NSW GOVERNMENT

Family & Community Services

Audited Consolidated Financial Statements for the year ending 30 June 2013

Contents

Audited consolidated financial statements for the year ending 30 June 2013

INDEPENDENT AUDITOR'S REPORT

Department of Family and Community Services

To Members of the New South Wales Parliament

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

Opinion

In my opinion the financial statements:

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

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

The Director- General's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the Department or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

Peter Barnes
Director, Financial Audit Services

19 September 2013
SYDNEY

DEPARTMENT OF FAMILY AND COMMUNITY SERVICES

FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

CERTIFICATION OF ACCOUNTS

Pursuant to Section 45(F) of the *Public Finance and Audit Act 1983* (Act), we state that:

a) the accompanying financial statements of the Department of Family and Community Services (department) being the parent entity, and the consolidated entity comprising the department and its controlled entities' activities for the year ended 30 June 2013 have been prepared in accordance with the requirements of applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the *Public Finance and Audit Act 1983,* and its regulations and Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer under section 9(2)(n) of the Act .

b) the financial statements and notes exhibit a true and fair view of the financial position and transactions of the department and its controlled entities.

c) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Michael Coutts-Trotter
Director-General
Date: 19.9.13

Stephen Mudge
Chief Finance Officer
Date: 19.09.13.

Start of Audited Financial Statements

DEPARTMENT OF FAMILY AND COMMUNITY SERVICES

Statement of comprehensive income for the year ended 30 June 2013

	Notes	PARENT			CONSOLIDATED		
		Actual 2013 $'000	Budget 2013 $'000	Actual 2012 $'000	Actual 2013 $'000	Budget 2013 $'000	Actual 2012 $'000
Expenses excluding losses							
Operating expenses							
Employee related	2(a)	**1,404,438**	1,396,978	1,448,642	**1,570,228**	1,582,654	1,620,043
Other operating expenses	2(b)	**431,872**	444,027	388,354	**479,839**	479,393	441,535
Depreciation and amortisation	2(c)	**85,003**	71,259	71,102	**87,645**	73,464	73,951
Grants and subsidies	2(d)	**2,842,267**	2,905,719	3,195,287	**2,759,206**	2,820,752	3,005,858
Finance Costs	2(e)	**153**	-	423	**169**	-	483
Total expenses excluding losses		**4,763,733**	4,817,983	5,103,808	**4,897,087**	4,956,263	5,141,870
Revenue							
Recurrent appropriation	3(a)	**4,486,153**	4,539,722	4,778,672	**4,486,153**	4,539,722	4,778,672
Capital appropriation	3(a)	**133,819**	194,146	106,645	**133,819**	194,146	106,645
(Transfers to the Crown Entity)		**-**	(5,195)	(3,174)	**-**	(5,195)	(3,174)
Sale of goods and services	3(b)	**42,122**	50,433	40,382	**70,186**	74,208	69,208
Personnel services revenue - NSW Businesslink Pty Ltd		**59,093**	71,396	106,645	**59,093**	71,396	106,645
Personnel services revenue - Aboriginal Housing Office		**9,279**	10,462	14,226	**9,279**	10,462	14,226
Investment revenue	3(c)	**12,891**	10,600	9,435	**18,202**	14,559	12,676
Grants and contributions	3(d)	**44,360**	15,166	14,664	**159,706**	123,955	20,228
Acceptance by the Crown Entity of employee benefits and other liabilities	3(e)	**36,746**	43,560	68,328	**36,746**	43,560	68,328
Other revenue	3(f)	**45,275**	13,146	31,814	**39,503**	13,867	25,608
Total Revenue		**4,869,738**	4,943,436	5,167,637	**5,012,687**	5,080,680	5,199,062
Gain / (loss) on disposal	4	**(590)**	(1,428)	(10,800)	**(284)**	(1,428)	(10,616)
Other gains / (losses)	5	**33,062**	(5,562)	28,142	**33,096**	(5,748)	28,915
Net result		**138,477**	118,463	81,171	**148,412**	117,241	75,491
Other comprehensive income							
Items that will not be reclassified to net result							
Actuarial gains/(losses) on superannuation funds	18 (vii)	**14,378**	-	(38,427)	**18,119**	-	(42,507)
Total other comprehensive income		**14,378**	**-**	**(38,427)**	**18,119**	**-**	**(42,507)**
TOTAL COMPREHENSIVE INCOME		**152,855**	118,463	42,744	**166,531**	117,241	32,984

The accompanying notes form part of these financial statements

Statement of financial position as at 30 June 2013

	Notes	PARENT Actual 2013 $'000	PARENT Budget 2013 $'000	PARENT Actual 2012 $'000	CONSOLIDATED Actual 2013 $'000	CONSOLIDATED Budget 2013 $'000	CONSOLIDATED Actual 2012 $'000
ASSETS							
Current Assets							
Cash and cash equivalents	8	**232,152**	223,565	175,861	**291,012**	281,608	232,261
Receivables	9	**131,687**	115,123	195,760	**137,099**	120,104	201,231
Inventories	10	**289**	300	259	**289**	300	259
Financial assets at fair value	11	**-**	59,898	-	**-**	59,898	-
		364,128	398,886	371,880	**428,400**	461,910	433,751
Non-current assets held for sale	12	**1,250**	-	1,696	**1,250**	-	1,696
Total Current Assets		**365,378**	398,886	373,576	**429,650**	461,910	435,447
Non-Current Assets							
Receivables	9	**47,090**	5,374	600	**47,090**	5,374	600
Financial assets at fair value	11	**-**	2,562	-	**19,407**	19,723	16,679
Property, plant and equipment							
Land and buildings	13	**878,294**	915,275	745,347	**885,828**	915,815	752,592
Plant and equipment	13	**90,917**	90,103	95,816	**94,666**	97,320	101,927
Total property, plant and equipment		**969,211**	1,005,378	841,163	**980,494**	1,013,135	854,519
Intangible assets	14	**45,300**	74,052	77,737	**45,300**	74,052	77,737
Total Non-Current Assets		**1,061,601**	1,087,366	919,500	**1,092,291**	1,112,284	949,535
Total Assets		**1,426,979**	1,486,252	1,293,076	**1,521,941**	1,574,194	1,384,982
LIABILITIES							
Current Liabilities							
Payables	15	**97,759**	90,794	97,761	**105,080**	99,612	108,756
Provisions	16	**154,028**	159,949	161,221	**178,414**	188,979	188,269
Other	17	**1,596**	2,509	3,704	**1,596**	2,581	3,704
Total Current Liabilities		**253,383**	253,252	262,686	**285,090**	291,172	300,729
Non-Current Liabilities							
Payables	15	**4,783**	-	-	**4,783**	-	-
Provisions	16	**65,256**	36,115	79,555	**75,856**	47,819	94,439
Other	17	**26**	26	159	**26**	26	159
Total Non-Current Liabilities		**70,065**	36,141	79,714	**80,665**	47,845	94,598
Total Liabilities		**323,448**	289,393	342,400	**365,755**	339,017	395,327
Net Assets		**1,103,531**	1,196,859	950,676	**1,156,186**	1,235,177	989,655
EQUITY							
Reserves		**-**	51,871	-	**-**	52,519	-
Accumulated funds		**1,103,531**	1,144,988	950,676	**1,156,186**	1,182,658	989,655
Total Equity		**1,103,531**	1,196,859	950,676	**1,156,186**	1,235,177	989,655

The accompanying notes form part of these financial statements

Statement of changes in equity for the year ended 30 June 2013

PARENT	Notes	Accumulated Funds $'000	Total $'000
Balance at 1 July 2012		950,676	950,676
Net result for the year		138,477	138,477
Other comprehensive income:			
Actuarial gains/(losses) on superannuation funds	18 (vii)	14,378	14,378
Total other comprehensive income		14,378	14,378
Total comprehensive income for the year		152,855	152,855
Transactions with owners in their capacity as owners			
Balance at 30 June 2013		1,103,531	1,103,531

PARENT	Notes	Accumulated Funds $'000	Total $'000
Balance at 1 July 2011		789,270	789,270
Net result for the year		81,171	81,171
Other comprehensive income:			
Actuarial gains/(losses) on superannuation funds	18 (vii)	(38,427)	(38,427)
Total other comprehensive income		(38,427)	(38,427)
Total comprehensive income for the year		42,744	42,744
Transactions with owners in their capacity as owners			
Increase/(decrease) in net assets from equity transfers	19	118,662	118,662
Balance at 30 June 2012		950,676	950,676

The accompanying notes form part of these financial statements

Statement of changes in equity for the year ended 30 June 2013

CONSOLIDATED	Notes	Accumulated Funds $'000	Total $'000
Balance at 1 July 2012		989,655	989,655
Net result for the year		148,412	148,412
Other comprehensive income:			
Actuarial gains/(losses) on superannuation funds	18 (vii)	18,119	18,119
Total other comprehensive income		18,119	18,119
Total comprehensive income for the year		166,531	166,531
Transactions with owners in their capacity as owners			
Balance at 30 June 2013		1,156,186	1,156,186

CONSOLIDATED	Notes	Accumulated Funds $'000	Total $'000
Balance at 1 July 2011		838,009	838,009
Net result for the year		75,491	75,491
Other comprehensive income:			
Actuarial gains/(losses) on superannuation funds	18 (vii)	(42,507)	(42,507)
Total other comprehensive income		(42,507)	(42,507)
Total comprehensive income for the year		32,984	32,984
Transactions with owners in their capacity as owners			
Increase/(decrease) in net assets from equity transfers	19	118,662	118,662
Balance at 30 June 2012		989,655	989,655

The accompanying notes form part of these financial statements

Statement of cash flows for the year ended 30 June 2013

	Notes	PARENT Actual 2013 $'000	PARENT Budget 2013 $'000	PARENT Actual 2012 $'000	CONSOLIDATED Actual 2013 $'000	CONSOLIDATED Budget 2013 $'000	CONSOLIDATED Actual 2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee related		**(1,382,149)**	(1,346,465)	(1,413,839)	**(1,551,972)**	(1,531,206)	(1,582,964)
Grants and subsidies		**(3,112,849)**	(2,887,341)	(3,459,996)	**(3,029,787)**	(2,802,374)	(3,270,567)
Finance costs		**(133)**	-	-	**(133)**	-	-
Other		**(472,040)**	(703,375)	(414,003)	**(532,548)**	(738,951)	(487,830)
Total Payments		**(4,967,171)**	(4,937,181)	(5,287,838)	**(5,114,440)**	(5,072,531)	(5,341,361)
Receipts							
Recurrent appropriation		**4,485,477**	4,539,722	4,779,111	**4,485,477**	4,539,722	4,779,111
Capital appropriation (excluding equity appropriations)		**130,869**	193,345	107,937	**130,869**	193,345	107,937
Reimbursements from the Crown Entity		**31,924**	-	7,832	**31,924**	-	7,832
(Transfers to the Crown Entity)		**(527)**	(5,195)	(3,542)	**(527)**	(5,195)	(3,542)
Sale of goods and services		**140,735**	124,093	139,713	**169,616**	147,682	169,296
Interest received		**12,477**	11,650	10,850	**15,060**	14,029	13,890
GST Recoveries		**269,580**	242,392	296,383	**269,580**	253,795	296,383
Grants and contributions		**44,079**	14,498	-	**160,096**	111,884	25,064
Other		**43,248**	9,198	19,243	**45,270**	9,919	13,016
Total Receipts		**5,157,862**	5,129,703	5,357,527	**5,307,365**	5,265,181	5,408,987
NET CASH FLOWS FROM OPERATING ACTIVITIES	23	**190,691**	192,522	69,689	**192,925**	192,650	67,626
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sale of land and buildings and plant and equipment		**2,052**	13,699	8,712	**2,769**	14,299	9,424
Purchases of investments		**-**	(3,058)	-	**-**	(3,058)	-
Purchases of land and buildings and plant and equipment		**(136,452)**	(182,721)	(104,555)	**(136,943)**	(185,721)	(107,319)
Other		**-**	(12,724)	-	**-**	(12,724)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(134,400)**	(184,804)	(95,843)	**(134,174)**	(187,204)	(97,895)
NET INCREASE/(DECREASE) IN CASH		**56,291**	7,718	(26,154)	**58,751**	5,446	(30,269)
Opening cash and cash equivalents		**175,861**	215,847	140,422	**232,261**	276,162	200,937
Cash transferred in (out) as a result of administrative restructuring	19	**-**	-	61,593	**-**	-	61,593
CLOSING CASH AND CASH EQUIVALENTS	8	**232,152**	223,565	175,861	**291,012**	281,608	232,261

The accompanying notes form part of these financial statements

Consolidated Service Group Statements for the Year Ended 30 June 2013

ENTITY'S EXPENSES & INCOME	Community Support for People with a Disability, their Family and Carers		Short Term Intervention for People with a Disability, their Family and Carers		Supported Accommodation for People with a Disability		Community Development and Support		Child, Youth and Family Prevention and Early Intervention Services		Statutory Child Protection		Out-of-Home Care	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Expenses excluding losses														
Operating expenses														
Employee related	56,163	70,590	120,792	133,058	524,697	511,989	23,404	25,535	3,972	62,054	263,392	230,213	132,074	134,704
Other operating expenses	15,744	41,847	32,904	10,765	143,195	125,761	4,145	8,595	3,325	20,073	94,774	77,618	47,477	51,120
Depreciation and amortisation	2,462	2,540	5,355	3,589	23,622	24,524	962	838	522	3,878	13,550	14,176	6,073	6,979
Grants and subsidies	586,730	893,858	207,166	283,659	705,835	510,418	101,557	243,555	109,328	117,519	30,172	37,791	587,826	560,477
Finance Costs	3	101	8	17	20	205	2	5	2	14	80	51	38	30
TOTAL EXPENSES EXCLUDING LOSSES	661,102	1,008,936	366,225	431,088	1,397,369	1,172,897	130,070	278,528	117,149	203,537	401,968	359,849	773,488	753,310
Revenue														
Recurrent appropriation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital appropriation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Asset sale proceeds transferred to the Crown Entity)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales of goods and services	-	23	-	104	41,974	39,697	15	116	5	69	98	249	30	124
Personnel services revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment revenue	864	2,533	1,313	3	5,734	3,226	380	95	124	441	960	1,614	757	797
Grants and contributions	807	2,386	1,513	-	13,180	-	1,528	157	421	533	6,306	1,947	3,343	1,220
Acceptance by the Crown Entity of employee benefits and	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	2,235	8,717	3,442	6,091	5,039	698	1,583	1,368	498	807	9,045	2,955	3,362	1,483
Total revenue	3,906	13,659	6,268	6,198	65,927	43,622	3,506	1,736	1,048	1,850	16,409	6,764	7,492	3,624
Gain / (loss) on disposal	-	-	-	-	(389)	(695)	-	(510)	-	(1,379)	-	(5,106)	(150)	(2,977)
Other gains / (losses)	2,586	2,384	5,626	3,370	24,786	23,369	11	(49)	2	(133)	149	(492)	75	(286)
Net result	(654,610)	(992,893)	(354,331)	(421,520)	(1,307,045)	(1,106,601)	(126,553)	(277,351)	(116,099)	(203,199)	(385,410)	(358,682)	(766,071)	(752,949)
Other Comprehensive Income														
Increase/(decrease) in asset revaluation surplus							-	-	-	-	-	-	-	-
Valuation losses on assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) on superannuation funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	(654,610)	(992,893)	(354,331)	(421,520)	(1,307,045)	(1,106,601)	(126,553)	(277,351)	(116,099)	(203,199)	(385,410)	(358,682)	(766,071)	(752,949)

Elimiantions between service groups have been adjusted in the service group statements

DEPARTMENT OF FAMILY AND COMMUNITY SERVICES

Consolidated Service Group Statements for the Year Ended 30 June 2013 (Continued)

ENTITY'S EXPENSES & INCOME	Housing Policy and Assistance		Shared Services - Businesslink		Home Care Service of NSW *		John Williams Memorial Charitable Trust		Not Attributed		**Consolidated Entity Total**	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Expenses excluding losses												
Operating expenses												
Employee related	197,551	200,412	82,397	80,090	165,787	171,401	-	-	-	-	**1,570,228**	1,620,043
Other operating expenses	82,405	45,480	39	48	55,719	60,154	112	74	-	-	**479,839**	441,535
Depreciation and amortisation	32,459	14,577	-	-	2,521	2,741	119	109	-	-	**87,645**	73,951
Grants and subsidies	430,592	358,582	-	-	-	-	-	-	-	-	**2,759,206**	3,005,858
Finance Costs			-	-	16	60	-	-	-	-	**169**	483
TOTAL EXPENSES EXCLUDING LOSSES	743,007	619,051	82,436	80,138	224,043	234,356	231	183	-	-	**4,897,087**	5,141,870
Revenue												
Recurrent appropriation	-	-	-	-	-	-	-	-	4,486,153	4,778,672	**4,486,153**	4,778,672
Capital appropriation	-	-	-	-	-	-	-	-	133,819	106,645	**133,819**	106,645
(Asset sale proceeds transferred to the Crown Entity)	-	-	-	-	-	-	-	-	-	(3,174)	**-**	(3,174)
Sales of goods and services	-	-	-	-	28,064	28,826	-	-	-	-	**70,186**	69,208
Personnel services revenue	9,279	14,226	59,093	106,645	-	-	-	-	-	-	**68,372**	120,871
Investment revenue	2,663	637	96	90	5,222	3,096	89	144	-	-	**18,202**	12,676
Grants and contributions	7,263	3,191	9,998	5,230	115,346	5,564	-	-	-	-	**159,706**	20,228
Acceptance by the Crown Entity of employee benefits and		-	-	-	-	-	-	-	36,746	68,328	**36,746**	68,328
Other revenue	12,175	2,649	-	-	2,099	819	26	21	-	-	**39,503**	25,608
Total revenue	31,380	20,703	69,187	111,965	150,731	38,305	115	165	4,656,718	4,950,471	**5,012,687**	5,199,062
Gain / (loss) on disposal	(51)	(134)	-	-	306	189	-	(4)	-	-	**(284)**	(10,616)
Other gains / (losses)	(147)	-	-	-	(273)	(93)	281	845	-	-	**33,096**	28,915
Net result	(711,825)	(598,482)	(13,249)	31,827	(73,278)	(195,953)	165	823	4,656,718	4,950,471	**148,412**	75,491
Other Comprehensive Income												
Increase/(decrease) in asset revaluation surplus	-	-	-	-	-	-	-	-	-	-	**-**	-
Valuation losses on assets held for sale	-	-	-	-	-	-	-	-	-	-	**-**	-
Actuarial gains/(losses) on superannuation funds	1,129	(3,884)	13,249	(34,543)	3,741	(4,080)	-	-	-	-	**18,119**	(42,507)
Total Other Comprehensive Income	1,129	(3,884)	13,249	(34,543)	3,741	(4,080)	-	-	-	-	**18,119**	(42,507)
TOTAL COMPREHENSIVE INCOME	(710,696)	(602,366)	-	(2,716)	(69,522)	(199,975)	165	823	4,656,718	4,950,471	**166,531**	32,984

Elimiantions between service groups have been adjusted in the service group statements

Consolidated Service Group Statements for the Year Ended 30 June 2013 (continued)

ENTITY'S ASSETS & LIABILITIES	Community Support for People with a Disability, their Family and Carers		Short Term Intervention for People with a Disability, their Family and Carers		Supported Accommodation for People with a Disability		Community Development and Support		Child, Youth and Family Prevention and Early Intervention Services		Statutory Child Protection		Out-of-Home Care	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Current Assets														
Cash and cash equivalents	42,753	50,861	21,318	18,644	72,715	48,039	2,243	1,208	1,681	1,178	10,973	10,711	14,363	7,546
Receivables	1,740	7,908	4,328	4,305	24,250	20,822	1,401	1,924	1,118	1,634	4,724	4,134	4,730	5,216
Inventories	-	-	-	-	289	259	-	-	-	-	-	-	-	-
Financial assets at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets held for sale	-	-	-	-	-	-	64	87	173	234	640	868	373	507
Total Current Assets	44,493	58,769	25,646	22,949	97,254	69,120	3,708	3,219	2,972	3,046	16,337	15,713	19,466	13,269
Non-Current Assets							-							
Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment														
Land and buildings	66,547	60,578	144,692	85,632	638,617	584,842	1,209	731	236	1,976	18,028	7,320	8,965	4,268
Plant and equipment	2,059	2,575	4,476	3,640	19,755	24,864	1,744	2,306	341	6,238	26,021	23,102	12,937	13,470
Total property, plant and equipment	*68,606*	*63,153*	*149,168*	*89,272*	*658,372*	*609,706*	*2,953*	*3,037*	*577*	*8,214*	*44,049*	*30,422*	*21,902*	*17,738*
Intangible assets	687	923	971	1,305	6,635	8,910	553	697	1,495	1,886	5,535	6,985	3,227	4,072
Total Non-Current Assets	69,293	64,076	150,139	90,577	665,007	618,616	3,506	3,734	2,072	10,100	49,584	37,407	25,129	21,810
Total Assets	113,786	122,845	175,785	113,526	762,261	687,736	7,214	6,953	5,044	13,146	65,921	53,120	44,595	35,079
Current Liabilities														
Payables	3,360	6,786	7,773	5,424	24,111	16,527	1,868	2,967	933	7,128	22,605	27,386	12,439	16,538
Provisions	5,483	6,409	12,141	12,100	50,225	46,823	2,076	2,634	475	7,045	29,938	26,060	15,187	15,342
Other	-	32	-	127	-	272	1,255	562	134	93	-	347	207	201
Total Current Liabilities	8,843	13,227	19,914	17,651	74,336	63,622	5,199	6,163	1,542	14,266	52,543	53,793	27,833	32,081
Non-Current Liabilities														
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	260	481	568	714	2,488	4,390	409	441	80	1,192	6,097	4,413	3,031	2,574
Other	-	12	-	47	26	100	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	260	493	568	761	2,514	4,490	409	441	80	1,192	6,097	4,413	3,031	2,574
Total Liabilities	9,103	13,720	20,482	18,412	76,850	68,112	5,608	6,604	1,622	15,458	58,640	58,206	30,864	34,655
Net Assets	104,683	109,125	155,303	95,114	685,411	619,624	1,606	349	3,422	(2,312)	7,281	(5,086)	13,731	424

Elimiantions between service groups have been adjusted in the service group statements

DEPARTMENT OF FAMILY AND COMMUNITY SERVICES

Consolidated Service Group Statements for the Year Ended 30 June 2013 (continued)

ENTITY'S ASSETS & LIABILITIES	Housing Policy and Assistance		Shared Services - Businesslink		Home Care Service of NSW *		John Williams Memorial Charitable Trust		Not Attributed		**Consoldiated Entity Total**	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Current Assets												
Cash and cash equivalents	65,399	37,150	707	524	56,316	53,945	2,544	2,455	-	-	**291,012**	232,261
Receivables	27,031	68,660	62,038	81,157	5,739	5,471	-	-	-	-	**137,099**	201,231
Inventories	-	-	-	-	-	-	-	-	-	-	**289**	259
Financial assets at fair value	-	-	-	-	-	-	-	-	-	-	**-**	-
Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-	**1,250**	1,696
Total Current Assets	92,430	105,810	62,745	81,681	62,055	59,416	2,544	2,455	-	-	**429,650**	435,447
Non-Current Assets												
Receivables	47,090	600	-	-	-	-	-	-	-	-	**47,090**	600
Financial assets at fair value	-	-	-	-	19,407	16,679	-	-	-	-	**19,407**	16,679
Property, plant and equipment												
Land and buildings	-	-	-	-	708	698	6,826	6,547	-	-	**885,828**	752,592
Plant and equipment	23,585	19,619	-	-	3,748	6,095	-	18	-	-	**94,666**	101,927
Total property, plant and equipment	*23,585*	*19,619*	-	-	*4,456*	*6,793*	*6,826*	*6,565*	-	-	***980,494***	*854,519*
Intangible assets	26,197	52,959	-	-	-	-	-	-	-	-	**45,300**	77,737
Total Non-Current Assets	96,872	73,178	-	-	23,863	23,472	6,826	6,565	-	-	**1,092,291**	949,535
Total Assets	189,302	178,988	62,745	81,681	85,918	82,888	9,370	9,020	-	-	**1,521,941**	1,384,982
Current Liabilities												
Payables	22,014	14,992	2,355	-	7,374	10,945	248	63	-	-	**105,080**	108,756
Provisions	18,732	22,097	19,776	22,712	24,381	27,047	-	-	-	-	**178,414**	188,269
Other	-	2,070	-	-	-	-	-	-	-	-	**1,596**	3,704
Total Current Liabilities	40,746	36,159	22,131	22,712	31,755	37,992	248	63	-	-	**285,090**	300,729
Non-Current Liabilities												
Payables	4,783	-	-	-	-	-	-	-	-	-	**4,783**	-
Provisions	11,687	8,952	40,614	56,400	10,622	14,882	-	-	-	-	**75,856**	94,439
Other	-	-	-	-	-	-	-	-	-	-	**26**	159
Total Non-Current Liabilities	16,470	8,952	40,614	56,400	10,622	14,882	-	-	-	-	**80,665**	94,598
Total Liabilities	57,216	45,111	62,745	79,112	42,377	52,874	248	63	-	-	**365,755**	395,327
Net Assets	132,086	133,877	-	2,569	43,541	30,014	9,122	8,957	-	-	**1,156,186**	989,655

Supplementary Financial Statements

Summary of Compliance with Financial Directives

	2013				2012			
	Recurrent Appropriation $'000	Expenditure/ Net Claim on Consolidated Fund $'000	**Capital Appropriation** $'000	Expenditure/ Net Claim on Consolidated Fund $'000	**Recurrent Appropriation** $'000	Expenditure/ Net Claim on Consolidated Fund $'000	**Capital Appropriation** $'000	Expenditure/ Net Claim on Consolidated Fund $'000
ORIGINAL BUDGET APPROPRIATION/ EXPENDITURE								
• Appropriation Act	4,621,839	4,561,996	193,345	133,819	4,792,042	4,755,864	120,919	92,011
• s24 PFAA - transfer of functions between entities	-	-	-	-	134,617	117,913	-	-
	4,621,839	4,561,996	193,345	133,819	4,926,659	4,873,777	120,919	92,011
OTHER APPROPRIATIONS/ EXPENDITURE								
• Treasurer's Advance	4,910	4,910	310	-	-	-	16,704	14,634
• s26 PFAA - Commonwealth specific purpose payments	(2,862)	-	-	-	12,054	12,054	-	-
• Transfers to / from another entity (s31 of the Appropriation Act)	-	-	(4,000)	-	-	-	-	-
• Section 45 Appropriation Act	-	-	-	-	10,725	10,725	-	-
• Other adjustments	(33,548)	-	(3,000)	-	(51,103)	(34,199)	(26,085)	-
	(31,500)	4,910	(6,690)	-	(28,324)	(11,420)	(9,381)	14,634
Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)	4,590,339	4,566,906	186,655	133,819	4,898,335	4,862,357	111,538	106,645
Amount drawn down against Appropriation		4,568,368		133,819		4,863,033		109,242
Liability to Consolidated Fund *		1,462		-		676		2,597

*The liability to Consolidated Fund represents the difference between the "Amount drawn down against Appropriation" and the "Total Expenditure/Net claim on Consolidated Fund".

The summary of compliance is based on the assumption that Consolidated Fund monies are spent first (except where otherwise identified or prescribed).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1. Summary of Significant Accounting Policies

(a) Reporting entity

The Department of Family and Community Services (FACS), as a reporting entity, comprises all entities under its control, namely the Home Care Service of NSW (HCS), which administers and comes under the *Home Care Service Act (1988)* and the John Williams Memorial Charitable Trust.

In the process of preparing the consolidated financial statements for the economic entity consisting of the controlling and controlled entity, all inter-entity transactions and balances have been eliminated.

FACS is a NSW government department. FACS is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The consolidated financial statements for the year ended 30 June 2013 have been authorised for issue by the Director-General, on 18 September, 2013.

(b) Administrative restructure

There has been no administrative restructure during 2012/13.

For comparative purposes on 1 July 2011, the group of staff previously employed by FACS who provided personnel services to Land and Housing Corporation, specifically in respect of managing the NSW Government's housing portfolio, were transferred to Department of Financial Services. Employees who remained with FACS continue to undertake functions on behalf of FACS to implement a range of programs to support social and affordable housing and home ownership programs.

This administrative restructure was considered to be a contribution by owners and therefore brought to account as an adjustment to Accumulated Funds. The transfers are recognised at the amount at which the assets and liabilities were recognised by the former departments prior to the restructure. The transferred amounts approximate fair value.

(c) Basis of preparation

FACS' financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of *Public Finance and Audit Act 1983 (PFAA)* and Regulation; and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Property, plant and equipment, assets held for sale and financial assets at "fair value through profit and loss" are measured at fair value. Other financial statement items are prepared under the historical cost convention.

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

1. Summary of Accounting Policies (cont'd)

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

(d) Principles of Consolidation

The parent entity's financial statements have been prepared by aggregating the transactions and balances of all the divisions that comprise FACS.
The consolidated entity's financial statements have been prepared by consolidating the parent entity's results plus the results of each controlled entity from the date FACS obtains control and until such time as it ceases to control the entity

All inter-entity balances and transactions are eliminated.

The Consolidated Entity contains the following entities:-

- Parent entity
- Home Care Service of NSW (Consolidated)
- John Williams Memorial Charitable Trust

(e) Statement of Compliance

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

(f) Insurance

FACS' insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The premium, which is expensed, is determined by the Fund Manager based on past claim experience.

(g) Accounting for the Goods and Services Tax (GST)

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

i) the GST incurred by FACS as a purchaser, which is not recoverable from the Australian Taxation Office (ATO), is recognised as part of the asset acquisition cost or as additional cost of an expense item;

ii) receivables and payables are reported at the GST inclusive amounts.

Cash flows are reported in the Statement of Cash Flows on a GST inclusive basis under the appropriate cash flow category. However, GST receivable from or payable to the ATO relating to cash flows arising from investing and financing activities is classified as operating cash flows.

(h) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Accounting policies on recognition of specific types of income are discussed below:

i) Parliamentary appropriations and contributions

1. Summary of Accounting Policies (cont'd)

Except as specified below, parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as income when FACS obtains control over the assets comprising the appropriations or contributions. Control is normally obtained when cash is received.

- Unspent appropriations are recognised as liabilities rather than income. The authority to spend the appropriation received lapses and any unspent amount must be repaid to Consolidated Fund.

  This liability to Consolidated Fund is disclosed in Note 17 "Current liabilities – other" and will be extinguished during the next financial year by repaying the amount to Consolidated Fund.

ii) Sale of goods

Proceeds from the sale of goods are recognised as revenue when FACS transfers significant risks and rewards of ownership of the goods sold to the purchaser.

iii) Rendering of services

Revenue is recognised when FACS completes the rendering of services. When services are rendered in stages, revenue equivalent to the value of the services rendered based on labour hours spent, is recognised progressively as each stage is completed.

Income arising from the provision of personnel services is recognised when the services are provided and only to the extent that the associated recoverable expenses is recognised.

iv) Investment revenue

- *Interest*

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

- *Rent*

  Rent is recognised as revenue on a straight line basis over the term of the lease and in accordance with *AASB 117 Leases.*

(i) Assets

i) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by FACS. Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the assets at the time they are acquired or constructed, or where applicable, the amount attributed to the assets when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

1. Summary of Accounting Policies (cont'd)

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

ii) Capitalisation thresholds

Property, plant and equipment and intangible assets costing $5,000 or more individually are capitalised.

When property, plant and equipment and intangible assets form part of a network, the cost of individual assets comprising the network are aggregated when applying the capitalisation threshold of $5,000 or more. Once the $5,000 capitalisation threshold is reached, further asset acquisitions that form part of the network are capitalised regardless of the amount.

iii) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with NSW Treasury's Policy Paper TPP 07 – 1 *Valuation of Physical Non-Current Assets at Fair Value.* This policy adopts fair value in accordance with *AASB 116 Property, Plant and Equipment.*

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

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

FACS revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of every asset in each asset class does not materially differ from its fair value at reporting date.

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

When revaluing property, plant and equipment by reference to the current price for an asset newer than that being revalued (adjusted to reflect present condition of the asset); the gross amount and the related accumulated depreciation of the asset are separately restated. Otherwise, the accumulated depreciation balance at the date of revaluation is credited to the related asset account. The resulting net balance in the asset account is increased or decreased by recognising a revaluation increment or decrement.

As FACS is a not-for-profit entity, the revaluation increment or decrement relating to individual assets within an asset class are offset against one another within that asset class, but not against assets in a different asset class.

The revaluation decrement relating to an asset class is first offset against the existing credit balance in the Revaluation Surplus account for that asset class. The remaining balance is recognised as an expense in the net result reported in the Statement of Comprehensive Income.

