



INDEPENDENT AUDITOR'S REPORT

Health Education and Training Institute

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Health Education and Training Institute (the Institute), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a Statement of Material Accounting Policy and other explanatory information of the Institute and the consolidated entity. The consolidated entity comprises the Institute and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2024* (GSF Regulation) and the Treasurer's Directions
- presents fairly the financial position, financial performance and cash flows of the Institute.

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Institute in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

Emphasis of Matter

Without modification to the opinion expressed above, I draw attention to the basis of presenting adjusted budget information detailed in Note 26. The note states that AASB 1055 Budgetary Reporting (AASB 1055) is not applicable to the Institute. It also states that, unlike the requirement in AASB 1055 to present original budget information, the Institute's financial statements present adjusted budget information.

Chief Executive Responsibilities for the Financial Statements

The Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the GSF Act, GSF Regulation and Treasurer's Directions. The Chief Executive's responsibility also includes such internal control as the Chief Executive determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive is responsible for assessing the ability of the Institute to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar3.pdf [OR] www.auasb.gov.au/auditors_responsibilities/ar5.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Institute carried out their activities effectively, efficiently and economically
- 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 any other information which may have been hyperlinked to/from the financial statements.



Renee Meimaroglou
Assistant Auditor-General, Financial Audit

Delegate of the Auditor-General for New South Wales

19 September 2024
SYDNEY

Health Education and Training Institute

Statement by the Accountable Authority

for the year ended 30 June 2024



I state, pursuant to section 7.6(4) of the Government Sector Finance Act 2018 ('GSF Act'):

1. The financial statements of the Health Education and Training Institute for the year ended 30 June 2024 have been prepared in accordance with:
 - a. Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
 - b. applicable requirements of the GSF Act, the *Government Sector Finance Regulation 2024*; and
 - c. Treasurer's Directions issued under the GSF Act.
2. The financial statements present fairly the Health Education and Training Institute's financial position as at 30 June 2024 and the financial performance and cash flows for the year then ended; and
3. I am not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

A handwritten signature in black ink that reads 'A. Solman'.

Adjunct Professor Annette Solman

Chief Executive

17 September 2024

Health Education and Training Institute

Statement of Comprehensive Income for the year ended 30 June 2024

		Consolidated	Consolidated	Consolidated	Parent	Parent
		Actual	Budget ¹	Actual	Actual	Actual
		2024	2024	2023	2024	2023
Notes		\$000	\$000	\$000	\$000	\$000
Continuing operations						
Expenses excluding losses						
Employee related expenses	2	25,341	25,767	23,194	-	-
Personnel services	3	-	-	-	24,431	22,884
Operating expenses	4	7,618	8,103	9,317	7,618	9,317
Depreciation and amortisation	5	174	174	105	174	105
Grants and subsidies	6	11,527	11,905	8,425	11,527	8,425
Total expenses excluding losses		44,660	45,949	41,041	43,750	40,731
Revenue						
Ministry of Health recurrent allocations	9	34,045	36,528	35,487	34,045	35,487
Acceptance by the Crown ² of employee benefits	13	910	917	310	-	-
Sale of goods and services from contracts with customers	10	1,777	3,370	1,674	1,777	1,674
Investment revenue	11	9	-	5	9	5
Grants and other contributions	12	6,547	4,856	5,363	6,547	5,363
Other income	14	42	-	71	42	71
Total revenue		43,330	45,671	42,910	42,420	42,600
Operating result		(1,330)	(278)	1,869	(1,330)	1,869
Gains / (losses) on disposal	15	7	-	(15)	7	(15)
Impairment losses on financial assets	18	-	-	(13)	-	(13)
Other gains / (losses)	16	-	-	(1)	-	(1)
Net result from continuing operations	27	(1,323)	(278)	1,840	(1,323)	1,840
Net result from discontinued operations		-	-	-	-	-
Net result		(1,323)	(278)	1,840	(1,323)	1,840
Total other comprehensive income		-	-	-	-	-
TOTAL COMPREHENSIVE INCOME		(1,323)	(278)	1,840	(1,323)	1,840

¹ Unaudited adjusted budget, see Note 26.

