions payable will be recognised as a liability and expense when SAAS has a present obligation to pay the contribution and the expense recognition criteria are met.

SA AMBULANCE SERVICE INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

Borrowing costs

Borrowing costs are recognised as an expense when incurred.

Staff benefits expenses

Staff benefits expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by SAAS to the superannuation plan in respect of current services of current SAAS staff. The Department of Treasury and Finance (DTF) centrally recognises the superannuation liability in the whole of government financial statements.

2.8 Income

Income is recognised in SAAS's Statement of Comprehensive Income when, and only when, it is probable that the flow of economic benefits to SAAS will occur, and can be reliably measured.

Income has been classified according to its nature, and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are the specific recognition criteria:

Fees and charges

Revenues from fees and charges are derived from the provision of goods and services to other SA government agencies and to the public. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Ambulance transport revenue

Ambulance transport revenue comprises revenue earned from the provision of patient transport, and is recognised when the service is provided or when the fee in respect of services provided is receivable.

Ambulance cover revenue

SAAS operates the Ambulance cover scheme whereby members pay a subscription to cover themselves against the cost of ambulance transport. Ambulance cover revenue is brought to account as services are provided.

Call Direct revenue

Call Direct revenue comprises the sale of alarm monitoring units, accessories and monitoring income. Units and accessories revenue are recognised at point of sale. Monitoring income is brought to account as services are provided.

Gain from disposal of non-current assets

Income from the disposal of non-current assets is recognised when control of the asset has passed to the buyer, and determined by comparing proceeds with the carrying amount. When revalued assets are sold, any identified revaluation increments are transferred to retained earnings.

Resources received free of charge

Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value.

Other revenue

Other revenue consists of training revenue, and rental revenue.

2.9 Revenue from SA Government

The Department for Health and Ageing (the Department) provides recurrent and capital funding under a service level agreement to SAAS for the provision of general health services.

Contributions from the Department are recognised as revenues when SAAS obtains control over the funding. Control over the funding is normally obtained upon receipt.

2.10 Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. SAAS has a clearly identifiable operating cycle of 12 months. Therefore, assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle will be classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, SAAS has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

2.11 Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

When an asset line item combines amounts expected to be settled within 12 months and more than 12 months, SAAS has separately disclosed the amounts expected to be recovered after more than 12 months.

2.12 Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand, deposits at call and other short-term, highly liquid investments with maturities of three months or less, that are readily converted to cash, and which are subject to insignificant risk of changes in value.

Cash and cash equivalents in the Statement of Cash Flows consist of cash and cash equivalents as defined above, net of bank overdrafts. Cash is measured at nominal value.

2.13 Receivables

Receivables include amounts receivable from goods and services, GST recoverable, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other agencies and to the public. SAAS's trading terms for receivables are generally 30 days.

Other debtors arise outside the normal course of selling goods and services to other agencies and to the public.

Doubtful Debts

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that SAAS will not be able to collect the debt. Bad debts are written off only after all reasonable effort has been made to collect the debt.

Due to the nature of ambulance operations, particularly Community Service Obligations, SAAS has a substantial number of doubtful debts for Ambulance Transport. The provision for doubtful debts is adjusted on a regular basis to ensure that it sufficiently covers the latest estimate of debts that may prove to be uncollectable.

2.14 Inventories

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost. Inventories (other than those held for distribution at no or nominal consideration) are measured at the lower of cost or their net realisable value.

Cost is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distributing to customers.

The amount of any inventory write-down to net realisable value/replacement cost or inventory losses are recognised in the Statement of Comprehensive Income as an expense in the period the write-down or loss occurred. Any write-down reversals are also recognised in the statement of comprehensive income as an expense reduction.

In line with SA Health Inventory Policy, all inventory is managed by the SA Health Distribution Centre and SAAS holds imprest stores. Stores of Call Direct stocks are no longer recognised as inventory at SAAS in line with SA Health Policy. Call Direct stocks previously recognised were written off during the year.

2.15 Non-current asset acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation. Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. Where assets are acquired at no or nominal value as part of a restructure of administrative arrangements, the assets are recorded at the value held by the transferor public authority prior to the restructure.

SAAS capitalises all non-current tangible property, plant and equipment and intangible assets that it controls valued at or greater than \$10,000.

Assets recorded as works in progress represent projects physically incomplete as at the reporting date.

Componentisation of complex assets is generally performed when the complex asset's fair value at the time of acquisition is equal to or greater than \$5 million for infrastructure assets and \$1 million for other assets.

2.16 Revaluation of non-current assets

In accordance with Accounting Policy Framework III *Asset Accounting Framework* :

- all non-current tangible assets are valued at written down cost (a proxy for fair value);
- SAAS revalues all land, buildings and site improvements triennially via a certified practicing valuer;
- triennial revaluation of other non-current assets by a Certified Practicing Valuer is only performed when the asset's fair value at the time of acquisition is greater than \$1 million, and the estimated useful life exceeds three years;
- if at any time management considers that the carrying amount of an asset greater than \$1 million materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place; and
- non-current tangible assets that are acquired between revaluations are held at cost, until the next valuation, when they are revalued to fair value.

Any revaluation increase is credited to the revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income.

Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the revaluation surplus to the extent of the credit balance existing in revaluation reserves for that asset class.

Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class, but are not offset in respect of assets in different classes.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Upon disposal or derecognition, any asset revaluation surplus relating to that asset is transferred to retained earnings.

2.17 Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. The amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. For revalued assets, an impairment loss is offset against the revaluation surplus for that class of assets, to the extent that the impairment loss does not exceed the amount in the respective asset revaluation surplus.

2.18 Depreciation and amortisation of non-current assets

All non-current assets, that have a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible and leasehold assets, whilst depreciation is applied to physical assets such as property, plant and equipment.

The useful lives, depreciation and amortisation methods of all major assets held by SAAS are reassessed on an annual basis.

Changes in expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is the shorter.

Land and non current assets held for sale are not depreciated.

Depreciation/amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	40 - 80
Leasehold improvements	Life of lease
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	5 - 15
• Computing equipment and software	3 - 5
• Vehicles	2 - 25
• Other plant and equipment	3 - 25
Intangibles	5 - 10

2.19 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. SAAS only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of, or internal development of software, is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10,000.

Capitalised software is amortised over the useful life of the asset.

2.20 Fair value measurement

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

SAAS classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 – traded in active markets, and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market, and are derived from inputs (inputs other than quoted prices included within Level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market, and are derived from unobservable inputs.

The valuation processes and fair value changes are reviewed at each reporting date.

Non-financial assets

In determining fair value, SAAS has taken into account the characteristic of the asset (eg condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible and financially feasible).

SAAS's current use is the highest and best use of the asset unless other factors suggest an alternative use. As SAAS did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

2.21 Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where a liability line combines amounts expected to be settled within 12 months and more than 12 months, SAAS has separately disclosed the amounts expected to be settled after more than 12 months.

2.22 Payables

Payables include creditors, accrued expenses, GST payable, staff on-costs and Paid Parental Leave Scheme payable.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to normal operations of SAAS.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period, and where an invoice has not been processed/received.

The Paid Parental Leave Scheme payable represents amounts which SAAS has received from the Commonwealth Government to forward onto eligible staff via SAAS's standard payroll processes. That is, SAAS is acting as a conduit through which the payment to eligible staff is made on behalf of the Family Assistance Office.

All payables are measured at their nominal amount, are unsecured, and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Staff benefits on-costs include superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave, annual leave and SERL.

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SAAS makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed superannuation schemes.

2.23 Staff benefits

These benefits accrue for staff as a result of services provided up to the reporting date that remain unpaid. Long-term staff benefits are measured at present value, and short-term staff benefits are measured at nominal amounts.

Salaries, wages, annual leave, skills and experience retention leave (SERL) and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the SERL liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. In the unusual event where salary and wages, annual leave and SERL liability are payable later than 12 months, the liability will be measured at present value.