The revaluation increment relating to an asset class where a revaluation decrement has been recognised as an expense in prior years, is first used to reverse the previously recognised expense by recognising revenue in the net result reported in the Statement of

1. Summary of Accounting Policies (cont'd)

Comprehensive Income. The remaining balance is directly credited to the Revaluation Surplus account.

When a previously revalued asset is disposed of, any remaining balance in the revaluation surplus pertaining to that asset is transferred to Accumulated Funds.

iv) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, FACS is effectively exempted from AA*SB 136 Impairment of Assets* and impairment testing. This is because *AASB 136* modifies the recoverable amount test to the higher of fair value less cost to sell and depreciated replacement cost. This means that for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

v) Depreciation

Property, plant and equipment, other than land and certain heritage assets are depreciated on a straight line basis, so as to write off the depreciable amount of each asset over its useful life.

Land is not a depreciable asset. The policy not to depreciate heritage assets is reviewed annually on the basis that heritage assets may not have limited useful lives because appropriate curatorial and preservation policies are adopted by FACS.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

The estimated useful lives of FACS' depreciable assets are:

Asset Class	Estimated Useful Life
Buildings and infrastructure	40 years
Motor vehicles	4 to 7 years
Plant, furniture and equipment – general and commercial	4 to 7 years
Plant, furniture and equipment – industrial	20 years
Leasehold improvements	Shorter of estimated useful life of improvements and term of the lease

vi) Major inspection costs

The labour cost of performing major inspection for faults is recognised in the carrying amount of an asset as a replacement of a part, when the recognition criteria are satisfied.

1. Summary of Accounting Policies (cont'd)

vii) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of the asset, to the extent that it is recognised as a liability by FACS. A liability is recognised when FACS has a legal or constructive obligation to restore the asset.

viii) Maintenance

Day-to-day servicing and maintenance costs are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

ix) Leased assets

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

FACS has not entered into any finance lease arrangements.

Operating lease payments are recognised in the net result reported in the Statement of Comprehensive Income in the periods in which they are incurred.

x) Intangible assets

FACS recognises intangible assets only if it is probable that future economic benefits will flow to FACS and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at acquisition date.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

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

The useful lives of intangible assets are assessed to be finite. FACS' intangible assets are amortised using the straight line method over a period of four to seven years.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than the intangible asset's carrying amount, the carrying amount is reduced to the recoverable amount. The reduction in value is recognised as an impairment loss.

xi) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the cost or the face value of the underlying transaction. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of the receivables.

Short term receivables with no stated interest rate are measured at the original amount charged as the effect of discounting is considered to be immaterial.

1. Summary of Accounting Policies (cont'd)

An allowance for impairment of receivables is established when there is objective evidence that FACS will not be able to collect all amounts due. Changes in the value of receivables are recognised in the net result reported in the Statement of Comprehensive Income, during the period in which the impairment is recognised or derecognised.

xii) Inventories

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential arises when existing current replacement costs are lower than the carrying amount of the inventories.

Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average or "first-in first-out" method.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost at the date of acquisition.

Current replacement cost is the cost the agency would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

xiii) Investments

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

The TCorp Hour-Glass Investment Facilities are designated "at fair value through profit or loss" using the second leg of the fair value option. These financial assets are managed and their performance is evaluated on a fair value basis by FACS' Budget and Finance Committee on a continual basis. Information about the performance of these assets, including performance against industry benchmarks for each class of investment is provided internally on a monthly basis to the FACS key management personnel for their endorsement of the investment strategy. Gains or losses on these assets are recognised in the Statement of Comprehensive Income.

The movement in the fair value of the Hour-Glass Investment Facilities incorporates distributions received as well as unrealised movements in fair value and is recognised in the net result reported in the Statement of Comprehensive Income as "Investment Revenue".

xiv) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that FACS will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of impairment loss is recognised in the net result reported in the Statement of Comprehensive Income. Where there is objective evidence, reversals of previously recognised impairment losses are reversed in the net result for the year. Reversals of impairment losses on financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

1. Summary of Accounting Policies (cont'd)

xv) De-recognition of financial assets and financial liabilities

Financial assets are de-recognised when the contractual rights to the cash flows from the financial assets expire; or if FACS transfers the financial assets:

- where substantially all the risks and rewards have been transferred or
- where FACS has not transferred substantially all the risks and rewards, but control has not been retained

Where FACS has neither transferred or retained substantially all the risks and rewards or transferred control, financial assets are recognised only to the extent of FACS' involvement in the financial assets.

Financial liabilities are de-recognised when the obligations specified in the contract are discharged, cancelled or expire.

xvi) Non-current assets held for sale

FACS has certain non-current assets classified as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are recognised at the lower of carrying amount and fair value less costs to sell.

These assets are not depreciated while they are classified as held for sale.

xvii) Trust funds

FACS receives monies in a trustee capacity for various Trusts as set out in Note 24. As FACS performs only a custodial role in respect of these monies and because the monies cannot be used for the achievement of FACS' own objectives, these funds are not recognised in the financial statements.

xviii) Other assets

Other assets are recognised on a cost basis.

(j) Liabilities

i) Payables

Payables represent liabilities for goods and services provided to FACS and are recognised initially at fair value, usually based on the cost or face value of the underlying transaction. Subsequent measurement is at amortised cost using the effective interest method. Short term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

ii) Financial Guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee contracts are recognised as a liability at the time the guarantee is issued and initially measured at fair value, where material. After initial recognition, the liability is measured at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised, less accumulated amortisation, where appropriate. As at 30 June 2013 FACS has not entered into any financial guarantee arrangements.

1. Summary of Accounting Policies (cont'd)

The agency has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts as at 30 June 2012 and at 30 June 2011. However, refer Note 21 regarding disclosures on contingent liabilities.

iii) Employee benefits and other provisions

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

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

Long-term annual leave that is not expected to be paid within 12 months from reporting date is measured at present value in accordance with *AASB 119 Employee Benefits.* Market yield on 10 year government bonds of 3.76% is used to discount long-term annual leave.

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

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

b) Long service leave and superannuation

Except for HCS Division, NSWbusinesslink and Aboriginal Housing Office Group of Staff, the Department's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Department accounts for the liability as having been extinguished, resulting in the amount assumed being accounted for as non-monetary revenue line item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

In 2011/12 HNSW and FACS liabilities for defined benefit superannuation were transferred to the Crown Entity (refer Note 19).

Long service leave is measured at present value in accordance with *AASB 119 Employee Benefits*. This is based on the application of certain factors to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

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

1. Summary of Accounting Policies (cont'd)

- *Long service leave*

  Long service leave entitlements are recognised as expenses and provisions when the obligations arise, which is usually through the rendering of service by the employees.

  Long service leave is measured at present value in accordance with *AASB 119 Employee Benefits*. In accordance with guidance provided by the actuarial review, the factors applied in 2010 have been used in valuing long service leave entitlements as at 30 June 2013. This is because the long service leave rules have not changed since the actuarial review, the government bond rate has changed by 1.19% and the composition of employees is relatively consistent with previous reviews.

- *Superannuation*

  i) Defined contribution plan

  A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as expense when they are due. Prepaid contributions are recognised as an asset, to the extent that a cash refund or reduction in future payments is available.

  ii) Defined benefit plan

  A defined plan is a post-employment benefit plan other than a defined contribution plan. An actuarial assessment of the defined benefit is undertaken before each reporting date. The assessment uses the Projected Unit Credit Method and reflects estimated future salary increases and the benefits set out in the terms of the plan.

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

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

c) Other provisions

Other provisions exist when:

(i) FACS has a present legal or constructive obligation as a result of a past event;
(ii) it is probable that an outflow of resources will be required to settle the obligation; and
(iii) the amount of the obligation can be reliably estimated.

Any provision for restructuring is recognised only when FACS has a detailed formal plan and has raised a valid expectation in those affected by the restructuring that a restructure will be carried out because FACS is starting to implement the plan or has announced the main features to those affected.

1. Summary of Accounting Policies (cont'd)

Provisions include restoration costs on leased office premises. In the majority of cases the provision is calculated by using the make good rate per square metre implicit in each lease agreement, which is then discounted to present value using the government bond rate. The provisions are established by individual lease and amortised over the term of the lease. The unamortised value of the obligation is recorded as an asset.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

(k) Equity and reserves

i) *Revaluation surplus*

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with FACS' revaluation of property, plant and equipment as discussed in note 1(i)(iii).

ii) *Accumulated funds*

Accumulated funds include all current and prior period retained funds.

(l) Equity transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs, functions or parts thereof between NSW public sector agencies and equity appropriations are designated as contributions by owners and recognised as adjustments to Accumulated Funds. This treatment is consistent with *AASB1004 Contributions* and *Australian Interpretation1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.*

Transfers involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. In most instances, this will approximate fair value.

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

(m) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted section 24 of the PFAA where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

(n) New Australian Accounting Standards Issued but not effective

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

The following new Australian Accounting Standards and interpretations have not been applied and are not yet effective (refer Treasury Circular NSWTC 13/02 Mandates of Options and Major Policy Decisions under Australian Accounting Standards (TC 12/04).

1. Summary of Accounting Policies (cont'd)

	Operative Date
AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments	1 January 2015
AASB 10 *Consolidated Financial Statements*	1 January 2013
AASB 119, AASB 2011-10 and AASB 2011-11 regarding employee benefits	1 January 2013
AASB 127 *Separate Financial Statements*	1 January 2013
AASB 128 *Investments in Associates and Joint Ventures*	1 January 2013
AASB 1053 and AASB 2010-2 regarding differential reporting	1 January 2013
AASB 2010-10 regarding removal of fixed dates for first time adopters	1 January 2013
AASB 2011-4 removing individual KMP disclosure requirements	1 July 2013
AASB 2011-6 regarding RDR and relief from consolidation	1 July 2013
AASB 2011-7 regarding consolidation and joint arrangements	1 January 2013
AASB 2011-12 regarding Interpretation 20	1 January 2013
AASB 2012-1 regarding fair value measurement – RDR requirements	1 July 2013
AASB 2012-2 regarding disclosures – offsetting financial assets and financial liabilities	1 January 2013
AASB 2012-3 regarding offsetting financial assets and financial liabilities	1 January 2014
AASB 2012-4 regarding government loans – first time adoption	1 January 2013
AASB 2012-5 regarding annual improvements 2009-2-11 cycle	1 January 2013
AASB 2012-7 regarding RDR	1 July 2013
AASB 2012-9 regarding withdrawal of Interpretation 1039	1 January 2013
AASB 2012-10 regarding transition guidance and other amendments	1 January 2013
AASB 2012-11 regarding RDR requirements and other amendments	1 July 2013

FACS' assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the entity.

It is considered that the impact of these new standards and interpretations in future years will have no material impact on the financial statements of the entity.

(o) Change in accounting policies

There has been no change in the FACS' accounting policies.

(p) Social Benefit Bonds

As part of the government initiatives to improve social outcomes and find alternative delivery options through the non-government sector the Government is trialling the use of Social Benefit Bonds (SBBs). The SBBs are financial instruments that are issued to private investors where the return the investors received are based on the agreements of agreed social outcomes.

The department during 2012/13 has entered into SBBs agreements with private investors for services to be provided by The Benevolent Society and United Care Burnside. As at 30 June 2013 the services to be provided under the agreement have not commenced. Therefore as neither party (department or private investors) have performed any obligations under the contract at 30 June 2013, there are no accounting obligations in relation to the contract shown in the financial statements.

	PARENT 2013 $'000	PARENT 2012 $'000	CONSOLIDATED 2013 $'000	CONSOLIDATED 2012 $'000
2. Expenses Excluding Losses				
(a) Employee related expenses				
Salaries and wages (including recreation leave) (i)	**1,145,091**	1,159,451	**1,285,217**	1,303,226
Superannuation - defined contribution plans	**89,995**	89,703	**101,877**	101,585
Superannuation - defined benefit plans	**12,606**	15,802	**12,707**	16,697
Long service leave	**23,506**	59,898	**24,302**	63,111
Workers' compensation insurance	**41,534**	38,919	**53,521**	50,509
Payroll tax and fringe benefit tax	**70,783**	74,959	**70,840**	75,005
Redundancy payments	**20,681**	9,700	**21,522**	9,700
Other	**242**	210	**242**	210
	1,404,438	1,448,642	**1,570,228**	1,620,043

(i) Employee related costs capitalised in fixed asset accounts are excluded from the above totalled $0.447m (2012: $1.140m).

	PARENT 2013 $'000	PARENT 2012 $'000	CONSOLIDATED 2013 $'000	CONSOLIDATED 2012 $'000
(b) Other operating expenses				
Auditor's remuneration - audit of the financial statements	**497**	558	**664**	721
Internal Auditor's remuneration - other services	**6,148**	5,203	**6,298**	5,353
Advertising	**1,173**	1,393	**1,313**	1,744
Bad and doubtful debts	**1,330**	534	**1,330**	534
Cleaning	**7,015**	6,595	**7,244**	6,825
Computer maintenance, software licences and other related expenditure	**5,804**	7,289	**5,827**	7,292
Consultants	**848**	1,583	**909**	1,791
Other contract services	**7,236**	8,709	**7,236**	8,709
Corporate shared services fees	**137,480**	92,013	**147,536**	102,481
Equipment	**2,192**	2,561	**2,335**	2,668
Fee for services rendered	**27,102**	23,107	**27,102**	23,107
Groceries	**13,371**	13,636	**13,371**	13,636
Insurance	**2,314**	2,114	**2,591**	2,447
Legal costs	**14,051**	12,870	**14,666**	13,001
Maintenance (i)	**13,405**	14,743	**13,568**	14,880
Management and other fees	**18,231**	15,546	**32,230**	32,523
Medical support services	**2,222**	2,089	**2,222**	2,089
Motor vehicle running costs	**26,734**	29,209	**28,047**	30,056
Operating lease rental expense-minimum lease payments	**67,150**	65,720	**71,136**	69,732
Telecommunications	**6,146**	6,215	**6,631**	6,830
Printing, postage and stationery	**8,938**	9,807	**9,983**	10,895
Property and residential expenses	**4,017**	5,529	**4,017**	5,529
Staff development	**16,770**	20,045	**20,372**	23,757
Travelling, removal and subsistence	**7,736**	9,528	**16,824**	20,971
Utilities	**12,798**	11,318	**13,115**	11,606
Other	**21,164**	20,440	**23,272**	22,358
	431,872	388,354	**479,839**	441,535
(i) Reconciliation - Total Maintenance				
Maintenance expense - contractor labour and other (non employee related) as above	**13,405**	14,743	**13,568**	14,880
Employee related maintenance expense included in Note 2 (a)	**2,939**	2,799	**2,939**	2,799
Total maintenance expenses included in Note 2 (a) and 2 (b)	**16,344**	17,542	**16,507**	17,679
(c) Depreciation and amortisation expense				
Depreciation				
Buildings	**14,091**	11,933	**14,219**	12,020
Computer equipment	**3,858**	5,333	**3,894**	5,433
Motor vehicles	**1,114**	1,274	**2,355**	2,613
Furniture and equipment	**3,093**	4,886	**3,241**	5,059
Plant and equipment	**1,759**	2,213	**1,767**	2,217
	23,915	25,639	**25,476**	27,342
Amortisation				
Intangibles	**35,140**	17,581	**35,140**	17,581
Leasehold improvements	**25,948**	27,882	**27,029**	29,028
	61,088	45,463	**62,169**	46,609
	85,003	71,102	**87,645**	73,951

	PARENT		CONSOLIDATED	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000

(d) Grants and subsidies

	PARENT 2013 $'000	PARENT 2012 $'000	CONSOLIDATED 2013 $'000	CONSOLIDATED 2012 $'000
Ageing program	**7,565**	5,145	**7,565**	5,145
Community services program	**95,976**	91,705	**95,976**	91,705
Disability services program	**1,223,406**	1,062,919	**1,212,788**	1,052,896
Grant to NSWbusinesslink	**2,920**	43,455	**2,920**	43,455
Home and community care program	**219,458**	676,169	**147,015**	503,145
Out of home care	**585,905**	552,606	**585,905**	552,606
Prevention and early Intervention	**108,926**	114,047	**108,926**	114,047
Statutory child protection service	**28,401**	25,108	**28,401**	25,108
Rental Assistance	**13,254**	35,867	**13,254**	35,867
Rental subsidies to disadvantaged groups	**24,459**	30,602	**24,459**	30,602
Grants to Other Government Departments	**9,739**	195	**9,739**	195
Home Purchase Assistance Fund	**-**	1,220	**-**	1,220
Housing Community Assistance Program	**754**	725	**754**	725
Housing Initiatives Leasing	**63,330**	61,125	**63,330**	61,125
Housing Grants to Community Groups	**15,972**	9,448	**15,972**	9,448
Grants to Land and Housing Corporation	**122,096**	143,820	**122,096**	143,820
Other Grants to Individuals and Other Organisations	**310,563**	328,028	**310,563**	321,646
Social Housing Growth Fund	**1,056**	4,823	**1,056**	4,823
Grants to Department of Finance and Services	**8,487**	8,280	**8,487**	8,280
	2,842,267	3,195,287	**2,759,206**	3,005,858

From 1 July 2012 Home and Community Care program funding arrangements has changed with Commonwealth providing direct funding which previously was funded by the department.

ADHC received $4.52m from service providers in 2012-13 (2011-12 $4.84m) representing a return of unspent grants under the following programs: $Nil (2011-12 $0.04m) for the Disability Services program and $4.52m (2011-12 $4.80m) for the Home and Community Care program. As cash recoveries relating to grants are considered Consolidated Fund monies, receipts are remitted to the Crown Entity on a regular basis.

(e) Finance costs

	PARENT 2013 $'000	PARENT 2012 $'000	CONSOLIDATED 2013 $'000	CONSOLIDATED 2012 $'000
Unwinding of discount rate	**153**	423	**169**	483
	153	423	**169**	483

	PARENT		CONSOLIDATED	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
3. Revenues				
a) Appropriations				
Recurrent appropriations				
Total recurrent drawdowns from NSW Treasury (per Summary of Compliance)	**4,568,368**	4,863,033	**4,568,368**	4,863,033
Less: Liability to Consolidated Fund (per Summary of Compliance)	**1,462**	676	**1,462**	676
	4,566,906	4,862,357	**4,566,906**	4,862,357
Comprising:				
Recurrent appropriations (per Statement of comprehensive income)	**4,486,153**	4,778,672	**4,486,153**	4,778,672
Transfer payments	**80,753**	83,684	**80,753**	83,684
	4,566,906	4,862,356	**4,566,906**	4,862,356
Capital appropriations				
Total capital drawdowns from NSW Treasury (per Summary of Compliance)	**133,819**	109,242	**133,819**	109,242
Less: Liability to Consolidated Fund (per Summary of Compliance)	**-**	2,597	**-**	2,597
	133,819	106,645	**133,819**	106,645
Comprising:				
Capital appropriations (per Statement of comprehensive income)	**133,819**	106,645	**133,819**	106,645
	133,819	106,645	**133,819**	106,645
b) Sale of goods and services				
Community Options program fees	**-**	-	**56**	41
Corporate client fees	**-**	-	**4**	3,822
Home and Community Care	**-**	-	**15,675**	16,357
Rendering of services	**41,974**	39,824	**41,974**	39,824
Rendering of services - Disaster Welfare	**148**	558	**148**	558
Veterans' Home Care fees	**-**	-	**7,121**	7,025
Other fees	**-**	-	**5,208**	1,581
	42,122	40,382	**70,186**	69,208
c) Investment revenue				
Interest received	**12,879**	9,390	**18,190**	12,631
Rents	**12**	45	**12**	45
	12,891	9,435	**18,202**	12,676
d) Grants and contributions				
Commonwealth				
Home and Community Care program	**-**	-	**109,441**	-
Other Commonwealth Government grants	**4,604**	963	**8,154**	963
	4,604	963	**117,595**	963
State				
Community options projects	**-**	-	**-**	3,610
Other State Government grants *	**39,756**	13,701	**42,111**	15,655
	39,756	13,701	**42,111**	19,265
Total Grants and Contributions	**44,360**	14,664	**159,706**	20,228

* Inclusive of SACS Funding of $9.248 million (2012: $ Nil) and reimbursement for redundancy funding of $20.700 million

	PARENT		CONSOLIDATED	
e) Acceptance by the Crown Entity of Employee Benefits and Other Liabilities				
The following liabilities and / or expenses have been assumed by the Crown Entity or other government agencies:				
Superannuation - defined benefit	**13,254**	15,124	**13,254**	15,124
Long service leave	**13,574**	34,581	**13,574**	34,581
Payroll tax	**9,918**	18,623	**9,918**	18,623
	36,746	68,328	**36,746**	68,328
f) Other revenue				
Assets recognised for the first time	**4,480**	64	**4,557**	64
TMF Hindsight adjustment	**12,246**	2,915	**12,246**	2,915
Joint Investigation Response Team revenue	**2,101**	1,786	**2,101**	1,786
Overseas adoptions	**289**	412	**289**	412
Home Care administration fee	**7,871**	7,046	**-**	-
Rental Assistance Subsidies	**5,379**	5,683	**5,379**	5,683
Other revenue	**12,909**	13,908	**14,931**	14,748
	45,275	31,814	**39,503**	25,608

	PARENT		CONSOLIDATED	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
4. (i) Gain/(loss) on disposal				
Gain/(loss) on disposal of non-current assets held for sale:				
Proceeds from disposal (net of selling expenses)	**1,141**	7,534	**1,141**	7,534
Written down value of assets disposed	**(1,254)**	(8,112)	**(1,254)**	(8,117)
Net gain/(loss) on disposal of non-current assets held for sale	**(113)**	(578)	**(113)**	(583)
Gain/(loss) on disposal of plant and equipment:				
Proceeds from disposal (net of selling expenses)	**1,149**	1,177	**1,866**	1,889
Written down value of assets disposed	**(1,626)**	(1,431)	**(2,037)**	(1,954)
Net gain/(loss) on disposal of plant and equipment	**(477)**	(254)	**(171)**	(65)
(ii) Assets written off				
Intangibles	**-**	(9,968)	**-**	(9,968)
	-	(9,968)	**-**	(9,968)
Total net gain/(loss) on disposal	**(590)**	(10,800)	**(284)**	(10,616)
5. Other Gains/(Losses)				
Impairment loss of non-current assets held for sale	**(449)**	-	**(449)**	-
Revaluation gain/(loss) on carrying value of land and buildings	**34,801**	27,806	**35,109**	28,670
Gain/(loss) on impairment of receivables	**(1,290)**	336	**(1,564)**	245
	33,062	28,142	**33,096**	28,915

6. Conditions on contributions

As at 30 June 2013 the entity held $0.336m (2012: $1.263m) in cash at bank representing unspent contributions with conditions from Commonwealth and State agencies. The unspent contributions with conditions were: $Nil (2012: $0.390m) from NSW Office of Environment & Heritage, $Nil (2012: $0.312m) from Commonwealth Department of Families, Housing, Community Services & Indigenous Affairs, $0.227m (2012: $0.216) from Aboriginal Diagnosis Support, $0.109m (2012: $0.109m) for the Office of Protective Commissioner's Resident Amenities Fund, $Nil (2012: $0.141m) from NSW Department of Health for Carers Awards, $Nil (2012: $0.012m) from the Disability Services Commision of WA for the Western Australian contribution to the Disability Policy and Research Working Group facilitated by ADHC, $Nil (2012: $0.045m) Forgotten Australians, $Nil (2012: $0.026m) from NSW Trustee & Guardian and $Nil (2012: $0.012m) from the Department of Communities (Queensland).

7. Service Groups

The service group's under the control of the Department of Family and Community Services are:

Community Services

1. Community Development and Support

This service group covers funding for community projects and support services (especially for families and young children). It includes services to reduce the incidence, severity and impact of violence against women and families.

2. Child, Youth and Family Prevention and Early Intervention Services

This service group supports at-risk children, young children and their families through case management, referrals and parenting information. It aims to strengthen families and enable children to grow up in safe, stable and nurturing environments.

3. Statutory Child Protection

This service group covers responding to reports of significant harm or risk to children, and assessing and investigating reports of child abuse and neglect. It also initiates and supports Children's Court action where appropriate, working with other agencies to ensure the safety, welfare and wellbeing of children, and developing and fulfilling case and care plans.

4. Out-of-Home Care

This service group covers Out-of-home care (OOHC) services, such as foster and kinship care for children separated from their parents, monitoring and reviewing placements, recruiting and supporting carers, and supporting young people who have left care.

Ageing Disability and Home Care

1. Community Support for People with a Disability, their Family and Carers

This service group covers services that assist older people and people with a disability to live in their own home environment and to participate in the community with some ongoing support.

2. Short-Term Interventions for People with a Disability, their Family and Carers

This service group covers assistance to older people and people with a disability to develop skills and abilities to live in the community with minimal support.

3. Supported Accommodation for People with a Disability

This service group covers adequate alternate support arrangements for people with a disabilty to help them to live in suitable accommodation and to participate in the community.

Housing NSW

1. Housing Policy and Assistance

This service group covers housing assistance for people who are on low incomes or otherwise unablel to access or maintain appropriate housing. The Housing Policy and Assistance program helps to deliver government-subsidised housing through public, community and Aboriginal housing agencies.

NSWbusinesslink

1. Shared Services - Busineslink

This service group covers the provision of personnel services to Businesslink Pty Ltd. Businesslink is a wholly owned shared services company providing a broad range of corporate, governance, operational and organisational infrastructure and facilities to its clients in the Family and Community Services cluster.

	PARENT		CONSOLIDATED	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
8. Current Assets - Cash and Cash Equivalents				
Cash at bank and on hand	**232,152**	141,794	**234,887**	154,241
TCorp Short-term deposits	**-**	-	**53,709**	41,624
Deposits at call				
- Treasury Corporation - money market	**-**	-	**-**	2,329
- Treasury Corporation - Hour Glass cash facilities	**-**	34,067	**2,416**	34,067
Total cash and cash equivalents	**232,152**	175,861	**291,012**	232,261

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, cash at bank and short term deposits.

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

Cash and cash equivalents (per statement of financial position)	**232,152**	175,861	**291,012**	232,261
Closing cash and cash equivalents (per statement of cash flows)	**232,152**	175,861	**291,012**	232,261

Cash at bank includes $1.255 million (2012 $1.486m) owed to Consolidated Fund that is a restricted asset.

During the year a review of the entity's banking arrangements with Treasury was undertaken and the Treasury Corporation - Hour Glass facilities have been transferred under normal Treasury banking facilities and are now reported under cash at bank and on hand.

NSW Treasury Corporation's Hour Glass cash facilities includes $Nil (2012: $20.477m) that have been restricted in terms of their use as follows:

Affordable Housing Innovation Fund (AHIF)	-	5,772	-	5,772
Australian Defence Industries (ADI) project	-	10,982	-	10,982
National Rental Affordability Scheme	-	3,723	-	3,723

Refer Note 25 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

9. Current/non-current assets - receivables

Current				
Client Fees	**1,819**	1,104	**1,577**	1,104
Less : Allowance for impairment	**(1,403)**	(406)	**(1,403)**	(406)
	416	698	**174**	698
Sundry receivables	**24,304**	29,764	**30,463**	36,267
Less : Allowance for impairment	**(3,694)**	(2,266)	**(4,753)**	(3,298)
	20,610	27,498	**25,710**	32,969
Amounts due from other government agencies	**88,093**	143,533	**88,093**	143,533
Prepayments - Other	**2,023**	2,917	**2,237**	2,917
Interest receivable	**156**	110	**156**	110
GST receivable (net)	**20,389**	21,004	**20,729**	21,004
	131,687	195,760	**137,099**	201,231
Non-current				
Sundry receivables	**569**	600	**569**	600
Amounts due from other government agencies	**46,521**	-	**46,521**	-
	47,090	600	**47,090**	600
Total Receivables	**178,777**	196,360	**184,189**	201,831
Movement in the allowance for impairment				
Balance at 1 July	**(2,672)**	(2,677)	**(3,704)**	(4,000)
Transfer on reorganisation	**-**	(112)	**-**	(112)
Amounts written off during the year	**169**	211	**318**	406
Amounts recovered during the year	**765**	672	**1,003**	1,153
Increase/(decrease) in allowance recognised in profit or loss	**(3,359)**	(766)	**(3,773)**	(1,151)
Balance at 30 June	**(5,097)**	(2,672)	**(6,156)**	(3,704)

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 25.

	PARENT		CONSOLIDATED	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000

10. Current Assets - Inventories

Held for distribution				
Residence supplies - at cost	**289**	259	**289**	259
	289	259	**289**	259

11. Current/non-current - Financial Assets at Fair Value

Non-current				
TCorp - Hour-Glass Investment Facilities				
- Medium-term Growth Facility Trust	**-**	-	**7,893**	7,128
- Long-term Growth Facility Trust	**-**	-	**11,514**	9,551
Total Non-current financial assets at fair value	**-**	-	**19,407**	16,679

Refer to Note 25 for further information regarding credit risk, liquidity risk and market risk arising from financial instruments.

12. Non-Current Assets Held for Sale

Land and buildings	**1,250**	1,696	**1,250**	1,696
	1,250	1,696	**1,250**	1,696

Properties classified under this category are expected to be sold in the following financial year through a number of disposal options, including auctioning the properties.

13. Non-current Assets - Property, Plant and Equipment

PARENT 2013

	Land and Buildings $'000	Plant and Equipment $'000	Motor Vehicles $'000	Computer Equipment $'000	Furniture and Equipment $'000	Leasehold Improvements $'000	Total $'000
At 1 July 2012 -fair value							
Gross carrying amount	872,407	21,104	7,297	36,576	38,721	189,571	1,165,676
Accumulated depreciation and impairment	(127,060)	(14,383)	(1,277)	(30,911)	(33,373)	(117,509)	(324,513)
Net Carrying Amount	745,347	6,721	6,020	5,665	5,348	72,062	841,163
At 30 June 2013 - fair value							
Gross carrying amount	1,023,695	22,054	5,526	34,790	35,138	206,812	1,328,015
Accumulated depreciation and impairment	(145,401)	(14,217)	(1,805)	(32,868)	(32,753)	(131,760)	(358,804)
Net Carrying Amount	878,294	7,837	3,721	1,922	2,385	75,052	969,211

For land and buildings, Fair Value was based on an independent assessment. This occurs at varying times across the FACS cluster.

Works in Progress totalling $194.4m are included in property plant and equipment.
This is comprised of:
Land and Buildings $167.7m, Plant and Equipment $1.5m, Computer Equipment $Nil and Leasehold Improvements $25.2m.

Reconciliation

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

PARENT 2013

Year ended 30 June 2013	Land and Buildings $'000	Plant and Equipment $'000	Motor Vehicles $'000	Computer Equipment $'000	Furniture and Equipment $'000	Leasehold Improvements $'000	Total $'000
Net Carrying Amount at beginning of year	745,347	6,721	6,020	5,665	5,348	72,062	841,163
Additions	109,022	2,928	45	246	202	22,261	134,704
Assets recognised for the first time	4,472	8	-	-	-	-	4,480
Make good	-	-	-	-	-	6,791	6,791
Assets held for resale	(1,071)	-	-	-	-	-	(1,071)
Transfer between classes	-	-	-	(123)	-	168	45
Transfers to other government agencies	-	-	-	(4)	-	(7)	(11)
Disposals	(160)	(61)	(1,230)	(4)	(72)	(275)	(1,802)
Impairment losses	(26)	-	-	-	-	-	(26)
Net revaluation increment less revaluation decrements	34,801	-	-	-	-	-	34,801
Depreciation expense	(14,091)	(1,759)	(1,114)	(3,858)	(3,093)	(25,948)	(49,863)
Net Carrying Amount at end of year	878,294	7,837	3,721	1,922	2,385	75,052	969,211

PARENT 2012

	Land and Buildings $'000	Plant and Equipment $'000	Motor Vehicles $'000	Computer Equipment $'000	Furniture and Equipment $'000	Leasehold Improvements $'000	Total $'000
At 1 July 2011 -fair value							
Gross carrying amount	790,406	21,065	310	37,283	36,609	149,725	1,035,398
Accumulated depreciation and impairment	(115,369)	(12,733)	(250)	(28,714)	(28,993)	(87,299)	(273,358)
Net Carrying Amount	675,037	8,332	60	8,569	7,616	62,426	762,040
At 30 June 2012 - fair value							
Gross carrying amount	872,407	21,104	7,297	36,576	38,721	189,571	1,165,676
Accumulated depreciation and impairment	(127,060)	(14,383)	(1,277)	(30,911)	(33,373)	(117,509)	(324,513)
Net Carrying Amount	745,347	6,721	6,020	5,665	5,348	72,062	841,163

For land and buildings, Fair Value was based on an independent assessment. This occurs at varying times across the FACS cluster.