² Crown represents 'The Crown in right of the State of New South Wales'.

The accompanying notes form part of these financial statements.

Health Education and Training Institute

Statement of Financial Position as at 30 June 2024

		Consolidated Actual	Consolidated Budget ¹	Consolidated Actual	Parent Actual	Parent Actual
		2024	2024	2023	2024	2023
	Notes	\$000	\$000	\$000	\$000	\$000
ASSETS						
Current assets						
Cash and cash equivalents	17	173	162	162	173	162
Receivables	18	9,021	2,010	2,010	9,021	2,010
Total current assets		9,194	2,172	2,172	9,194	2,172
Non-current assets						
Property, plant & equipment	19					
- Plant and equipment		624	605	729	624	729
Total property, plant & equipment		624	606	729	624	729
Intangible assets	21	244	323	323	244	323
Total non-current assets		868	929	1,052	868	1,052
Total assets		10,062	3,101	3,224	10,062	3,224
LIABILITIES						
Current liabilities						
Payables	23	11,458	3,343	3,369	11,458	3,369
Contract liabilities	24	280	410	410	280	410
Provisions	25	4,086	4,064	3,901	4,086	3,901
Total current liabilities		15,824	7,817	7,680	15,824	7,680
Non-current liabilities						
Provisions	25	82	82	65	82	65
Total non-current liabilities		82	82	65	82	65
Total liabilities		15,906	7,899	7,745	15,906	7,745
Net assets		(5,844)	(4,798)	(4,521)	(5,844)	(4,521)
EQUITY						
Accumulated funds		(5,844)	(4,798)	(4,521)	(5,844)	(4,521)
Total Equity		(5,844)	(4,798)	(4,521)	(5,844)	(4,521)

¹ Unaudited adjusted budget, see Note 26.

The accompanying notes form part of these financial statements.

Health Education and Training Institute

Statement of Changes in Equity for the year ended 30 June 2024

PARENT AND CONSOLIDATION

	Accumulated	
	Funds	Total
	\$000	\$000
Balance at 1 July 2023	(4,521)	(4,521)
Net result for the year	(1,323)	(1,323)
Total other comprehensive income	-	-
Total comprehensive income for the year	(1,323)	(1,323)
Balance at 30 June 2024	(5,844)	(5,844)

	Accumulated	
	Funds	Total
	\$000	\$000
Balance at 1 July 2022	(6,350)	(6,350)
Correction of error - long service leave calculations	(11)	(11)
Balance at 1 July 2022	(6,361)	(6,361)
Net result for the year	1,840	1,840
Total other comprehensive income	-	-
Total comprehensive income for the year	1,840	1,840
Balance at 30 June 2023	(4,521)	(4,521)

The accompanying notes form part of these financial statements.

Health Education and Training Institute

Statement of Cash Flows for the year ended 30 June 2024

	Notes	Consolidated Actual 2024 \$000	Consolidated Budget ¹ 2024 \$000	Consolidated Actual 2023 \$000	Parent Actual 2024 \$000	Parent Actual 2023 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee related		(24,567)	(25,177)	(23,791)	-	-
Suppliers for goods and services		208	(8,263)	(8,919)	208	(8,919)
Grants and subsidies		(11,820)	(12,242)	(8,706)	(11,820)	(8,706)
Personnel services		-	-	-	(24,567)	(23,791)
Total payments		(36,179)	(45,682)	(41,416)	(36,179)	(41,416)
Receipts						
Ministry of Health recurrent allocations		34,045	36,527	35,483	34,045	35,483
Reimbursements from the Crown ²		457	457	408	457	408
Sale of goods and services		(5,472)	3,379	331	(5,472)	331
Interest received		7	-	5	7	5
Grants and other contributions		6,568	4,905	5,114	6,568	5,114
Other		611	466	475	611	475
Total receipts		36,216	45,734	41,816	36,216	41,816
NET CASH FLOWS FROM OPERATING ACTIVITIES	27	37	52	400	37	400
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of property, plant and equipment		26	-	-	26	-
Purchases of property, plant and equipment and intangibles		(52)	(52)	(376)	(52)	(376)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(26)	(52)	(376)	(26)	(376)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS						
		11	-	24	11	24
Opening cash and cash equivalents	17	162	162	138	162	138
CLOSING CASH AND CASH EQUIVALENTS	17	173	162	162	173	162

¹ Unaudited adjusted budget, see Note 26.