No provision has been made for sick leave, as all sick leave is non-vesting, and the average sick leave taken in future years by staff is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave was determined through an actuarial assessment undertaken by Mercer Consulting (Australia) Pty Ltd, in accordance with AASB 119 *Employee Benefits*. The following assumptions were made by the Actuary when performing the assessment:

- Salary increases of 3 percent; and
- Discounting of 2.95 percent per annum based on the gross 9 year Commonwealth bond rate prevailing at 30 June 2015.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the health sector across government.

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

Superannuation funds

A number of SAAS's staff are members of the SA Ambulance Service Superannuation Scheme (the "Scheme"). These staff are eligible to receive a benefit from the Scheme. A benefit is payable on retirement, death, disablement or leaving SAAS, in accordance with the Scheme's trust deed and rules. The Scheme provides lump sum benefits based on a combination of defined benefits which depend on years of service and final salary and accumulation benefits which depend on the accumulation of member and employer contributions adjusted for appropriate earnings and expenses. The liability for this Scheme has been determined via an actuarial valuation by Mercer Consulting (Australia) Pty Ltd using the projected unit credit method. The South Australian Superannuation Board was appointed Trustee of the Scheme effective 1 July 2006. The Scheme was closed to new members as at 30 June 2008. From 1 July 2008 new staff join an accumulative Triple S Scheme.

The defined benefit liability has been recognised in the Statement of Financial Position in accordance with AASB 119. The expected payment to settle the obligation has been determined using national government bond market yields with terms and conditions that match, as closely as possible, to estimated cash outflows.

Refer to Note 23.

Actuarial gains and losses are recognised in other comprehensive income in the Statement of Comprehensive Income, in the period in which they occur. The superannuation expense comprising interest cost and other costs of the defined benefit plan is measured in accordance with AASB 119 and is recognised as and when contributions fall due.

For a small proportion of the workforce, SAAS pays its contributions in accordance with the relevant award or contracts of employment to other nominated Superannuation funds in compliance with the superannuation guarantee legislation. Contributions are charged as expenditure as they are made. Members are not required to make contributions to these funds.

2.24 Provisions

Provisions are recognised when SAAS has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

SAAS is an exempt employer under the *Workers Rehabilitation and Compensation Act 1986*. Under a scheme arrangement, SAAS is responsible for the management of workers rehabilitation and compensation, and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

Although the Department provides funds to SAAS for the settlement of lump sum and redemption payments, the cost of these claims, together with other claim costs, are met directly by SAAS, and are thus reflected as an expense from ordinary activities in the Statement of Comprehensive Income.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2015 provided by a consulting actuary engaged through the Office for the Public Sector. The provision is for the estimated cost of ongoing payments to staff as required under current legislation. The liability covers claims incurred but not yet paid, incurred but not reported and the anticipated direct and indirect costs of settling these claims. The liability for outstanding claims is measured as the present value of the expected future payments reflecting the fact that all claims do not have to be paid in the immediate future.

With respect to the workers compensation liability, SAAS includes an amount receivable for the lump sum and redemption portion of the workers compensation claims which is specifically funded by the Department.

2.25 Specific Purpose Funds

SAAS receives specific purpose funds from various sources including government, private sector and individuals. The amounts are controlled by SAAS, and are used to help achieve SAAS objectives, notwithstanding that specific uses can be determined by the grantor or donor. Accordingly, the amounts are treated as revenue at the time they are earned or at the time control passes to SAAS.

2.26 Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

Operating leases

For operating leases, the lessor retains substantially the entire risks and rewards incidental to ownership of the leased assets. Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a basis which is representative of the pattern of benefits derived from the leased assets or on a straight-line basis over the lease term. The straight-line basis is used when it is representative of the pattern of benefits derived from the leased assets.

SAAS has only entered into operating leases and has no finance lease arrangements in place.

2.27 Professional indemnity and general public insurance

Professional indemnity and general public liability claims arising from SAAS's operations are managed as part of the State Government Insurance Program. SAAS pays an annual premium to the Department. The Department and the SA Government Financing Authority (SAFA), SAICORP South Australian Government Captive Insurance Corporation Division are responsible for meeting the cost of any claims. Consequently, no provision for these claims is recognised in SAAS's financial statements.

2.28 Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources, and are disclosed at their nominal value. Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable or payable. If GST is not recoverable or payable, the commitments or contingencies are disclosed on a gross basis.

2.29 SA Government/Non-SA Government disclosures

SAAS has adopted the requirements of Accounting Policy Framework II *General Purpose Financial Statements Framework* where SAAS must disclose by way of a note, whether transactions are with entities that are within, or external to, the SA Government. These transactions are classified by their nature, and relate to revenues, expenses, financial assets and financial liabilities.

2.30 Continuity of Operations

As at 30 June 2015, SAAS had working capital deficiency of \$8.359 million (\$12.319 million deficiency). The Government is committed to the ongoing funding of SAAS to enable it to perform its functions.

2.31 Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue, where the events relate to a condition which arose after 30 June, and which may have a material impact of the results of subsequent years.

3 New and revised accounting standards and policies

SAAS did not voluntarily change any of its accounting policies during 2014-15.

Accounting Standards

In accordance with the new AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements* and AASB 12 *Disclosure of Interests in Other Entities*, which became effective for the first time in 2014-15, SAAS has reviewed its control assessments (ie SAAS's involvement with the entity; protective and substantive rights; ability to direct major relevant activities etc) and has concluded that there is no impact. SAAS does not currently control another entity, have any joint arrangements within the scope of AASB 11 or have any interests in structured entities. SAAS will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10, AASB 11 and AASB 12 for future years.

Early adoption of Accounting Standards

In accordance with Accounting Policy Framework II *General Purpose Financial Statement Framework*, SAAS has applied Australian Accounting Standards approved for early adoption by the Department of Treasury and Finance. The only Australian Accounting Standard applied and approved for early adoption by SAAS for the 2014-15 financial year is AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities* which amends AASB 13 *Fair Value Measurement*.

Accounting Standards issued or amended but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by SAAS for the period ending 30 June 2015. SAAS has assessed the impact of the new and amended standards and interpretations and considers there will be no material impact on the accounting policies or the financial statements of SAAS.

SA AMBULANCE SERVICE INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

4 Staff benefit expenses

	2015	2014
	\$'000	\$'000
Salaries and wages	114,392	112,738
Long service leave (LSL)	1,915	2,333
Annual leave	16,484	15,458
Skills and experience retention leave (SERL)	423	320
Staff on-costs - superannuation	16,239	14,392
Workers compensation	4,008	4,267
Board and committee fees	12	10
Other staff related expenses	240	505
Total staff benefit expenses	153,713	150,023

Expenses recognised in the Statement of Comprehensive Income in respect of the defined benefit scheme are as follows:

	2015	2014
	\$'000	\$'000
Current service cost *	8,779	8,476
Interest cost	530	671
Total included in staff benefit expenses	9,309	9,147

* Service cost does not include the cost of 3% Award contributions for some members

Remuneration of staff

	2015	2014
	No.	No.
The number of staff whose remuneration received or receivable falls within the following bands:		
\$141,500 - \$151,499	70	66
\$151,500 - \$161,499	56	46
\$161,500 - \$171,499	56	66
\$171,500 - \$181,499	50	33
\$181,500 - \$191,499	34	22
\$191,500 - \$201,499	13	16
\$201,500 - \$211,499	11	4
\$211,500 - \$221,499	7	3
\$221,500 - \$231,499	3	3
\$231,500 - \$241,499	2	1
\$241,500 - \$251,499	1	1
\$251,500 - \$261,499	1	1
\$331,500 - \$341,499	-	1
Total	304	263

	\$'000	\$'000
Total remuneration received or due and receivable by staff included above:	51,420	44,187

The table includes all staff who received remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (ie there has been no increase in executive remuneration since 1 July 2013). Remuneration of staff reflects all costs of employment including salaries and wages, superannuation contributions, FBT and any other salary sacrifice benefits.