Works in Progress totalling $108.1m are included in property plant and equipment.
This is comprised of:
Land and Buildings $86.0m, Plant and Equipment $1.3m, Computer Equipment $Nil and Leasehold Improvements $20.8m.

Reconciliation

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

PARENT 2012

Year ended 30 June 2012	Land and Buildings $'000	Plant and Equipment $'000	Motor Vehicles $'000	Computer Equipment $'000	Furniture and Equipment $'000	Leasehold Improvements $'000	Total $'000
Net Carrying Amount at beginning of year	675,037	8,332	60	8,569	7,616	62,426	762,040
Additions	63,963	1,027	2,009	345	1,092	20,373	88,809
Assets recognised for the first time	-	64	-	-	-	-	64
Make good	-	-	-	-	-	6,809	6,809
Assets held for resale	(8,566)	-	-	-	-	-	(8,566)
Transfer between classes	94	(706)	-	(261)	826	68	21
Transfers to other government agencies	-	-	(440)	-	-	-	(440)
Disposals	-	(65)	(1,313)	(42)	(21)	-	(1,441)
Impairment losses	(2,696)	-	-	-	-	-	(2,696)
Increase/(decrease) in net assets from administrative restructuring	-	282	6,978	2,387	721	10,268	20,636
Net revaluation increment less revaluation decrements	29,448	-	-	-	-	-	29,448
Depreciation expense	(11,933)	(2,213)	(1,274)	(5,333)	(4,886)	(27,882)	(53,521)
Net carrying amount at end of year	745,347	6,721	6,020	5,665	5,348	72,062	841,163

CONSOLIDATED 2013

	Land and Buildings $'000	Plant and Equipment $'000	Motor Vehicles $'000	Computer Equipment $'000	Furniture and Equipment $'000	Leasehold Improvements $'000	Total $'000
At 1 July 2012 -fair value							
Gross carrying amount	879,861	21,338	12,912	37,370	39,457	195,534	1,186,472
Accumulated depreciation and impairment	(127,268)	(14,575)	(3,694)	(31,649)	(33,801)	(120,966)	(331,953)
Net Carrying Amount	752,593	6,763	9,218	5,721	5,656	74,568	854,519
At 30 June 2013 - fair value							
Gross carrying amount	1,031,520	22,209	10,158	35,560	35,885	212,909	1,348,241
Accumulated depreciation and impairment	(145,692)	(14,359)	(4,589)	(33,616)	(33,320)	(136,171)	(367,747)
Net Carrying Amount	885,828	7,850	5,569	1,944	2,565	76,738	980,494

For land and buildings, Fair Value was based on an independent assessment. This occurs at varying times across the FACS cluster.

Works in Progress totalling $194.7m are included in property plant and equipment.
This is comprised of:
Land and Buildings $167.7m, Plant and Equipment $1.5m, Computer Equipment $Nil and Leasehold Improvements $25.5m.

Reconciliation

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

CONSOLIDATED 2013

Year ended 30 June 2013	Land and Buildings $'000	Plant and Equipment $'000	Motor Vehicles $'000	Computer Equipment $'000	Furniture and Equipment $'000	Leasehold Improvements $'000	Total $'000
Net Carrying Amount at beginning of year	752,593	6,763	9,218	5,721	5,656	74,568	854,519
Additions	109,131	2,928	268	246	202	22,519	135,294
Assets recognised for the first time	4,472	8	77	-	-	-	4,557
Make good	-	-	-	-	-	6,791	6,791
Assets held for resale	(1,071)	-	-	-	-	-	(1,071)
Transfer between classes	-	(18)	-	(123)	18	168	45
Transfers to other government agencies	-	-	-	(4)	-	(7)	(11)
Disposals	(161)	(64)	(1,639)	(2)	(70)	(272)	(2,208)
Impairment losses	(26)	-	-	-	-	-	(26)
Net revaluation increment less revaluation decrements	35,109	-	-	-	-	-	35,109
Depreciation expense	(14,219)	(1,767)	(2,355)	(3,894)	(3,241)	(27,029)	(52,505)
Net Carrying Amount at end of year	885,828	7,850	5,569	1,944	2,565	76,738	980,494

CONSOLIDATED 2012

	Land and Buildings $'000	Plant and Equipment $'000	Motor Vehicles $'000	Computer Equipment $'000	Furniture and Equipment $'000	Leasehold Improvements $'000	Total $'000
At 1 July 2011 -fair value							
Gross carrying amount	796,021	21,424	6,034	38,157	37,205	153,873	1,052,714
Accumulated depreciation and impairment	(115,369)	(13,036)	(1,865)	(29,402)	(29,261)	(88,635)	(277,568)
Net Carrying Amount	680,652	8,388	4,169	8,755	7,944	65,238	775,146
At 30 June 2012 - fair value							
Gross carrying amount	879,860	21,337	12,911	37,372	39,457	195,535	1,186,472
Accumulated depreciation and impairment	(127,268)	(14,575)	(3,694)	(31,649)	(33,801)	(120,966)	(331,953)
Net Carrying Amount	752,592	6,762	9,217	5,723	5,656	74,569	854,519

For land and buildings, Fair Value was based on an independent assessment. This occurs at varying times across the FACS cluster.

Works in Progress totalling $108.3m are included in property plant and equipment.
This is comprised of:
Land and Buildings $86.0m, Plant and Equipment $1.3m, Computer Equipment $Nil and Leasehold Improvements $21.0m.

Reconciliation

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

CONSOLIDATED 2012

Year ended 30 June 2012	Land and Buildings $'000	Plant and Equipment $'000	Motor Vehicles $'000	Computer Equipment $'000	Furniture and Equipment $'000	Leasehold Improvements $'000	Total $'000
Net Carrying Amount at beginning of year	680,652	8,388	4,169	8,755	7,944	65,238	775,146
Additions	64,816	1,058	2,941	345	1,214	21,198	91,572
Assets recognised for the first time	-	64	-	-	-	-	64
Make good	-	-	-	-	-	6,809	6,809
Assets held for resale	(8,566)	-	-	-	-	-	(8,566)
Transfer between classes	94	(741)	-	(278)	861	85	21
Transfers to other government agencies	-	-	(440)	-	-	-	(440)
Disposals	-	(72)	(1,818)	(53)	(25)	(1)	(1,969)
Impairment losses	(2,696)	-	-	-	-	-	(2,696)
Increase/(decrease) in net assets from administrative restructuring	-	282	6,978	2,387	721	10,268	20,636
Net revaluation increment less revaluation decrements	30,312	-	-	-	-	-	30,312
Depreciation expense	(12,020)	(2,217)	(2,613)	(5,433)	(5,059)	(29,028)	(56,370)
Net Carrying Amount at end of year	752,592	6,762	9,217	5,723	5,656	74,569	854,519

14. Intangible Assets

	PARENT		
	Software	Software under construction	Total
	$'000	$'000	$'000
At 1 July 2012			
Cost (gross carrying amount)	141,140	2,165	143,305
Accumulated amortisation and impairment	(65,568)	-	(65,568)
Net Carrying Amount	75,572	2,165	77,737
At 30 June 2013			
Cost (gross carrying amount)	142,140	2,165	144,305
Accumulated amortisation and impairment	(99,005)	-	(99,005)
Net Carrying Amount	43,135	2,165	45,300

Reconciliations

Reconciliations of the carrying amounts of each class of intangibles are set out below.

Year ended 30 June 2013	**$'000**	**$'000**	**$'000**
Net carrying amount at beginning of year	75,572	2,165	77,737
Additions	2,804	-	2,804
Transfer between classes	(45)	-	(45)
Disposals	(56)	-	(56)
Amortisation expense	(35,140)	-	(35,140)
Net carrying amount at end of year	43,135	2,165	45,300

A review of intangibles was undertaken and there has been no change in the useful lives of the assets.

At 1 July 2011			
Cost (gross carrying amount)	69,948	11,366	81,314
Accumulated amortisation and impairment	(48,070)	-	(48,070)
Net Carrying Amount	21,878	11,366	33,244
At 30 June 2012			
Cost (gross carrying amount)	141,140	2,165	143,305
Accumulated amortisation and impairment	(65,568)	-	(65,568)
Net Carrying Amount	75,572	2,165	77,737

Reconciliations

Reconciliations of the carrying amounts of each class of intangibles are set out below.

Year ended 30 June 2012	**$'000**	**$'000**	**$'000**
Net carrying amount at beginning of year	21,878	11,366	33,244
Additions	16,025	767	16,792
Transfer between classes	(21)	-	(21)
Disposals	-	(9,968)	(9,968)
Increase/(decrease) in net assets from administrative restructuring	55,271	-	55,271
Amortisation expense	(17,581)	-	(17,581)
Net carrying amount at end of year	75,572	2,165	77,737

A review of intangibles was undertaken and there has been no change in the useful lives of the assets.

14. Intangible Assets (continued)

	CONSOLIDATED		
	Software	Software under construction	Total
	$'000	$'000	$'000
At 1 July 2012			
Cost (gross carrying amount)	141,140	2,165	143,305
Accumulated amortisation and impairment	(65,568)	-	(65,568)
Net Carrying Amount	75,572	2,165	77,737
At 30 June 2013			
Cost (gross carrying amount)	142,140	2,165	144,305
Accumulated amortisation and impairment	(99,005)	-	(99,005)
Net Carrying Amount	43,135	2,165	45,300

Reconciliations

Reconciliations of the carrying amounts of each class of intangibles are set out below.

Year ended 30 June 2013	$'000	$'000	$'000
Net carrying amount at beginning of year	75,572	2,165	77,737
Additions	2,804	-	2,804
Transfer between classes	(45)	-	(45)
Disposals	(56)	-	(56)
Amortisation expense	(35,140)	-	(35,140)
Net carrying amount at end of year	43,135	2,165	45,300

A review of intangibles was undertaken and there has been no change in the useful lives of the assets.

At 1 July 2011			
Cost (gross carrying amount)	69,948	11,366	81,314
Accumulated amortisation and impairment	(48,070)	-	(48,070)
Net Carrying Amount	21,878	11,366	33,244
At 30 June 2012			
Cost (gross carrying amount)	141,140	2,165	143,305
Accumulated amortisation and impairment	(65,568)	-	(65,568)
Net Carrying Amount	75,572	2,165	77,737

Reconciliations

Reconciliations of the carrying amounts of each class of intangibles are set out below.

Year ended 30 June 2012	$'000	$'000	$'000
Net carrying amount at beginning of year	21,878	11,366	33,244
Additions	16,025	767	16,792
Transfer between classes	(21)	-	(21)
Disposals	-	(9,968)	(9,968)
Increase/(decrease) in net assets from administrative restructuring	55,271	-	55,271
Amortisation expense	(17,581)	-	(17,581)
Net carrying amount at end of year	75,572	2,165	77,737

A review of intangibles was undertaken and there has been no change in the useful lives of the assets.

	PARENT		CONSOLIDATED	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
15. Current/Non-Current Liabilities - Payables				
Current Liabilities				
Accrued salaries, wages and on-costs	**36,668**	26,692	**41,433**	32,499
Creditors	**10,774**	14,757	**11,722**	15,484
Accrued operating expenditure	**41,014**	47,934	**42,550**	49,986
Accrued capital expenditure	**-**	26	**-**	26
GST payable	**338**	1,138	**338**	3,424
Amounts owing to other government agencies	**8,888**	7,150	**8,888**	7,150
Other creditors	**77**	64	**149**	187
	97,759	97,761	**105,080**	108,756
Non-Current Liabilities - Payables				
Unearned Revenue	**4,783**	-	**4,783**	-
	4,783	-	**4,783**	-
Total payables	**102,542**	97,761	**109,863**	108,756

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are included in Note 25.

	PARENT		CONSOLIDATED	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
16. Current / Non-Current Liabilities - Provisions				
Current				
Employee benefits and related on-costs				
Recreation leave	**99,226**	100,024	**111,413**	112,536
Payroll tax	**13,435**	13,577	**13,435**	13,577
Long service leave and on-costs	**27,599**	35,671	**39,232**	49,866
Workers' compensation	**3,842**	6,388	**3,842**	6,388
Total employee benefits and related on-costs	**144,102**	155,660	**167,922**	182,367
Other Provisions				
Legal Claims	**920**	-	**920**	-
Restoration costs	**9,006**	5,561	**9,572**	5,902
Total current provisions	**154,028**	161,221	**178,414**	188,269
Non-current				
Employee benefits and related on-costs				
Payroll tax	**613**	616	**613**	616
Long service leave and on-costs	**2,197**	2,314	**5,965**	4,848
Workers' compensation	**130**	122	**130**	122
Superannuation	**46,527**	63,330	**52,819**	74,895
Total employee benefits and related on-costs	**49,467**	66,382	**59,527**	80,481
Other Provisions				
Restoration costs	**15,789**	13,173	**16,329**	13,958
Total non-current provisions	**65,256**	79,555	**75,856**	94,439
Total Provisions	**219,284**	240,776	**254,270**	282,708
Aggregate employee benefits and related on-costs				
Provisions - current	**144,102**	155,660	**167,922**	182,367
Provisions - non-current	**49,467**	66,382	**59,527**	80,481
Accrued salaries, wages and on-costs (Note 15)	**36,668**	26,692	**41,433**	32,499
	230,237	248,734	**268,882**	295,347

The current provision includes $16.303m (2012: $23.507m) of recreation leave entitlements accrued but not expected to be taken within 12 months.

The current provision includes $3.153m of long services leave entitlements accrued that are expected to be settled in the next 12 months and $12.636m of entitlements that are not expected to be settled within 12 months.

Restoration costs provision is the present value of the department's obligation to make-good leased premises at the reporting date. The assumed settlement is based on contractual lease term. The amount and timing of each estimate is reassessed annually.

16. Current / Non-Current Liabilities - Provisions (continued)

Movement in provisions (other than employee benefits)

Movements in each lcass of provision during the financial year, other than employee benefits, are set out below:

PARENT	Total 2013 $'000	Total 2012 $'000
Restoration costs		
Carrying amount at the beginning of the financial year	**18,734**	10,460
Amounts transferred in as part of administrative restructure	**-**	2,172
Additional provision recognised	**6,791**	6,809
Amounts used	**(752)**	(516)
Unused amounts reversed	**(130)**	(614)
Change in discount rate	**152**	423
Carrying amount at the end of the financial year	**24,795**	18,734

CONSOLIDATED	Total 2013 $'000	Total 2012 $'000
Restoration costs		
Carrying amount at the beginning of the financial year	**19,860**	11,585
Amounts transferred in as part of administrative restructure	**-**	2,172
Additional provision recognised	**6,791**	6,809
Amounts used	**(753)**	(515)
Unused amounts reversed	**(183)**	(674)
Change in discount rate	**186**	483
Carrying amount at the end of the financial year	**25,901**	19,860

17. Current/Non Current Liabilities - Other

	PARENT		CONSOLIDATED	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Current				
Liability to Consolidated Fund				
- Recurrent	**1,462**	676	**1,462**	676
- Capital	**-**	2,597	**-**	2,597
Lease incentives	**134**	431	**134**	431
	1,596	3,704	**1,596**	3,704
Non-current				
Lease incentives	**26**	159	**26**	159
	26	159	**26**	159

18. Superannuation

PARENT ENTITY 2013	Note	SASS 2013	SANCS 2013	SSS 2013	TOTAL 2013
Member Numbers					
Contributors		65	107	42	214
Deferred benefits		-	-	4	4
Pensioners		1	-	48	49
Pensions fully commuted		-	-	-	-
Superannuation Position for AASB 119 purposes		$'000	$'000	$'000	$'000
Accrued liability		22,598	5,907	97,206	125,711
Estimated reserve account balance		(18,710)	(5,410)	(55,064)	(79,184)
		3,888	497	42,142	46,527
Future Service Liability (Note 1)		(3,279)	(2,004)	(3,266)	(8,549)
Surplus in excess of recovery available from schemes		-	-	-	-
Net (asset)/liability to be recognised in Statement of financial position		3,888	497	42,142	46,527
Revised Net (asset)/liability to be recognised in Statement of financial position	16	3,888	497	42,142	46,527

PARENT ENTITY 2012	Note	SASS 2012	SANCS 2012	SSS 2012	TOTAL 2012
Member Numbers					
Contributors		84	140	56	280
Deferred benefits		-	-	5	5
Pensioners		1	-	36	37
Pensions fully commuted		-	-	-	-
Superannuation Position for AASB 119 purposes		$'000	$'000	$'000	$'000
Accrued liability		28,102	7,738	106,063	141,903
Estimated reserve account balance		(23,215)	(6,127)	(49,231)	(78,573)
		4,887	1,611	56,832	63,330
Future Service Liability (Note 1)		(4,690)	(2,114)	(4,960)	(11,764)
Surplus in excess of recovery available from schemes		-	-	-	-
Net (asset)/liability to be recognised in Statement of financial position		4,887	1,611	56,832	63,330
Revised Net (asset)/liability to be recognised in Statement of financial position	16	4,887	1,611	56,832	63,330

CONSOLIDATED ENTITY 2013	Note	SASS 2013	SANCS 2013	SSS 2013	TOTAL 2013
Member Numbers					
Contributors		271	314	43	628
Deferred benefits		-	-	4	4
Pensioners		1	-	50	51
Pensions fully commuted		-	-	1	1
Superannuation Position for AASB 119 purposes		$'000	$'000	$'000	$'000
Accrued liability		58,717	11,007	99,363	169,087
Estimated reserve account balance		(49,819)	(9,832)	(56,616)	(116,267)
		8,898	1,175	42,747	52,820
Future Service Liability (Note 1)		(7,494)	(3,061)	(3,306)	(13,861)
Surplus in excess of recovery available from schemes		-	-	-	-
Net (asset)/liability to be recognised in Statement of financial position		8,898	1,175	42,747	52,820

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CONSOLIDATED ENTITY 2012	Note	SASS 2012	SANCS 2012	SSS 2012	TOTAL 2012
Member Numbers					
Contributors		344	401	57	802
Deferred benefits		-	-	5	5
Pensioners		1	-	38	39
Pensions fully commuted		-	-	1	1
Superannuation Position for AASB 119 purposes		$'000	$'000	$'000	$'000
Accrued liability		71,117	13,949	108,388	193,454
Estimated reserve account balance		(57,416)	(10,636)	(50,507)	(118,559)
		13,701	3,313	57,881	74,895
Future Service Liability (Note 1)		(9,874)	(3,251)	(5,019)	(18,144)
Surplus in excess of recovery available from schemes		-	-	-	-
Net (asset)/liability to be recognised in Statement of financial position		13,701	3,313	57,881	74,895

(i) The Future Service Liability (FSL) does not have to be recognised by an employer. It is only used to determine if an asset ceiling limit should be imposed

Disclosures required under paragraph 120A of AASB 119 *Employee Benefits* are provided below.

(ii) Fund information

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:
- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- Police Superannuation Scheme (PSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS).

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

All the Schemes are closed to new members.

(iii) Reconciliation of the present value of the defined benefit obligation

PARENT ENTITY 2013	SASS 2013 $'000	SANCS 2013 $'000	SSS 2013 $'000	TOTAL 2013 $'000
Present value of partly funded defined benefit obligation at beginning of the year - recognised on administrative restructure	28,102	7,738	106,063	141,903
Current service cost	1,014	317	408	1,739
Interest cost	813	220	3,211	4,244
Contributions by Fund participants	442	-	644	1,086
Actuarial (gains)/losses	(108)	(485)	(10,608)	(11,201)
Benefits paid	(7,665)	(1,883)	(2,512)	(12,060)
Past service cost	-	-	-	-
Curtailments	-	-	-	-
Settlements	-	-	-	-
Business Combinations	-	-	-	-
Exchange rate changes	-	-	-	-
Present value of partly funded defined benefit obligation at end of the year	**22,598**	**5,907**	**97,206**	**125,711**

PARENT ENTITY 2012	SASS 2012 $'000	SANCS 2012 $'000	SSS 2012 $'000	TOTAL 2012 $'000
Present value of partly funded defined benefit obligation at beginning of the year - recognised on administrative restructure	25,401	7,033	72,350	104,784
Current service cost	981	317	702	2,000
Interest cost	1,296	355	3,794	5,445
Contributions by Fund participants	466	-	794	1,260
Actuarial (gains)/losses	2,291	834	29,393	32,518
Benefits paid	(2,333)	(801)	(970)	(4,104)
Past service cost	-	-	-	-
Curtailments	-	-	-	-
Settlements	-	-	-	-
Business Combinations	-	-	-	-
Exchange rate changes	-	-	-	-
Present value of partly funded defined benefit obligation at end of the year	**28,102**	**7,738**	**106,063**	**141,903**

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CONSOLIDATED ENTITY 2013	SASS 2013 $'000	SANCS 2013 $'000	SSS 2013 $'000	TOTAL 2013 $'000
Present value of partly funded defined benefit obligation at beginning of the year - recognised on administrative restructure	71,117	13,948	108,388	193,453
Current service cost	2,470	574	423	3,467
Interest cost	1,983	388	3,281	5,652
Contributions by Fund participants	1,154	-	650	1,804
Actuarial (gains)/losses	(524)	(986)	(10,898)	(12,408)
Benefits paid	(17,483)	(2,917)	(2,481)	(22,881)
Past service cost	-	-	-	-
Curtailments	-	-	-	-
Settlements	-	-	-	-
Business Combinations	-	-	-	-
Exchange rate changes	-	-	-	-
Present value of partly funded defined benefit obligation at end of the year	**58,717**	**11,007**	**99,363**	**169,087**

CONSOLIDATED ENTITY 2012	SASS 2012 $'000	SANCS 2012 $'000	SSS 2012 $'000	TOTAL 2012 $'000
Present value of partly funded defined benefit obligation at beginning of the year - recognised on administrative restructure	70,019	13,290	74,452	157,761
Current service cost	2,538	604	713	3,855
Interest cost	3,443	656	3,903	8,002
Contributions by Fund participants	1,270	1	800	2,071
Actuarial (gains)/losses	3,012	1,149	29,793	33,954
Benefits paid	(9,165)	(1,751)	(1,273)	(12,189)
Past service cost	-	-	-	-
Curtailments	-	-	-	-
Settlements	-	-	-	-
Business Combinations	-	-	-	-
Exchange rate changes	-	-	-	-
Present value of partly funded defined benefit obligation at end of the year	**71,117**	**13,949**	**108,388**	**193,454**

(iv) Reconciliation of fair value of Fund Assets

PARENT ENTITY 2013	SASS 2013 $'000	SANCS 2013 $'000	SSS 2013 $'000	TOTAL 2013 $'000
Fair value of Fund assets at beginning of the year - recognised on administrative restructure	23,215	6,127	49,231	78,573
Expected return on Fund assets	1,895	490	4,173	6,558
Actuarial gains/(losses)	119	425	2,633	3,177
Employer contributions	704	251	895	1,850
Contributions by Fund participants	442	-	644	1,086
Benefits paid	(7,665)	(1,883)	(2,512)	(12,060)
Settlements	-	-	-	-
Business combinations	-	-	-	-
Exchange rate changes	-	-	-	-
Fair value of fund assets at end of the year	**18,710**	**5,410**	**55,064**	**79,184**

PARENT ENTITY 2012	SASS 2012 $'000	SANCS 2012 $'000	SSS 2012 $'000	TOTAL 2012 $'000
Fair value of Fund assets at beginning of the year - recognised on administrative restructure	23,860	6,591	47,747	78,198
Expected return on Fund assets	2,019	555	4,114	6,688
Actuarial gains/(losses)	(1,751)	(546)	(3,615)	(5,912)
Employer contributions	954	328	1,161	2,443
Contributions by Fund participants	466	-	794	1,260
Benefits paid	(2,333)	(801)	(970)	(4,104)
Settlements	-	-	-	-
Business combinations	-	-	-	-
Exchange rate changes	-	-	-	-
Fair value of fund assets at end of the year	**23,215**	**6,127**	**49,231**	**78,573**

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CONSOLIDATED ENTITY 2013	SASS 2013 $'000	SANCS 2013 $'000	SSS 2013 $'000	TOTAL 2013 $'000
Fair value of Fund assets at beginning of the year - recognised on administrative restructure	57,416	10,636	50,507	118,559
Expected return on Fund assets	4,485	827	4,280	9,592
Actuarial gains/(losses)	2,168	786	2,757	5,711
Employer contributions	2,079	500	903	3,482
Contributions by Fund participants	1,154	-	650	1,804
Benefits paid	(17,483)	(2,917)	(2,481)	(22,881)
Settlements	-	-	-	-
Business combinations	-	-	-	-
Exchange rate changes	-	-	-	-
Fair value of fund assets at end of the year	**49,819**	**9,832**	**56,616**	**116,267**

CONSOLIDATED ENTITY 2012	SASS 2012 $'000	SANCS 2012 $'000	SSS 2012 $'000	TOTAL 2012 $'000
Fair value of Fund assets at beginning of the year - recognised on administrative restructure	61,637	11,757	49,309	122,703
Expected return on Fund assets	4,996	963	4,245	10,204
Actuarial gains/(losses)	(3,861)	(950)	(3,743)	(8,554)
Employer contributions	2,539	616	1,169	4,324
Contributions by Fund participants	1,270	1	800	2,071
Benefits paid	(9,165)	(1,751)	(1,273)	(12,189)
Settlements	-	-	-	-
Business combinations	-	-	-	-
Exchange rate changes	-	-	-	-
Fair value of fund assets at end of the year	**57,416**	**10,636**	**50,507**	**118,559**

(v) Reconciliation of assets and liabilities recognised in the Statement of Financial Position

PARENT ENTITY 2013	SASS 2013 $'000	SANCS 2013 $'000	SSS 2013 $'000	TOTAL 2013 $'000
Present value of partly funded defined benefit obligation at end of year	22,598	5,907	97,206	125,711
Fair value of Fund assets at end of year	(18,710)	(5,410)	(55,064)	(79,184)
Sub-total	3,888	497	42,142	46,527
Unrecognised past service cost	-	-	-	-
Unrecognised gain/(loss)	-	-	-	-
Adjustment for limitation on net asset	-	-	-	-
Net Liability/(Asset) recognised in statement of financial position at end of year	**3,888**	**497**	**42,142**	**46,527**

PARENT ENTITY 2012	SASS 2012 $'000	SANCS 2012 $'000	SSS 2012 $'000	TOTAL 2012 $'000
Present value of partly funded defined benefit obligation at end of year	28,102	7,738	106,063	141,903
Fair value of Fund assets at end of year	(23,215)	(6,127)	(49,231)	(78,573)
Sub-total	4,887	1,611	56,832	63,330
Unrecognised past service cost	-	-	-	-
Unrecognised gain/(loss)	-	-	-	-
Adjustment for limitation on net asset	-	-	-	-
Net Liability/(Asset) recognised in statement of financial position at end of year	**4,887**	**1,611**	**56,832**	**63,330**

CONSOLIDATED ENTITY 2013	SASS 2013 $'000	SANCS 2013 $'000	SSS 2013 $'000	TOTAL 2013 $'000
Present value of partly funded defined benefit obligation at end of year	58,717	11,007	99,363	169,087
Fair value of Fund assets at end of year	(49,819)	(9,832)	(56,616)	(116,267)
Sub-total	8,898	1,175	42,747	52,820
Unrecognised past service cost	-	-	-	-
Unrecognised gain/(loss)	-	-	-	-
Adjustment for limitation on net asset	-	-	-	-
Net Liability/(Asset) recognised in statement of financial position at end of year	**8,898**	**1,175**	**42,747**	**52,820**

CONSOLIDATED ENTITY 2012	SASS 2012 $'000	SANCS 2012 $'000	SSS 2012 $'000	TOTAL 2012 $'000
Present value of partly funded defined benefit obligation at end of year	71,117	13,949	108,388	193,454
Fair value of Fund assets at end of year	(57,416)	(10,636)	(50,507)	(118,559)
Sub-total	13,701	3,313	57,881	74,895
Unrecognised past service cost	-	-	-	-
Unrecognised gain/(loss)	-	-	-	-
Adjustment for limitation on net asset	-	-	-	-
Net Liability/(Asset) recognised in statement of financial position at end of year	**13,701**	**3,313**	**57,881**	**74,895**

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(vi) Expense recognised in Statement of Comprehensive Income

PARENT ENTITY 2013	**SASS 2013 $'000**	**SANCS 2013 $'000**	**SSS 2013 $'000**	**TOTAL 2013 $'000**
Current service cost	1,014	317	408	1,739
Interest cost	813	220	3,211	4,244
Expected return on Fund assets (net of expenses)	(1,895)	(490)	(4,173)	(6,558)
Actuarial losses/(gains) recognised in year	-	-	-	-
Past service cost	-	-	-	-
Movement in adjustment for limitation on net asset	-	-	-	-
Curtailment or settlement (gain)/loss	-	-	-	-
Expense/(income) recognised	**(68)**	**47**	**(554)**	**(575)**

PARENT ENTITY 2012	**SASS 2012 $'000**	**SANCS 2012 $'000**	**SSS 2012 $'000**	**TOTAL 2012 $'000**
Current service cost	981	317	702	2,000
Interest cost	1,296	355	3,794	5,445
Expected return on Fund assets (net of expenses)	(2,019)	(555)	(4,114)	(6,688)
Actuarial losses/(gains) recognised in year	-	-	-	-
Past service cost	-	-	-	-
Movement in adjustment for limitation on net asset	-	-	-	-
Curtailment or settlement (gain)/loss	-	-	-	-
Expense/(income) recognised	**258**	**117**	**382**	**757**

CONSOLIDATED ENTITY 2013	**SASS 2013 $'000**	**SANCS 2013 $'000**	**SSS 2013 $'000**	**TOTAL 2013 $'000**
Current service cost	2,470	574	423	3,467
Interest cost	1,983	388	3,281	5,652
Expected return on Fund assets (net of expenses)	(4,485)	(827)	(4,280)	(9,592)
Actuarial losses/(gains) recognised in year	-	-	-	-
Past service cost	-	-	-	-
Movement in adjustment for limitation on net asset	-	-	-	-
Curtailment or settlement (gain)/loss	-	-	-	-
Expense/(income) recognised	**(32)**	**135**	**(576)**	**(473)**

CONSOLIDATED ENTITY 2012	**SASS 2012 $'000**	**SANCS 2012 $'000**	**SSS 2012 $'000**	**TOTAL 2012 $'000**
Current service cost	2,538	604	713	3,855
Interest cost	3,443	656	3,903	8,002
Expected return on Fund assets (net of expenses)	(4,996)	(963)	(4,245)	(10,204)
Actuarial losses/(gains) recognised in year	-	-	-	-
Past service cost	-	-	-	-
Movement in adjustment for limitation on net asset	-	-	-	-
Curtailment or settlement (gain)/loss	-	-	-	-
Expense/(income) recognised	**985**	**297**	**371**	**1,653**

(vii) Amounts recognised in the Statement of Changes in Equity

PARENT ENTITY 2013	**SASS 2013 $'000**	**SANCS 2013 $'000**	**SSS 2013 $'000**	**TOTAL 2013 $'000**
Actuarial (gains)/losses	(227)	(910)	(13,241)	(14,378)
Adjustment for limit on net asset	-	-	-	-

PARENT ENTITY 2012	**SASS 2012 $'000**	**SANCS 2012 $'000**	**SSS 2012 $'000**	**TOTAL 2012 $'000**
Actuarial (gains)/losses	4,041	1,378	33,008	38,427
Adjustment for limit on net asset	-	-	-	-

CONSOLIDATED ENTITY 2013	**SASS 2013 $'000**	**SANCS 2013 $'000**	**SSS 2013 $'000**	**TOTAL 2013 $'000**
Actuarial (gains)/losses	(2,691)	(1,773)	(13,655)	(18,119)
Adjustment for limit on net asset	-	-	-	-

CONSOLIDATED ENTITY 2012	**SASS 2012 $'000**	**SANCS 2012 $'000**	**SSS 2012 $'000**	**TOTAL 2012 $'000**
Actuarial (gains)/losses	6,873	2,097	33,537	42,507
Adjustment for limit on net asset	-	-	-	-

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(viii) Cumulative amounts recognised in the Statement of Changes in Equity

PARENT ENTITY **2013**	**SASS 2013 $'000**	**SANCS 2013 $'000**	**SSS 2013 $'000**	**TOTAL 2013 $'000**
Cumulative amount of actuarial (gains)/losses	8,641	2,412	39,944	50,997
Cumulative adjustment for limitation on net asset	-	-	-	-

PARENT ENTITY **2012**	**SASS 2012 $'000**	**SANCS 2012 $'000**	**SSS 2012 $'000**	**TOTAL 2012 $'000**
Cumulative amount of actuarial (gains)/losses	8,868	3,322	53,185	65,375
Cumulative adjustment for limitation on net asset	-	-	-	-