² Crown represents 'The Crown in right of the State of New South Wales'.

The accompanying notes form part of these financial statements.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

1. Statement of Material Accounting Policies

a) Reporting entity

The Health Education and Training Institute (the Institute) was established under the provisions of the Health Services Act 1997 with effect from 2 April 2012. The reporting entity is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The Institute is a NSW Government entity and is controlled by the Ministry of Health, which is the immediate parent. The Ministry of Health is controlled by the State of New South Wales (and is consolidated as part of the NSW Total State Sector Accounts), which is the ultimate parent.

The Institute is also a parent entity in its own right, as it controls the operations of the:

- * Health Education and Training Institute.
- * The Health Education and Training Institute Special Purpose Service Entity which provides personnel services to the Institute to exercise its functions and was established under the provisions of the Health Services Act 1997 with effect from 2 April 2012.

The consolidated entity includes the Institute as a parent entity and the Institute Special Purpose Service Entity. The consolidated financial statements disclose balances for the parent entity and the consolidated entity.

In preparing the consolidated financial statements, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

These consolidated financial statements for the year ended 30 June 2024 have been authorised for issue by the Chief Executive on 17 September 2024.

b) Basis of preparation

The Institute's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- * applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- * the requirements of the *Government Sector Finance Act 2018* ('GSF Act'), the Government Sector Finance Regulation 2024; and
- * Treasurer's Directions issued under the GSF Act.

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

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

Other circumstances why the going concern assumption is appropriate include:

- * Allocated funds, combined with other revenues earned, are adequate to pay debts as and when they become due and payable.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

- * The Institute has the capacity to review the timing of Ministry of Health allocation cash flows to ensure debts can be paid when they become due and payable.
- * The Institute has developed an Efficiency and Improvement Plan (EIP) which identifies revenue improvement and cost saving strategies. Benefits from the EIP are retained by the Institute and assist in meeting its overall budget target. The EIP is monitored and evaluated by the Ministry of Health throughout the financial year.

The Ministry of Health has agreed unconditionally and irrevocably to provide the Institute with adequate financial support so as to ensure its business continuity.

Property, plant and equipment and certain financial assets are measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

The Institute has determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current inquiries, other information currently available to management, and after considering the facts from a decision in the Federal Court of Australia: Finance Sector Union of Australia v Commonwealth Bank of Australia [2022] FedCFamC2G 409. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period.

This position will be re-assessed in future periods as new information comes to light on this matter.

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

All amounts are rounded to the nearest one thousand dollars (unless otherwise stated) and are expressed in Australian currency, which is the Institute's presentation and functional currency.

c) Statement of Compliance

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

d) 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.

Certain comparative information has been reclassified to ensure consistency with current year presentation and classification. These include:

- * Note 4 Operating expenses: Details of operating expenses were previously split into two tables but have now been combined into one table for a more streamlined presentation in the current year. A number of new expense lines have also been added to provide additional information, these expenses previously formed part of different expense lines. There has been no change in the total operating expense amount.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

e) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2023-24

The Institute applied AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates for the first time in 2023. The amendment requires reporting entities to disclose only 'material' accounting policies, rather than 'significant' accounting policies. This amendment has led to removal of several previously disclosed accounting policies that were not considered material.

Apart from the above noted change, the accounting policies applied in 2023-24 are consistent with those of the previous financial year.

(ii) Issued but not yet effective

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

The following new AAS has not been applied and is not yet effective:

- * AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

AASB 2022-10 amends AASB 13 Fair Value Measurement for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. For these assets, AASB 2022-10 clarifies when an entity is required to consider whether the asset's highest and best use differs from its current use, under what circumstances the asset's use is considered 'financially feasible', and when an entity should use its own assumptions as a starting point in developing unobservable inputs. AASB 2022-10 also provides guidance on how the cost approach is to be applied to measure the asset's fair value. The standard applies prospectively to annual periods beginning on or after 1 January 2024. The impact of the standard is yet to be determined by The Institute.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

2. Employee related expenses

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Salaries and wages*	21,726	20,317	-	-
Superannuation - defined benefit plans	-	13	-	-
Superannuation - defined contribution plans	2,349	2,127	-	-
Long service leave	1,007	283	-	-
Redundancies	(6)	218	-	-
Workers' compensation insurance	252	210	-	-
Fringe benefits tax	13	26	-	-
	25,341	23,194	-	-

* Salaries and wages includes annual leave, accrued days off (ADOs) and parental leave.