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For the year ended 30 June 2015

Where staff have left SAAS, the remuneration reflects lump sum long service leave, annual leave and termination benefits.

Staff whose remuneration was equal to or greater than the base executive remuneration level can be categorised by employment group as follows:

- Executive remuneration \$1.067 million, 5 staff (\$0.917 million, 4 staff);
- Operational remuneration \$49.648 million, 295 staff (\$43.123 million, 258 staff);
- Non-medical (i.e. administration) remuneration \$0.705 million, 4 staff (\$0.147 million, 1 staff).

The total remuneration received by these staff for the year was \$51.420 million (\$44.187 million).

For the purpose of this note, remuneration does not include amounts in payment or reimbursement of out of pocket expenses incurred for the benefit of the entity or a controlled entity.

5 Supplies and services

	2015	2014
	\$'000	\$'000
Administration	276	316
Advertising	508	487
Communication	2,897	3,021
Computing	2,386	2,203
Contractors	109	261
Contractors - agency staff	13,075	12,416
Consultants	154	348
Contract of services	150	-
Cost of goods sold	190	216
Drug supplies	238	272
Electricity, gas and fuel	799	731
Food supplies	42	39
Housekeeping	1,853	1,760
Insurance	1,496	1,461
Internal SA Health SLA payments	3,450	3,398
Legal	79	84
Medical, surgical and laboratory supplies	3,655	4,209
Minor equipment	1,128	895
Motor vehicle expenses	3,617	4,103
Occupancy rent and rates	2,012	2,042
Patient transport	13,338	12,439
Payments to Shared Services SA	1,852	1,798
Periodical, journals and publications	26	36
Postage	609	606
Printing and stationery	628	606
Rental expense on operating lease	1,498	1,383
Repairs and maintenance	2,115	2,386
Security	24	17
Staff training and development	558	580
Staff travel expenses	2,286	2,544
Other supplies and services	2,005	2,174
Total supplies and services	63,053	62,831

SA AMBULANCE SERVICE INC

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For the year ended 30 June 2015

The number and dollar amount of consultancies paid/payable (included in supplies and services expense) that fell within the following bands:	No.	2015 \$'000	No.	2014 \$'000
Below \$10,000	1	4	-	-
Above \$10,000	3	150	4	348
Total paid/payable to consultants engaged	4	154	4	348

The 2014 comparative information for supplies and services has been amended to better reflect the nature of the transactions in accordance with Note 2.7 above. The amendments made had no impact on reported equity.

The following significant adjustments were made to the 2014 comparative information:

	2014 Reported \$'000	2014 Adjusted \$'000
Supplies and Services		
Contractors - agency staff	15,814	12,416
Internal SA Health SLA payments	-	3,398

6 Depreciation and amortisation expense

	2015 \$'000	2014 \$'000
Depreciation		
Buildings and improvements	1,034	964
Site improvements	59	61
Computing equipment	326	756
Medical, surgical, dental and biomedical equipment	543	543
Motor vehicles	5,008	4,739
Power generation and transmission	21	20
Other plant and equipment	653	281
Total depreciation	7,644	7,364
Amortisation		
Leasehold improvements	441	460
Intangible assets	1,110	1,103
Total amortisation	1,551	1,563
Total depreciation and amortisation	9,195	8,927

7 Other expenses

	Note	2015 \$'000	2014 \$'000
Bad and doubtful debts	16	14,161	14,037
Bank fees and charges		78	137
Other		1,615	1,086
Total other expenses		15,854	15,260

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For the year ended 30 June 2015

8 Auditor's remuneration

	2015	2014
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements		
Auditor fees - auditing financial statements	119	115
Total audit fees	119	115

No other services were provided by the Auditor-General's Department.

Auditor's remuneration costs are recognised in the Statement of Comprehensive Income and included in the balance of 'Other expenses – Other' (refer Note 7).

9 Revenue from fees and charges

	2015	2014
	\$'000	\$'000
Ambulance cover	23,752	23,689
Ambulance transport	83,993	75,524
Call direct	1,309	1,357
Insurance recoveries	247	-
Recoveries	2,898	3,633
Other user charges and fees	2,029	2,423
Total fees and charges	114,228	106,626

Ambulance transport

Fees raised	174,551	159,562
Less:		
Ambulance cover concessions	52,477	49,117
Pensioner concessions	38,081	34,921
Ambulance transport	83,993	75,524

10 Interest revenue

	2015	2014
	\$'000	\$'000
Interest from SAFA	47	95
Bank interest	132	228
Interest on Special Purpose Funds (SPF)	31	-
Total interest revenue	210	323

11 Resources received free of charge

	2015	2014
	\$'000	\$'000
Plant and equipment	91	17
Total resources received free of charge	91	17

SA AMBULANCE SERVICE INC

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For the year ended 30 June 2015

12 Net gain/(loss) from disposal of non-current and other assets

	2015	2014
	\$'000	\$'000
Land and buildings		
Proceeds from disposal	-	-
Less net book value of assets disposed	(221)	(43)
Less other costs of disposal	-	-
Net (loss) from disposal of land and buildings	(221)	(43)
Plant and equipment		
Proceeds from disposal	620	892
Less net book value of assets disposed	(142)	(32)
Less other costs of disposal	(80)	(132)
Net gain from disposal of plant and equipment	398	728
Total assets		
Total proceeds from disposal	620	892
Less total value of assets disposed	(363)	(75)
Less other costs of disposal	(80)	(132)
Total net gain from disposal of non-current and other assets	177	685

13 Other revenue

	2015	2014
	\$'000	\$'000
Commissions revenue	-	1
Training revenue	513	688
Emergency services levy	1,286	1,260
Donations received	105	145
Bad debts recovered	54	136
Other	253	181
Total other revenue	2,211	2,411

14 Revenue from SA Government

	2015	2014
	\$'000	\$'000
Revenue from SA Government (the Department contributions for the provision of health services)		
Recurrent funding	118,346	113,688
Capital funding	8,856	12,107
Total revenue from the Department	127,202	125,795
Total revenue from SA Government	127,202	125,795

Total revenue from SA Government consist of \$118.346 million (\$113.688 million) for operational funding and \$8.856 million (\$12.107 million) for capital projects. For details on expenditure associated with the operational funding and capital funding received refer to the above expenditure notes.

There were no material variations between the amount received from the Department and the expenditure associated with these amounts.

SA AMBULANCE SERVICE INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

15 Cash and cash equivalents

	2015	2014
	\$'000	\$'000
Cash at bank or on hand - non-government financial institutions	19,611	10,935
Deposits with SA Government Financing Authority	-	3,492
Imprest account/cash on hand	14	33
Total cash	19,625	14,460

Interest rate risk

Cash on hand is non-interest bearing. Interest rate risk exposure is detailed in Note 27. The carrying amount of cash and cash equivalents represents fair value.

	2015	2014
	\$'000	\$'000
Included in the above cash amounts are the following specific purpose funds :		
Country Capital Reserve Fund	9,209	9,209
Country Branch Reserves	1,348	1,457
Development Fund	1,635	1,530
Total	12,192	12,196

16 Receivables

	2015	2014
	\$'000	\$'000
Current		
Workers compensation provision recoverable	809	681
Interest income receivable	-	8
Prepayments	1,092	1,359
Debtors	23,926	25,925
Receivables	25,827	27,973
Less: allowance for doubtful debts	(13,544)	(13,175)
Sundry receivables and accrued revenue	3,722	2,608
GST recoverable	167	173
Total current receivables	16,172	17,579
Non-current		
Workers compensation provision recoverable	1,364	2,379
Debtors	44	44
Receivables	1,408	2,423
Total non-current receivables	1,408	2,423
Total receivables	17,580	20,002

Interest rate and credit risk

Receivables are raised for goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Trade receivables, prepayments and accrued revenues are non-interest bearing. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

SA AMBULANCE SERVICE INC

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For the year ended 30 June 2015

Categorisation and maturity analysis of financial instruments, ageing analysis of financial assets and risk exposure information

Refer to Note 27.