CONSOLIDATED ENTITY **2013**	**SASS 2013 $'000**	**SANCS 2013 $'000**	**SSS 2013 $'000**	**TOTAL 2013 $'000**
Cumulative amount of actuarial (gains)/losses	12,190	2,380	40,095	54,665
Cumulative adjustment for limitation on net asset	-	-	-	-

CONSOLIDATED ENTITY **2012**	**SASS 2012 $'000**	**SANCS 2012 $'000**	**SSS 2012 $'000**	**TOTAL 2012 $'000**
Cumulative amount of actuarial (gains)/losses	14,881	4,153	53,750	72,784
Cumulative adjustment for limitation on net asset	-	-	-	-

(ix) Fund Assets

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

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

(x) Fair value of Fund assets

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

(xi) Expected rate of return on assets

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target

(xii) Actual Return on Fund Assets

PARENT ENTITY **2013**	**SASS 2013 $'000**	**SANCS 2013 $'000**	**SSS 2013 $'000**	**TOTAL 2013 $'000**
Actual return on Fund assets	3,503	915	8,181	12,599

PARENT ENTITY **2012**	**SASS 2012 $'000**	**SANCS 2012 $'000**	**SSS 2012 $'000**	**TOTAL 2012 $'000**
Actual return on Fund assets	11	9	25	45

CONSOLIDATED ENTITY **2013**	**SASS 2013 $'000**	**SANCS 2013 $'000**	**SSS 2013 $'000**	**TOTAL 2013 $'000**
Actual return on Fund assets	8,701	1,613	8,394	18,708

CONSOLIDATED ENTITY **2012**	**SASS 2012 $'000**	**SANCS 2012 $'000**	**SSS 2012 $'000**	**TOTAL 2012 $'000**
Actual return on Fund assets	18,393	4,127	(4,807)	17,713

(xiii) Valuation method and principal actuarial assumptions at the balance sheet date

a) Valuation Method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service

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b) Economic Assumptions

	30-Jun-13	30-Jun-12
Salary increase rate (excluding promotional increases)		2.5% pa
2013/14 (SASS,SSS and SANCS)	2.25% (PSS 2.95%)	
2014/15	2.25%	
2015/2016 to 2019/2020	2.50%	
2020 onwards	2.50%	
Rate of CPI Increase	2.5% pa	2.5% pa
Expected rate of return on asset	8.6%	8.6%
Discount rate	3.80%	3.06%

c) Demographic Assumptions

The demographic assumptions at 30 June 2013 are those that will be used in the 2012 triennial actuarial valuation. The triennial review report is available from

(xiv) Historical information

PARENT ENTITY 2013	SASS 2013 $'000	SANCS 2013 $'000	SSS 2013 $'000	TOTAL 2013 $'000
Present value of defined benefit obligation	22,598	5,907	97,206	125,711
Fair value of Fund assets	(18,710)	(5,410)	(55,064)	(79,184)
(Surplus)/Deficit in Fund	3,888	497	42,142	46,527
Experience adjustments – Fund liabilities	(108)	(485)	(10,608)	(11,201)
Experience adjustments – Fund assets	(119)	(425)	(2,633)	(3,177)

PARENT ENTITY 2012	SASS 2012 $'000	SANCS 2012 $'000	SSS 2012 $'000	TOTAL 2012 $'000
Present value of defined benefit obligation	28,102	7,738	106,063	141,903
Fair value of Fund assets	(23,215)	(6,127)	(49,231)	(78,573)
(Surplus)/Deficit in Fund	4,887	1,611	56,832	63,330
Experience adjustments – Fund liabilities	2,291	834	29,393	32,518
Experience adjustments – Fund assets	1,751	546	3,615	5,912

PARENT ENTITY 2011	SASS 2011 $'000	SANCS 2011 $'000	SSS 2011 $'000	TOTAL 2011 $'000
Present value of defined benefit obligation	89,963	26,046	436,943	552,952
Fair value of Fund assets	(81,640)	(23,336)	(437,257)	(542,233)
(Surplus)/Deficit in Fund	8,323	2,710	(314)	10,719
Experience adjustments – Fund liabilities	1,017	69	(2,791)	(1,705)
Experience adjustments – Fund assets	(327)	(22)	(321)	(670)

PARENT ENTITY 2010	SASS 2010 $'000	SANCS 2010 $'000	SSS 2010 $'000	TOTAL 2010 $'000
Present value of defined benefit obligation	84,634	24,595	424,897	534,126
Fair value of Fund assets	(77,154)	(22,150)	(410,904)	(510,208)
(Surplus)/Deficit in Fund	7,480	2,445	13,993	23,918
Experience adjustments – Fund liabilities	4,653	2,037	27,787	34,477
Experience adjustments – Fund assets	(517)	(138)	(4,500)	(5,155)

CONSOLIDATED ENTITY 2013	SASS 2013 $'000	SANCS 2013 $'000	SSS 2013 $'000	TOTAL 2013 $'000
Present value of defined benefit obligation	58,717	11,007	99,363	169,087
Fair value of Fund assets	(49,819)	(9,832)	(56,616)	(116,267)
(Surplus)/Deficit in Fund	8,898	1,175	42,747	52,820
Experience adjustments – Fund liabilities	(524)	(986)	(10,898)	(12,408)
Experience adjustments – Fund assets	(2,168)	(786)	(2,757)	(5,711)

CONSOLIDATED ENTITY 2012	SASS 2012 $'000	SANCS 2012 $'000	SSS 2012 $'000	TOTAL 2012 $'000
Present value of defined benefit obligation	71,117	13,949	108,388	193,454
Fair value of Fund assets	(57,416)	(10,636)	(50,507)	(118,559)
(Surplus)/Deficit in Fund	13,701	3,313	57,881	74,895
Experience adjustments – Fund liabilities	3,012	1,149	29,793	33,954
Experience adjustments – Fund assets	3,861	950	3,743	8,554

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(xiv) Historical information (continued)

CONSOLIDATED ENTITY 2011	SASS 2011 $'000	SANCS 2011 $'000	SSS 2011 $'000	TOTAL 2011 $'000
Present value of defined benefit obligation	134,581	32,303	439,044	605,928
Fair value of Fund assets	(119,417)	(28,501)	(438,819)	(586,737)
(Surplus)/Deficit in Fund	15,164	3,802	225	19,191
Experience adjustments – Fund liabilities	1,594	(299)	(2,835)	(1,540)
Experience adjustments – Fund assets	(399)	(35)	(320)	(754)

CONSOLIDATED ENTITY 2010	SASS 2010 $'000	SANCS 2010 $'000	SSS 2010 $'000	TOTAL 2010 $'000
Present value of defined benefit obligation	130,821	31,367	426,994	589,182
Fair value of Fund assets	(116,111)	(27,335)	(412,406)	(555,852)
(Surplus)/Deficit in Fund	14,710	4,032	14,588	33,330
Experience adjustments – Fund liabilities	7,776	2,568	27,690	38,034
Experience adjustments – Fund assets	(964)	(176)	(4,323)	(5,463)

(xv) Expected contributions

PARENT ENTITY 2013	SASS 2013 $'000	SANCS 2013 $'000	SSS 2013 $'000	TOTAL 2013 $'000
Expected employer contributions to be paid in the next reporting period	838	302	972	2,112

PARENT ENTITY 2012	SASS 2012 $'000	SANCS 2012 $'000	SSS 2012 $'000	TOTAL 2012 $'000
Expected employer contributions to be paid in the next reporting period	885	326	1,205	2,416

CONSOLIDATED ENTITY 2013	SASS 2013 $'000	SANCS 2013 $'000	SSS 2013 $'000	TOTAL 2013 $'000
Expected employer contributions to be paid in the next reporting period	2,190	548	982	3,720

CONSOLIDATED ENTITY 2012	SASS 2012 $'000	SANCS 2012 $'000	SSS 2012 $'000	TOTAL 2012 $'000
Expected employer contributions to be paid in the next reporting period	2,412	614	1,214	4,240

(xvi) Funding Arrangements for Employer Contributions

(a) Surplus/deficit

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

PARENT ENTITY 2013	SASS 2013 $'000	SANCS 2013 $'000	SSS 2013 $'000	TOTAL 2013 $'000
Accrued benefits	20,149	5,006	54,502	79,657
Net market value of Fund assets	(18,710)	(5,410)	(55,064)	(79,184)
Net (surplus)/deficit	1,439	(404)	(562)	473

PARENT ENTITY 2012	SASS 2012 $'000	SANCS 2012 $'000	SSS 2012 $'000	TOTAL 2012 $'000
Accrued benefits	23,971	6,423	53,249	83,643
Net market value of Fund assets	(23,215)	(6,127)	(49,231)	(78,573)
Net (surplus)/deficit	756	296	4,018	5,070

CONSOLIDATED ENTITY 2013	SASS 2013 $'000	SANCS 2013 $'000	SSS 2013 $'000	TOTAL 2013 $'000
Accrued benefits	54,189	9,607	55,748	119,544
Net market value of Fund assets	(49,819)	(9,832)	(56,616)	(116,267)
Net (surplus)/deficit	4,370	(225)	(868)	3,277

CONSOLIDATED ENTITY 2012	SASS 2012 $'000	SANCS 2012 $'000	SSS 2012 $'000	TOTAL 2012 $'000
Accrued benefits	63,852	11,960	54,448	130,260
Net market value of Fund assets	(57,416)	(10,636)	(50,507)	(118,559)
Net (surplus)/deficit	6,436	1,324	3,941	11,701

18. Superannuation

(b) Contribution recommendations

Recommended contribution rates for the entity are:	Rate 2013	Rate 2012
SASS - Mulitple of member contributions	1.90	1.90
SANCS - Percentage of members' salary	2.50	2.50
SSS - Mulitple of member contributions	0.93 - 1.60	1.60

(c) Funding method

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

(d) Economic assumptions

The economic assumptions adopted for the 2009 actuarial review of the Fund are:

Weighted-Average Assumptions	
Expected rate of return on Fund assets backing current pension liabilities	8.3% pa
Expected rate of return on Fund assets backing other liabilities	7.3% pa
Expected salary increase rate	SASS, SANCS, SSS 2.7% pa (PSS 3.5% pa) for 6 years then 4% pa
Expected rate of CPI increase	2.5% pa

(xvii) Nature of Asset/Liability

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

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

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

During the financial year ending 30 June 2013 there were no equity transfers that affected the entity.

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

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

During the year 2012-13 there were no Net Assets from Equity Transfers. During the year 2011-12 FACS and HNSW were reclassified as budget dependent agencies and as such their defined benefit superannuation liabilities are now assumed by the Crown (refer Note 1 j) iii) b)).

2012	Transfer of HNSW Superannuation to Treasury $'000	Transfer of FACS Superannuation to Treasury $'000	Transfer of HNSW to FACS $'000	Total Net Assets transferred to FaCS $'000
ASSETS				
Current Assets				
Cash and cash equivalents	-	-	61,593	61,593
Receivables	(27,187)	(80)	1,484	(25,783)
Inventories	-	-	-	-
Financial assets at fair value	-	-	-	-
Other financial assets	-	-	-	-
	(27,187)	(80)	63,077	35,810
Non-current assets held for sale	-	-	-	-
Total Current Assets	(27,187)	(80)	63,077	35,810
Non-Current Assets				
Receivables	-	-	-	-
Financial assets at fair value	-	-	-	-
Other financial assets	-	-	-	-
Property, plant and equipment				
Land and buildings	-	-	-	-
Plant and equipment	-	-	20,636	20,636
Total property, plant and equipment	-	-	20,636	20,636
Intangible assets	-		55,271	55,271
Total Non-Current Assets	-	-	75,907	75,907
Total Assets	(27,187)	(80)	138,984	111,717
LIABILITIES				
Current Liabilities				
Payables	-	-	721	721
Borrowings	-	-	-	-
Provisions	-	-	-	-
Other	-	-	3,734	3,734
	-	-	4,455	4,455
Liabilities associated with assets held for sale	-	-	-	-
Total Current Liabilities	-	-	4,455	4,455
Non-Current Liabilities				
Payables	-	-	-	-
Borrowings	-	-	-	-
Provisions	(9,112)	(2,288)	-	(11,400)
Other	-	-	-	-
Total Non-Current Liabilities	(9,112)	(2,288)	-	(11,400)
Total Liabilities	(9,112)	(2,288)	4,455	(6,945)
Net Assets	(18,075)	2,208	134,529	118,662
Increase in net assets from equity transfers				118,662

	PARENT		CONSOLIDATED	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
20. Commitments for Expenditure				
(a) Capital Commitments				
Aggregate capital expenditure contracted for at balance date and not provided for:				
Not later than one year	**19,277**	19,725	**19,277**	19,725
Total (including GST)	**19,277**	19,725	**19,277**	19,725
(b) Operating Lease Commitments				
Future non-cancellable operating lease rentals not provided for and payable:				
Not later than one year	**69,876**	75,980	**71,939**	77,981
Later than one year but not later than five years	**116,995**	125,079	**120,269**	128,273
Later than five years	**26,890**	48,750	**29,681**	48,802
Total (including GST)	**213,761**	249,809	**221,889**	255,056

Operating leases relate to office accommodation, community service centres and motor vehicles. The entity does not have an option to purchase the leased asset at the expiry of the lease period. These commitments will be met from future appropriations.

The commitments in (a) and (b) above are not recognised in the financial statements as liabilities. The total commitments above include input tax credits of $21.928 million (2012: $24.980million) that are expected to be recovered from the Australian Taxation Office.

21. Contingent Liabilities and Contingent Assets

	PARENT		CONSOLIDATED	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Contingent Liabilities				
Claims relating to children and persons in care	5,670	2,433	5,670	2,433
Other	562	594	562	594
	6,232	3,027	6,232	3,027

Various other claims have been made against the entity, which if the claimant is successful, the settlements will be met by NSW Treasury Managed Fund.

Various other claims totalling $37.841m (2012: $37.915m) have also been made against the entity, which, if successful, would be met by the Crown from the solvency fund. These claims are excluded from contingent liabilities above as they are pre NSW Treasury Managed Fund claims.

Contingent Assets

No claims have been made by the entity which, if successful, would result in financial benefits to the entity.

22. Budget Review

Net Result

The consolidated actual net result was higher than budget by $31.2 million, primarily due to total expenses being below budget by $59.2 million due to lower employee related expenses ($12.4 million) associated with reduced employee benefits mainly Long Service Leave and lower grant payments ($61.5 million) associated with timing of payments. Revenue was lower than budget ($67.9 million) primarily due to lower consolidated funding in recurrent ($53.6 million) associated with lower grant payments, lower capital appropriations ($60.3 million) due to timing of capital works payments and lower revenue recovery for personnel services ($13.4 million).

Offsetting this revenue reduction was addition grant funding mainly associated with recoveries from the Crown Entity ($35.7 million) and other revenue ($25.6 million) mainly associated with insurance hindsight adjustment and assets recognition. The variance has been adjusted for revaluation gains reversing previous years losses of ($34.8 million).

Assets and Liabilities

Consolidated total assets actual was below budget by $52.2 million. The overall decrease in budget is primarily due to reduction against budget for Land and Buildings associated with the net movements of revaluation and lower asset additions ($30 million) and reduction in carrying value of intangibles ($28.7 million) .

Consolidated total liabilities where below budget by $26.7 million primarily due to overall lower provisions ($38.5 million) relating to employee benefits and superannuation movements. This was offset buy an increase in payables of $10.2 million.

Cash Flows

Consolidated net cash flow from operating activities was $0.3 million above budget primarily due to higher payments ($41.9 million). This was offset by increased receipts ($42.2 million). Net cash flow from investing activities was $53.0 million below budget primarily due to lower purchase of property, plant and equipment ($60.5 million) offset by reduced proceeds from sales $11.5 million.

	PARENT		CONSOLIDATED	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
23. Reconciliation of net cash flows from operating actvities to net result				
Net cash used on operating activities	**190,691**	69,689	**192,925**	67,626
Net gain / (loss) on disposal of assets	**(590)**	(10,800)	**(284)**	(10,616)
Net gain / (loss) on revaluation of land and buildings	**34,352**	27,806	**34,660**	28,670
Net gain/ (loss) on investments	**-**	-	**-**	222
Assets recognised for the first time	**4,480**	64	**4,557**	64
Allowance for impairment	**(1,739)**	381	**(2,013)**	673
Depreciation and amortisation	**(85,003)**	(71,102)	**(87,645)**	(73,951)
Superannuation actuarial (gains)/losses	**(14,378)**	38,427	**(18,119)**	42,507
Finance costs	**(152)**	(423)	**(169)**	(483)
Decrease / (increase) in creditors	**2,064**	(10,420)	**8,278**	(12,369)
Decrease / (increase) in provisions	**21,492**	22,885	**28,438**	18,295
Increase / (decrease) in prepayments and other assets	**(12,740)**	14,664	**(12,216)**	14,853
Net result	**138,477**	81,171	**148,412**	75,491

24. Trust Funds

Community Services holds money in Miscellaneous Trust Funds which are used for Wards and other persons in care and for natural disasters. These monies are excluded from the financial statements as the Department cannot use them for the achievement of its objectives. The following is a summary of the transactions in the trust accounts:

a) Wards Trust Fund

	Parent 2013	Parent 2012	Consolidated 2013	Consolidated 2012
Cash balance at the beginning of the financial year	**50**	48	**50**	48
Add: Receipts	**2**	2	**2**	2
Cash balance at the end of the financial year	**52**	50	**52**	50

b) Client Funds

FaCS holds monies in bank trust accounts which are used for persons in residential care. These monies are excluded from the financial statements as the Department cannot use them for the achievement of its objectives

	Parent 2013	Parent 2012	Consolidated 2013	Consolidated 2012
Cash balance at the beginning of the financial year	**93**	65	**93**	65
Add: Receipts	**6,028**	6,277	**6,028**	6,277
Less: Expenditure	**(6,028)**	(6,249)	**(6,028)**	(6,249)
Cash balance at the end of the financial year	**93**	93	**93**	93

25. Financial Instruments

The entity's principal financial instruments are outlined below. These financial instruments arise directly from the entity's operations or are required to finance the entity's operations. The entity does not enter into or trade financial instruments for speculative purposes. The entity's main risks arising from financial instruments are outlined below, together with the entity's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial statement. Management has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the entity, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit Committee.

(a) Financial Instrument Categories

2013

			PARENT	CONSOLIDATED
Financial Assets	**Note**	**Category**	**Carrying Amount**	**Carrying Amount**
Class:			**$'000**	**$'000**
Cash and cash equivalents	8	N/A	232,152	291,012
Receivables (1)	9	Receivables (at amortised cost)	109,844	114,702
Financial assets at fair value	11	At fair value through profit or loss	-	19,407

Financial Liabilities	**Note**	**Category**	**Carrying Amount**	**Carrying Amount**
Class:			**$'000**	**$'000**
Payables (2)	15	Financial liabilities measured at amortised cost	19,662	20,610
Other liabilities	15	Financial liabilities measured at amortised cost	71,781	78,140

2012

			PARENT	CONSOLIDATED
Financial Assets	**Note**	**Category**	**Carrying Amount**	**Carrying Amount**
Class:			**$'000**	**$'000**
Cash and cash equivalents	8	N/A	175,861	232,261
Receivables (1)	9	Receivables (at amortised cost)	172,439	177,910
Financial assets at fair value	11	At fair value through profit or loss	-	16,679

Financial Liabilities	**Note**	**Category**	**Carrying Amount**	**Carrying Amount**
Class:			**$'000**	**$'000**
Payables (2)	15	Financial liabilities measured at amortised cost	21,907	22,634
Other liabilities	15	Financial liabilities measured at amortised cost	68,642	76,613

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

25. Financial Instruments (continued)

(b) Credit Risk

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

Credit risk arises from the financial assets of the entity, including cash, receivables and authority deposits. No collateral is held by the entity. The entity has not granted any financial guarantees. Credit risk associated with the entity's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour Glass cash facility is discussed in paragraph (d) below.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The entity is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2013: $24.228m; 2012: $25.717m) and not less than 6 months past due (2013: $4.787m; 2012: $2.440m) are not considered impaired and together these represent 77% of the total trade debtors.

The only financial assets that are past due or impaired are 'sales of goods and services' in the 'receivables' category of the statement of financial position.

PARENT

	$'000	$'000	$'000
2013	**Total**	**Past due but not impaired**	**Considered Impaired**
< 3 months overdue	3,068	3,046	22
3 months - 6 months overdue	738	341	397
> 6 months overdue	6,936	3,215	3,721

2012	**Total**	**Past due but not impaired**	**Considered Impaired**
< 3 months overdue	4,301	4,184	117
3 months - 6 months overdue	798	726	72
> 6 months overdue	4,303	2,784	1,519

CONSOLIDATED

2013	**Total**	**Past due but not impaired**	**Considered Impaired**
< 3 months overdue	4,495	4,358	137
3 months - 6 months overdue	953	429	524
> 6 months overdue	7,679	3,363	4,316

2012	**Total**	**Past due but not impaired**	**Considered Impaired**
< 3 months overdue	5,153	4,876	277
3 months - 6 months overdue	1,003	805	198
> 6 months overdue	5,002	2,965	2,037

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

25. Financial Instruments (continued)

Authority Deposits

The entity has placed its Wards Trust funds on deposit with TCorp, which has been rated “AAA” by Standard and Poors. These deposits are similar to money market or bank deposits and are placed for a fixed term. The interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit.

The deposits at balance date were earning an average interest rate of (2013: 3.00%; 2012: 4.27%) while over the year the weighted average interest rate was (2013: 3.18%; 2012: 4.58%) on a weighted average balance during the year of (2013: $51,180; 2012: $49,167). None of these assets are past due or impaired.

(c) Liquidity risk

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

No assets have been pledged as collateral. The entity's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made no later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was N/A: 2011: N/A

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

Maturity Analysis and interest rate exposure of financial liabilities

		$'000	$'000 Interest Rate exposure	$'000 Maturity Dates	$'000
2013	**Weighted Average Effective Interest rate**	**Nominal Amount (1)**	**Non Interest Bearing**	**< 1 year**	**1-5 years**
PARENT					
Payables:					
Payables	-	19,662	19,662	19,662	-
Other	-	68,642	68,642	68,642	-
Total Financial Liabilities		**88,304**	**88,304**	**88,304**	**-**
CONSOLIDATED					
Payables:					
Payables	-	20,610	20,610	20,610	-
Other	-	76,613	76,613	76,613	-
Total Financial Liabilities		**97,223**	**97,223**	**97,223**	**-**

25. Financial Instruments (continued)

Maturity Analysis and interest rate exposure of financial liabilities

2012	Weighted Average Effective Interest rate	Nominal Amount (1)	Non Interest Bearing	< 1 year	1-5 years
		$'000	$'000 Interest Rate exposure	$'000 Maturity Dates	$'000
PARENT					
Payables:					
Payables	-	21,907	21,907	21,907	-
Other	-	68,642	68,642	68,642	-
Total Financial Liabilities		**90,549**	**90,549**	**90,549**	**-**
CONSOLIDATED					
Payables:					
Payables	-	22,634	22,634	22,634	-
Other	-	76,613	76,613	76,613	-
Total Financial Liabilities		**99,247**	**99,247**	**99,247**	**-**

(1) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity can be required to pay. Therefore the amounts disclosed will not reconcile to the statement of financial position.

(d) Market risk

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

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the entity operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance date. The analysis is performed on the same basis as for 2012. The analysis assumes that all other variables remain constant.

25. Financial Instruments (continued)

(d) Market risk cont'd

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The entity's exposure to interest rate risk is set out below.

$'000

2013	Carrying Amount	Profit -1%	Equity -1%	Profit +1%	Equity +1%
PARENT					
Financial Assets					
Cash on hand	408	-	-	-	-
Cash at bank	231,744	(2,317)	(2,317)	2,317	2,317
Receivables	109,844	-	-	-	-
Financial assets at fair value	-	-	-	-	-
Financial Liabilities					
Payables	19,662	-	-	-	-
Other	68,642	-	-	-	-
CONSOLIDATED					
Financial Assets					
Cash on hand	420	-	-	-	-
Cash at bank	290,592	(2,906)	(2,906)	2,906	2,906
Receivables	114,702	-	-	-	-
Financial assets at fair value	19,407	(194)	(194)	194	194
Financial Liabilities					
Payables	20,610	-	-	-	-
Other	76,613	-	-	-	-

2012	Carrying Amount	Profit -1%	Equity -1%	Profit +1%	Equity +1%
PARENT					
Financial Assets					
Cash on hand	414	-	-	-	-
Cash at bank	175,447	(1,754)	(1,754)	1,754	1,754
Receivables	172,439	-	-	-	-
Financial assets at fair value	-	-	-	-	-
Financial Liabilities					
Payables	21,907	-	-	-	-
Other	68,642	-	-	-	-
CONSOLIDATED					
Financial Assets					
Cash on hand	427	-	-	-	-
Cash at bank	231,834	(2,318)	(2,318)	2,318	2,318
Receivables	177,910	-	-	-	-
Financial assets at fair value	16,679	(167)	(167)	167	167
Financial Liabilities					
Payables	22,634	-	-	-	-
Other	76,613	-	-	-	-

25. Financial Instruments (continued)

Other Price Risk - Tcorp Hour-Glass facilities

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

Facility	Investment Sectors	Investment Horizon	**Consolidated 2013 $'000**
Cash facility	Cash, money market instruments	Up to 1.5 years	**56,125**
Medium-term growth facility	Cash, money market instruments, Australian bonds, listed property, Australian and international shares	3 to 7 years	**7,893**
Long-term growth facility	Cash, money market instruments, Australian bonds, listed property, Australian and international shares	7 years and over	**11,514**

Facility	Investment Sectors	Investment Horizon	**Consolidated 2012 $'000**
Cash facility	Cash, money market instruments	Up to 1.5 years	43,953
Medium-term growth facility	Cash, money market instruments, Australian bonds, listed property, Australian and international shares	3 to 7 years	7,128
Long-term growth facility	Cash, money market instruments, Australian bonds, listed property, Australian and international shares	7 years and over	9,551

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

NSW TCorp is trustee for each of the above facilites and is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp act as manager for part of the Cash Facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

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

NSW TCorp provides sensitivity analysis information for each of the investment facilities, using historically based volatility information collected over a ten year period, quoted at two standard deviations (i.e. 95% probability). The TCorp Hour-Glass Investment facilities are designated at fair value through profit or loss and therefore any change in the unit price impact directly on the proift/(loss) rather than equity. A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour-Glass statement).

25. Financial Instruments (continued)

CONSOLIDATED	Change in unit price	2013 $'000
Hour-Glass Investment - Cash facility	+/ - 1%	**+/- 561**
Hour-Glass Investment - Medium-term growth facility	+/ - 7%	**+/- 474**
Hour-Glass Investment - Long-term growth facility	+/ - 15%	**+/- 1727**

CONSOLIDATED	Change in unit price	2012 $'000
Hour-Glass Investment - Cash facility	+/ - 1%	+/-416
Hour-Glass Investment - Medium-term growth facility	+/ - 7%	+/-428
Hour-Glass Investment - Long-term growth facility	+/ - 15%	+/-1433

(e) Fair Value

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities which are measured at fair value. The value of the Hour-Glass Investments is based on the entity's share of the value of the underlying assets of the facility, based on market value. All of the Hour Glass facilites are valued using 'redemption' pricing. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short term nature of many of the financial instruments.

(f) Fair Value recognised in the statement of financial position

The entity uses the following hierachy for disclosing the fair value of financial instruments by valuation technique:

* Level 1 - Derived from quoted prices in active markets for identical assets/liabilities

* Level 2 - Derived from inputs other than quoted prices that are observable direclty or indirectly.

* Level 3 - Derived from valuation techniques that include inputs for the asset/liability not based on observable market data (unobservable inputs)

Consolidated	Level 1 $'000	Level 2 $'000	Level 3 $'000	2013 Total $'000
Financial assets at fair value				
TCorp Hour Glass Investment Facility	-	75,532	-	75,532
	-	**75,532**	**-**	**75,532**

Consolidated	Level 1 $'000	Level 2 $'000	Level 3 $'000	2012 Total $'000
Financial assets at fair value				
TCorp Hour Glass Investment Facility	-	60,632	-	60,632
	-	**60,632**	**-**	**60,632**

The table above only includes financial assets, as no financial liabilities were measured at fair value in the statement of financial position.

There were no transfers between level 1 and 2 during the periods ended 30 June 2013 and 30 June 2012.

26. Events after the Reporting Period

On the 2 August 2013, the group of staff in the Department of Finance and Services who, in the opinion of the Public Service Commissioner, are principally involved in asset management under the Housing Act 2001 were transferred to the Department of Family and Community Services. This event has not impacted on the 2012/13 Departments financial statements.

End of Audited Financial Statements

Consolidated annual financial statements for the year ended 30 June 2013

INDEPENDENT AUDITOR'S REPORT

Home Care Service of New South Wales

To Members of the New South Wales Parliament

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

Opinion

In my opinion the financial statements:

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

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

The Director- General's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the Service or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal control
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

P Barnes

Peter Barnes
Director, Financial Audit Services

19 September 2013
SYDNEY

HOME CARE SERVICE OF NSW

FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

CERTIFICATION OF ACCOUNTS

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

a) the accompanying financial statements of Home Care Service of NSW (HCS) being the parent entity and the consolidated entity, comprising HCS and its controlled entity, Home Care Service Division's activities for the year ended 30 June 2013 have been prepared in accordance with the requirements of applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Public Finance and Audit Act 1983, and its regulations and Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer under section 9(2)(n) of the Act.

b) the financial statements and notes exhibit a true and fair view of the financial position and transactions of HCS and its controlled entity.

c) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Michael Coutts-Trotter
Director-General
19 September 2013

Stephen Mudge
Chief Financial Officer
19 September 2013

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2013

	Notes	**Parent Actual 2013 $'000**	Parent Actual 2012 $'000	**Consolidated Actual 2013 $'000**	**Consolidated Budget 2013 $'000**	Consolidated Actual 2012 $'000
Expenses excluding losses						
Operating expenses						
Employee related expenses	2(a)	**-**	-	**165,787**	**172,906**	171,401
Personnel services	2(a)	**162,064**	175,493	**-**	**-**	-
Other operating expenses	2(b)	**55,742**	60,214	**55,742**	**55,380**	60,214
Depreciation and amortisation	2(c)	**2,521**	2,741	**2,521**	**2,205**	2,741
Total expenses excluding losses		**220,327**	238,448	**224,050**	**230,491**	234,356
Revenue						
Sale of goods and services	3(a)	**28,038**	28,826	**28,038**	**31,019**	28,826
Investment revenue	3(b)	**5,222**	3,096	**5,222**	**3,959**	3,096
Grants and contributions	3(c)	**198,408**	194,993	**198,408**	**193,756**	194,993
Other revenue	3(d)	**2,099**	819	**2,099**	**721**	819
Total revenue		**233,767**	227,734	**233,767**	**229,455**	227,734
Gain / (loss) on disposal	4	**306**	189	**306**	**-**	189
Other gains / (losses)	5	**(255)**	(81)	**(273)**	**(186)**	(93)
Net result		**13,491**	(10,606)	**9,750**	**(1,222)**	(6,526)
Other comprehensive income						
Net increase / (decrease) in property, plant and equipment revaluation surplus		**27**	19	**27**	**-**	19
Superannuation actuarial gain/(loss)		**-**	-	**3,741**	**-**	(4,080)
Total other comprehensive income		**27**	19	**3,768**	**-**	(4,061)
TOTAL COMPREHENSIVE INCOME		**13,518**	(10,587)	**13,518**	**(1,222)**	(10,587)

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position

as at 30 June 2013

	Notes	Parent Actual 2013 $'000	Parent Actual 2012 $'000	Consolidated Actual 2013 $'000	Consolidated Budget 2013 $'000	Consolidated Actual 2012 $'000
ASSETS						
Current assets						
Cash and cash equivalents	7	**56,316**	53,945	**56,316**	**58,043**	53,945
Receivables	8	**5,323**	4,957	**5,709**	**4,981**	5,471
Total current assets		**61,639**	58,902	**62,025**	**63,024**	59,416
Non-current assets						
Financial assets at fair value	9	**19,407**	16,679	**19,407**	**17,161**	16,679
Property, plant and equipment	10					
Land and buildings		**708**	698	**708**	**540**	698
Plant and equipment		**3,748**	6,095	**3,748**	**7,217**	6,095
Total property, plant and equipment		**4,456**	6,793	**4,456**	**7,757**	6,793
Total non-current assets		**23,863**	23,472	**23,863**	**24,918**	23,472
TOTAL ASSETS		**85,502**	82,374	**85,888**	**87,942**	82,888
LIABILITIES						
Current liabilities						
Payables	11	**2,543**	5,154	**7,371**	**8,818**	10,945
Provisions	12	**28,827**	32,324	**24,385**	**29,030**	27,047
Other		**-**	-	**-**	**72**	-
Total current liabilities		**31,370**	37,478	**31,756**	**37,920**	37,992
Non-current liabilities						
Provisions	12	**10,600**	14,882	**10,600**	**11,704**	14,882
Total non-current liabilities		**10,600**	14,882	**10,600**	**11,704**	14,882
TOTAL LIABILITIES		**41,970**	52,360	**42,356**	**49,624**	52,874
NET ASSETS		**43,532**	30,014	**43,532**	**38,318**	30,014
Equity						
Reserves		**602**	575	**602**	**648**	575
Accumulated funds		**42,930**	29,439	**42,930**	**37,670**	29,439
TOTAL EQUITY		**43,532**	30,014	**43,532**	**38,318**	30,014

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the year ended 30 June 2013

	Parent			Consolidated		
	Accumulated Funds $'000	Asset Revaluation Surplus $'000	Total $'000	Accumulated Funds $'000	Asset Revaluation Surplus $'000	Total $'000
Balance at 1 July 2012	**29,439**	**575**	**30,014**	**29,439**	**575**	**30,014**
Net result for the year	**13,491**	**-**	**13,491**	**9,750**	**-**	**9,750**
Other comprehensive income:						
Net increase / (decrease) in property, plant and equipment	**-**	**27**	**27**	**-**	**27**	**27**
Superannuation actuarial gains/(losses)	**-**	**-**	**-**	**3,741**	**-**	**3,741**
Total other comprehensive income	**-**	**27**	**27**	**3,741**	**27**	**3,768**
Total comprehensive income for the year	**13,491**	**27**	**13,518**	**13,491**	**27**	**13,518**
Balance at 30 June 2013	**42,930**	**602**	**43,532**	**42,930**	**602**	**43,532**
Balance at 1 July 2011	40,045	556	40,601	40,045	556	40,601
Net result for the year	(10,606)	-	(10,606)	(6,526)	-	(6,526)
Other comprehensive income:						
Net increase / (decrease) in property, plant and equipment	-	19	19	-	19	19
Superannuation actuarial gains/(losses)	-	-	-	(4,080)	-	(4,080)
Total other comprehensive income	-	19	19	(4,080)	19	(4,061)
Total comprehensive income for the year	(10,606)	19	(10,587)	(10,606)	19	(10,587)
Balance at 30 June 2012	29,439	575	30,014	29,439	575	30,014

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows
for the year ended 30 June 2013

	Notes	Parent Actual 2013 $'000	Parent Actual 2012 $'000	Consolidated Actual 2013 $'000	Consolidated Budget 2013 $'000	Consolidated Actual 2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Personnel services		**(169,823)**	(169,131)	-	-	-
Employee related		-	-	**(169,823)**	**(184,741)**	(169,126)
Other		**(68,381)**	(80,803)	**(68,382)**	**(42,820)**	(80,807)
Total payments		**(238,204)**	(249,934)	**(238,205)**	**(227,561)**	(249,933)
Receipts						
Sale of goods and services		**28,884**	29,584	**28,885**	**30,833**	29,583
Interest received		**2,494**	2,896	**2,494**	**2,379**	2,896
Grants and contributions		**206,949**	214,493	**206,949**	**193,756**	214,493
Other		**2,022**	819	**2,022**	**721**	819
Total receipts		240,349	247,792	240,350	227,689	247,791
NET CASH FLOWS FROM OPERATING ACTIVITIES	16	**2,145**	(2,142)	**2,145**	**128**	(2,142)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of land and buildings, plant and equipment		**717**	712	**717**	**600**	712
Purchases of land and buildings, plant and equipment		**(491)**	(2,075)	**(491)**	**(3,000)**	(2,075)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**226**	(1,363)	**226**	**(2,400)**	(1,363)
NET INCREASE/(DECREASE) IN CASH						
Opening cash and cash equivalents		**53,945**	57,450	**53,945**	**60,315**	57,450
Net increase/(decrease) in cash		2,371	(3,505)	2,371	(2,272)	(3,505)
CLOSING CASH AND CASH EQUIVALENTS	7	**56,316**	53,945	**56,316**	**58,043**	53,945

The accompanying notes form part of these financial statements.