Refer to Note 25 for further details on recognition and measurement of employee related expenses.

3. Personnel services

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Salaries and wages*	-	-	21,726	20,317
Superannuation - defined contribution plans	-	-	2,349	2,127
Long service leave	-	-	97	(14)
Redundancies	-	-	(6)	218
Workers' compensation insurance	-	-	252	210
Fringe benefits tax	-	-	13	26
	-	-	24,431	22,884

* Salaries and wages includes annual leave, accrued days off (ADOs) and parental leave.

Personnel services of Health Education and Training Institute were provided by its controlled entity, Health Education and Training Institute Special Purpose Service Entity.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

4. Operating expenses

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Advertising	11	57	11	57
Agency expenses	18	4	18	4
Auditor's remuneration - audit of financial statements	64	61	64	61
Audiovisual expenses	182	264	182	264
Contractors	311	328	311	328
Corporate support services	170	249	170	249
Courier and freight	1	1	1	1
Domestic supplies and services	2	3	2	3
Expenses relating to short-term leases	974	1,005	974	1,005
Food supplies	-	20	-	20
Fuel, light, power and water	-	1	-	1
Information management expenses	2,361	2,506	2,361	2,506
Insurance	7	8	7	8
Maintenance (see Note 4 (a))	105	288	105	288
Membership / professional fees	69	31	69	31
Motor vehicle expenses	32	29	32	29
Occupancy agreement expenses - Property NSW	5	-	5	-
Postal and telephone costs	4	4	4	4
Printing and stationery	20	18	20	18
Professional services (excluding consultants)	148	87	148	87
Quality assurance / accreditation	43	19	43	19
Staff related costs	290	247	290	247
Training expenses	1,646	1,689	1,646	1,689
Travel related costs	275	473	275	473
Other management services	-	835	-	835
Other miscellaneous	880	1,090	880	1,090
	7,618	9,317	7,618	9,317

Contractors of \$0.31 million (2023: \$0.33 million) includes Higher Education external contractors of \$0.11 million (2023: \$0.09 million).

Other miscellaneous of \$0.88 million (2023: \$1.09 million) includes other intra health expenses and other miscellaneous training related expenses.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

4. Operating expenses (continued)

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
(a) Reconciliation of total maintenance expense				
Corrective maintenance	-	23	-	23
Planned maintenance	1	1	1	1
New / replacement equipment under \$10,000	104	264	104	264
	105	288	105	288

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

5. Depreciation and amortisation

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Depreciation - plant and equipment	95	76	95	76
Amortisation - intangible assets	79	29	79	29
	174	105	174	105

Refer to Note 19 Property, plant and equipment, Note 20 Leases, and Note 21 Intangible assets for recognition and measurement policies on depreciation and amortisation.

6. Grants and subsidies

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Grants to entities controlled by the immediate parent	2,506	2,435	2,506	2,435
Leadership Program	-	65	-	65
NSW Nursing & Midwifery Education Contract	3,099	896	3,099	896
Scholarships & Sponsorships	5,441	4,770	5,441	4,770
Other grants	481	259	481	259
	11,527	8,425	11,527	8,425

Recognition and Measurement

Grants and subsidies expense generally comprise of contributions in cash or in kind to various local government authorities and not-for-profit community organisations to support their health-related objectives and activities. The grants and subsidies are expensed on the transfer of the cash or assets. The transferred assets are measured at their fair value.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

7. Revenue

Recognition and Measurement

Under the GSF Act 2018, the Institute's own source revenue (which includes but is not limited to receipts from operating activities and proceeds from the sale of minor property, plant and equipment) meets the definition of deemed appropriation money under the GSF Act.