Bad and doubtful debts

SAAS has recognised a bad and doubtful debt expense of \$14.161 million (\$14.037 million) in the Statement of Comprehensive Income.

Movement in the allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired.

An allowance for impairment loss has been recognised in other expenses in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2015	2014
	\$'000	\$'000
Movements in the allowance for doubtful debts (impairment loss)		
Carrying amount at the beginning of the period	13,175	11,320
Amounts written off	(13,792)	(12,182)
Amounts recovered during the year	(54)	(136)
Increase in allowance recognised in the Statement of Comprehensive Income	14,215	14,173
Carrying amount at the end of the period	13,544	13,175

17 Inventories

	2015	2014
	\$'000	\$'000
Current - held for distribution		
Materials at cost:		
Other	-	24
Inventory Imprest Stock	245	-
Total current inventories - held for distribution	245	24

In line with SA Health Inventory Policy, Imprest Stock has been established and previous levels of Call Direct stocks are no longer recognised as inventory. Any remaining Call Direct stock levels previously recognised as inventory were written off during the year.

18 Other assets

	2015	2014
	\$'000	\$'000
Current		
Other	46	85
Total current other assets	46	85
Total other assets	46	85

SA AMBULANCE SERVICE INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

19 Property, plant and equipment

	2015	2014
	\$'000	\$'000
Land and buildings		
Land only holdings at fair value	1,694	1,642
Site land at fair value	15,738	15,005
Land and buildings	17,432	16,647
Buildings and improvements at fair value	20,162	18,409
Site improvements at fair value	2,301	2,443
Buildings and improvements under construction (work in progress)	570	2,454
Buildings and improvements	23,033	23,306
Accumulated depreciation - buildings and improvements	201	2,023
Accumulated amortisation/depreciation	201	2,023
Total land, buildings and improvements	40,264	37,930
Leasehold improvements		
Leasehold improvements at fair value	13,338	13,610
Accumulated amortisation	2,378	1,988
Total leasehold improvements	10,960	11,622
Plant and equipment		
Computing equipment at cost (deemed fair value)	1,842	4,591
Medical, surgical, dental and biomedical equipment at cost (deemed fair value)	8,572	8,361
Motor vehicles at cost (deemed fair value)	35,695	35,390
Power generation and transmission at cost (deemed fair value)	449	449
Plant and equipment - major at cost (deemed fair value)	617	-
Other plant and equipment at cost (deemed fair value)	2,774	8,621
Plant and equipment under construction (work in progress)	5,530	5,228
Total plant and equipment	55,479	62,640
Accumulated depreciation - computing equipment	1,631	3,343
Accumulated depreciation - medical, surgical, dental and biomedical equipment	6,117	6,751
Accumulated depreciation - motor vehicles	22,013	22,038
Accumulated depreciation - power generation and transmission	138	117
Accumulated depreciation - other plant and equipment	1,432	6,690
Accumulated amortisation/depreciation	31,331	38,939
Total plant and equipment	24,148	23,701
Total property, plant and equipment	75,372	73,253

Valuation of land and buildings

An independent valuation of land and buildings, including site improvements, was performed in May 2015 by a Certified Practising Valuer from Liquid Pacific Holdings Pty Ltd, as at 1st June 2015 using the fair value methodology.

The valuer arrived at the fair value of unrestricted land using the market approach. The valuation was based on recent market transactions for similar land and buildings (non-specialised) in the area and includes adjustment for factors specific to the land and buildings being valued such as size, location and current use.

The valuer used depreciated replacement cost for specialised land and buildings, due to there not being an active market for such land and buildings. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature of the assets, including the restricted use of the assets; the size, condition, location and current use of the assets. The valuation was based on a combination of internal records, specialised knowledge and the acquisition/transfer costs.

Valuation of plant and equipment

All items of plant and equipment that had a fair value at the time of acquisition less than \$1 million have not been revalued in accordance with Accounting Policy Framework III *Asset Accounting Framework*. The carrying value of these items are deemed to approximate fair value. These assets are classified in Level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the asset condition and remaining useful life.

SAAS's plant and equipment assets with a fair value greater than \$1 million were revalued using the fair value methodology, as at 1 June 2015, based on independent valuations performed by Simon O'Leary, AAPI, C.P.V, Australian Valuation Solutions Pty Ltd.

Reconciliation of land and improvements

The following table shows the movement of land and improvements during 2014-15

	Land	Buildings and improve- ments	Leasehold improve- ments	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	16,647	18,829	11,622	2,454	49,552
Additions	-	16	-	644	660
Disposals	-	-	-	-	-
Write-off non-current assets	-	-	(221)	-	(221)
Revaluation increment/(decrement)	785	1,982	-	-	2,767
Depreciation and amortisation	-	(1,093)	(441)	-	(1,534)
Transfers between asset classes	-	2,528	-	(2,528)	-
Carrying amount at the end of the period	17,432	22,262	10,960	570	51,224

Reconciliation of land and improvements

The following table shows the movement of land and improvements during 2013-14

	Land	Buildings and improve- ments	Leasehold improve- ments	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	16,146	18,817	12,039	615	47,617
Additions	501	99	-	2,863	3,463
Disposals	-	-	(43)	-	(43)
Write-off non-current assets	-	-	-	-	-
Revaluation increment/(decrement)	-	-	-	-	-
Depreciation and amortisation	-	(1,025)	(460)	-	(1,485)
Transfers between asset classes	-	938	86	(1,024)	-
Carrying amount at the end of the period	16,647	18,829	11,622	2,454	49,552

Land includes land only holdings at fair value and site land at fair value

Buildings and improvements include buildings and improvements at fair value, buildings and improvements under finance lease and site improvements at fair value

Reconciliation of plant and equipment

The following table shows the movement of plant and equipment during 2014-15

	Medical/ surgical/ dental/ biomedical	Computer equipment	Capital works in progress	Other plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1,610	1,248	5,228	15,615	23,701
Additions	645	-	6,314	-	6,959
Assets received free of charge	-	91	-	-	91
Disposals	-	-	-	(64)	(64)
Write-off non-current assets	-	-	-	(78)	(78)
Revaluation increment/(decrement)	-	-	-	90	90
Depreciation and amortisation	(543)	(326)	-	(5,682)	(6,551)
Transfers between asset classes	743	(802)	(6,012)	6,071	-
Carrying amount at the end of the period	2,455	211	5,530	15,952	24,148

Reconciliation of plant and equipment

The following table shows the movement of plant and equipment during 2013-14

	Medical/ surgical/ dental/ biomedical	Computer equipment	Capital works in progress	Other plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1,340	149	5,548	14,788	21,825
Additions	797	74	7,166	113	8,150
Assets received free of charge	-	-	17	-	17
Disposals	(5)	-	-	(27)	(32)
Write-off non-current assets	-	-	-	-	-
Revaluation increment/(decrement)	-	-	-	-	-
Depreciation and amortisation	(543)	(756)	-	(5,040)	(6,339)
Transfers between asset classes	21	1,781	(7,503)	5,781	80
Carrying amount at the end of the period	1,610	1,248	5,228	15,615	23,701

Other plant and equipment includes motor vehicles under finance lease, motor vehicles at cost, plant and equipment - major at cost, plant and equipment under finance lease, power generation and transmission and other plant and equipment at cost.

20 Intangible assets

	2015	2014
	\$'000	\$'000
Computer Software		
Other computer software	5,553	5,553
Accumulated amortisation (Other computer software)	(2,618)	(1,508)
Total computer software	2,935	4,045
Total intangible assets	2,935	4,045

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Impairment

There were no indications of impairment of intangible assets at 30 June 2015.