Notes to and forming part of the financial statements
for the year ended 30 June 2013

1. Summary of Significant Accounting Policies

(a) Reporting entity

Home Care Service of New South Wales (HCS) is a NSW statutory authority and a controlled entity of the Department of Family and Community Services (FACS). HCS is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

HCS as a reporting entity, comprises the entity under its control, namely: Home Care Service Division (HCS Division). HCS Division is a controlled entity established pursuant to Part 2 of Schedule 1 to the *Public Sector Employment and Management Act 2002*. The Division's objective is to provide personnel services to HCS.

In the process of preparing the consolidated financial statements for the economic entity consisting of the controlling and controlled entity, all inter-entity transactions and balances have been eliminated.

These financial statements for the year ended 30 June 2013 have been authorised for issue by the Director General, Department of Family and Community Services on 18 September 2013.

(b) Basis of preparation

HCS's consolidated financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and Regulation and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Property, plant and equipment and financial assets at 'fair value through profit or loss' are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

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

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

(c) Statement of compliance

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

(d) Insurance

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

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

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

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

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

(f) Income recognition

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

1. Summary of Significant Accounting Policies (continued)

i. Grants and contributions from other bodies

Grants and contributions from other bodies (including government grants and donations) are generally recognised as income when HCS obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash. Where there is an agreement that unexpended grants will be returned to the funder in the event that an agreed level of performance has not been met (e.g. number of service delivery hours) and it has been past practice to return such funds, HCS recognises these funds as a liability.

ii. Sale of goods

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

iii. Rendering of services

Revenue is recognised when the service is provided.

iv. Investment revenue

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

(g) Assets

i. Acquisition of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by HCS. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

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

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

ii. Capitalisation thresholds

Property, plant and equipment costing $5,000 and above individually (or forming part of a network costing more than $5,000) are capitalised.

iii. Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 07-1) (as amended by NSWTC 12/05 and NSWTC 10/07). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

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

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets.

Notes to and forming part of the financial statements
for the year ended 30 June 2013

1. Summary of Significant Accounting Policies (continued)

HCS revalues land and buildings at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation of land and buildings was carried out by a registered independent valuer as at 30 June 2009. In the intervening reporting periods, when a revaluation is not undertaken, the carrying amount of land and buildings is assessed to ensure it represents fair value.

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

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

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

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

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

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

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

iv. Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, AASB 136 *Impairment of Assets* effectively is not applicable. AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs for HCS are regarded as immaterial.

v. Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to HCS.

All material identifiable components of assets are depreciated separately over their useful lives.

Land is not a depreciable asset.

The useful life by asset category is:

	Years
Buildings	40
Motor vehicles	4 to 7
Plant, furniture and equipment – general and commercial	4 to 7
Plant, furniture and equipment – industrial	20
Leasehold improvements	Shorter of estimated useful life of improvements and term of the lease

1. Summary of Significant Accounting Policies (continued)

vi. Major inspection costs

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied. In all other circumstances, the labour costs are expensed.

vii. Restoration costs

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

viii. Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

ix. Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and benefits.

HCS has not entered into any finance leases.

Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred.

x. Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost, or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

xi. Investments

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

HCS investments in TCorp Hour-Glass Medium-Term and Long-Term Facilities are designated at fair value through profit or loss using the second leg of the fair value option; i.e. these financial assets are managed and their performance is evaluated on a fair value basis by the Budget and Finance Committee on a continual basis. Information about the performance of these assets, including performance against industry benchmarks for each class of investment, is provided internally on a monthly basis to HCS' key management personnel including the Budget and Finance Committee for their endorsement of the investment strategy. Gains or losses on these assets are recognised in the net result for the year.

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

Notes to and forming part of the financial statements
for the year ended 30 June 2013

1. Summary of Significant Accounting Policies (continued)

xii. Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to annual review for impairment. An allowance for impairment is established when there is objective evidence that HCS will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

xiii. Derecognition of financial assets and financial liabilities

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

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

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

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

(h) Liabilities

i. Payables

These amounts represent liabilities for goods and services provided to HCS and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

ii. Employee benefits and other provisions

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

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

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 *Employee Benefits*. Market yields on Commonwealth government bonds of 2.840% are used to discount long-term annual leave.

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

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

Notes to and forming part of the financial statements
for the year ended 30 June 2013

1. Summary of Significant Accounting Policies (continued)

(b) Long service leave and superannuation

Long service leave entitlements are recognised as expenses and provisions when the obligations arise, which is usually through the rendering of service by employees.

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 12/06) to employees with five or more years of service, using current rates of pay. These factors were determined based on an independent actuarial review performed in 2013, to approximate present value.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. An actuarial assessment of the defined benefit is undertaken before each reporting date. The assessment uses the Projected Unit Credit Method and reflects estimated future salary increases and the benefits set out in the terms of the plan.

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

The amount recognised in the surplus/(deficit) for superannuation is the net total of current service cost, interest cost and the expected return on plan assets. Actuarial gains and losses are charged directly to Equity in the year they occur.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as expense when they are due. Prepaid contributions are recognised as an asset, to the extent that a cash refund or reduction in future payments is available.

iii. Other provisions

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

Provisions include make good costs on HCS' leased office premises. In the majority of cases the provision is calculated by using the make good rate per square metre implicit in each lease agreement, which is then discounted to present value using the government bond rate. The provisions are established by individual lease, and amortised over the term of the lease. The unamortised value of the obligation is recorded as an asset.

(i) Equity and reserves

i. Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with HCS' policy on the revaluation of property, plant and equipment as discussed in Note 1(g)iii.

ii. Accumulated funds

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

Notes to and forming part of the financial statements
for the year ended 30 June 2013

1. Summary of Significant Accounting Policies (continued)

(j) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of PFAA where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

(k) Comparative information

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

(l) New Australian Accounting Standards issued but not effective

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

The following new Australian Accounting Standards have not been applied and are not yet effective as mandated by NSW Treasury Circular TC 13/02:

Notes to and forming part of the financial statements
for the year ended 30 June 2013

1. Summary of Significant Accounting Policies (continued)

Standards/Interpretations	Operative Date
AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments	01-Jan-15 01-Jan-15 01-Jan-13
AASB 10 *Consolidated Financial Statements*	01-Jan-13
AASB 13, AASB 2011-8 and AASB 2012-1 regarding fair value measurement	01-Jan-13 01-Jan-13 01-Jul-13
AASB 119, AASB 2011-10 and AASB 2011-11 regarding employee benefits	01-Jan-13 01-Jan-13 01-Jul-13
AASB 127 *Separate Financial Statements*	01-Jan-13
AASB 128 Investments in Associates and Joint Ventures	01-Jan-13
AASB 1053 and AASB 2010-2 regarding differential reporting	01-Jul-13 01-Jul-13
AASB 2010-10 regarding removal of fixed dates for first time adopters	01-Jan-13
AASB 2011-4 removing individual KMP disclosure requirements	01-Jul-13
AASB 2011-6 regarding RDR and relief from consolidation	01-Jul-13
AASB 2011-7 regarding consolidation and joint arrangements	01-Jan-13
AASB 2011-12 regarding Interpretation 20	01-Jan-13
AASB 2012-1 regarding fair value measurement – RDR requirements	01-Jul-13
AASB 2012-2 regarding disclosures – offsetting financial assets and financial liabilities	01-Jan-13
AASB 2012-3 regarding offsetting financial assets and financial liabilities	01-Jan-14
AASB 2012-4 regarding government loans – first time adoption	01-Jan-13
AASB 2012-5 regarding annual improvements 2009-2-11 cycle	01-Jan-13
AASB 2012-7 regarding RDR	01-Jul-13
AASB 2012-9 regarding withdrawal of Interpretation 1039	01-Jan-13
AASB 2012-10 regarding transition guidance and other amendments	01-Jan-13
AASB 2012-11 regarding RDR requirements and other amendments	01-Jul-13

HCS' assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the entity.

(m) Payroll Tax

HCS is exempt from paying payroll tax as legislated by *State Revenue Legislation (Miscellaneous Amendments) Act 1988 No104*, effective from 1 July 1998.

Notes to and forming part of the financial statements

for the year ended 30 June 2013

2. Expenses excluding losses

(a) Employee related expenses

	Parent 2013 $'000	Parent 2012 $'000	**Consolidated 2013 $'000**	Consolidated 2012 $'000
Salaries and wages (including recreation leave)	**-**	-	**140,966**	143,775
Superannuation - defined benefit plans	**-**	-	**101**	895
Superannuation - defined contribution plans	**-**	-	**11,882**	11,882
Long service leave	**-**	-	**795**	3,213
Workers' compensation insurance	**-**	-	**11,986**	11,590
Fringe benefit tax	**-**	-	**57**	46
Personnel services	**162,064**	175,493	**-**	-
	162,064	175,493	**165,787**	**171,401**

Personnel services for the HCS are provided by the HCS Division, a special purpose entity to enable the HCS to exercise its functions.

(b) Other operating expenses include the following:

Auditor's remuneration - audit of financial statements	**162**	158	**162**	158
Shared services	**17,927**	17,514	**17,927**	17,514
Contract services	**13,978**	16,957	**13,978**	16,957
Administration expenses	**4,836**	4,748	**4,836**	4,748
Other service delivery	**652**	479	**652**	479
Insurance premiums	**277**	332	**277**	332
Travel	**10,400**	12,292	**10,400**	12,292
Operating lease rental expenses - minimum lease payments	**3,955**	3,952	**3,955**	3,952
Training	**3,494**	3,575	**3,494**	3,575
Consultants fees	**61**	207	**61**	207
	55,742	60,214	**55,742**	60,214
(i) Reconciliation - Total Maintenance				
Maintenance expense - contractor labour and other (non-employee related), as above	**57**	69	**57**	69
Employee related maintenance expense included in Note 2(a)	**-**	-	**-**	-
Total maintenance expenses included in Note 2(a) and 2(b)	**57**	69	**57**	69

Notes to and forming part of the financial statements
for the year ended 30 June 2013

2. Expenses excluding losses (continued)

(c) Depreciation and amortisation expense

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2013 $'000	Consolidated 2012 $'000
Depreciation				
Building	**27**	20	**27**	20
Plant and equipment	**173**	236	**173**	236
Motor vehicles	**1,240**	1,339	**1,240**	1,339
Amortisation				
Leasehold improvements	**1,081**	1,146	**1,081**	1,146
	2,521	2,741	**2,521**	2,741

3. Revenue

(a) Sale of goods and services

Home and Community Care (HACC) fees	**15,627**	16,357	**15,627**	16,357
Veterans' Home Care fees	**7,121**	7,025	**7,121**	7,025
Community Options program fees	**57**	41	**57**	41
Corporate client fees	**3,830**	3,822	**3,830**	3,822
Others	**1,403**	1,581	**1,403**	1,581
	28,038	28,826	**28,038**	28,826

HCS charges service fees to HACC customers for services based on the customers' ability to pay. Service to HACC customers does not depend on the payment of fees and service is not refused due to an inability to pay. The amount contributed by the HACC customer is determined by the HCS coordinator and assessor at the time of the customer assessment in accordance with HCS' guidelines. HCS also provides services to commercial, Commonwealth and State agencies where fees are charged to reflect cost recovery.

(b) Investment revenue

Interest received on bank accounts	**409**	391	**409**	391
TCorp Hour Glass Investment facilities designated as fair value through profit and loss	**4,813**	2,705	**4,813**	2,705
	5,222	3,096	**5,222**	3,096

HCS bankers pay interest on the aggregate net credit daily balance of the central office and branch office bank accounts. The interest rate is varied by the banks in line with money market rate movements and is credited to the individual accounts on a monthly basis.

Investment income is also earned on deposits at call with the NSW Treasury Corporation, where unit value is determined on a daily basis.

Notes to and forming part of the financial statements
for the year ended 30 June 2013

3. Revenue (continued)

(c) Grants and contributions

	Parent 2013 $'000	Parent 2012 $'000	**Consolidated 2013 $'000**	Consolidated 2012 $'000
Commonwealth Grants				
Home and Community Care program	**109,441**	-	**109,441**	-
Other Commonwealth Grants	**3,552**	-	**3,552**	-
State Grants				
Community Care Support Grants	**72,443**	-	**72,443**	-
Home and Community Care program	**-**	179,406	**-**	179,406
Community Options projects	**-**	3,610	**-**	3,610
Attendant Care program	**6,514**	6,698	**6,514**	6,698
Other government grants	**6,458**	5,279	**6,458**	5,279
	198,408	194,993	**198,408**	194,993

(d) Other revenue

	Parent 2013 $'000	Parent 2012 $'000	**Consolidated 2013 $'000**	Consolidated 2012 $'000
Sundry income	**2,099**	819	**2,099**	819
	2,099	819	**2,099**	819

4. Gains / (losses) on disposal

	Parent 2013 $'000	Parent 2012 $'000	**Consolidated 2013 $'000**	Consolidated 2012 $'000
Gain/(loss) on disposal of plant and equipment				
Proceeds from disposal	**717**	712	**717**	712
Less: Written down value of assets	**(411)**	(523)	**(411)**	(523)
Net gain/(loss) on disposal	**306**	189	**306**	189

5. Other gains / (losses)

	Parent 2013 $'000	Parent 2012 $'000	**Consolidated 2013 $'000**	Consolidated 2012 $'000
Gain/(loss) on impairment of receivables	**(255)**	(81)	**(273)**	(93)
Other gains / (losses)	**(255)**	(81)	**(273)**	(93)

6. Service groups of the entity

Where there is only one service group, details of the expenses, income, assets and liabilities are not required in the service group statements as this information is available in the primary financial statements. In such cases, the summary of the administered expenses and income may be produced as a note rather than a supplementary financial statement.

Notes to and forming part of the financial statements
for the year ended 30 June 2013

7. Current assets – cash and cash equivalents

	Parent 2013 $'000	Parent 2012 $'000	**Consolidated 2013 $'000**	Consolidated 2012 $'000
Cash at bank and on hand	**2,607**	12,321	**2,607**	12,321
Short-term deposits	**53,709**	41,624	**53,709**	41,624
	56,316	53,945	**56,316**	53,945

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

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

Cash and cash equivalents (per statement of financial position)	**56,316**	53,945	**56,316**	53,945
Closing cash and cash equivalents (per statement of cash flows)	**56,316**	53,945	**56,316**	53,945

Refer to Note 17 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

8. Current assets – receivables

	Parent 2013 $'000	Parent 2012 $'000	**Consolidated 2013 $'000**	Consolidated 2012 $'000
Sale of goods and services	**5,735**	5,814	**6,111**	6,319
Less: allowance for impairment	**(869)**	(859)	**(1,059)**	(1,032)
	4,866	4,955	**5,052**	5,287
Prepayments	**214**	-	**214**	-
Sundry debtors	**243**	2	**443**	184
	5,323	4,957	**5,709**	5,471

Movement in allowance for impairment				
Balance at 1 July	**859**	1,160	**1,032**	1,324
Amounts written off during the year	**(149)**	(194)	**(149)**	(195)
Amounts recovered during the year	**(182)**	(454)	**(237)**	(482)
Increase/(decrease) in allowance recognised in profit or loss	**341**	347	**413**	385
Balance at 30 June	**869**	859	**1,059**	1,032

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 17.

Notes to and forming part of the financial statements
for the year ended 30 June 2013

9. Non-current assets – financial assets at fair value

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2013 $'000	Consolidated 2012 $'000
TCorp Hour-Glass Investment facilities				
Medium-Term Growth Facility Trust	**7,893**	7,128	**7,893**	7,128
Long-Term Growth Facility Trust	**11,514**	9,551	**11,514**	9,551
	19,407	16,679	**19,407**	16,679

Refer to Note 17 for further information regarding credit risk, liquidity risk and market risk rising from financial instruments.

10. Non-current assets – property, plant and equipment

Consolidated and parent	**Land and buildings $'000**	**Leasehold Improvements $'000**	**Computer Equipment and Software $'000**	**Furniture and Equipment $'000**	**Motor Vehicles $'000**	**Total $'000**
At 1 July 2012 - fair value						
Gross carrying amount	698	5,964	797	818	5,613	13,890
Accumulated depreciation and impairment	-	(3,457)	(739)	(485)	(2,416)	(7,097)
Net carrying amount	698	2,507	58	333	3,197	6,793
At 30 June 2013 - fair value						
Gross carrying amount	708	6,096	770	758	4,633	12,965
Accumulated depreciation and impairment	-	(4,412)	(748)	(565)	(2,784)	(8,509)
Net carrying amount	**708**	**1,684**	**22**	**193**	**1,849**	**4,456**

Reconciliation

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

Consolidated and parent **Year ended 30 June 2013**	**Land and buildings $’000**	**Leasehold improvements $’000**	**Computer Equipment and Software $’000**	**Furniture and Equipment $’000**	**Motor Vehicles $’000**	**Total $’000**
Net carrying amount 1 July 2012	698	2,507	58	333	3,197	6,793
Additions	10	258	-	-	223	491
Disposals	-	-	-	(3)	(408)	(411)
Depreciation expense	(27)	(1,081)	(36)	(137)	(1,240)	(2,521)
Net revaluation increments	27	-	-	-	-	27
Assets recognised for the first time	-	-	-	-	77	77
Net carrying amount at 30 June 2013	**708**	**1,684**	**22**	**193**	**1,849**	**4,456**

Asset under construction (AUC) values are included in the asset balances recorded in the above table. In 2013, the AUC included in land and building is $10k (2012: $Nil); leasehold improvements $250k (2012: $190K); and furniture and equipment $Nil (2012: $18K).

Notes to and forming part of the financial statements
for the year ended 30 June 2013

10. Non-current assets – property, plant and equipment (continued)

Consolidated and parent	Land and buildings $'000	Leasehold Improvements $'000	Computer Equipment and Software $'000	Furniture and Equipment $'000	Motor Vehicles $'000	Total $'000
At 1 July 2011 - fair value						
Gross carrying amount	534	4,148	874	787	5,724	12,067
Accumulated depreciation and impairment	-	(1,336)	(687)	(466)	(1,615)	(4,104)
Net carrying amount	534	2,812	187	321	4,109	7,963
At 30 June 2012 - fair value						
Gross carrying amount	698	5,964	797	818	5,613	13,890
Accumulated depreciation and impairment	-	(3,457)	(739)	(485)	(2,416)	(7,097)
Net carrying amount	698	2,507	58	333	3,197	6,793

Reconciliation

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

Consolidated and parent Year ended 30 June 2012	Land and buildings $'000	Leasehold improvements $'000	Computer Equipment and Software $'000	Furniture and Equipment $'000	Motor Vehicles $'000	Total $'000
Net carrying amount 1 July 2011	534	2,812	187	321	4,109	7,963
Additions	165	825	-	153	932	2,075
Reclassification of asset	-	17	(17)	-	-	-
Disposals	-	(1)	(17)	-	(505)	(523)
Depreciation expense	(20)	(1,146)	(95)	(141)	(1,339)	(2,741)
Net revaluation increments	19	-	-	-	-	19
Net carrying amount at 30 June 2012	698	2,507	58	333	3,197	6,793

Asset under construction (AUC) values are included in the asset balances recorded in the above table. In 2012, the AUC included in land and building is $Nil (2011: $16K); leasehold improvements $190K (2011: $2,097K); computer equipment and software $Nil (2011: $1K); and furniture and equipment $18k (2011: $34K).

Notes to and forming part of the financial statements
for the year ended 30 June 2013

11. Current liabilities - payables

	Parent 2013 $'000	Parent 2012 $'000	**Consolidated 2013 $'000**	Consolidated 2012 $'000
Accrued salaries, wages and on-costs	**-**	-	**4,814**	5,779
Creditors	**2,471**	5,031	**2,485**	5,043
Other creditors	**72**	123	**72**	123
	2,543	5,154	**7,371**	10,945

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 17.

12. Current/non-current liabilities - provisions

	Parent 2013 $'000	Parent 2012 $'000	**Consolidated 2013 $'000**	Consolidated 2012 $'000
Current				
Employee benefits and related on-costs				
Recreation leave	**-**	-	**12,187**	12,512
Long service leave	**-**	-	**11,632**	14,194
Fringe benefit tax	**-**	-	**-**	-
Personnel services liability	**28,261**	31,983	**-**	-
	28,261	31,983	**23,819**	26,706
Other provisions				
Provision for make good	**566**	341	**566**	341
	566	341	**566**	341
Total Current	**28,827**	32,324	**24,385**	27,047
Non-current				
Employee benefits and related on-costs				
Long service leave	**-**	-	**3,769**	2,534
Personnel services liability	**10,061**	14,098	**-**	-
Superannuation	**-**	-	**6,292**	11,564
	10,061	14,098	**10,061**	14,098
Other provisions				
Provision for make good	**539**	784	**539**	784
	539	784	**539**	784
Total Non-Current	**10,600**	14,882	**10,600**	14,882
Total Provisions	**39,427**	47,206	**34,985**	41,929
Movements in provisions (other than employee benefits)				
Carrying amount at the beginning of financial year	**1,125**	1,125	**1,125**	1,125
Additional provisions recognised		-		-
Amounts used	**(36)**	(60)	**(36)**	(60)
Change in discount rate	**16**	60	**16**	60
Carrying amount at the end of financial year	**1,105**	1,125	**1,105**	1,125
Aggregate employee benefits and related on-costs				
Provisions - current	**28,261**	31,983	**23,819**	26,706
Provisions - non-current	**10,061**	14,098	**10,061**	14,098
Accrued salaries, wages and on-costs (note 11)	**-**	**-**	**4,814**	5,779
	38,322	46,081	**38,694**	46,583

Details regarding the make good provision are disclosed in Note (h)iii

Notes to and forming part of the financial statements

for the year ended 30 June 2013

12. Current/non-current liabilities – provisions (continued)

Employee entitlements for current recreation and long service leave include short-term (expected to be settled no more than 12 months after the reporting date) and long-term liability (expected to be settled after more than 12 months) as follows:

	Parent 2013 $'000	Parent 2012 $'000	**Consolidated 2013 $'000**	Consolidated 2012 $'000
Short-term				
Recreation leave	**-**	-	**10,245**	10,317
Long service leave	**-**	-	**5,404**	6,417
	-	-	**15,649**	16,734
Long-term				
Recreation leave	**-**	-	**1,942**	2,195
Long service leave	**-**	-	**6,228**	7,777
	-	-	**8,170**	9,972

Recreation and Long Service Leave

Employee entitlements for recreation leave and long service leave amounting to $27.6 (30 June 2012: $29.2m) are partially funded by investments of $19.4 (30 June 2012: $16.7m) in the NSW Treasury Corporation's Hour-Glass Investment Facility Trust (Note 9) with the balance reflected in working capital.

Superannuation

Accounting policy

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

Fund information

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

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS).

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

All the Schemes are closed to new members.

12. Current/non-current liabilities – provisions (continued)

Reconciliation of the present value of the defined benefit obligation

	SASS 2013 $'000	SASS 2012 $'000	**SANCS 2013 $'000**	SANCS 2012 $'000	**SSS 2013 $'000**	SSS 2012 $'000	**Total 2013 $'000**	Total 2012 $'000
Present value of partly funded defined benefit obligation at beginning of year	**43,015**	44,619	**6,210**	6,257	**2,324**	2,102	**51,549**	52,978
Current service cost	**1,456**	1,556	**257**	287	**15**	11	**1,728**	1,854
Interest cost	**1,170**	2,147	**168**	301	**70**	109	**1,408**	2,557
Contributions by fund participants	**712**	804	**-**	-	**6**	6	**718**	810
Actuarial (gains)/losses	**(416)**	721	**(501)**	315	**(290)**	400	**(1,207)**	1,436
Benefits paid	**(9,818)**	(6,832)	**(1,034)**	(950)	**31**	(303)	**(10,821)**	(8,085)
Present value of partly funded defined benefit obligation at the end of the year	**36,119**	43,015	**5,100**	6,210	**2,156**	2,325	**43,375**	51,550

Reconciliation of the fair value of fund assets

	SASS 2013 $'000	SASS 2012 $'000	**SANCS 2013 $'000**	SANCS 2012 $'000	**SSS 2013 $'000**	SSS 2012 $'000	**Total 2013 $'000**	Total 2012 $'000
Fair value of fund assets at the beginning of the year	**34,201**	37,777	**4,509**	5,166	**1,276**	1,562	**39,986**	44,505
Expected return on fund assets	**2,590**	2,977	**337**	408	**107**	131	**3,034**	3,516
Actuarial gains/(losses)	**2,048**	(2,110)	**361**	(404)	**124**	(128)	**2,533**	(2,642)
Employer contributions	**1,376**	1,585	**249**	289	**8**	8	**1,633**	1,882
Contributions by fund participants	**712**	804	**-**	-	**6**	6	**718**	810
Benefits paid	**(9,818)**	(6,832)	**(1,034)**	(950)	**31**	(303)	**(10,821)**	(8,085)
Fair value of fund assets at the end of the year	**31,109**	34,201	**4,422**	4,509	**1,552**	1,276	**37,083**	39,986

Notes to and forming part of the financial statements
for the year ended 30 June 2013

12. Current/non-current liabilities – provisions (continued)

Reconciliation of the assets and liabilities recognised in the Statement of Financial Position

	SASS 2013 $'000	SASS 2012 $'000	**SANCS 2013 $'000**	SANCS 2012 $'000	**SSS 2013 $'000**	SSS 2012 $'000	**Total 2013 $'000**	Total 2012 $'000
Present value of partly funded defined benefit obligation at end of year	**36,119**	43,015	**5,100**	6,210	**2,156**	2,325	**43,375**	51,550
Fair value of fund assets at end of the year	**(31,109)**	(34,201)	**(4,422)**	(4,509)	**(1,552)**	(1,276)	**(37,083)**	(39,986)
Subtotal	**5,010**	8,814	**678**	1,701	**604**	1,049	**6,292**	11,564
Unrecognised past service cost	**-**	-	**-**	-	**-**	-	**-**	-
Unrecognised gain/(loss)	**-**	-	**-**	-	**-**	-	**-**	-
Adjustment for limitation on net asset	**-**	-	**-**	-	**-**	-	**-**	-
Net liability/(asset) recognised in the Statement of Financial Position at end of year	**5,010**	8,814	**678**	1,701	**604**	1,049	**6,292**	11,564

Expense recognised in Statement of Comprehensive Income

Components Recognised in Statement of Comprehensive Income	**SASS 2013 $'000**	SASS 2012 $'000	**SANCS 2013 $'000**	SANCS 2012 $'000	**SSS 2013 $'000**	SSS 2012 $'000	**Total 2013 $'000**	Total 2012 $'000
Current service cost	**1,456**	1,556	**257**	287	**15**	11	**1,728**	1,854
Interest cost	**1,170**	2,147	**168**	301	**70**	109	**1,408**	2,557
Expected return on fund assets (net of expenses)	**(2,590)**	(2,977)	**(337)**	(408)	**(107)**	(131)	**(3,034)**	(3,516)
Actuarial losses/(gains) recognised in year	**-**	-	**-**	-	**-**	-	**-**	-
Expenses/(income recognised)	36	726	88	180	(22)	(11)	102	895

Amounts recognised in Other Comprehensive Income

	SASS 2013 $'000	SASS 2012 $'000	**SANCS 2013 $'000**	SANCS 2012 $'000	**SSS 2013 $'000**	SSS 2012 $'000	**Total 2013 $'000**	Total 2012 $'000
Actuarial (gains)/losses	**(2,464)**	2,832	**(863)**	719	**(414)**	529	**(3,741)**	4,080
Adjustment for limit on net asset	**-**	-	**-**	-	**-**	-	**-**	-

12. Current/non-current liabilities – provisions (continued)

Cumulative amount recognised in the other comprehensive income

	SASS 2013 $'000	SASS 2012 $'000	**SANCS 2013 $'000**	SANCS 2012 $'000	**SSS 2013 $'000**	SSS 2012 $'000	**Total 2013 $'000**	Total 2012 $'000
Cumulative actuarial (gains)/losses	**6,441**	8,905	**453**	1,316	**377**	791	**7,271**	11,012

Fund assets

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

	June 2013	June 2012
Australian equities	**30.4%**	28%
Overseas equities	**26.1%**	23.7%
Australian fixed interest securities	**6.9%**	4.9%
Overseas fixed interest securities	**2.2%**	2.4%
Property	**8.3%**	8.6%
Cash	**13.1%**	19.5%
Other	**13.0%**	12.9%

Fair value of fund assets

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

Expected rate of return on assets

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

Actual return on fund assets

	SASS 2013 $'000	SASS 2012 $'000	**SANCS 2013 $'000**	SANCS 2012 $'000	**SSS 2013 $'000**	SSS 2012 $'000	**Total 2013 $'000**	Total 2012 $'000
Actual return on fund assets	**5,198**	18,382	**698**	4,118	**213**	(4,832)	**6,109**	17,668

Notes to and forming part of the financial statements
for the year ended 30 June 2013

12. Current/non-current liabilities – provisions (continued)

Valuation method and principal actuarial assumptions at the balance date

(a) Valuation method

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

(b) Economic assumptions

	June 2013	June 2012
Salary increase rate (excluding promotional increases)		2.5% pa
2013/2014 (SASS, SSS and SANCS)	**2.25% (PSS 2.95%)**	
2014/2015	**2.25%**	
2015/2016 to 2019/2020	**2.0% pa**	
2020 onwards	**2.5% pa**	
Rate of CPI increase	**2.5% pa**	2.5% pa
Expected rate of return on assets	**8.6%**	8.6%
Discount rate	**3.80% pa**	3.06% pa

(c) Demographic assumptions

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

Historical information

	SASS 2013 $'000	SASS 2012 $'000	**SANCS 2013 $'000**	SANCS 2012 $'000	**SSS 2013 $'000**	SSS 2012 $'000	**Total 2013 $'000**	Total 2012 $'000
Present value of defined benefit obligation	**36,119**	43,015	**5,100**	6,210	**2,156**	2,325	**43,375**	51,550
Fair value of fund assets	**(31,109)**	(34,201)	**(4,422)**	(4,509)	**(1,552)**	(1,276)	**(37,083)**	(39,986)
(Surplus)/deficit in fund	**5,010**	8,814	**678**	1,701	**604**	1,049	**6,292**	11,564
Experience adjustments - fund liabilities	**(416)**	721	**(501)**	315	**(290)**	400	**(1,207)**	1,436
Experience adjustments - fund assets	**(2,048)**	2,110	**(362)**	404	**(124)**	128	**(2,534)**	2,642

Notes to and forming part of the financial statements
for the year ended 30 June 2013

12. Current/non-current liabilities – provisions (continued)

Expected contributions

	SASS	SASS	**SANCS**	SANCS	**SSS**	SSS	**Total**	Total
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Expected employer contributions to be paid in the next reporting period	**1,352**	1,527	**246**	288	**10**	9	**1,608**	1,824

Funding arrangements for employer contributions

(a) Surplus/deficit

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

	SASS	SASS	**SANCS**	SANCS	**SSS**	SSS	**Total**	Total
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Accrued benefits	**34,040**	39,881	**4,601**	5,537	**1,246**	1,199	**39,887**	46,617
Net market value of fund assets	**(31,109)**	(34,201)	**(4,422)**	(4,509)	**(1,552)**	(1,276)	**(37,083)**	(39,986)
Net (surplus)/deficit	**2,931**	5,680	**179**	1,028	**(306)**	(77)	**2,804**	6,631

(b) Contribution recommendations

Recommended contribution rates for the entity are:

	SASS multiple of member contributions		**SANCS % member salary**		**SSS multiple of member contributions**	
	2013	2012	**2013**	2012	**2013**	2012
Accrued benefits	**1.9**	1.9	**2.5**	2.5	**1.6**	1.6

(c) Funding method

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

Notes to and forming part of the financial statements

for the year ended 30 June 2013

12. Current/non-current liabilities – provisions (continued)

(d) Economic assumptions

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

Weighted-Average Assumptions

	June 2013	June 2012
Expected rate of return on fund assets backing current pension liabilities	**8.3% p.a**	8.3% pa
Expected rate of return on fund assets backing other liabilities	**7.3% p.a SASS, SANCS, SSS 2.7% pa (PSS 3.5% pa) for 6 years then**	7.3% pa
Expected salary increase rate	**4.0% pa**	4.0% pa
Expected rate of CPI increase	**2.5% p.a**	2.5% pa

Nature of Asset/Liability

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

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

Notes to and forming part of the financial statements
for the year ended 30 June 2013

13. Commitments for expenditure

	Parent 2013 $'000	Parent 2012 $'000	Consolidated 2013 $'000	Consolidated 2012 $'000
(a) Capital Commitments				
Aggregate capital expenditure for the acquisition of property, plant and equipment contracted for at balance date and not provided for:				
Not later than one year	-	-	-	-
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total (including GST)	-	-	-	-
(b) Operating Lease Commitments				
Future non-cancellable operating lease rentals not provided for and payable:				
Not later than one year	**2,063**	2,001	**2,063**	2,001
Later than one year and not later than five years	**3,274**	3,194	**3,274**	3,194
Later than five years	**2,791**	52	**2,791**	52
Total (including GST)	**8,128**	5,247	**8,128**	5,247

Operating lease commitments represent the unexpired portion of office accommodation property leases with state government and private sector landlords. These commitments will be met from future revenue.