Deemed appropriation money is money received directly by the Institute which forms part of the consolidated fund and is not appropriated to the Institute by an Act.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

8. Summary of compliance

The Appropriation Act 2023 (Appropriations Act) (and the subsequent variations, if applicable) appropriates the sum of \$19,613 million to the Minister for Health out of the Consolidated Fund for the services of the Ministry of Health for the year 2023-24. The spending authority of the Minister from the Appropriations Act has been delegated or subdelegated to officers of the Ministry of Health and entities that it is administratively responsible for, including the Institute.

The lead Minister for the Institute, being the Minister for Health, is taken to have been given an appropriation out of the Consolidated Fund under the authority section 4.7 of the GSF Act, at the time the Institute receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the Institute. These deemed appropriations are taken to have been given for the services of the Ministry of Health.

In addition, government money that the Institute receives or recovers, from another GSF agency, of a kind prescribed by the GSF regulations that forms part of the Consolidated Fund, is also deemed appropriation monies where the receiving agency has a different lead Minister to the agency making the payment, or one or both of the agencies is a special office (as defined in section 4.7(8)).

A summary of compliance is disclosed in the financial statements of the Annual Report of the Ministry of Health. It has been prepared by aggregating the spending authorities of the Minister for Health for the services of the Ministry of Health. It reflects the status at the point in time this disclosure statement is being made. The Institute's spending authority and expenditure is included in the summary of compliance.

The delegation / sub-delegations for 2024 and 2023, authorising officers of the Institute to spend Consolidated Fund money, impose limits on the amounts of individual transactions, but not the overall expenditure of the Institute. However, as they relate to expenditure in reliance on a sum appropriated by legislation, the delegation / sub-delegations are subject to the overall authority of the Ministry of Health to spend monies under relevant legislation. The individual transaction limits have been properly observed. The information in relation to the aggregate expenditure limit from the Appropriations Act and other sources is disclosed in the summary of compliance table included in the financial statements of the Annual Report of the Ministry of Health.

9. Ministry of Health allocations

Payments are made by the immediate parent as per the Statement of Service to the Institute and adjusted for approved supplementations, mostly for salary agreements and approved enhancement projects. The Statement of Service between the immediate parent and the Institute does not contain sufficiently specific enforceable performance obligations as defined by AASB 15 and are therefore recognised upon the receipt of cash, in accordance with AASB 1058.

10. Sale of goods and services from contracts with customers

Rendering of services comprise the following:

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Private use of motor vehicles	11	12	11	12
Car parking	1	-	1	-
Fees for conferences and training	64	123	64	123
Higher education course fees	1,430	1,282	1,430	1,282
Other	271	257	271	257
	1,777	1,674	1,777	1,674

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

10. Sale of goods and services from contracts with customers (continued)

Recognition and Measurement

Rendering of services

Revenue from rendering of services is recognised when the Institute satisfies the performance obligation by transferring the promised services.

Type of service	Nature of timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Non-Patient services provided to staff, General community, Non-NSW Health entities and Entities controlled by the immediate parent	Various non-patient related services are provided to the members of staff, general community, non-NSW health entities and entities controlled by the immediate parent. The performance obligations for these services are typically satisfied by transferring the promised services to its respective customers. The payments are typically due within 30 days after the invoice date.	Revenue is recognised when promised services are delivered. No element of financing is deemed present as the services are made with a short credit term.

Refer to Note 24 for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and when the Institute expects to recognise the unsatisfied portion as revenue.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

11. Investment revenue

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Interest income from financial assets at amortised cost	7	5	7	5
Royalties	2	-	2	-
	9	5	9	5

Recognition and Measurement

Interest income from financial assets at amortised cost

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

12. Grants and other contributions

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Other grants with sufficiently specific performance obligations				
Cancer Institute grants received from an entity controlled by the immediate parent	84	84	84	84
Commonwealth government grants other*	-	(440)	-	(440)
Grants from entities controlled by the ultimate parent	258	72	258	72
Other grants	1,077	1,098	1,077	1,098
Grants without specific performance obligations				
Other grants from entities controlled by the immediate parent	5,128	4,509	5,128	4,509
Donations				
Donations	-	40	-	40
	6,547	5,363	6,547	5,363

*The Institute entered into agreements with Department of Education to offer Commonwealth Supported Places (CSP) to students and received the agreed funding to support the pandemic response in 2020, 2021 and 2022. Reporting and contract issues were identified in September 2022 after the initial reconciliation processed by Department of Education, Skills and Employment (DESE). Discussions continue with the department to address this matter following the recognition of a provision included in note 25 for the return of funds and a reversal of Commonwealth government grants revenue of \$526 thousand included above in 2023.