Reconciliation of intangibles

The following table shows the movement of intangibles during 2014-15

	Capital works in progress	Internally developed computer software	Other computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	-	-	4,045	-	4,045
Additions	-	-	-	-	-
Amortisation	-	-	(1,110)	-	(1,110)
Transfers between asset classes	-	-	-	-	-
Carrying amount at the end of the period	-	-	2,935	-	2,935

Reconciliation of intangibles

The following table shows the movement of intangibles during 2013-14

	Capital works in progress	Internally developed computer software	Other computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	165	-	5,015	-	5,180
Additions	48	-	-	-	48
Depreciation and amortisation	-	-	(1,103)	-	(1,103)
Transfers between asset classes	(213)	-	133	-	(80)
Carrying amount at the end of the period	-	-	4,045	-	4,045

21 Fair Value Measurement

Fair Value Hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. SAAS categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2015.

SAAS had no valuations categorised into Level 1.

SA AMBULANCE SERVICE INC

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For the year ended 30 June 2015

Fair value measurements at 30 June 2015

	Level 2	Level 3	2015
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land (Note 19)	17,432	-	17,432
Buildings (Note 19)	-	22,262	22,262
Leasehold improvements (Note 19)	-	10,960	10,960
Plant and equipment (Note 19)	-	18,618	18,618
Total recurring fair value measurements	17,432	51,840	69,272
Total	17,432	51,840	69,272

Fair value measurements at 30 June 2014

	Level 2	Level 3	2014
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land (Note 19)	16,647	-	16,647
Buildings (Note 19)	-	18,829	18,829
Leasehold improvements (Note 19)	-	11,622	11,622
Plant and equipment (Note 19)	-	18,473	18,473
Total recurring fair value measurements	16,647	48,924	65,571
Total	16,647	48,924	65,571

There were no transfers of assets between Level 1 and 2 fair value hierarchy levels in 2014-15. SAAS's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques and inputs

Land fair values were derived by using Level 2 valuation inputs, being recent sales transactions of other similar land holdings within the region, adjusted for differences in key attributes such as property size, zoning and any restrictions on use.

Due to the predominantly specialised nature of health service assets, the majority of building and plant and equipment valuations have been undertaken using a cost approach (depreciated replacement cost), an accepted valuation methodology under AASB 13. The extent of unobservable inputs and professional judgement required in valuing these assets is significant, and as such they are deemed to have been valued using Level 3 valuation inputs.

Unobservable inputs used to arrive at final valuation figures included:

- Estimated remaining useful life, which is an economic estimate and by definition, is subject to economic influences;
- Cost rate, which is the estimated cost to replace an asset with the same service potential as the asset undergoing valuation (allowing for over-capacity), and based on a combination of internal records including: refurbishment and upgrade costs, historical construction costs, functional utility users, industry construction guides, specialised knowledge and estimated acquisition/transfer costs;
- Characteristics of the asset, including condition, location, any restrictions on sale or use and the need for ongoing provision of Government services;
- Effective life, being the expected life of the asset assuming general maintenance is undertaken to enable functionality but no upgrades are incorporated which extend the technical life or functional capacity of the asset; and
- Depreciation methodology, noting that AASB 13 dictates that regardless of the depreciation methodology adopted, the exit price should remain unchanged.

Although there were some buildings valued using Level 2 inputs, the fair value of these was immaterial in comparison to the whole class, therefore all buildings have been classified as Level 3.

Valuation techniques and inputs used to derive Level 2 and 3 fair values are at Note 19. There were no changes in valuation techniques during 2015.

The following table is a reconciliation of fair value measurements using significant unobservable inputs (Level 3).

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For the year ended 30 June 2015

Reconciliation of Level 3 recurring fair value measurements at 30 June 2015

	Buildings and improve- ments \$'000	Plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	30,451	18,473	48,924
Additions	16	645	661
Assets received free of charge	-	91	91
Disposals	-	(64)	(64)
Write-off non-current assets	(221)	(78)	(299)
Depreciation and amortisation	(1,534)	(6,551)	(8,085)
Transfer into Level 3*	2,528	6,012	8,540
Gains for the period recognised in Other Comprehensive Income (OCI)			
- Revaluation increment	1,982	90	2,072
Total gains recognised OCI	1,982	90	2,072
Carrying amount at the end of the period	33,222	18,618	51,840

Reconciliation of Level 3 recurring fair value measurements at 30 June 2014

	Buildings and improve- ments \$'000	Plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	30,856	16,277	47,133
Additions	99	984	1,083
Disposals	(43)	(32)	(75)
Depreciation and amortisation	(1,485)	(6,339)	(7,824)
Transfer into Level 3*	1,024	7,583	8,607
Carrying amount at the end of the period	30,451	18,473	48,924

* SAAS's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Assets transferred into Level 3 comprise capitalisation of assets from work in progress.

Buildings and improvements includes leasehold improvements but excludes works in progress.

Plant and equipment includes computer, medical, surgical, dental, biomedical and other plant and equipment but excludes works in progress.

SA AMBULANCE SERVICE INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015
22 Payables

	2015	2014
	\$'000	\$'000
Current		
Creditors and accrued expenses	4,472	9,079
Paid Parental Leave Scheme payable	1	10
Staff on-costs	2,218	2,787
Other payables	367	83
Total current payables	7,058	11,959
Non-current		
Staff on-costs	1,756	1,258
Total non-current payables	1,756	1,258
Total payables	8,814	13,217

As a result of an actuarial assessment performed by Mercer Consulting (Australia) Pty Ltd, the percentage of the proportion of long service leave taken as leave has increased from the 2014 rate of 40% to 51%. Further, the average factor for the calculation of staff superannuation cost on-cost has increased from 12.82% in 2014 to 13.94%. These rates are used in the staff on-cost calculation. The net financial effect of the above changes in the current financial year is an increase in the staff on-cost of \$0.557 million and staff benefit expense of \$0.557 million. The estimated impact on 2016 and 2017 is \$0.573 million and \$0.590 million

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Staff on-costs are settled when the respective staff benefits that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to the amounts being payable on demand.

Categorisation of financial instruments, maturity analysis of borrowings and risk exposure information

Refer to Note 27.

23 Staff benefits

	2015	2014
	\$'000	\$'000
Current		
Annual leave	18,841	17,951
Long service leave	2,168	1,375
Accrued salaries and wages	-	799
Skills and experience retention leave	741	583
Superannuation - defined benefit scheme	12,145	9,262
Other	-	1
Total current staff benefits	33,895	29,971
Non-current		
Long service leave	20,695	20,826
Superannuation - defined benefit scheme	16,300	13,056
Total non-current staff benefits	36,995	33,882
Total staff benefits	70,890	63,853

SA AMBULANCE SERVICE INC

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For the year ended 30 June 2015

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability. The actuarial assessment performed by Mercer Consulting (Australia) Pty Ltd has provided a basis for the measurement of long service leave. AASB 119 requires the use of a yield on long term Commonwealth Government bonds which matches the expected term of the liabilities as the discount rate in the measurement of the long service leave liability. The appropriate yield on long term Commonwealth Government bonds has decreased from 3.60% (2014) to 2.95% (2015). This decrease of the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability. The net financial effect of the change in the current financial year is an increase in the long service leave liability of \$1.290 million and staff benefit expense of \$1.382 million. The impact on the future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption is the long-term discount rate.

The actuarial assessment performed by Mercer Consulting (Australia) Pty Ltd, reduced the salary inflation rate from 3.0% for 2014/15 and 4.0% per annum thereafter, to 3.0% per annum. As a result, there was a net reduction in the long service leave liability of \$1.639 million for the current financial year.

Annual Leave and SERL staff benefits calculations at 30 June 2015 include a salary inflation rate of 3%.