The total operating lease commitments above include total input tax credits of $0.7m (30 June 2012: $0.5m) that are expected to be recoverable from the Australian Taxation Office.

14. Contingent assets and contingent liabilities

HCS has no contingent liabilities and contingent assets at 30 June 2013 (2012: $0.2m).

15. Budget Review

Net result

Decrease in total expenses of $6.4m arising from a favourable valuation of superannuation and long service leave liabilities and a re-alignment of service hours to contracted levels.

Increase in total revenue of $4.3m including increased investment income as a result of improved market conditions and an increase in miscellaneous revenue.

Assets and liabilities

Total assets were lower than budget by $2.1m, mainly due to a reduction in plant and equipment of $3.3m due to the change in policy from purchasing to leasing motor vehicles and depreciation of the existing vehicle fleet. This was partially offset by an increase in financial assets at fair value of $2.2m due to a higher unit value for TCorp investments at June 2013 offset by a reduction in cash and cash equivalents of $1.7m

Total liabilities were lower than budget by $7.3m mainly due to lower LSL and superannuation provisions resulting from the improvement in financial markets ($4.7m) and lower recreation leave entitlements ($1.6m)

Cash flows

The cash balance at June 2013 was $1.7m lower than budget. The decrease is mainly due to a reduction in the goods and services revenue received during 2012-13 financial year

Notes to and forming part of the financial statements
for the year ended 30 June 2013

16. Reconciliation of cash flows from operating activities to net result

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income.

	Parent 2013 $'000	Parent 2012 $'000	**Consolidated 2013 $'000**	Consolidated 2012 $'000
Net cash used in operating activities	**2,145**	(2,142)	**2,145**	(2,142)
Depreciation	**(2,521)**	(2,741)	**(2,521)**	(2,741)
Allowance for impairment	**(10)**	301	**(27)**	292
Gain/(loss) on investments	**2,728**	222	**2,728**	222
Decrease/(increase) in provisions	**7,795**	(6,302)	**6,960**	(4,590)
Increase/(decrease) in prepayments and other assets	**376**	116	**265**	189
Decrease/(increase) in creditors	**2,611**	(189)	**3,574**	(1,965)
Net gain/(loss) on sale of plant and equipment	**306**	189	**306**	189
Assets recognised for the first time	**77**	-	**77**	-
Unwinding of discount on makegood provision	**(16)**	(60)	**(16)**	(60)
Superannuation actuarial (gains)/losses	**-**	-	**(3,741)**	4,080
Net result for the year	**13,491**	(10,606)	**9,750**	(6,526)

17. Financial instruments

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

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

The Executive has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management procedures are established to identify and analyse the risks faced by HCS, to set risk limits and controls and to monitor risks. Compliance with procedures is reviewed by the ADHC Executive on a continual basis.

Notes to and forming part of the financial statements
for the year ended 30 June 2013

17. Financial instruments (continued)

(a) Financial instrument categories

Parent

Financial assets	Note	Category	Carrying amount 2013 $'000	Carrying amount 2012 $'000
Class:				
Cash and cash equivalents	7	N/A	**56,316**	53,945
Receivables[1]	8	Loans and receivables (at amortised cost)	**4,769**	4,957
Financial assets at fair value	9	At fair value through profit or loss	**19,407**	16,679

Financial liabilities	Note	Category	Carrying amount 2013 $'000	Carrying amount 2012 $'000
Class:				
Payables[2]	11	Financial liabilities measured at amortised cost	**2,543**	2,868

Consolidated

Financial assets	Note	Category	Carrying amount 2013 $'000	Carrying amount 2012 $'000
Class:				
Cash and cash equivalents	7	N/A	**56,316**	53,945
Receivables[1]	8	Loans and receivables (at amortised cost)	**5,155**	5,471
Financial assets at fair value	9	At fair value through profit or loss	**19,407**	16,679

Financial liabilities	Note	Category	Carrying amount 2013 $'000	Carrying amount 2012 $'000
Class:				
Payables[2]	11	Financial liabilities measured at amortised cost	**7,371**	8,659

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

Notes to and forming part of the financial statements
for the year ended 30 June 2013

17. Financial instruments (continued)

(b) Credit risk

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

Credit risk arises from the financial assets of HCS, including cash and receivables. No collateral is held by HCS. HCS has not granted any financial guarantees. Credit risk associated with HCS' financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

Cash
Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour Glass cash facility is discussed in paragraph 17(d) below.

Receivables – trade debtors
All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

HCS is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2013: $2.6m ; 2012: $3.2m) and less than 3 months past due (2013: $1.4m ; 2012: $0.8m) are not considered impaired and together these represent 78.4% (2012: 80.0%) of the total trade debtors.

There are no debtors which are currently not past due or impaired whose terms have been renegotiated. The only financial assets that are past due or impaired are 'sale of goods and services' in the 'receivables' category of the statement of financial position.

Parent	Total $'000	Past due but not impaired $'000	Considered impaired $'000
2013			
< 3 months overdue	**1,427**	**1,312**	**115**
3 months - 6 months overdue	**215**	**88**	**127**
> 6 months overdue	**743**	**148**	**595**
2012			
< 3 months overdue	852	692	160
3 months - 6 months overdue	205	79	126
> 6 months overdue	699	181	518

Notes to and forming part of the financial statements
for the year ended 30 June 2013

17. Financial instruments (continued)

Consolidated	Total $'000	Past due but not impaired $'000	Considered impaired $'000
2013			
< 3 months overdue	**1,427**	**1,312**	**115**
3 months - 6 months overdue	**215**	**88**	**127**
> 6 months overdue	**743**	**148**	**595**
2012			
< 3 months overdue	852	692	160
3 months - 6 months overdue	205	79	126
> 6 months overdue	699	181	518

1. Each column in the table reports "gross receivables".
2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 Financial Instruments: Disclosures and excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivables total recognised in the Statement of Financial Position

(c) Liquidity risk

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

No assets have been pledged as collateral. HCS' exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSWTC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. No late interest payments were made in the year ending 30 June 2013 (2012: $Nil).

HCS has access to the following lines of credit with Westpac bank:

	2013 $'000	2012 $'000
Corporate card	**400**	400
Tape negotiation authority	**12,000**	12,000

Notes to and forming part of the financial statements
for the year ended 30 June 2013

17. Financial instruments (continued)

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

Maturity analysis and interest rate exposure of financial liabilities

			$'000					
			Interest rate exposure			Maturity dates		
Parent	**Weighted average effective int. rate**	**Nominal amount**	**Fixed interest rate**	**Variable interest rate**	**Non-interest bearing**	**< 1 yr**	**1-5 yrs**	**>5 yrs**
2013								
Financial Liabilities:								
Payables	N/A	**2,543**	**-**	**-**	**2,543**	**2,543**	**-**	**-**
Accrued Salaries, Wages and On-costs	N/A	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Financial Liabilities		**2,543**	**-**	**-**	**2,543**	**2,543**	**-**	**-**
2012								
Financial Liabilities:								
Payables	N/A	2,868	-	-	2,868	2,868	-	-
Accrued Salaries, Wages and On-costs	N/A	-	-	-	-	-	-	-
Total Financial Liabilities		2,868	-	-	2,868	2,868	-	-

			$'000					
			Interest rate exposure			Maturity dates		
Consolidated	**Weighted average effective int. rate**	**Nominal amount**	**Fixed interest rate**	**Variable interest rate**	**Non-interest bearing**	**< 1 yr**	**1-5 yrs**	**>5 yrs**
2013								
Financial Liabilities:								
Payables	N/A	**2,557**	**-**	**-**	**2,557**	**2,557**	**-**	**-**
Accrued Salaries, Wages and On-costs	N/A	**4,814**	**-**	**-**	**4,814**	**4,814**	**-**	**-**
Total Financial Liabilities		**7,371**	**-**	**-**	**7,371**	**7,371**	**-**	**-**
2012								
Financial Liabilities:								
Payables	N/A	2,868	-	-	2,868	2,868	-	-
Accrued Salaries, Wages and On-costs	N/A	5,779	-	-	5,779	5,779	-	-
Total Financial Liabilities		8,647	-	-	8,647	8,647	-	-

Notes
(1) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which HCS can be required to pay. The tables include both interest and principal cash flow and therefore will not reconcile to the statement of financial position.

Notes to and forming part of the financial statements

for the year ended 30 June 2013

17. Financial instruments (continued)

(d) Market risk

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

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which HCS operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis for 2012. The analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. HCS' exposure to interest rate risk is set out below.

Parent		**-1%**		**+1%**	
	Carrying amount	**Profit**	**Equity**	**Profit**	**Equity**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
2013					
Financial Assets					
Cash and cash equivalents	**56,303**	**(563)**	**(563)**	**563**	**563**
Receivables	**4,769**	**-**	**-**	**-**	**-**
Financial assets at fair value	**19,407**	**(194)**	**(194)**	**194**	**194**
Financial liabilities					
Payables	**2,543**	**-**	**-**	**-**	**-**
2012					
Financial Assets					
Cash and cash equivalents	53,945	(539)	(539)	539	539
Receivables	4,957	-	-	-	-
Financial assets at fair value	16,679	(167)	(167)	167	167
Financial liabilities					
Payables	2,868	-	-	-	-

Consolidated		-1%		+1%	
	Carrying amount	Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000	$'000
2013					
Financial Assets					
Cash and cash equivalents	**56,303**	**(563)**	**(563)**	**563**	**563**
Receivables	**5,155**	**-**	**-**	**-**	**-**
Financial assets at fair value	**19,407**	**(194)**	**(194)**	**194**	**194**
Financial liabilities					
Payables	**7,371**	**-**	**-**	**-**	**-**
2012					
Financial Assets					
Cash and cash equivalents	53,945	(539)	(539)	539	539
Receivables	5,471	-	-	-	-
Financial assets at fair value	16,679	(167)	(167)	167	167
Financial liabilities					
Payables	8,647	-	-	-	-

17. Financial instruments (continued)

Other price risk – TCorp Hour-Glass facilities

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

Parent and Consolidated

Facility	Investment Sectors	Investment Horizon	2013 $'000	2012 $'000
Cash facility	Cash, money market instruments	Up to 1.5 years	53,709	41,624
Medium-term growth facility	Cash, money market instruments, Australian bonds, listed property, Australian and International shares	3 years to 7 years	7,893	7,128
Long-term growth facility	Cash, money market instruments, Australian bonds, listed property, Australian and International shares	7 years and over	11,514	9,551

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

NSW TCorp is trustee for each of the above facilities and is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp acts as manager for part of the Cash Facility and also manages the Australian Bond portfolio. A significant portion of the administration of the facilities is outsourced to an external custodian.

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

NSW TCorp provides sensitivity analysis information for each of the Investment facilities, using historically based volatility information collected over a ten year period, quoted at two standard deviations (i.e. 95% probability). The TCorp Hour-Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour- Glass statement).

Parent and Consolidated

		Change in unit price	Impact on profit/loss	
			2013 $'000	2012 $'000
Hour Glass Investment - Cash facility	**53,709**	**+/- 1%**	**+/- 537**	+/- 416
Hour Glass Investment - Medium-term growth facility	**7,893**	**+/- 6%**	**+/- 474**	+/- 428
Hour Glass Investment - Long-term growth facility	**11,514**	**+/- 15%**	**+/- 1727**	+/- 1,433

The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short term nature of many of the financial instruments.

Notes to and forming part of the financial statements
for the year ended 30 June 2013

17. Financial instruments (continued)

(e) Fair value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. As discussed, the value of the Hour-Glass Investments is based on HCS' share of the value of the underlying assets of the facility, based on the market value. All of the Hour Glass facilities are valued using 'redemption' pricing.

The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short term nature of many of the financial instruments.

(f) Fair value recognised in statement of financial position

HCS uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

- Level 1 – Derived from quoted prices in active markets for identical assets/liabilities.
- Level 2 – Derived from inputs other than quoted prices that are observable directly or indirectly.
- Level 3 – Derived from valuation techniques that include inputs for the asset/liability not based on observable market data (unobservable inputs).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2013				
Financial assets at fair value				
TCorp Hour-Glass Investment facility	**-**	**19,407**	**-**	**19,407**
30 June 2012				
Financial assets at fair value				
TCorp Hour-Glass Investment facility	-	16,679	-	16,679

There were no transfers between level 1 and 2 during the period ended 30 June 2013 (2012: none).

18. Events after the reporting date

No events have occurred after the reporting date that would have a material impact on the financial statements.

End of audited financial statements

Annual financial statements for the year ended 30 June 2013

AUDITOR-GENERAL
NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

Home Care Service Division

To Members of the New South Wales Parliament

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

Opinion

In my opinion the financial statements:

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

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

The Director- General's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the Division
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

Peter Barnes
Director, Financial Audit Services

19 September 2013
SYDNEY

HOME CARE SERVICE DIVISION

YEAR ENDED 30 JUNE 2013

CERTIFICATION OF ACCOUNTS

Pursuant to Section 41C(1B) and (1C) of the *Public Finance and Audit Act, 1983* (Act), I state that:

a) the accompanying financial statements of Home Care Service Division's activities for the year ended 30 June 2013 have been prepared in accordance with the requirements of applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Public Finance and Audit Act 1983, and its regulations and Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer under section 9(2)(n) of the Act.

a) the financial statements and notes exhibit a true and fair view of the financial position and transactions of the Home Care Service Division.

c) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Michael Coutts-Trotter
Director-General
19 September 2013

Stephen Mudge
Chief Financial Officer
19 September 2013

Statement of Comprehensive Income

for the year ended 30 June 2013

	Notes	Actual 2013 $'000	Actual 2012 $'000
Expenses excluding losses			
Operating expenses			
Employee related expenses	2	**165,787**	171,401
Total expenses excluding losses		**165,787**	171,401
Revenue			
Personnel services	3a	**162,064**	175,493
Total revenue		**162,064**	175,493
Other gains / (losses)	4	**(18)**	(12)
Net result		**(3,741)**	4,080
Other comprehensive income			
Superannuation actuarial gains/(losses)		**3,741**	(4,080)
Total other comprehensive income		**3,741**	(4,080)
TOTAL COMPREHENSIVE INCOME		**-**	-

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 30 June 2013

	Notes	Actual 2013 $'000	Actual 2012 $'000
Assets			
Current assets			
Receivables	6	**28,647**	32,496
Total current assets		**28,647**	32,496
Non-current assets			
Receivables	6	**10,061**	14,099
Total non-current assets		**10,061**	14,099
Total assets		**38,708**	46,595
Liabilities			
Current liabilities			
Payables	7	**4,814**	5,779
Provisions	8	**23,833**	26,718
Total current liabilities		**28,647**	32,497
Non-current liabilities			
Provisions	8	**10,061**	14,098
Total non-current liabilities		**10,061**	14,098
Total liabilities		**38,708**	46,595
Net assets		**-**	-
Equity			
Accumulated funds		**-**	-
Total equity		**-**	-

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2013

	Accumulated Funds $'000	Total Equity $'000
Balance at 1 July 2012	**-**	**-**
Net result for the year	**(3,741)**	**(3,741)**
Other comprehensive income:		
Superannuation actuarial gains/(losses)	**3,741**	**3,741**
Total comprehensive income for the year	**-**	**-**
Balance at 30 June 2013	**-**	**-**
Balance at 1 July 2011	-	-
Net result for the year	4,080	4,080
Other comprehensive income:		
Superannuation actuarial gains/(losses)	(4,080)	(4,080)
Total other comprehensive income	(4,080)	(4,080)
Total comprehensive income for the year	-	-
Balance at 30 June 2012	-	-

The accompanying notes form part of these financial statements.

Service Group Statements

for the year ended 30 June 2013

	Actual 2013 $'000	Actual 2012 $'000
NET CASH FLOWS FROM OPERATING ACTIVITIES	**-**	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	**-**	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	**-**	-
NET INCREASE/(DECREASE) IN CASH	**-**	-
Opening cash and cash equivalents	**-**	-
CLOSING CASH AND CASH EQUIVALENTS	**-**	-

The HCS Division does not hold any cash or cash equivalent assets and therefore there are nil cash flows.

The accompanying notes form part of these financial statements.

Notes to and forming part of the financial statements

for the year ended 30 June 2013

1. Summary of Significant Accounting Policies

a. Reporting entity

Home Care Service Division (HCS Division) is a controlled entity established pursuant to Part 2 of Schedule 1 to the *Public Sector Employment and Management Act 2002*. The Division's objective is to provide personnel services to Home Care Service of NSW (HCS).

HCS Division is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The financial statements for the year ended 30 June 2013 have been authorised for issue by the Director General, Department of Family and Community Services on 19 September 2013.

b. Basis of preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and Regulation and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Generally the historical cost basis of accounting has been adopted except where fair value measurements have been applied.

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

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

c. Statement of compliance

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

d. Insurance

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

e. Accounting for the Goods and Services Tax (GST)

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

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

f. Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided.

Notes to and forming part of the financial statements
for the year ended 30 June 2013

g. Assets

i. Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value of the underlying transaction. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

ii. Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Where there is objective evidence, reversals of previously recognised impairment losses are reversed in the net result for the year. Reversals of impairment losses on financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

iii. Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire, or if HCS Division transfers the financial asset:

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

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

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

h. Liabilities

i. Payables

Payables include accrued wages, salaries and related on-costs where there is certainty as to the amount and timing of settlement. These amounts represent liabilities for goods and services provided to HCS Division. Payables are recognised initially at fair value, usually based on the transaction cost or face value of the underlying transaction. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Notes to and forming part of the financial statements
for the year ended 30 June 2013

ii. *Employee benefits and other provisions*

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

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

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 *Employee Benefits*. Market yields on government bonds of 2.840% are used to discount long-term annual leave.

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

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

b) Long service leave and superannuation

Long service leave entitlements are recognised as expenses and provisions when the obligations arise, which is usually through the rendering of service by employees.

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 12/06) to employees with five or more years of service, using current rates of pay. These factors were determined based on an independent actuarial review performed in 2013, to approximate present value.

Defined benefit superannuation plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. An actuarial assessment of the defined benefit is undertaken before each reporting date. The assessment uses the Projected Unit Credit Method and reflects estimated future salary increases and the benefits set out in the terms of the plan.

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

The amount recognised in the surplus/(deficit) for superannuation is the net total of current service cost, interest cost and the expected return on plan assets. Actuarial gains and losses are charged directly to Equity in the year they occur.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they are due. Prepaid contributions are recognised as an asset, to the extent that a cash refund or reduction in future payments is available.

Notes to and forming part of the financial statements

for the year ended 30 June 2013

i. Comparative information

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

j. New Australian Accounting Standards issued but not effective

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

The following new Australian Accounting Standards have not been applied and are not yet effective as mandated by NSW Treasury Circular TC 13/02:

Standards/Interpretations	Operative Date
AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments	01-Jan-15 01-Jan-15 01-Jan-13
AASB 10 *Consolidated Financial Statements*	01-Jan-13
AASB 13, AASB 2011-8 and AASB 2012-1 regarding fair value measurement	01-Jan-13 01-Jan-13 01-Jul-13
AASB 119, AASB 2011-10 and AASB 2011-11 regarding employee benefits	01-Jan-13 01-Jan-13 01-Jul-13
AASB 127 *Separate Financial Statements*	01-Jan-13
AASB 128 Investments in Associates and Joint Ventures	01-Jan-13
AASB 1053 and AASB 2010-2 regarding differential reporting	01-Jul-13 01-Jul-13
AASB 2010-10 regarding removal of fixed dates for first time adopters	01-Jan-13
AASB 2011-4 removing individual KMP disclosure requirements	01-Jul-13
AASB 2011-6 regarding RDR and relief from consolidation	01-Jul-13
AASB 2011-7 regarding consolidation and joint arrangements	01-Jan-13
AASB 2011-12 regarding Interpretation 20	01-Jan-13
AASB 2012-1 regarding fair value measurement – RDR requirements	01-Jul-13
AASB 2012-2 regarding disclosures – offsetting financial assets and financial liabilities	01-Jan-13
AASB 2012-3 regarding offsetting financial assets and financial liabilities	01-Jan-14
AASB 2012-4 regarding government loans – first time adoption	01-Jan-13
AASB 2012-5 regarding annual improvements 2009-2-11 cycle	01-Jan-13
AASB 2012-7 regarding RDR	01-Jul-13
AASB 2012-9 regarding withdrawal of Interpretation 1039	01-Jan-13
AASB 2012-10 regarding transition guidance and other amendments	01-Jan-13
AASB 2012-11 regarding RDR requirements and other amendments	01-Jul-13

HCS Division's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the entity.

Notes to and forming part of the financial statements
for the year ended 30 June 2013

k. Payroll Tax

HCS Division is exempt from paying payroll tax as legislated by *State Revenue Legislation (Miscellaneous Amendments) Act 1988 No 104*, effective from 1 July 1998.

Notes to and forming part of the financial statements
for the year ended 30 June 2013

2. Expenses Excluding Losses

	2013 $'000	2012 $'000
Salaries and wages (including recreation leave)	**140,965**	143,775
Defined benefit Superannuation	**102**	895
Defined contribution superannuation	**11,882**	11,882
Long service leave	**797**	3,213
Workers' compensation insurance	**11,985**	11,590
Fringe benefit tax	**56**	46
	165,787	171,401

3. Revenue

a. Personnel services

Revenue from the sale of personnel services	**162,064**	175,493
	162,064	175,493

HCS Division provides personnel services to HCS of NSW, at cost.

4. Other Gains/(Losses)

Doubtful debts expense	**(18)**	(12)
	(18)	(12)

5. Service Groups of the Entity

Where there is only one service group, details of the expenses, income, assets and liabilities are not required in the service group statements as this information is available in the primary financial statements. In such cases, the summary of the administered expenses and income may be produced as a note rather than a supplementary financial statement.

Notes to and forming part of the financial statements
for the year ended 30 June 2013

6. Current/Non-Current – Receivables

	2013 $'000	2012 $'000
Current		
Personnel services receivable	**28,261**	31,983
Workers' compensation debtor	**376**	504
Sundry debtors	**200**	182
Less: Allowance for impairment	**(190)**	(173)
Total Current	**28,647**	32,496
Non current		
Personnel services receivable	**10,061**	14,099
Total Non-Current	**10,061**	14,099
Total Receivables	**38,708**	46,595
Movements in the allowance for impairment		
Balance at 1 July	**173**	164
Amounts written off during the year	**-**	(1)
Amounts recovered during the year	**(55)**	(29)
Increase / (decrease) in allowance recognised in profit or loss	**72**	39
Balance at 30 June 2013	**190**	173

7. Current Liabilities – Payables

	2013 $'000	2012 $'000
Accrued salaries, wages and on-costs	**4,814**	5,779
Payable to Australian Taxation Office - PAYG	**-**	-
Other payables	**-**	-
	4,814	5,779

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 12.

Notes to and forming part of the financial statements
for the year ended 30 June 2013

8. Current/Non-Current Liabilities – Provisions

	2013	2012
	$'000	$'000
Current		
Employee Benefit and Related on-costs		
Recreation leave	**12,187**	12,512
Long service leave	**11,632**	14,194
Fringe benefit tax	**14**	12
Total Current	**23,833**	26,718
Non-current		
Employee Benefit and Related on-costs		
Long service leave	**3,769**	2,534
Superannuation	**6,292**	11,564
Total Non-Current	**10,061**	14,098
Total Provisions	**33,894**	40,816
Aggregate employee benefits and related on-costs		
Provisions - current	**23,833**	26,718
Provisions - non-current	**10,061**	14,098
Accrued salaries, wages and on-costs (Note 7)	**4,814**	5,779
	38,708	46,595

Employee entitlements for current recreation and long service leave include short-term (expected to be settled no more than 12 months after the reporting date) and long-term liabilities (expected to be settled after more than 12 months) as follows:

Short-term		
Recreation leave	10,245	10,317
Long service leave	5,404	6,417
	15,649	16,734
Long-term		
Recreation leave	1,942	2,195
Long service leave	6,228	7,777
	8,170	9,972

8. Current/Non-Current Liabilities – Provisions (continued)

Superannuation

Accounting policy

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

Fund information

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

- State Authorities Superannuation Scheme (SASS).
- State Superannuation Scheme (SSS).
- State Authorities Non-contributory Superannuation Scheme (SANCS).

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

All the schemes are closed to new members.