Recognition and Measurement

Grants and other contributions

Revenue from grants with sufficiently specific performance obligations are recognised when the Institute satisfies a performance obligation by transferring the promised goods or services. The Institute typically receives grants in respect of research, clinical drug trials and other community, health and wellbeing related projects. The Institute uses various methods to recognise revenue over time, depending on the nature and terms and conditions of the grant contract. The payments are typically based on an agreed timetable or on achievement of different milestones in the contract.

Revenue from these grants is recognised based on the grant amount specified in the funding agreement / funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

Refer to Note 24 for the transaction price allocated to the performance obligations that have not been satisfied at the end of the year and when it is expected to be recognised as revenue.

Income from grants without sufficiently specific performance obligations is recognised when the Institute obtains control over the granted assets (e.g. cash).

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

13. Acceptance by The Crown in right of the State of New South Wales (Crown) of employee benefits

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

	Consolidated	Consolidated	Parent	Parent
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Superannuation - defined benefit plans	-	13	-	-
Long service leave provision	910	297	-	-
	910	310	-	-

14. Other income

	Consolidated	Consolidated	Parent	Parent
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Bad debts recovered	-	13	-	13
Other	42	58	42	58
	42	71	42	71

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

15. Gains / (losses) on disposal

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Gains / (losses) on disposals of:				
Property, plant and equipment				
Written down value of assets disposed	19	15	19	15
Less: proceeds from disposal	26	-	26	-
Total gains / (losses) on disposal	7	(15)	7	(15)

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

16. Other gains / (losses)

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Foreign exchange gains / (losses)	-	(1)	-	(1)
	-	(1)	-	(1)

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

17. Cash and cash equivalents

	Consolidated	Consolidated	Parent	Parent
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Cash at bank and on hand	32	162	32	162
Cash at bank - held by HealthShare NSW*	141	-	141	-
	173	162	173	162

* Represents cash held by HealthShare NSW, a controlled entity of the immediate parent, in a central bank account, on behalf of the Institute for its operating and investing activities. It is an operational bank account that earns interest on daily bank balances. Refer to Note 11 Investment revenue for the recognition and measurement policies on interest income.

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank, cash on hand, short-term deposits with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

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)	173	162	173	162
	173	162	173	162

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

Most cash and cash equivalents held by the Institute are restricted assets. Refer to Note 22 for details of restricted assets.

HealthShare NSW, a controlled entity of the immediate parent manages accounts payable and employee related payments on behalf of the Institute for payments to suppliers and employees. HealthShare NSW makes payments after the Institute has reviewed and approved the invoices and employee rosters. The Institute's approval of invoices and employee rosters provides authority to HealthShare NSW to make payments. These payments are reported as expenditures and cash outflows in the financial statements of the Institute.

HealthShare NSW receives payments directly from the Ministry of Health on behalf of the Institute to fund these payments. Upon payment, they are reported as revenue (Ministry of Health recurrent and capital allocations) and cash inflows in the financial statements of the Institute.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

18. Receivables

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Current				
Trade receivables from contracts with customers	25	234	25	234
Intra health receivables	8,842	1,484	8,842	1,484
Goods and Services Tax	123	190	123	190
Other receivables	3	102	3	102
Sub total	8,993	2,010	8,993	2,010
Prepayments	28	-	28	-
	9,021	2,010	9,021	2,010

Other receivables

Balance at the beginning of the year	-	(29)	-	(29)
Amounts written off during the year	-	29	-	29
Amounts recovered during the year	-	13	-	13
(Increase) / decrease in allowance recognised in the net result	-	(13)	-	(13)
Balance at the end of the year	-	-	-	-

Details regarding credit risk of receivables that are neither past due nor impaired, are disclosed in Note 29.