Defined benefit superannuation scheme	2015	2014
Reconciliation of the present value of the defined benefit obligation:	\$'000	\$'000
Opening balance of defined benefit obligation	219,473	201,695
Current service cost	8,779	8,476
Interest cost	7,428	7,203
Contributions by scheme participants	5,022	4,739
Actuarial losses	13,621	9,510
Benefits paid	(7,115)	(10,342)
Taxes, premiums and expenses paid	(1,899)	(1,941)
Transfers in	245	133
Closing balance of defined benefit obligation	245,554	219,473

Reconciliation of the fair value of scheme assets:		
Opening balance of scheme assets	197,155	175,955
Interest Income	6,898	6,532
Actual return on Scheme assets less Interest Income	9,891	14,510
Contributions from the employer	6,912	7,569
Contributions by scheme participants	5,022	4,739
Benefits paid	(7,115)	(10,342)
Taxes, premiums and expenses paid	(1,899)	(1,941)
Transfers in	245	133
Closing balance of scheme assets	217,109	197,155

The amount included in the Statement of Financial Position arising from SAAS's obligations in respect of its defined benefit scheme is as follows:

Present value of defined benefit obligations	245,554	219,473
Fair value of scheme assets	(217,109)	(197,155)
Net liability arising from defined benefit obligations	28,445	22,318

Included in the Statement of Financial Position:

Current provision for staff benefits - defined benefit obligations	12,145	9,262
Non-current provision for staff benefits - defined benefit obligations	16,300	13,056
Closing balance of defined benefit obligation	28,445	22,318

SA AMBULANCE SERVICE INC

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For the year ended 30 June 2015

	% invested by asset class	
	2015	2014
	%	%
Australian equity	25	26
International equity	18	18
Fixed income	30	30
Property	10	11
Cash	17	15
Total	100	100

In accordance with the revised AASB 119 the discount rate assumption is used to determine interest income and the expected return on assets assumption is no longer used. The actual return on scheme assets was a gain of \$16.8 million (\$21 million). Employer contributions of \$5.7 million are expected to be paid to the scheme for the year ending 30 June 2016. Expected employer contributions reflect the current 12% of salary contributions.

	2015	2014
	% pa	% pa
Principal actuarial assumptions used (and expressed as weighted averages):		
Discount rate (Defined Benefit Cost)	3.6	3.8
Discount rate (Defined Benefit Obligation)	3.1	3.6
Expected rate of salary increase	3.0	4.0

Movement in Net Defined Benefit Liability	2015	2014
	\$'000	\$'000
Net defined benefit liability at start of year	22,318	25,740
Defined Benefit Cost	9,309	9,147
Remeasurements	3,729	(5,000)
Employer contributions	(6,911)	(7,569)
Net defined benefit liability at end of year	28,445	22,318

Description of the regulatory framework

The Superannuation Industry (Supervision) (SIS) legislation governs the superannuation industry and provides the framework within which superannuation schemes operate. The SIS regulations require an actuarial valuation to be performed for each defined benefit superannuation Scheme every three years, or every year if the Scheme pays defined benefit pensions unless an exemption has been obtained.

Description of other entities' responsibilities for the governance of the Scheme

The Scheme's trustee is responsible for the governance of the Scheme. The trustee has a legal obligation to act solely in the best interests of Scheme beneficiaries. The trustee has the following roles:

- administration of the Scheme and payment to the beneficiaries from Scheme assets when required in accordance with the Scheme rules;
- management and investment of the Scheme assets; and
- compliance with superannuation law and other applicable regulations.

The prudential regulator, the Australian Prudential Regulation Authority (APRA), licences and supervises regulated superannuation schemes.

SA AMBULANCE SERVICE INC**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****For the year ended 30 June 2015****Description of risks**

There are a number of risks to which the Scheme exposes the Employer. The more significant risks relating to the defined benefits are:

Investment risk

The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.

Salary growth risk

The risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.

Legislative risk

The Scheme assets are invested in the Funds SA Balanced Investment option. The assets are diversified within this investment option and therefore the Scheme has no significant concentration of investment risk.

Funding arrangements

The financing objective adopted at the 30 June 2014 actuarial investigation of the Scheme in a report dated 15 May 2015, is to maintain the value of the Scheme's assets at least equal to:

- 100% of accumulation account balances, plus
- for defined benefits, the greater of 100% of vested benefits and 100% of the Actuarial value of accrued benefits.

In that valuation, it was recommended that the Employer contributes to the Scheme as follows:

• **Defined Benefit members:**

- 12% of salary for all defined benefit members until 30 June 2015, then
- 9.5% of salary for all defined benefit members after 1 July 2015, plus
- Any additional employer contributions agreed between the Employer and a member.

• **Accumulation members:**

- 9.5% of Ordinary Time Earnings, plus
- Any additional employer contributions agreed between the Employer and a member.

Maturity profile of Defined Benefit Obligation

The weighted average duration of the Defined Benefit Obligation as at 30 June 2015 is nine years.

24 Provisions

	2015	2014
	\$'000	\$'000
Current		
Provision for workers compensation	2,567	2,297
Total current provisions	2,567	2,297
Non-current		
Provision for workers compensation	4,844	5,771
Total non-current provisions	4,844	5,771
Total provisions	7,411	8,068

24.1 Reconciliation of workers compensation

The following table shows the movement of workers compensation:

	2015	2014
	\$'000	\$'000
Carrying amount at the beginning of the period	8,068	7,458
Increase in provisions recognised	123	795
Reductions arising from payments/other sacrifices of future economic benefits	(780)	(185)
Carrying amount at the end of the period	7,411	8,068

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by Taylor Fry Consulting Actuaries.

25 Other liabilities

	2015	2014
	\$'000	\$'000
Current		
Unclaimed monies	111	-
Unearned revenue	816	240
Total current other liabilities	927	240
Total other liabilities	927	240

26 Equity

	2015	2014
	\$'000	\$'000
Contributed capital	6,298	6,298
Asset revaluation surplus	15,807	12,950
Other reserves	36,994	40,833
Retained earnings	(31,338)	(33,590)
Total equity	27,761	26,491

The asset revaluation surplus is used to record increments and decrements in the fair value of land, buildings and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

27 Financial instruments / financial risk management**27.1 Financial risk management**

Risk management is managed by the Department for Health and Ageing's Risk and Assurance Services section and risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

SAAS is exposed to financial risk – liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

27.2 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2.

Refer to Table 27.3 for the carrying amounts of each of the following categories of financial assets and liabilities: Loan and receivables; and financial liabilities measured at cost.

SAAS does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in Level 2 as all significant inputs required are observable.

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer Notes 2, 16 and 22).

27.3 Liquidity risk

Liquidity risk arises from the possibility that SAAS is unable to meet its financial obligations as they fall due. The continued existence of SAAS is dependent on State Government policy and on continued funding from the Department for Health and Ageing for SAAS's administration and program delivery. SAAS settles undisputed accounts within 30 days from the date of the invoice or the date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

SAAS's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount recorded in Table 27.3 represent SAAS's maximum exposure.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

The following table discloses the carrying amount of each category of financial instrument held by SAAS including the contractual maturity analysis for financial assets and liabilities (ie liquidity risk).

Table 27.3 Categorisation and maturity analysis of financial assets and liabilities

	Notes	Carrying amount/ Fair value \$'000	Contractual maturities			
			Current \$'000	Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
2015		\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and equivalent						
Cash and cash equivalents	15, 31	19,625	19,625	-	-	-
Loans and receivables						
Receivables (1) (2)	16	14,104	14,104	-	-	-
Total financial assets		33,729	33,729	-	-	-
Financial liabilities						
Financial liabilities at cost						
Payables (1)	22	4,720	4,720	-	-	-
Other liabilities	25	927	927	-	-	-
Total financial liabilities		5,647	5,647	-	-	-

	Notes	Carrying amount/ Fair value \$'000	Contractual maturities			
			Current \$'000	Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
2014						
Financial assets						
Cash and equivalent						
Cash and cash equivalents	15, 31	14,460	14,460	-	-	-
Loans and receivables						
Receivables (1) (2)	16	15,358	15,358	-	-	-
Total financial assets		29,818	29,818	-	-	-
Financial liabilities						
Financial liabilities at cost						
Payables (1)	22	9,162	9,162	-	-	-
Other liabilities	25	240	240	-	-	-
Total financial liabilities		9,402	9,402	-	-	-

- (1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth taxes; Auditor-General's Department audit fees etc). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).
- (2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in Note 16 as trade and other receivables in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

The 2014 comparative information for the categorisation and maturity analysis of financial assets and liabilities has been amended to include disclosure of contractual arrangements previously omitted and exclude items considered to be statutory in nature in line with current year treatment.