Reconciliation of the present value of the defined benefit obligation

	SASS 2013 $'000	SASS 2012 $'000	**SANCS 2013 $'000**	SANCS 2012 $'000	**SSS 2013 $'000**	SSS 2012 $'000	**Total 2013 $'000**	Total 2012 $'000
Present value of partly funded defined benefit obligation at beginning of the year	**43,015**	44,619	**6,210**	6,257	**2,324**	2,102	**51,549**	52,978
Current service cost	**1,456**	1,556	**257**	287	**15**	11	**1,728**	1,854
Interest cost	**1,170**	2,147	**168**	301	**70**	109	**1,408**	2,557
Contributions by fund participants	**712**	804	**-**	-	**6**	6	**718**	810
Actuarial (gains)/losses	**(416)**	721	**(501)**	315	**(290)**	400	**(1,207)**	1,436
Benefits paid	**(9,818)**	(6,832)	**(1,034)**	(950)	**31**	(303)	**(10,821)**	(8,085)
Past service cost	**-**	-	**-**	-	**-**	-	**-**	-
Curtailments	**-**	-	**-**	-	**-**	-	**-**	-
Settlements	**-**	-	**-**	-	**-**	-	**-**	-
Business combinations	**-**	-	**-**	-	**-**	-	**-**	-
Exchange rate changes	**-**	-	**-**	-	**-**	-	**-**	-
Present value of partly funded defined benefit obligation at the end of the year	**36,119**	43,015	**5,100**	6,210	**2,156**	2,325	**43,375**	51,550

8. Current/Non-Current Liabilities – Provisions (continued)

Reconciliation of the fair value of fund assets

	SASS 2013 $'000	SASS 2012 $'000	**SANCS 2013 $'000**	SANCS 2012 $'000	**SSS 2013 $'000**	SSS 2012 $'000	**Total 2013 $'000**	Total 2012 $'000
Fair value of fund assets at the beginning of the year	**34,201**	37,777	**4,509**	5,166	**1,276**	1,562	**39,986**	44,505
Expected return on fund assets	**2,590**	2,977	**337**	408	**107**	131	**3,034**	3,516
Actuarial gains/(losses)	**2,048**	(2,110)	**361**	(404)	**124**	(128)	**2,533**	(2,642)
Employer contributions	**1,376**	1,585	**249**	289	**8**	8	**1,633**	1,882
Contributions by fund participants	**712**	804	**-**	-	**6**	6	**718**	810
Benefits pad	**(9,818)**	(6,832)	**(1,034)**	(950)	**31**	(303)	**(10,821)**	(8,085)
Settlements	**-**	-	**-**	-	**-**	-	**-**	-
Business combinations	**-**	-	**-**	-	**-**	-	**-**	-
Exchange rate changes	**-**	-	**-**	-	**-**	-	**-**	-
Fair value of fund assets at the end of the year	**31,109**	34,201	**4,422**	4,509	**1,552**	1,276	**37,083**	39,986

Reconciliation of the assets and liability recognised in the Statement of Financial Position

	SASS 2013 $'000	SASS 2012 $'000	**SANCS 2013 $'000**	SANCS 2012 $'000	**SSS 2013 $'000**	SSS 2012 $'000	**Total 2013 $'000**	Total 2012 $'000
Present value of partly funded defined benefit obligation at the end of the year	**36,119**	43,015	**5,100**	6,210	**2,156**	2,325	**43,375**	51,550
Fair value of fund assets at end of the year	**(31,109)**	(34,201)	**(4,422)**	(4,509)	**(1,552)**	(1,276)	**(37,083)**	(39,986)
Subtotal	**5,010**	8,814	**678**	1,701	**604**	1,049	**6,292**	11,564
Unrecognised past service cost	**-**	-	**-**	-	**-**	-	**-**	-
Unrecognised gain/(loss)	**-**	-	**-**	-	**-**	-	**-**	-
Adjustment for limitation on net asset	**-**	-	**-**	-	**-**	-	**-**	-
Net (asset)/liability recognised in statement of financial position at the end of the year	5,010	8,814	678	1,701	604	1,049	6,292	11,564

Notes to and forming part of the financial statements

for the year ended 30 June 2013

8. Current/Non-Current Liabilities – Provisions (continued)

Expense recognised in Statement of Comprehensive Income

	SASS 2013 $'000	SASS 2012 $'000	**SANCS 2013 $'000**	SANCS 2012 $'000	**SSS 2013 $'000**	SSS 2012 $'000	**Total 2013 $'000**	Total 2012 $'000
Components Recognised in Statement of Comprehensive Income								
Current service cost	**1,456**	1,556	**257**	287	**15**	11	**1,728**	1,854
Interest cost	**1,170**	2,147	**168**	301	**70**	109	**1,408**	2,557
Expected return on fund assets (net of expenses)	**(2,590)**	(2,977)	**(337)**	(408)	**(107)**	(131)	**(3,034)**	(3,516)
Actuarial losses/(gains) recognised in the year	**-**	-	**-**	-	**-**	-	**-**	-
Past service cost	**-**	-	**-**	-	**-**	-	**-**	-
Movement in adjustment for limitation on net asset	**-**	-	**-**	-	**-**	-	**-**	-
Curtailment or settlement (gain)/loss	**-**	-	**-**	-	**-**	-	**-**	-
Expenses/(income) recognised	**36**	726	**88**	180	**(22)**	(11)	**102**	895

Amounts recognised in other comprehensive income

	SASS 2013 $'000	SASS 2012 $'000	**SANCS 2013 $'000**	SANCS 2012 $'000	**SSS 2013 $'000**	SSS 2012 $'000	**Total 2013 $'000**	Total 2012 $'000
Actuarial (gains)/losses	**(2,464)**	2,832	**(863)**	719	**(414)**	529	**(3,741)**	4,080
Adjustment for limit on net asset		-		-		-	**-**	-

Cumulative amount recognised in other comprehensive income

	SASS 2013 $'000	SASS 2012 $'000	**SANCS 2013 $'000**	SANCS 2012 $'000	**SSS 2013 $'000**	SSS 2012 $'000	**Total 2013 $'000**	Total 2012 $'000
Cumulative actuarial (gains)/losses	**6,441**	8,905	**453**	1,316	**377**	791	7,271	11,012

Notes to and forming part of the financial statements
for the year ended 30 June 2013

8. Current/Non-Current Liabilities – Provisions (continued)

Fund assets

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

	2013	2012
Australian equities	**30.4%**	28.0%
Overseas equities	**26.1%**	23.7%
Australian fixed interest securities	**6.9%**	4.9%
Overseas fixed interest securities	**2.2%**	2.4%
Property	**8.3%**	8.6%
Cash	**13.1%**	19.5%
Other	**13.0%**	12.9%

Fair value of fund assets

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

Expected rate of return on assets

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

Actual return on fund assets

	SASS 2013 $'000	SASS 2012 $'000	**SANCS 2013 $'000**	SANCS 2012 $'000	**SSS 2013 $'000**	SSS 2012 $'000	**Total 2013 $'000**	Total 2012 $'000
Actual return on fund assets	**5,198**	18,382	**698**	4,118	**213**	(4,832)	**6,109**	17,668

Valuation method and principal actuarial assumptions at the balance date

a) Valuation Method

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

Notes to and forming part of the financial statements
for the year ended 30 June 2013

8. Current/Non-Current Liabilities – Provisions (continued)

b) Economic Assumptions

	2013	2012
Salary increase rate (excluding promotional increases)		2.5% pa
2013/2014 (SASS, SSS and SANCS)	**2.25% (PSS 2.95%)**	
2014/2015	**2.25%**	
2015/2016 to 2019/2020	**2.0% pa**	
2020 onwards	**2.5% pa**	
Rate of CPI increase	**2.5% pa**	2.5% pa
Expected rate of return on assets	**8.6%**	8.6%
Discount rate	**3.80% pa**	3.06% pa

c) Demographic Assumptions

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

Historical information

	SASS 2013 $'000	SASS 2012 $'000	SANCS 2013 $'000	SANCS 2012 $'000	SSS 2013 $'000	SSS 2012 $'000	Total 2013 $'000	Total 2012 $'000
Present value of defined benefit obligation	**36,119**	43,015	**5,100**	6,210	**2,156**	2,325	**43,375**	51,550
Fair value of fund assets	**(31,109)**	(34,201)	**(4,422)**	(4,509)	**(1,552)**	(1,276)	**(37,083)**	(39,986)
(Surplus)/deficit in fund	**5,010**	8,814	**678**	1,701	**604**	1,049	**6,292**	11,564
Experience adjustments - fund liabilities	**(416)**	721	**(501)**	315	**(290)**	400	**(1,207)**	1,436
Experience adjustments - fund assets	**(2,048)**	2,110	**(362)**	404	**(124)**	128	**(2,534)**	2,642

Expected contributions

	SASS 2013 $'000	SASS 2012 $'000	SANCS 2013 $'000	SANCS 2012 $'000	SSS 2013 $'000	SSS 2012 $'000	Total 2013 $'000	Total 2012 $'000
Expected employer contributions to be paid in the next reporting period	**1,352**	1,527	**246**	288	**10**	9	1,608	1,824

Notes to and forming part of the financial statements

for the year ended 30 June 2013

8. Current/Non-Current Liabilities – Provisions (continued)

Funding Arrangements for Employer Contributions

(a) Surplus/deficit

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

	SASS 2013 $'000	SASS 2012 $'000	**SANCS 2013 $'000**	SANCS 2012 $'000	**SSS 2013 $'000**	SSS 2012 $'000	**Total 2013 $'000**	Total 2012 $'000
Accrued benefits	**34,040**	39,881	**4,601**	5,537	**1,246**	1,199	**39,887**	46,617
Net market value of fund assets	**(31,109)**	(34,201)	**(4,422)**	(4,509)	**(1,552)**	(1,276)	**(37,083)**	(39,986)
Net (surplus)/deficit	**2,931**	5,680	**179**	1,028	**(306)**	(77)	**2,804**	6,631

(b) Contribution recommendations

Recommended contribution rates for the entity are:

	SASS multiple of member contributions		**SANCS % member salary**		**SSS multiple of member contributions**	
	2013	2012	**2013**	2012	**2013**	2012
	1.9	1.9	**2.5**	2.5	**1.6**	1.6

c) Funding method

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

(d) Economic assumptions

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

Weighted-average assumptions	**June 2013**	June 2012
Expected rate of return on fund assets backing current pension liabilities	**8.3% p.a**	8.3% p.a
Expected rate of return on fund assets backing other liabilities	**7.3% p.a**	7.3% p.a
Expected salary increase rate	**SASS, SANCS, SSS 2.7% pa (PSS 3.5% pa) for 6 years then 4.0% pa**	4.0% p.a
Expected rate of CPI increase	**2.5% p.a**	2.5% p.a

Notes to and forming part of the financial statements
for the year ended 30 June 2013

8. Current/Non-Current Liabilities – Provisions (continued)

Nature of Asset/Liability

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

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

9. Contingent Liabilities and Contingent Assets

HCS Division has no contingent liabilities and contingent assets at 30 June 2013 (2012:Nil)

10. Reconciliation of cash flows from operating activities to net results

	2013	2012
	$'000	$'000
Net cash used on operating activities	**-**	-
Decrease/(increase) in provisions	**6,922**	(4,650)
Increase / (decrease) in receivables	**(7,887)**	6,426
Decrease/(increase) in creditors	**965**	(1,776)
Superannuation actuarial losses	**(3,741)**	4,080
Net result	**(3,741)**	4,080

11. Commitments for Expenditure

HCS Division has no commitments as at 30 June 2013 (30 June 2012: Nil)

Notes to and forming part of the financial statements
for the year ended 30 June 2013

12. Financial Instruments

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

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

The Executive has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management procedures are established to identify and analyse the risks faced by HCS Division, to set risk limits and controls and to monitor risks. Compliance with procedures is reviewed by the ADHC Executive on a continual basis.

a. Financial Instrument Categories

Financial Assets	**Note**	**Category**	**2013**	2012
Class:			**$'000**	$'000
Receivables [(1)]	6	Loans and receivables (at amortised cost)	**38,708**	46,595

Financial Liabilities	**Note**	**Category**	**2013**	2012
Class:			**$'000**	$'000
Payables [(2)]	7	Financial liabilities measured at amortised cost	**4,814**	5,779

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

b. Credit Risk

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

Credit risk arises from the financial assets of HCS Division, including receivables. No collateral is held by HCS Division. HCS Division has not granted any financial guarantees.

Receivables – trade debtors

All trade debtors are recognised as amounts receivable at balance date. The balance owing represents monies due from Home Care Service of NSW. There are no financial assets that are past due or impaired. HCS Division's exposure to credit risk on its receivables is considered minimal because of the nature of its debtor being a government body.

c. Liquidity Risk

Liquidity risk is the risk that HCS Division will be unable to meet its payment obligations when they fall due. HCS Division continuously manages risk through monitoring future cash flows. HCS Division exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSWTC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specific time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. No late interest payments were made in the year ending 30 June 2013 (2012: $Nil).

Notes to and forming part of the financial statements
for the year ended 30 June 2013

12. Financial Instruments (continued)

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

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate	Nominal Amount [(1)]	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate $'000	Variable Interest Rate $'000	Non-interest Bearing $'000	< 1 year $'000	1 -5 years $'000	> 5 years $'000
2013								
Financial Liabilities:								
Payables	**N/A**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Accrued Salaries, Wages and on-costs	**N/A**	**4,814**			**4,814**	**4,814**		
Total Financial Liabilities		**4,814**	**-**	**-**	**4,814**	**4,814**	**-**	**-**
2012								
Financial Liabilities:								
Payables	N/A	-	-	-	-	-	-	-
Accrued Salaries, Wages and on-costs	N/A	5,779	-	-	5,779	5,779	-	-
Total Financial Liabilities		5,779	-	-	5,779	5,779	-	-

(1) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which HCS Division can be required to pay. The tables include both interest and principal cash flow and therefore will not reconcile to the statement of financial position.

d. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. HCS Division is not exposed to interest rate risk, as it does not have cash or cash equivalents and its financial assets and financial liabilities are not subject to interest rate movements. HCS Division has no exposure to foreign currency risk and does not enter into commodity contracts.

e. Fair Value compared to carrying amount

Financial instruments are recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value compared to carrying amount, because of the short-term nature of many of the financial instruments.

13. Events after the reporting period

HCS Division management is not aware of any circumstances that occurred after balance date which would render particulars included in the financial statements to be misleading.

End of Audited Financial Statements.

Annual financial statements for the year ended 30 June 2013

INDEPENDENT AUDITOR'S REPORT

John Williams Memorial Charitable Trust

To Members of the New South Wales Parliament

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

Opinion

In my opinion the financial statements:

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

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

The Director- General's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the Trust
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

Peter Barnes
Director, Financial Audit Services

27 September 2013
SYDNEY

JOHN WILLIAMS MEMORIAL CHARITABLE TRUST

YEAR ENDED 30 JUNE 2013

STATEMENT BY THE DIRECTOR GENERAL

Pursuant to Section 41C(1B) and (1C) of the *Public Finance and Audit Act, 1983* (Act), I state that:

a) the accompanying financial statements for the year ended 30 June 2013 have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the provisions of the *Public Finance and Audit Act 1983,* the applicable clauses of the *Public Finance and Audit Regulation 2010* and the Treasurer's Directions.

b) the statements and notes exhibit a true and fair view of the financial position and transactions of the John Williams Memorial Charitable Trust.

c) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Michael Coutts-Trotter
Director-General
19 September 2013

Stephen Mudge
Chief Financial Officer
19 September 2013

Statement of Comprehensive Income

for the year ended 30 June 2013

	Notes	Actual 2013 $'000	Actual 2012 $'000
Expenses excluding losses			
Auditors remuneration - audit of financial statements		**6**	6
Maintenance expenses		**106**	68
Depreciation	2	**119**	109
Total Expenses excluding losses		**231**	183
Revenue			
Investment revenue	3a	**89**	144
In-kind contribution revenue	3b	**26**	21
Total Revenue		**115**	165
Gain/(loss) on disposal of assets	4	**-**	(4)
Other gains / (losses)	5	**281**	845
Net result		**165**	823
Total other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME		**165**	823

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 30 June 2013

	Notes	Actual 2013 $'000	Actual 2012 $'000
ASSETS			
Current assets			
Cash and cash equivalents	6	**2,544**	2,455
Total Current Assets		**2,544**	2,455
Non-Current Assets			
Property, plant and equipment	7		
- Land and buildings		**6,826**	6,547
- Plant and equipment		**-**	18
Total Property, plant and equipment		**6,826**	6,565
Total Non-Current Assets		**6,826**	6,565
TOTAL ASSETS		**9,370**	9,020
LIABILITIES			
Current Liabilities			
Payables	8	**248**	63
Total Current Liabilities		**248**	63
TOTAL LIABILITIES		**248**	63
NET ASSETS		**9,122**	8,957
EQUITY			
Accumulated funds		**9,122**	8,957
TOTAL EQUITY		**9,122**	8,957

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2013

	Notes	Accumulated Funds $'000	Asset Revaluation Surplus $'000	Total Equity $'000
Balance at 1 July 2012		**8,957**	**-**	**8,957**
Net result for the year		**165**	**-**	**165**
Total other comprehensive income		**-**	**-**	**-**
Total comprehensive income for the year		**165**	**-**	**165**
Balance at 30 June 2013		**9,122**	**-**	**9,122**
Balance at 1 July 2011		8,134	-	8,134
Net result for the year		823	-	823
Total other comprehensive income		-	-	-
Total comprehensive income for the year		823	-	823
Balance at 30 June 2012		8,957	-	8,957

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the year ended 30 June 2013

	Notes	Actual 2013 $'000	Actual 2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Other		-	(66)
Total Payments		-	(66)
Receipts			
Interest received		89	144
Total Receipts		89	144
NET CASH FLOWS FROM OPERATING ACTIVITIES	10	89	78
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of plant and equipment		-	(689)
NET CASH FLOWS FROM INVESTING ACTIVITIES		-	(689)
NET INCREASE/(DECREASE) IN CASH			
Opening cash and cash equivalents		2,455	3,066
Net increase/(decrease) in cash		89	(611)
CLOSING CASH AND CASH EQUIVALENTS	6	2,544	2,455

The accompanying notes form part of these financial statements.

Notes to and forming part of the financial statements

for the year ended 30 June 2013

1. Summary of Significant Accounting Policies

a. Reporting entity

The Crown in the right of the State of NSW is the trustee of the John Williams Memorial Charitable Trust (the Trust). In 2005, the Director-General of the then Department of Ageing, Disability and Home Care now known as Ageing, Disability and Home Care (ADHC), as an emanation of the Crown, was authorised to administer the Trust. Effective from 1 July 2009, the Director-General of the Department of Human Services (DHS) became administrator of the Trust, as a result of the *Public Sector Employment and Management (Department Amalgamations) Order 2009.*

On 3 April 2011, DHS changed its name to the Department of Family and Community Services (FACS) as a result of the *Public Sector Employment and Management (Departments) Order 2011*.

The purpose of the Trust is to provide respite care and accommodation for children with disabilities. The Trust accomplishes this purpose by providing properties to be used for this purpose by children with a disability.

The Trust is a special purpose reporting entity. It is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the FACS financial statements and the NSW Total State Sector Accounts.

These financial statements for the year ended 30 June 2013 have been authorised for issue by the Director-General on 18 September 2013.

b. Basis of preparation

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

- applicable Australian Accounting Standards (including Australian Accounting Interpretations).
- the requirements of the *Public Finance and Audit Act 1983* (PFAA).
- the *Public Finance and Audit Regulation 2010*.
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or directions issued by the NSW Treasurer.

Property, plant and equipment and financial assets at 'fair value through profit and loss' are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

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

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

c. Statement of Compliance

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

d. Insurance

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

e. Accounting for the Goods and Services Tax (GST)

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

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

Notes to and forming part of the financial statements

for the year ended 30 June 2013

1. Summary of Significant Accounting Policies (continued)

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

f. Income recognition

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

i. Investment revenue

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

ii. In-kind contributions

The Trust's properties are utilised by ADHC and Non Government Organisations (NGOs) to provide respite care to children with disabilities. In-kind contributions have been received from these organisations during 2012–13 in the form of maintenance of the properties. These contributions have been recognised in the Trust's account as maintenance expense and in-kind contribution revenue, at the values assessed by these organisations.

g. Assets

i. Acquisition of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Trust. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

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

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

ii. Capitalisation thresholds

Property, plant and equipment costing $5,000 and above individually (or forming part of a network costing more than $5,000) are capitalised.

Notes to and forming part of the financial statements

for the year ended 30 June 2013

1. Summary of Significant Accounting Policies (continued)

iii. Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 07-1) (as amended by NSWTC 12/05 and NSWTC 10/07). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

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

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

JWT revalues land and buildings at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The initial revaluation of land and buildings was carried out by a registered independent valuer as at 30 June 2010. In the intervening reporting periods, when a revaluation is not undertaken, the carrying amount of land and buildings is assessed to ensure it represents fair value.

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

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

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

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

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

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

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

iv. Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, AASB 136 *Impairment of Assets* is not applicable. AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs for the Trust are regarded as immaterial.

v. Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Trust.

Notes to and forming part of the financial statements

for the year ended 30 June 2013

1. Summary of Significant Accounting Policies (continued)

All material identifiable components of assets are depreciated separately over their useful lives.

Land is not a depreciable asset.

The useful life by asset category is:

	Years
Buildings	40
Plant, furniture and equipment – general and commercial	4 to 7
Plant, furniture and equipment – industrial	20

vi. Major inspection costs

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied. In all other circumstances, the labour costs are expensed.

vii. Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

viii. Receivables

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

ix. Investments

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

Gains or losses on these assets are recognised in the net result for the year.

The movement in the fair value of the T-Corp Hour-Glass Cash Facility incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

x. Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. Reversals of impairment losses on financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

Notes to and forming part of the financial statements

for the year ended 30 June 2013

1. Summary of Significant Accounting Policies (continued)

h. Liabilities

i. Payables

These amounts represent liabilities for goods and services provided to the Trust and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

i. Equity and reserves

i. Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the Trust's policy on the revaluation of property, plant and equipment as discussed in note 1(g) (iii).

ii. Accumulated funds

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

j. Comparative information

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

k. New Australian Accounting Standards issued but not effective

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

The following new Australian Accounting Standards have not been applied and are not yet effective as mandated by NSW Treasury Circular TC 13/02:

Notes to and forming part of the financial statements

for the year ended 30 June 2013

1. Summary of Significant Accounting Policies (continued)

Standards/Interpretations	Operative Date
AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments	01-Jan-15 01-Jan-15 01-Jan-13
AASB 10 *Consolidated Financial Statements*	01-Jan-13
AASB 13, AASB 2011-8 and AASB 2012-1 regarding fair value measurement	01-Jan-13 01-Jan-13 01-Jul-13
AASB 127 *Separate Financial Statements*	01-Jan-13
AASB 128 *Investments in Associates and Joint Ventures*	01-Jan-13
AASB 1053 and AASB 2010-2 regarding differential reporting	01-Jul-13 01-Jul-13
AASB 2010-10 regarding removal of fixed dates for first time adopters	01-Jan-13
AASB 2011-4 removing individual KMP disclosure requirements	01-Jul-13
AASB 2011-6 regarding RDR and relief from consolidation	01-Jul-13
AASB 2011-7 regarding consolidation and joint arrangements	01-Jan-13
AASB 2011-12 regarding Interpretation 20	01-Jan-13
AASB 2012-1 regarding fair value measurement – RDR requirements	01-Jul-13
AASB 2012-2 regarding disclosures – offsetting financial assets and financial liabilities	01-Jan-13
AASB 2012-3 regarding offsetting financial assets and financial liabilities	01-Jan-14
AASB 2012-5 regarding annual improvements 2009-2-11 cycle	01-Jan-13
AASB 2012-7 regarding RDR	01-Jul-13
AASB 2012-9 regarding withdrawal of Interpretation 1039	01-Jan-13
AASB 2012-10 regarding transition guidance and other amendments	01-Jan-13
AASB 2012-11 regarding RDR requirements and other amendments	01-Jul-13

The Trust's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the entity.

Notes to and forming part of the financial statements

for the year ended 30 June 2013

2. Depreciation

	2013	2012
	$'000	$'000
Buildings	**101**	67
Furniture, fixtures and fittings	**18**	42
	119	109

3. Revenue

a. Investment revenue

	2013	2012
	$'000	$'000
Interest received on bank accounts	**3**	17
TCorp Hour Glass cash facilities designated at fair value through profit or loss	**86**	127
	89	144

The Trust's bankers pay interest on the aggregate net credit daily balance of the bank accounts. The interest rate is varied by the banks in line with money market rate movements and is credited to the individual accounts on a monthly basis.

Investment income is also earned on deposits at call with the NSW Treasury Corporation, where unit value is determined on a daily basis.

b. In Kind contribution revenue

Maintenance provided free of charge by agencies utilising the Trust's properties	**26**	21
	26	21

4. Gain / (Loss) on Disposal

	2013	2012
	$'000	$'000
Gain / (loss) on disposal of plant and equipment		
Proceeds from disposal	**-**	-
Less: Written down value of assets	**-**	(4)
Net gain / (loss) on disposal	**-**	(4)

5. Other Gains / (Losses)

	2013	2012
	$'000	$'000
Property, plant and equipment revaluation gains/(losses)	**281**	845
Other gains/(losses)	**281**	845

Notes to and forming part of the financial statements

for the year ended 30 June 2013

6. Current Assets – Cash and Cash Equivalents

	2013	2012
	$'000	$'000
Treasury Corporation	2,416	2,329
Cash at bank	128	126
	2,544	2,455

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits and bank overdraft.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

Cash and cash equivalents (per Statement of Financial Position)	2,544	2,455
Closing cash and cash equivalents (per Statement of Cash Flows)	2,544	2,455

Refer to Note 12 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

7. Non-Current Assets – Property, plant and equipment

	Land and Buildings $'000	Plant and Equipment $'000	Total $'000
At 1 July 2012 - At fair value			
Gross carrying amount	6,755	151	6,906
Accumulated depreciation and impairment	(208)	(133)	(341)
Net carrying amount	6,547	18	6,565
At 30 June 2013 - At fair value			
Gross carrying amount	7,117	144	7,261
Accumulated depreciation and impairment	(291)	(144)	(435)
Net carrying amount	6,826	-	6,826
Year ended 30 June 2013			
Net carrying amount at start of year	6,547	18	6,565
Additions	99	-	99
Disposals	-	-	-
Depreciation expense	(101)	(18)	(119)
Net revaluation increments	281	-	281
Net carrying amount at end of year	6,826	-	6,826

Asset under construction (AUC) included in the asset balances above are $Nil (2012: $Nil)

Notes to and forming part of the financial statements
for the year ended 30 June 2013

7. Non-Current Assets – Property, plant and equipment (continued)

	Land and Buildings $'000	Plant and Equipment $'000	Total $'000
At 1 July 2011 - At fair value			
Gross carrying amount	5,081	168	5,249
Accumulated depreciation and impairment	-	(105)	(105)
Net carrying amount	5,081	63	5,144
At 30 June 2012 - At fair value			
Gross carrying amount	6,755	151	6,906
Accumulated depreciation and impairment	(208)	(133)	(341)
Net carrying amount	6,547	18	6,565
Year ended 30 June 2012			
Net carrying amount at start of year	5,081	63	5,144
Additions	689	-	689
Disposals	-	(4)	(4)
Depreciation expense	(68)	(41)	(109)
Net revaluation increments	845	-	845
Net carrying amount at end of year	6,547	18	6,565

Asset under construction (AUC) included in the asset balances above are $Nil (2012: $Nil)

8. Current Liabilities – Payables

	2013 $'000	2012 $'000
Creditors	**248**	63
	248	63

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 12.

9. Contingent Liabilities and Contingent Assets

The Trust has no contingent liability and contingent assets at 30 June 2013 (2012: $Nil).

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

	2013 $'000	2012 $'000
Net cash used on operating activities	**89**	78
Depreciation	**(119)**	(109)
Decrease/(increase) in creditors	**(86)**	13
Net gain/(loss) on sale of plant and equipment	**-**	(4)
Property, plant and equipment revaluation gains/(losses)	**281**	845
Surplus/(deficit) for the year	**165**	823

11. Commitments for Expenditure

The Trust has no expenditure commitments as at 30 June 2013 (2012: $Nil).

Notes to and forming part of the financial statements

for the year ended 30 June 2013

12. Financial instruments

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

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

The Chief Executive of Department of Family and Community Services – Ageing, Disability and Home Care has responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks.

a. Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	
			2013	2012
			$'000	$'000
Class:				
Cash and cash equivalents[1]	6	N/A	**2,544**	2,455

Financial Liabilities	Note	Category	Carrying Amount	
			2013	2012
			$'000	$'000
Class:				
Payables[2]	8	Financial liabilities measured at amortised cost	**248**	63

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

b. Credit risk

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

Credit risk arises from the financial assets of the Trust, including cash and receivables. No collateral is held by the Trust. The Trust has not granted any financial guarantees. Credit risk associated with the Trust's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

Cash

Cash comprises cash on hand and bank balances with Westpac Bank. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour Glass cash facility is discussed in paragraph (d) below.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the

Notes to and forming part of the financial statements

for the year ended 30 June 2013

12. Financial instruments (continued)

entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Trust is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2013: $Nil; 2012: $Nil) and less than three months past due (2013: $Nil; 2012:$Nil) are not considered impaired and together these represent 100.0% (2012: 100.0%) of the total trade debtors. There are no debts that are past due.

There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

c. Liquidity risk

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

No assets have been pledged as collateral. The Trust's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSWTC 11/12. For the small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payments is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. No late interest payments were made in the year ending 30 June 2013 (2012: $Nil).

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

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int.Rate	Interest Rate Exposure $'000				Maturity Dates		
		Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 year	1 -5 years	> years
2013			-	-	-	-	-	-
Financial Liabilities:								
Payables	**N/A**	**248**	**-**	**-**	**248**	**248**	**-**	**-**
Total Financial Liabilities			**-**	**-**	**-**	**-**	**-**	**-**
2012			-	-	-	-	-	-
Financial Liabilities:								
Payables	N/A	63	-	-	63	63	-	-
Total Financial Liabilities		63	-	-	63	63	-	-

Notes:

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which John Williams Memorial Charitable Trust can be required to pay. The tables include both interest and principal cash flow and therefore will not reconcile to the statement of financial position.

Notes to and forming part of the financial statements

for the year ended 30 June 2013

12. Financial instruments (continued)

d. Market risk

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

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Trust operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis for 2012. The analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Trust's exposure to interest rate risk is set out below.

			$'000		
	Carrying Amount	**Profit**	**Equity**	**Profit**	**Equity**
		-1%		**+1%**	
2013					
Financial assets					
Cash and cash equivalents	**2,544**	**(25)**	**(25)**	**25**	**25**
Receivables	**-**		**-**	**-**	**-**
Financial Liabilities					
Payables	**248**	**-**	**-**	**-**	**-**
2012					
Financial assets					
Cash and cash equivalents	2,455	(25)	(25)	25	25
Receivables	-	-	-	-	-
Financial liabilities					
Payables	63	-	-	-	-

Other price risk – TCorp Hour-Glass facilities

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

			2013	2012
Facility	**Investment Sectors**	**Investment Horizon**	**$'000**	$'000
Cash facility	Cash, money market instruments	Up to 1.5 years	**2,416**	2,329

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

NSW TCorp is trustee for each of the above facilities and is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp acts as manager for part of the Cash Facility and also

Notes to and forming part of the financial statements

for the year ended 30 June 2013

12. Financial instruments (continued)

manages the Australian Bond portfolio. A significant portion of the administration of the facilities is outsourced to an external custodian.

NSW TCorp provides sensitivity analysis information for each of the Investment facilities, using historically based volatility information collected over a ten year period, quoted at two standard deviations (i.e. 95% probability). The TCorp Hour-Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour-Glass statement).

		Impact on profit/loss	
	Change in unit price	**2013 $'000**	2012 $'000
Hour Glass Investment - Cash facility	+/-1%	**+/-24**	+/- 23

e. Fair Value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. As discussed, the value of the Hour- Glass Investments is based on Trust's share of the value of the underlying assets of the facility, based on the market value. All of the Hour Glass facilities are valued using 'redemption' pricing.

The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short term nature of many of the financial instruments.

13. Events after the reporting period

The Trust's management is not aware of any circumstances that occurred after balance date which would render particulars included in the financial statements to be misleading.

End of audited financial statements.

Financial statements 30 June 2013

INDEPENDENT AUDITOR'S REPORT

Aboriginal Housing Office

To Members of the New South Wales Parliament

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

In my opinion, the financial statements:

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

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

The Director-General's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the Office
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements
- about the assumptions used in formulating the budget figures disclosed in the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

James Sugumar

James Sugumar
Director, Financial Audit Services

20 September 2013
SYDNEY

ABORIGINAL HOUSING OFFICE

STATEMENT BY THE DIRECTOR GENERAL

For and on behalf of the ABORIGINAL HOUSING OFFICE

Pursuant to section 41C subsection 1(B) and 1(C) of the *Public Finance and Audit Act 1983* , I state that in my opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Aboriginal Housing Office as at 30 June 2013 and its financial performance for the year then ended.
2. The statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983 and regulations* , Financial Reporting Directions published in the Financial Reporting Code for NSW General Governance Sector or issued by the Treasury, applicable Australian Accounting Standards, Australian Accounting Interpretations.

As at 19 September, 2013, I am not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.

Michael Coutts-Trotter
Director General
For and on behalf of the
Aboriginal Housing Office

19 September 2013

Start of Audited Financial Statements

Aboriginal Housing Office

Statement of comprehensive income for the period ended 30 June 2013

	Notes	Actual 2013 $'000	Budget 2013 $'000	Actual 2012 $'000
Expenses excluding losses				
Operating expenses				
Personnel Services	2(a)	9,279	10,462	14,226
Other operating expenses	2(b)	48,398	50,324	47,339
Depreciation and amortisation	2(c)	12,199	11,965	11,574
Grants and Subsidies	2(d)	28,035	37,907	19,635
Total expenses excluding losses		97,911	110,658	92,774
Revenue				
Rent and other tenant charges	3(a)	45,266	42,070	41,500
Investment revenue	3(b)	1,206	743	1,058
Grants and contributions	3(c)	80,753	82,117	83,684
Other revenue	3(d)	37,299	34,950	42,495
Total Revenue		164,524	159,880	168,737
Gain / (loss) on disposal of property, plant and equipment	4	(204)	200	(922)
Other losses	5	(148)	-	(721)
Net result		66,261	49,422	74,320
Other comprehensive income				
Items that will not be reclassified to net result				
Net increase / (decrease) in property, plant and equipment asset revaluation surplus		(32,078)	-	2,415
Total other comprehensive income for the year		(32,078)	-	2,415
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		34,183	49,422	76,735

The accompanying notes form part of these financial statements

Statement of financial position as at 30 June 2013

	Notes	Actual 2013 $'000	Budget 2013 $'000	Actual 2012 $'000
ASSETS				
Current Assets				
Cash and cash equivalents	6	48,785	34,496	26,416
Receivables	7	5,051	2,444	3,789
Total Current Assets		53,836	36,940	30,205
Non-Current Assets				
Receivables	7	4,685	4,285	4,685
Property, plant and equipment				
Land and buildings	8	1,197,785	1,247,248	1,182,013
Plant and equipment	8	176	1,210	219
Capital work in progress	8	24,593	14,684	17,201
Total property, plant and equipment		1,222,554	1,263,142	1,199,433
Total Non-Current Assets		1,227,239	1,267,427	1,204,118
Total Assets		1,281,075	1,304,367	1,234,323
LIABILITIES				
Current Liabilities				
Payables	10	34,142	29,619	21,721
Provisions	11	22	-	152
		34,164	29,619	21,873
Total Current Liabilities		34,164	29,619	21,873
Non-Current Liabilities				
Provisions	11	318	-	40
Total Non-Current Liabilities		318	-	40
Total Liabilities		34,482	29,619	21,913
Net Assets		1,246,593	1,274,748	1,212,410
EQUITY				
Reserves		406,321	458,895	438,669
Accumulated funds		840,272	815,853	773,741
Total Equity		1,246,593	1,274,748	1,212,410

The accompanying notes form part of these financial statements

Statement of changes in equity for the period ended 30 June 2013

2013	Notes	Accumulated Funds $'000	Asset Revaluation Reserve $'000	Total $'000
Balance at 1 July 2012		773,741	438,669	1,212,410
Net result for the year		66,261	-	66,261
Other comprehensive income:				
Net increase/(decrease) in property, plant and equipment		-	(32,078)	(32,078)
Total other comprehensive income		-	(32,078)	(32,078)
Total comprehensive income for the year		66,261	(32,078)	34,183
Transactions with owners in their capacity as owners				
Transfer of reserves for disposal of property, plant and equipment		270	(270)	-
Balance at 30 June 2013		840,272	406,321	1,246,593

2012	Notes	Accumulated Funds $'000	Asset Revaluation Reserve $'000	Total $'000
Balance at 1 July 2011		698,406	437,269	1,135,675
Net result for the year		74,320	-	74,320
Other comprehensive income:				
Net increase/(decrease) in property, plant and equipment		-	2,415	2,415
Total other comprehensive income		-	2,415	2,415
Total comprehensive income for the year		74,320	2,415	76,735
Transactions with owners in their capacity as owners				
Transfer of reserves for disposal of property, plant and equipment		1,015	(1,015)	-
Balance at 30 June 2012		773,741	438,669	1,212,410

The accompanying notes form part of these financial statements

Statement of cash flows for the period ended 30 June 2013

	Notes	Actual 2013 $'000	Budget 2013 $'000	Actual 2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel services and other expenses		(9,279)	(10,462)	(14,221)
Payment to suppliers		(35,699)	(49,899)	(56,082)
Grants and subsidies		(28,035)	(37,907)	(19,635)
Total Payments		(73,013)	(98,268)	(89,938)
Receipts				
Rent and other tenant charges		43,725	42,070	41,500
Interest received		1,206	743	1,058
Grants and contributions		80,753	82,117	81,934
Other		435	(500)	235
Total Receipts		126,119	124,430	124,727
NET CASH FLOWS FROM OPERATING ACTIVITIES	14	53,106	26,162	34,789
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		1,158	3,000	1,108
Purchases of property, plant and equipment		(31,895)	(32,781)	(31,485)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(30,737)	(29,781)	(30,377)
NET INCREASE/(DECREASE) IN CASH		22,369	(3,619)	4,412
Opening cash and cash equivalents		26,416	38,115	22,004
CLOSING CASH AND CASH EQUIVALENTS	6	48,785	34,496	26,416

The accompanying notes form part of these financial statements

Aboriginal Housing Office
Notes to the financial statements
for the year ended 30 June 2013

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 The Reporting Entity

(a) The Aboriginal Housing Office (the AHO) is a statutory authority established in 1998 pursuant to the Aboriginal Housing Act 1998. The AHO is a reporting entity and does not have entities under its control.