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Contract receivables (included in Note 18)	8,866	1,719	8,866	1,719
Total contract receivables	8,866	1,719	8,866	1,719

Recognition and Measurement

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

The Institute holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

For trade receivables, the Institute applies a simplified approach in calculating ECLs. The Institute recognises a loss allowance based on lifetime ECLs at each reporting date. The Institute has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward looking factors specific to the receivable.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

19. Property, plant and equipment

(a) Total property, plant and equipment

PARENT AND CONSOLIDATION

	Land and Buildings \$000	Plant and Equipment ¹ \$000	Total \$000
At 1 July 2022 - fair value			
Gross carrying amount	20	2,632	2,652
Less: accumulated depreciation and impairment	20	2,210	2,230
Net carrying amount	-	422	422

	Land and Buildings \$000	Plant and Equipment ¹ \$000	Total \$000
Year ended 30 June 2023			
Net carrying amount at beginning of year	-	422	422
Additions	-	398	398
Disposals	-	(15)	(15)
Depreciation expense	-	(76)	(76)
Net carrying amount at end of year	-	729	729

¹ For non-specialised assets with short useful lives, recognition at depreciated historical cost is regarded as an acceptable approximation of fair value, in accordance with Treasury Policy Paper 21-09.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

19. Property, plant and equipment (continued)

(a) Total property, plant and equipment (continued)

PARENT AND CONSOLIDATION

	Land and Buildings \$000	Plant and Equipment ¹ \$000	Total \$000
At 1 July 2023 - fair value			
Gross carrying amount	-	1,881	1,881
Less: accumulated depreciation and impairment	-	1,152	1,152
Net carrying amount	-	729	729

	Land and Buildings \$000	Plant and Equipment ¹ \$000	Total \$000
Year ended 30 June 2024			
Net carrying amount at beginning of year	-	729	729
Additions	-	52	52
Disposals	-	(19)	(19)
Transfers within NSW Health entities through Statement of Comprehensive Income	-	(43)	(43)
Depreciation expense	-	(95)	(95)
Net carrying amount at end of year	-	624	624

	Land and Buildings \$000	Plant and Equipment ¹ \$000	Total \$000
At 30 June 2024 - fair value			
Gross carrying amount	-	1,838	1,838
Less: accumulated depreciation and impairment	-	1,214	1,214
Net carrying amount	-	624	624

¹ For non-specialised assets with short useful lives, recognition at depreciated historical cost is regarded as an acceptable approximation of fair value, in accordance with Treasury Policy Paper 21-09.

(b) Property, plant and equipment held and used by the Institute

PARENT AND CONSOLIDATION

The Institute has no property, plant and equipment where it is the lessor under operating leases. All property, plant and equipment balances are for items held and used by the Institute.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

19. Property, plant and equipment (continued)

Recognition and Measurement

Acquisition of property, plant and equipment

Property, plant and equipment acquired are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. 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.

Land and buildings are owned by the Health Administration Corporation. Land and buildings which are operated / occupied by the Institute are deemed to be controlled by the Institute and are reflected as such in the financial statements.

Capitalisation thresholds

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

Depreciation of property, plant and equipment

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Institute.

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

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

	Useful lives	Useful lives
	2024	2023
Buildings - leasehold improvements	3-10 years	3-10 years
Plant and equipment	4-20 years	4-20 years

'Plant and equipment' comprises, among others, medical, computer and office equipment, motor vehicles, furniture and fittings and MSC (a mobile simulation centre used for training purposes).

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period and adjusted if appropriate.

Further information on leases is contained in Note 20.

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 21-09) and Treasurer's Direction, 'Valuation of Physical Non-Current Assets at Fair Value' (TD 21-05). TPP 21-09 and TD 21-05 adopt fair value in accordance with AASB 13 Fair Value Measurement, AASB 116 Property, Plant and Equipment and AASB 140 Investment Property.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as an approximation of fair value. The Institute has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

20. Leases

Entity as a lessee

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

The Institute has elected to recognise payments for short-term leases and low value leases as expenses on a straight line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new.