27.4 Credit risk

Credit risk arises when there is the possibility of SAAS's debtors defaulting on their contractual obligations resulting in financial loss to SAAS. SAAS measures credit risk on a fair value basis and monitors risk on a regular basis.

SAAS has minimal concentration of credit risk. SAAS does not engage in high risk hedging for its financial assets.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer to Note 16 for information on the allowance for impairment in relation to receivables.

The carrying amount of financial assets as detailed in Table 27.3 represents SAAS's maximum exposure to credit risk.

SA AMBULANCE SERVICE INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

The following table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets.

Table 27.4 Aging analysis of financial assets

2015	Carrying amount	Not past due and not impaired	Past due but not impaired			Impaired financial assets
			Overdue for < 30 days	Overdue for 30 - 60 days	Overdue > 60 days	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	19,625	19,625	-	-	-	-
Receivables (1)	14,104	10,043	2,659	1,328	74	(13,544)
	33,729	29,668	2,659	1,328	74	(13,544)
2014						
Cash and cash equivalents	14,460	14,460	-	-	-	-
Receivables (1)	15,358	12,011	2,429	782	136	(13,175)
	29,818	26,471	2,429	782	136	(13,175)

(1) Receivable amounts disclosed here exclude amounts relating to statutory receivables (amounts owing to Government). They are carried at cost.

27.5 Market risk

Market risk for SAAS is primarily through interest rate risk. Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. Any exposure to foreign currency risks is managed by SAFA.

27.6 Sensitivity disclosure analysis

A sensitivity analysis has not been undertaken for the interest rate risk of SAAS as it has been determined that the possible impact on comprehensive income or total equity from fluctuations in interest rates is immaterial.

28 Unrecognised contractual commitments

28.1 Operating lease expenditure commitments

	2015 \$'000	2014 \$'000
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities in the financial statements, are payable as follows:		
Within one year	1,676	1,688
Later than one year but not longer than five years	3,242	3,134
Later than five years	2,320	2,051
Total operating lease commitments	7,238	6,873
Representing:		
Non-cancellable operating leases	7,238	6,873
Total operating lease commitments	7,238	6,873

SAAS has a number of lease agreements. Lease terms vary in length. Each lease agreement has renewal options for a determined period, exercisable by both the lessor and lessee.

SAAS has a number of operating lease arrangements for the use of properties. The major commitments are for properties at Eastwood, Parkside, Bedford Park, Ashford Hospital, Netley, Port Adelaide, Aldgate, Angaston, Mt Gambier and Nuriootpa. SAAS has a number of other operating leases for the use of property. The value of these leases is immaterial.

SA AMBULANCE SERVICE INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

28.2 Expenditure commitments

	2015 \$'000	2014 \$'000
Capital commitments		
Capital expenditure contracted for at the reporting date but are not recognised as liabilities in the financial report, are payable as follows:		
Within one year	337	44
Total capital commitments	337	44

SAAS's capital commitments are for plant and equipment ordered but not received.

	2015 \$'000	2014 \$'000
Remuneration commitments		
Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities in the financial statements, are payable as follows:		
Within one year	3,826	4,904
Later than one year but not longer than five years	2,365	2,056
Total remuneration commitments	6,191	6,960

Amounts disclosed include commitments arising from executive and other service contracts. SAAS does not offer fixed-term remuneration contracts greater than five years.

	2015 \$'000	2014 \$'000
Other commitments		
Other expenditure contracted for at the reporting date but are not recognised as liabilities in the financial statements, are payable as follows:		
Within one year	143	266
Later than one year but not longer than five years	-	798
Total other commitments	143	1,064

The other commitments are for agreements for goods and services ordered but not received.

SAAS also has commitments to provide funding to various non-government organisations in accordance with negotiated service agreements. The value of these commitments as at 30 June 2015 has not been quantified.

29 Transferred functions

Transferred in

2014-15

- Following a review of Departmental functions, effective 1 June 2015, the Chief Executive of the Department approved the transfer of Financial Business Advisory and Hospital based Revenue Services employees within Finance to the Local Health Networks and SAAS.

Total income and expenses that transferred were:

	2015 \$'000	2014 \$'000
Staff benefit expenses	29	-
Total expenses	29	-
Net result	(29)	-

SA AMBULANCE SERVICE INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

Assets and liabilities transferred to SAAS were:

	2015	2014
	\$'000	\$'000
Payables	8	-
Provisions	154	-
Total liabilities	162	-
Total net assets transferred	(162)	-

Net assets assumed by SAAS as a result of the administrative restructure are at the carrying amount of those assets in the transferor's Statement of Financial Position immediately prior to the transfer. The net assets transferred were treated as a contribution by the Government as owner.

30 Contingent assets and liabilities

SAAS is not aware of any contingent assets.

The current Enterprise Bargaining Agreement has a preserved date of 1 January 2015 for the effective date of any subsequent agreement to apply. The Agreement negotiations recently commenced and any increase will be back dated to 1 January.

31 Cash flow reconciliation

	2015	2014
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	19,625	14,460
Cash as per Statement of Financial Position	19,625	14,460
Balance as per the Statement of Cash Flows	19,625	14,460

Reconciliation of net cash provided by operating activities to net cost of providing services:

Net cash provided by (used in) operating activities	11,786	17,205
Department for Health and Ageing contributions for the provision of health services	(127,202)	(125,795)
Add/less non cash items		
Depreciation and amortisation expense of non-current assets	(9,195)	(8,927)
Gain/loss on sale or disposal of non-current assets	177	685
Assets acquired at no cost or nominal consideration	91	17
Capital revenues	271	-
Other	(6)	132

Movement in assets and liabilities

Increase (decrease) in receivables	(2,416)	(3,375)
Increase (decrease) in inventories	221	(51)
Increase (decrease) in other current assets	(39)	85
(Increase) decrease in staff benefits	(3,308)	(4,068)
(Increase) decrease in payables and provisions	5,409	(3,199)
(Increase) decrease in other liabilities	(687)	312
Net cost of providing services	(124,898)	(126,979)

SA AMBULANCE SERVICE INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015
32 Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Note	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
4 Staff benefit expenses	206	426	153,507	149,597	153,713	150,023
Salaries and wages	-	-	114,392	112,738	114,392	112,738
Long service leave (LSL)	-	-	1,915	2,333	1,915	2,333
Annual leave	-	-	16,484	15,458	16,484	15,458
Skills and experience retention leave (SERL)	-	-	423	320	423	320
Staff on-costs - superannuation	-	-	16,239	14,392	16,239	14,392
Workers compensation	-	-	4,008	4,267	4,008	4,267
Board and committee fees	-	-	12	10	12	10
Other staff related expenses	206	426	34	79	240	505
5 Supplies and services	30,330	28,638	32,723	34,193	63,053	62,831
Administration	12	2	264	314	276	316
Advertising	16	20	492	467	508	487
Communication	1,531	1,477	1,366	1,544	2,897	3,021
Computing	1,841	1,710	545	493	2,386	2,203
Contractors	-	1	109	260	109	261
Contractors - agency staff	12,586	11,643	489	773	13,075	12,416
Consultants	-	-	154	348	154	348
Contract of services	-	-	150	-	150	-
Cost of goods sold	-	-	190	216	190	216
Drug supplies	100	77	138	195	238	272
Electricity, gas and fuel	1	4	798	727	799	731
Food supplies	34	37	8	2	42	39
Housekeeping	93	120	1,760	1,640	1,853	1,760
Insurance	1,421	1,372	75	89	1,496	1,461
Internal SA Health SLA payments	3,450	3,398	-	-	3,450	3,398
Legal	79	62	-	22	79	84
Medical, surgical and laboratory supplies	2,761	2,721	894	1,488	3,655	4,209
Minor equipment	99	122	1,029	773	1,128	895
Motor vehicle expenses	642	354	2,975	3,749	3,617	4,103
Occupancy rent and rates	37	119	1,975	1,923	2,012	2,042
Patient transport	1,599	1,314	11,739	11,125	13,338	12,439
Payments to Shared Services SA	1,852	1,798	-	-	1,852	1,798
Periodical, journals and publications	7	10	19	26	26	36
Postage	-	-	609	606	609	606
Printing and stationery	140	57	488	549	628	606
Rental expense on operating lease	1,498	1,383	-	-	1,498	1,383
Repairs and maintenance	127	96	1,988	2,290	2,115	2,386
Security	1	-	23	17	24	17
Staff training and development	225	238	333	342	558	580
Staff travel expenses	6	2	2,280	2,542	2,286	2,544
Other supplies and services	172	501	1,833	1,673	2,005	2,174