It is responsible for planning and administering the policies, programs and asset base for Aboriginal public housing in New South Wales. This includes resource allocation, sector wide policy, strategic planning and monitoring outcomes and performance in the Aboriginal public housing sector.

From 1 July 2009, personnel services to the AHO are provided by the Department of Family and Community Services.

The AHO is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

Although the AHO is within the cluster of the Department of Family and Community Services it is not a controlled entity of the Department.

The financial statements for the year ended 30 June 2013 have been authorised for issue by the Director-General on 18 September, 2013.

(b) Basis of Preparation

The AHO's financial statements are general purpose financial statements, which have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the requirements of the *Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2010* and the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

(c) Statement of compliance

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

(d) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain assets and liabilities which are measured at fair value, as noted.

(e) Currency presentation

The financial statements are presented in Australian dollars and all amounts rounded to the nearest one thousand dollars.

(f) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts for assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

(g) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Accounting policies on recognition of specific types of income are discussed below:

(i) Rent and other tenant charges

Rental income is recognised in accordance with AASB 117 *Leases* on a straight-line basis over the lease term.

Rent is charged one week in advance and recognised as income on a straight-line basis.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Rent and other tenant charges (continued)

The AHO charges market rent for tenants, subject to individual limitations. Tenants, however, are only required to pay an amount equivalent to a pre-determined percentage of their household income. The difference between the market rent and the amount tenants are required to pay is referred to as a rental subsidy. Market rent and other tenant related charges, net of rental subsidies, is reported in the Statement of Comprehensive Income as Rent and other tenant charges.

(ii) Grants and contributions

Government grants and grants and contributions from other bodies are recognised as income when the AHO gains control over the grants and contributions. Control is normally obtained when cash is received. In accordance with Treasury mandate, the AHO continues to apply the current version of AASB 1004 *Contributions*.

(iii) Investment revenue

Investment income is recognised as it accrues using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement* .

(iv) Income from sale of assets

Income from the sale of assets is recognised when the conditions set out in paragraph 14 of AASB 118 *Revenue* are met. When property assets are sold, income from the sale is recognised at the contract settlement date.

(h) Insurance

The Treasury Managed Fund (TMF) provides coverage for most government agencies' business operations. TMF provides coverage for AHO's insurable risks relating to its operations but excluding those associated with its property portfolio.

Insurance for property and liability damage greater than $200,000 in respect of the AHO's property portfolio is maintained through the New South Wales Land and Housing Corporation (the Corporation) as part of their insurance arrangement.

Insurance against property and liability damage (fire damage, vehicle impact and tempest) less than $200,000 on AHO's property portfolio is self-insured by the AHO. Based on past experience and research, this option is considered to be the most economical.

(i) Accounting for the Goods and Services Tax (GST)

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

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

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

(j) Financial instruments

(i) Non-derivative financial assets

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and cash on hand.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method, less an allowance for any impairment losses. Changes are recognised for in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is considered to be immaterial.

Aboriginal Housing Office
Notes to the financial statements
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(continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Non-derivative financial liabilities

Trade and other payables

These represent liabilities for goods and services provided to the AHO. Payables are recognised initially at fair value, usually based on the transaction cost or fair value. However, short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Subsequent to initial recognition, trade and other payables are measured at amortised cost using the effective interest method.

(k) De-recognition of financial assets and liabilities

(i) Financial assets

Financial assets are de-recognised when the contractual rights to the cash expire; or when the AHO transfers financial assets under the following circumstances:

a) the AHO transfers substantially all the risks and rewards associated with the financial assets, or
b) the AHO does not transfer substantially all the risks and rewards, but the AHO does not retain control

Where the AHO has neither transferred nor retained substantially all the risks and rewards or transferred control, financial assets are recognised only to the extent of the AHO's continuing involvement in the assets.

(ii) Financial liabilities

Financial liabilities are de-recognised when the obligations specified in the contracts expire, are discharged or cancelled.

The AHO has not de-recognised any financial assets and liabilities.

(l) Property, plant and equipment

(i) Capitalisation threshold

Property, plant and equipment, including leasehold improvements costing $5,000 and above are capitalised, if it is probable that future economic benefits will flow to the AHO and the cost of the asset can be reliably measured. Grouped assets forming part of a network costing more than $5,000 are capitalised regardless of the cost.

(ii) Recognition and measurement

The cost method of accounting is used in the initial recording of all asset acquisitions controlled by the AHO.

Cost includes expenditures that are directly attributable to the acquisition of the asset, such as cash or cash equivalents paid or the fair value of other consideration given to acquire the asset at the time of its acquisition or construction, or where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards. The cost of dismantling and removing an asset and restoring the site on which they are located is included in the cost of an asset, to the extent that it is recognised as a liability. The AHO recognises a liability when it has a legal and constructive obligation to restore the asset.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Where the payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, that is, the deferred payment amount is effectively discounted at an asset-specific rate.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, with the net amount being recognised within the Statement of Comprehensive Income.

(iii) Subsequent costs

a) Major inspection costs

The labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, when the recognition criteria is satisfied.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Repairs and maintenance

The AHO expenses the cost of routine repairs and maintenance necessarily incurred to maintain its property portfolio at pre-determined standards.

An accrual is brought to account to recognise the value of unpaid repairs and maintenance costs as at reporting date. The AHO estimates this accrual by applying a pre-determined percentage to the value of works orders issued to maintenance contractors. The pre-determined percentage varies depending on the status of the works orders as at reporting date.

c) Capital improvements

The AHO incurs costs necessary to bring older dwellings within its property portfolio to the benchmark condition. When the work undertaken results in the improved dwellings exceeding the original standard of the dwellings, the costs incurred are capitalised.

(iv) Revaluation

After initial recognition, the AHO values property in accordance with the Treasury Policy Paper, TPP 07-01 *Valuation of Physical Non-Current Assets at Fair Value* (as amended by NSWTC 12/05 *Fair Value of Specialised Physical Assets* and NSWTC 10/07). This policy paper adopts the fair value option provided in *AASB 116 Property, Plant and Equipment* and takes into account the unique circumstances in the public sector when applying the valuation principles prescribed in *AASB 116*.

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

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

For non-specialised property, plant and equipment with short useful lives, depreciated historical cost is considered to approximate fair value.

The AHO revalues its residential properties each year, either by physical inspection (which takes place every three years), or by indexation in the intervening years. Revaluation by physical inspection was last undertaken in December 2011.

Registered professional valuers are engaged to value benchmark properties and their valuation is used to develop a reference matrix. The valuations comprising this matrix are extrapolated to all residential properties, taking into account the particular characteristics of each property.

Revaluation increments/decrements

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

For other assets, the accumulated depreciation balance as at the revaluation date of an asset being revalued, is credited to that asset's account balance. The resulting net balance in the asset account is increased or decreased to bring the asset's value to fair value.

As the AHO is a not-for-profit entity, the revaluation increment or decrement relating to individual assets within an asset class are offset against one another, but not against assets that belong to a different asset class.

The revaluation increment relating to an asset class for which a revaluation decrement has been recognised as an expense in prior years is first used to reverse that previously recognised expense. This is achieved by recognising as income in the net result reported in the Statement of Comprehensive Income up to the value of the previously recognised expense.

The remaining balance is directly credited to the revaluation surplus.

The revaluation decrement relating to an asset class is first offset against the existing credit balance in the revaluation surplus for that asset class. The remaining balance is recognised as an expense in the net result reported in the Statement of Comprehensive Income.

When a previously revalued asset is disposed of, any remaining balance in the revaluation surplus pertaining to that asset is transferred to Retained Earnings.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation

Property, plant and equipment, other than land is depreciated on a straight‑line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life.

The depreciation rates are as follows:

	30 June 2013 % Rate	30 June 2012 % Rate
Property		
Building	2	2
Plant & Equipment		
Office furniture and fittings	10	10
Office equipment	14	14
Computer equipment	25	25

Leasehold improvements are amortised over the unexpired period of the lease or the estimated useful life of the improvements, whichever is shorter.

(v) *Transfer of Assets*

On a regular basis, LAHC transfers properties (including legal title) to the AHO to assist in meeting Aboriginal housing needs. The AHO sometimes also transfers properties to LAHC, such as when the relevant properties no longer meets the requirements of Aboriginal households. The AHO and LAHC regularly undertake a reconciliation of the value of property transfers in and out (quantity and dollar values). At year end, the balances of transfers in and out in both entities agree.

The AHO records as revenue the value of properties transferred from LAHC and records as an expense the value of properties transferred to LAHC. The AHO's complimentary accounting treatment is identical to that of the LAHC. This is consistent with AASB1004.

(m) Intangible assets

Intangible assets costing $5,000 and above are capitalised only if it is probable that future economic benefits will flow to the AHO and the cost of the asset can be reliably measured.

The cost method of accounting is used in the initial recording of intangible assets acquired by the AHO. However, intangible assets acquired at no or nominal cost, are measured at fair value.

Where computer software is acquired externally and forms an integral part of a related computer hardware, it is considered to form part of the computer hardware and is classified as Property, Plant and Equipment. However, where externally acquired computer software does not form an integral part of the related computer hardware, it is classified as an intangible asset.

After initial recognition, intangible assets are measured at fair value, where an active market exists. The intangible assets held by the AHO have no active markets and consequently, they are carried at cost less accumulated amortisation and impairment losses, where applicable.

Amortisation of intangible assets is calculated on a straight line basis over the assets' estimated useful lives, which are assessed each year. In general, the current useful life of intangible assets is four years.

(n) Leased assets

Leases in terms of which the AHO assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases (those in terms of which the AHO does not assume substantially all the risks and rewards of ownership) are classified as operating leases and not recognised in the AHO's Statement of Financial Position. However, lease payments in respect of the use of the leased assets are recognised in the Statement of Comprehensive Income.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Impairment

(i) Financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the AHO will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of impairment loss is recognised in the net result reported in the Statement of Comprehensive Income.

Where there is objective evidence, previously recognised impairment losses are reversed in the net result for the year. Reversals of impairment losses on financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

Receivables

The allowance for impairment estimated is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Uncollectible amounts are recognised as bad debts and written off when the following requirements of Treasurer's Directions 450.01 - 450.09 *Recovery of Debts to the State* are met:

a) the debtor cannot be located;

b) it is uneconomical to finalise recovery action due to the relatively small value of the debt;

c) the medical, financial or domestic circumstances of a particular debtor do not warrant the taking of further recovery action; or

d) legal proceedings through the courts have proved, or on legal advice, would prove unsuccessful

(ii) Property, plant and equipment and intangible assets

As a *not-for-profit* with no cash generating units, the AHO is effectively exempted from impairment testing as described in *AASB 136 Impairment of Assets.* This is because for not-for-profit entities, AASB 136 modifies the recoverable amount in such circumstances to be the higher of fair value less costs to sell and depreciated replacement costs. This means that for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(p) Provisions

The AHO has no employees and therefore has no employee related provisions.

A provision is recognised if, as a result of a past event, the AHO has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Equity transfer

In accordance with NSW Treasury Policy and Guidelines Paper TC12/04, AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners made to Wholly-owned Public Sector Entities* , the transfer of net assets between agencies as a result of an administrative restructure within government is designated as a "contribution by owners" and recognised as an adjustment to "Accumulated Funds".

Transfers arising from an administrative restructure between government departments are recognised at the amount at which they were recognised by the transferor department immediately prior to the restructure. In most instances, this will approximate fair value.

(r) New Australian Accounting Standards Issued but not Effective

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

The following new Australian Accounting Standards and interpretations have not been applied and are not yet effective (refer Treasury Circular NSWTC 13/02 Mandates of Options and Major Policy Decisions under Australian Accounting Standards (TC 12/04).

	Operative Date
AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments	1-Jan-13
AASB 12 Disclosure of Interests in Other Entities	1-Jan-13
AASB 13, AASB 2011-8 and AASB 2012-1 regarding fair value measurement	1-Jan-13
AASB 119, AASB 2011-10and AASB 2011-11 regarding employee benefits	1-Jul-13
AASB 127 Separate Financial Statements	1-Jan-13
AASB 1053 and AASB 2010-2 regarding differential reporting	1-Jul-13
AASB 2010-10 regarding removal of fixed dates for first time adopters	1-Jan-13
AASB 2011-2 regarding Trans-Tasman Convergence – RDR	1-Jul-13
AASB 2011-4 removing individual KMP disclosure requirements	1-Jul-13
AASB 2011-12 regarding Interpretation 20	1-Jan-13
AASB 2012-1 regarding fair value measurement – RDR requirements	1-Jul-13
AASB 2012-2 regarding disclosures – offsetting financial assets and financial liabilities	1-Jan-13
AASB 2012-3 regarding offsetting financial assets and financial liabilities	1-Jan-14
AASB 2012-4 regarding government loans – first time adoption	1-Jan-13
AASB 2012-5 regarding annual improvements 2009-2-11 cycle	1-Jan-13
AASB 2012-7 regarding RDR	1-Jul-13
AASB 2012-9 regarding withdrawal of Interpretation 1039	1-Jan-13
AASB 2012-10 regarding transition guidance and other amendments	1-Jan-13
AASB 2012-11 regarding RDR requirements and other amendments	1-Jul-13

AHO's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the entity.
It is considered that the impact of these new standards and interpretations in future years will have no material impact on the financial statements of the entity.

	2013 $'000	2012 $'000

2. Expenses Excluding Losses

(a) Personnel Services

	2013 $'000	2012 $'000
Salaries and wages (including recreation leave)	**7,394**	8,004
Superannuation - defined contribution plans	**721**	681
Superannuation - defined benefit plans	**22**	4,011
Long service leave	**373**	872
Workers' compensation insurance	**51**	30
Payroll tax and fringe benefit tax	**522**	463
Redundancy payments	**188**	147
Other	**8**	18
Fee for personnel services from AHO Group of Staff (DFaCS)	**9,279**	14,226

The decrease in the fee for personnel services reflects the actuarial gain on the defined benefit superannuation schemes during the year as compared to the actuarial loss incurred in the prior year.

(b) Other operating expenses

	2013 $'000	2012 $'000
Auditor's remuneration - audit of the financial report	**48**	61
Auditor's remuneration - other services	**73**	41
Advertising and promotions	**43**	26
Data processing services	**20**	8
Consultancy	**46**	-
Other contractors	**1,701**	1,957
NSW Businesslink fees	**1,200**	1,082
Fee for services rendered	**2,497**	4,838
Insurance	**8**	198
Legal costs	**39**	6
Office maintenance (i)	**4**	13
Minor equipment purchases	**19**	68
Motor vehicle expenses	**45**	(2)
Motor vehicle leasing costs	**109**	144
Rent and accommodation expense	**639**	758
Telephone	**149**	136
Postage and freight	**7**	13
Printing and stationery	**111**	100
Training and development expense	**216**	137
Travelling, removal and subsistence	**468**	493
Building maintenance and utilities expense	**40,586**	36,826
Other	**370**	436
	48,398	47,339

	2013 $'000	2012 $'000
(i) Reconciliation - Total Maintenance		
Maintenance expense - contractor labour and other	4	13
Total maintenance expenses included in Note 2 (b)	4	13

(c) Depreciation and amortisation expense

	2013 $'000	2012 $'000
Depreciation		
Buildings	**11,990**	11,180
Computer equipment	**15**	15
Leasehold improvements	**192**	366
Plant and equipment	**2**	4
	12,199	11,565
Amortisation		
Intangibles	**-**	9
	12,199	11,574

(d) Grants and Subsidies

The Commonwealth National Partnership Agreement on Remote Indigenous Housing (NPARIH) provides funds towards the repair and maintenance of Aboriginal community housing and the support of the Aboriginal Community Housing Providers (ACHP).

The AHO has engaged the Asset Division of the Department of Finance and Services to provide project and program management services in the delivery of NPARIH. The AHO also provides financial and administrative support for the ACHP's.

The expenditure below relates to recurrent expenditure provided to the ACHP's.

	2013 $'000	2012 $'000
National Partnership Agreement on Remote Indigenous Housing (NPARIH)	**22,296**	16,565
Other grants	**5,739**	3,070
	28,035	19,635

	2013 $'000	2012 $'000
3. Revenues		
(a) Rent and other tenant charges		
Market Rental	**61,709**	57,373
Less: Rental rebates	**(19,148)**	(18,054)
	42,561	39,319
Tenant charges	**2,705**	2,181
	45,266	41,500
(b) Investment revenue		
Interest received on bank accounts	**1,206**	1,058
	1,206	1,058
(c) Grants and contributions		
National Affordable Housing Agreement (NAHA)	**32,559**	32,183
National Partnership Agreement on Remote Indigenous Housing (NPARIH)	**48,194**	51,501
	80,753	83,684

Grants are received from the Commonwealth government under the National Affordable Housing Agreement (NAHA) and the National Partnership Agreement on Remote Indigenous Housing (NPARIH). Additional contribution is also received from the State Government under NAHA.

	2013 $'000	2012 $'000
(d) Other Revenue		
Assets acquired free of liability	**36,864**	42,260
Other	**435**	235
	37,299	42,495

Assets are acquired free from NSW Land and Housing Corporation. More details are shown in note 8 reconciliations.

Aboriginal Housing Office
Notes to the financial statements
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	2013 $'000	2012 $'000
4. (i) Gain/(Loss) on disposal of property, plant and equipment		
Gain/(Loss) on disposal of property		
Proceeds from disposal	**1,342**	1,155
Disposal costs	**(20)**	(47)
Written down value of assets disposed	**(1,178)**	(1,129)
Net Gain/(Loss) on disposal of property	**144**	(21)
Gain/(Loss) on disposal of plant and equipment:		
Written down value of assets disposed	**-**	(25)
Net Gain/(Loss) on disposal of plant and equipment	**-**	(25)
(ii) Loss on transfers/demolitions and retirements		
Written down value of assets demolished	**(207)**	(294)
Written down value of assets transferred	**(113)**	(582)
Written down value of assets retired	**(28)**	-
	(348)	(876)
Total Net Gain/(Loss) on Disposal	**(204)**	(922)
5. Other Losses		
Loss on impairment of receivables	**(148)**	(721)
	(148)	(721)

	2013 $'000	2012 $'000
6. Current Assets - Cash and Cash Equivalents		
Cash at bank and on hand	**48,785**	26,416
Total cash and cash equivalents	**48,785**	26,416

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

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

	2013 $'000	2012 $'000
Cash and Cash equivalents (per statement of financial position)	**48,785**	26,416
Closing cash and cash equivalents (per statement of cash flows)	**48,785**	26,416

Refer Note 15 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

7. Current/non-current assets - receivables

	2013 $'000	2012 $'000
Current		
Rental Debtors	**3,989**	4,391
Less : Allowance for impairment	**(2,512)**	(2,630)
Sundry debtors	**563**	44
Receivables from related parties	**2,853**	1,429
	4,893	3,234
Prepayments - Other	**-**	354
GST receivable (net)	**158**	201
	5,051	3,789
Non-current		
Sundry receivables - NSW Land and Housing Corporation	**4,685**	4,685
	4,685	4,685
Total receivables	**9,736**	8,474
Movement in the allowance for impairment		
Balance at 1 July	**2,630**	2,513
Amounts written off during the year	**(266)**	(604)
Increase/(decrease) in allowance recognised in comprehensive income	**148**	721
Balance at 30 June	**2,512**	2,630

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 15.

8. Non-current Assets - Property, Plant and Equipment

2013	Land and Buildings $'000	Plant and Equipment $'000	Capital Work in Progress $'000	Total $'000
At 1 July 2012 -fair value				
Gross carrying amount	1,182,166	2,184	17,201	1,201,551
Accumulated depreciation and impairment	(153)	(1,965)	-	(2,118)
Net Carrying Amount	1,182,013	219	17,201	1,199,433
At 30 June 2013 - fair value				
Gross carrying amount	1,198,183	2,192	24,593	1,224,968
Accumulated depreciation and impairment	(398)	(2,016)	-	(2,414)
Net Carrying Amount	1,197,785	176	24,593	1,222,554

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

2013 **Period ended 30 June 2013**	Land and Buildings $'000	Plant and Equipment $'000	Capital Work in Progress $'000	Total $'000
Net Carrying Amount at start of year	1,182,013	219	17,201	1,199,433
Additions	-	-	31,895	31,895
Assets recognised for the first time	1	-	892	893
Make good	-	166	-	166
Transfers to NSW Land and Housing Corporation	(113)	-	-	(113)
Transfers from NSW Land and Housing Corporation	35,971	-	-	35,971
Transfers from work in progress	25,366	-	(25,366)	-
Transfers from work in progress to operating expenses	-	-	(29)	(29)
Disposals	(1,178)	-	-	(1,178)
Demolition	(207)	-	-	(207)
Net revaluation decrement	(32,078)	-	-	(32,078)
Depreciation expense	(11,990)	(209)	-	(12,199)
Net Carrying Amount at end of year	1,197,785	176	24,593	1,222,554

2012	Land and Buildings $'000	Plant and Equipment $'000	Capital Work in Progress $'000	Total $'000
At 1 July 2011 -fair value				
Gross carrying amount	1,108,265	2,526	28,065	1,138,856
Accumulated depreciation and impairment	(64)	(2,090)	-	(2,154)
Net Carrying Amount	1,108,201	436	28,065	1,136,702
At 30 June 2012 - fair value				
Gross carrying amount	1,182,166	2,184	17,201	1,201,551
Accumulated depreciation and impairment	(153)	(1,965)	-	(2,118)
Net Carrying Amount	1,182,013	219	17,201	1,199,433

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

2012 **Year ended 30 June 2012**	Land and Buildings $'000	Plant and Equipment $'000	Capital Work in Progress $'000	Total $'000
Net Carrying Amount at start of year	1,108,201	436	28,065	1,136,702
Additions	-	-	31,485	31,485
Make good	-	192	-	192
Transfers to NSW Land and Housing Corporation	(582)	-	-	(582)
Transfers from NSW Land and Housing Corporation	30,182	-	-	30,182
Transfers from communities (including ACDP)	12,135	-	(57)	12,078
Transfers from work in progress	42,265	-	(42,265)	-
Transfers from work in progress to operating expenses	-	(24)	(27)	(51)
Disposals	(1,129)	-	-	(1,129)
Demolition	(294)	-	-	(294)
Net revaluation increment less revaluation decrements	2,415	-	-	2,415
Depreciation expense	(11,180)	(385)	-	(11,565)
Net Carrying Amount at end of year	1,182,013	219	17,201	1,199,433

Aboriginal Housing Office
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9. Intangible Assets

2013

	Software $'000	2013 Total $'000
At 1 July 2012		
Cost (gross carrying amount)	84	84
Accumulated amortisation and impairment	(84)	(84)
Net Carrying Amount	-	-

	Software $'000	Total $'000
At 30 June 2013		
Cost (gross carrying amount)	84	84
Accumulated amortisation and impairment	(84)	(84)
Net Carrying Amount	-	-

Reconciliations

Reconciliations of the carrying amounts of each class of intangibles at the beginning and end of the current and previous financial years are set out below.

Period ended 30 June 2013	Software $'000	Total $'000
Net Carrying Amount at start of year	-	-
Amortisation expense	-	-
	-	-

2012

	Software $'000	2012 Total $'000
At 1 July 2011		
Cost (gross carrying amount)	1,019	1,019
Accumulated amortisation and impairment	(1,010)	(1,010)
Net Carrying Amount	9	9

	Software $'000	Total $'000
At 30 June 2012		
Cost (gross carrying amount)	84	84
Accumulated amortisation and impairment	(84)	(84)
Net Carrying Amount	-	-

Reconciliations

Reconciliations of the carrying amounts of each class of intangibles at the beginning and end of the current and previous financial years are set out below.

Year ended 30 June 2012	Software $'000	Total $'000
Net Carrying Amount at start of year	9	9
Amortisation expense	(9)	(9)
	-	-

10. Current/Non-Current Liabilities - Payables

	2013 $'000	2012 $'000
Current Liabilities - Payables		
Payable for personnel services	**10,183**	11,140
Creditors - trade	**140**	5
Creditors - sundry	**1,979**	2,019
Accrued operating expenditure	**6,144**	2,922
NSW Land and Housing Corporation	**15,696**	5,635
	34,142	21,721

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are included in Note 15.

11. Current / Non-Current Liabilities - Provisions

	2013 $'000	2012 $'000
Current		
Other Provisions		
Restoration	**22**	152
Total current provisions	**22**	152
Non-current		
Other Provisions		
Restoration	**318**	40
Total non-current provisions	**318**	40
Total Provisions	**340**	192

Restoration provision is the present value of the AHO's obligation to make-good leased premises at the reporting date. The assumed settlement is based on contractual lease term. The amount and timing of each estimate is reassessed annually.

Movement in provisions (other than employee benefits)

2013	**Restoration $'000**	**Total $'000**
Carrying amount at the beginning of the financial year	**192**	**192**
Additional provision recognised	**166**	**166**
Unused amounts reversed	**(20)**	**(20)**
Change in discount rate	**2**	**2**
Carrying amount at the end of the financial year	**340**	**340**

Aboriginal Housing Office
Notes to the financial statements
for the year ended 30 June 2013
(continued)

12. Commitments for Expenditure

(a) Capital Commitments

Aggregate capital expenditure contracted for at balance date and not provided for:

	2013 $'000	2012 $'000
Not later than one year	3,542	3,445
Total (including GST)	**3,542**	3,445

(b) Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable:

	2013 $'000	2012 $'000
Not later than one year	926	389
Later than one year but not later than five years	1,360	162
Total (including GST)	**2,286**	551

The commitments in (a) and (b) above are not recognised in the financial statements as liabilities. The total commitments above include input tax credits of $0.414m (2012: - $0.277m) that are expected to be recovered from the Australian Taxation Office.

13. Contingent Liabilities and Contingent Assets

Contingent Liabilities

	2013 $'000	2012 $'000
Undisclosed claim against the AHO	**0**	15

Contingent Assets

AHO does not have any contingent assets to be reported as at 30 June 2013 (2012 - $Nil)

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

	2013 $'000	2012 $'000
Net cash from/(used in) operating activities	**53,106**	34,789
Net gain / (loss) on disposal of assets	**(204)**	(922)
Depreciation and amortisation	**(12,199)**	(11,574)
Assets acquired free of liabilities	**36,864**	42,260
Allowance for impairment	**(148)**	(721)
Unwinding of discount on make good provision	**(2)**	-
Increase / (decrease) in receivables	**1,262**	1,628
Decrease / (increase) in payables	**(12,418)**	8,860
Net result	**66,261**	74,320

15. Financial Instruments

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

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

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

(a) Financial Instrument Categories

			2013	2012
Financial Assets	**Note**	**Category**	**Carrying Amount**	**Carrying Amount**
Class:			**$'000**	**$'000**
Cash and cash equivalents	6	N/A	48,785	26,416
Receivables (1)	7	Loans and receivables (at amortised cost)	9,578	7,919
Total financial assets			58,363	34,335

Financial Liabilities	**Note**	**Category**	**Carrying Amount**	**Carrying Amount**
Class:			**$'000**	**$'000**
Payables (2)	10	Financial liabilities measured (at amortised cost)	34,142	21,721
Total financial liabilities			34,142	21,721

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

(b) Credit risk

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

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

Cash

Cash comprises cash on hand and bank balances with Westpac Banking Corporation. Interest is earned on daily bank balances.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The only financial assets that are past due or impaired are 'sales of goods and services' in the 'receivables' category of the statement of financial position.

15. Financial Instruments (continued)

2013	$'000 Total (1,2)	$'000 Past due but not impaired (1,2)	$'000 Considered Impaired (1,2)
< 3 months overdue	2,228	2,040	188
3 months - 6 months overdue	221	-	221
> 6 months overdue	2,103	-	2,103

2012	Total (1,2)	Past due but not impaired (1,2)	Considered Impaired (1,2)
< 3 months overdue	4,424	1,794	2,630
3 months - 6 months overdue	-	-	-
> 6 months overdue	-	-	-

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

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

(c) Liquidity risk

Liquidity risk is the risk that the AHO will be unable to meet its payment obligations when they fall due. The AHO continuously manages risk through monitoring future cash flows and commitments maturities. No assets have been pledged as collateral. The AHO's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. An amount of $2,027.28 interest for late payment was made during the 2013 year (2012: $nil)

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

At 30 June 2013	Interest Rate Exposure	Maturity Dates			
	Nominal Amount	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	$'000	$'000	$'000	$'000	$'000
Payable for personnel services	10,183	10,183	-	-	10,183
Creditors	23,959	23,959	-	-	23,959
Total	34,142	34,142	-	-	34,142

At 30 June 2012	Interest Rate Exposure	Maturity Dates			
	Nominal Amount	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	$'000	$'000	$'000	$'000	$'000
Payable for personnel services	11,140	11,140	-	-	11,140
Creditors	10,581	10,581	-	-	10,581
Total	21,721	21,721	-	-	21,721

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the AHO can be required to pay. These are non-interest bearing liabilities.

15. Financial Instruments (continued)

The AHO has access to the following line of credit with Westpac Bank

	2013	2012
	$'000	$'000
Tape Negotiation Authority	**20,000**	20,000

This facility authorises the bank to debit the Aboriginal Housing's Office operating bank account up to the above limit when processing the electronic payroll and accounts payables.

The AHO has access to the following credit card facility with Westpac Bank	**100**	100

This facility is the limit for the AHO's corporate credit cards.

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The AHO's exposures to market risk are primarily through interest rate risk on cash and cash equivalents. The AHO has no exposure to foreign currency risk and does not trade in derivatives of any nature.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change of +/- 1 per cent is used, consistent with current trends in interest rates. This basis will be reviewed annually and amended where there is a structural change in the level of interest volatility. The AHO's exposure to interest rate risk is set out below.

		-1.0%		+1.0%	
30 June 2013	Carrying amount	Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000	$'000
Financial assets					
Cash and cash equivalents	48,785	(488)	(488)	488	488
Trade and other receivables	9,578	-	-	-	-
Financial liabilities					
Trade and other payables	34,142	-	-	-	-
Total increase/(decrease)		(488)	(488)	488	488

		-1.0%		+1.0%	
30 June 2012	Carrying amount	Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000	$'000
Financial assets					
Cash and cash equivalents	26,416	(264)	(264)	264	264
Trade and other receivables	7,919	-	-	-	-
Financial liabilities					
Trade and other payables	21,721	-	-	-	-
Total increase/(decrease)		(264)	(264)	264	264

(e) Fair Value compared to carrying amount

The carrying value of receivables less any impairment provision is a reasonable approximation of their fair value due to their short term nature.

16. Events after the Reporting Period

There are no events subsequent to balance date which affect the financial statements.

END OF AUDITED FINANCIAL STATEMENTS

NSW GOVERNMENT

Family & Community Services