SA AMBULANCE SERVICE INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
6 Depreciation and amortisation expense	-	-	9,195	8,927	9,195	8,927
Buildings and improvements	-	-	1,034	964	1,034	964
Site improvements	-	-	59	61	59	61
Computing equipment	-	-	326	756	326	756
Medical, surgical, dental and biomedical equipment	-	-	543	543	543	543
Motor vehicles	-	-	5,008	4,739	5,008	4,739
Power generation and transmission	-	-	21	20	21	20
Other plant and equipment	-	-	653	281	653	281
Leasehold improvements	-	-	441	460	441	460
Intangible assets	-	-	1,110	1,103	1,110	1,103
7 Other expenses	26	-	15,709	15,145	15,735	15,145
Bad and doubtful debts	-	-	14,161	14,037	14,161	14,037
Bank fees and charges	-	-	78	137	78	137
Other (excluding audit fees)	26	-	1,470	971	1,496	971
8 Auditor's remuneration	119	115	-	-	119	115
Auditor fees - auditing financial statements	119	115	-	-	119	115
TOTAL EXPENSES	30,681	29,179	211,134	207,862	241,815	237,041
INCOME						
9 Revenue from fees and charges	29,902	28,396	84,326	78,230	114,228	106,626
Ambulance cover	-	-	23,752	23,689	23,752	23,689
Ambulance transport	26,675	24,480	57,318	51,044	83,993	75,524
Call direct	-	-	1,309	1,357	1,309	1,357
Insurance recoveries	116	-	131	-	247	-
Recoveries	2,794	3,500	104	133	2,898	3,633
Other user charges and fees	317	416	1,712	2,007	2,029	2,423
10 Interest revenue	78	95	132	228	210	323
Interest from SAFA	47	95	-	-	47	95
Bank interest	-	-	132	228	132	228
Interest on Special Purpose Funds (SPF)	31	-	-	-	31	-
11 Resources received free of charge	-	-	91	17	91	17
Plant and equipment	-	-	91	17	91	17
12 Net gain/(loss) from disposal of non-current and other assets	-	(16)	177	701	177	685
Total proceeds from disposal	-	-	620	892	620	892
Less total value of assets disposed	-	-	(363)	(75)	(363)	(75)
Less other costs of disposal	-	(16)	(80)	(116)	(80)	(132)
13 Other revenue	1,420	1,362	791	1,049	2,211	2,411
Commissions revenue	-	-	-	1	-	1
Training revenue	86	94	427	594	513	688
Emergency services levy	1,286	1,260	-	-	1,286	1,260
Donations received	-	-	105	145	105	145
Bad debts recovered	-	-	54	136	54	136
Other	48	8	205	173	253	181

SA AMBULANCE SERVICE INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2015

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
14 Revenue from SA Government	127,202	125,795	-	-	127,202	125,795
Recurrent funding	118,346	113,688	-	-	118,346	113,688
Capital funding	8,856	12,107	-	-	8,856	12,107
TOTAL INCOME	158,602	155,632	85,517	80,225	244,119	235,857
FINANCIAL ASSETS						
15 Cash and cash equivalents	-	3,492	19,625	10,968	19,625	14,460
Cash at bank or on hand - non-government financial institutions	-	-	19,611	10,935	19,611	10,935
Deposits with SA Government Financing Authority	-	3,492	-	-	-	3,492
Imprest account/cash on hand	-	-	14	33	14	33
16 Receivables	2,834	5,606	14,746	14,396	17,580	20,002
Workers compensation provision recoverable	2,173	3,060	-	-	2,173	3,060
Interest income receivable	-	8	-	-	-	8
Prepayments	-	-	1,092	1,359	1,092	1,359
Debtors	661	2,538	23,309	23,431	23,970	25,969
Less: allowance for doubtful debts	-	-	(13,544)	(13,175)	(13,544)	(13,175)
Sundry receivables and accrued revenue	-	-	3,722	2,608	3,722	2,608
GST recoverable	-	-	167	173	167	173
18 Other assets	-	-	46	85	46	85
Other	-	-	46	85	46	85
TOTAL FINANCIAL ASSETS	2,834	9,098	34,417	25,449	37,251	34,547
FINANCIAL LIABILITIES						
22 Payables	743	2,550	8,071	10,667	8,814	13,217
Creditors and accrued expenses	676	2,550	3,796	6,529	4,472	9,079
Paid Parental Leave Scheme payable	-	-	1	10	1	10
Staff on-costs	-	-	3,974	4,045	3,974	4,045
Other payables	67	-	300	83	367	83
25 Other liabilities	-	-	927	240	927	240
Unclaimed monies	-	-	111	-	111	-
Unearned revenue	-	-	816	240	816	240
TOTAL FINANCIAL LIABILITIES	743	2,550	8,998	10,907	9,741	13,457

33 Remuneration of board and committee members

Members of boards/committees that served for all or part of the financial year were:

Finance Committee

Barker J * (appointed 27/4/2015)	Cox R *	Morton R * (resigned 25/4/2015)
Cameron S *	Driscoll K *	Woolcock J *
Chalmers H	McMillan Hall D * (Chair)	

Risk Management and Audit Committee

Chapman P *	Taylor B
Sneddon Y (Chair)	

* denotes government employee

SA AMBULANCE SERVICE INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

The number of members whose remuneration received or receivable falls within the following bands:	2015	2014
	No. of Members	No. of Members
\$0	8	7
\$1 - \$9,999	3	3
Total	11	10

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, FBT and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$0.012 million (\$0.010 million).

In accordance with the *Department of Premier and Cabinet Circular No. 016*, government employees did not receive any remuneration for board/committee duties during the financial year.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

34 Events after the reporting period

SAAS is not aware of any material events occurring between the end of the reporting period and when the financial statements were authorised.

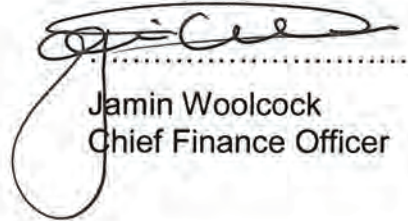
Certification of the financial statements

We certify that the:

- financial statements of the SA Ambulance Service Inc.:
 - are in accordance with the accounts and records of the authority; and
 - comply with relevant Treasurer's instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the authority at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by the SA Ambulance Service Inc. over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Steve Cameron
A/Chief Executive Officer



Jamin Woolcock
Chief Finance Officer

Date 18/09/2015



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To the Acting Chief Executive Officer SA Ambulance Service Inc

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 55(2) of the *Health Care Act 2008*, I have audited the accompanying financial report of the SA Ambulance Service Inc for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Acting Chief Executive Officer and the Chief Finance Officer.

The Acting Chief Executive Officer's Responsibility for the Financial Report

The Acting Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Acting Chief Executive Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

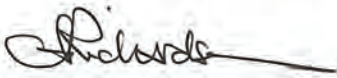
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Acting Chief Executive Officer, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the SA Ambulance Service Inc as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

A handwritten signature in black ink, appearing to read 'A Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson
Auditor-General
20 September 2015