The following amounts were recognised in the Statement of Comprehensive Income during the period in respect of leases where the Institute is the lessee:

PARENT AND CONSOLIDATION

	2024	2023
	\$000	\$000
Expenses relating to short-term leases	974	1,004
Total amount recognised in the statement of comprehensive income	974	1,004

The Institute had total cash outflows for leases of \$0.97 million for the year ended 30 June 2024 (2023: \$1.00 million).

Recognition and Measurement

The Institute assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Institute applies the short-term lease recognition exemption to its short-term leases of buildings, machinery, motor vehicles and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

21. Intangible assets

PARENT AND CONSOLIDATION

	Software \$000	Total \$000
At 1 July 2022		
Cost (gross carrying amount)	1,755	1,755
Less: accumulated amortisation and impairment	1,421	1,421
Net carrying amount	334	334

	Software \$000	Total \$000
Year ended 30 June 2023		
Net carrying amount at beginning of year	334	334
Additions - acquired separately	18	18
Amortisation (recognised in depreciation and amortisation)	(29)	(29)
Net carrying amount at end of year	323	323

	Software \$000	Total \$000
At 1 July 2023		
Cost (gross carrying amount)	1,773	1,773
Less: accumulated amortisation and impairment	1,450	1,450
Net carrying amount	323	323

	Software \$000	Total \$000
Year ended 30 June 2024		
Net carrying amount at beginning of year	323	323
Amortisation (recognised in depreciation and amortisation)	(79)	(79)
Net carrying amount at end of year	244	244

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

21. Intangible assets (continued)

PARENT AND CONSOLIDATION

	Software \$000	Total \$000
At 30 June 2024		
Cost (gross carrying amount)	1,773	1,773
Less: accumulated amortisation and impairment	1,529	1,529
Net carrying amount	244	244

Recognition and Measurement

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

The Institute's intangible assets are amortised using the straight-line method over a period of eight years.

Computer software developed or acquired by Institute are recognised as intangible assets. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

22. Restricted assets

PARENT AND CONSOLIDATION

The Institute's financial statements include the following assets which are restricted for stipulated purposes and / or by externally imposed conditions, eg. donor requirements. The assets are only available for application in accordance with the terms of the donor restrictions. They consist of cash assets and rights and obligations to receive and make payments as at 30 June 2024.

Category	1 July 2023	Revenue	Expense	30 June 2024
	Opening			Closing
	\$000	\$000	\$000	\$000
Research ¹	135	7	1	141
	135	7	1	141

Restricted assets are held for the following purpose and cannot be used for any other purpose.

Category	Purpose
Research	Research to gain knowledge, understanding and insight.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

23. Payables

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Current				
Accrued salaries, wages and on-costs	805	678	-	-
Salaries and wages deductions	-	11	-	-
Accrued liability - purchase of personnel services	-	-	805	689
Creditors	-	-	-	-
- Scholarships payables	8,312	331	8,312	331
- Education grants payables	575	878	575	878
- Other	775	991	775	991
Other creditors				
- Payables to entities controlled by the immediate parent	991	480	991	480
	11,458	3,369	11,458	3,369

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

Recognition and Measurement

Payables represent liabilities for goods and services provided to the Institute and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

24. Contract liabilities

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Current				
Contract liabilities	280	410	280	410
	280	410	280	410

Recognition and Measurement

Contract liabilities relate to consideration received in advance from customers. The balance of the contract liabilities at 30 June 2024 was impacted by the timing of payments received for [sale of goods and services from contracts with customers | grants and other contributions]. The satisfaction of the specific performance obligations within the contract had not been met at the 30 June 2024. Revenue from the contract liabilities will be recognised when the specific performance obligations have been met.

The contract liability balance has decreased during the year because of the timing of payments received.

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Revenue recognised that was included in the contract liability balance at the beginning of the year	254	363	254	363
Transaction price allocated to the remaining performance obligations from contracts with customers	1,520	745	1,520	745

The transaction price allocated to the remaining performance obligations relates to the following revenue classes and is expected to be recognised as follows:

	2025 \$000	2026 \$000	2027 \$000	≥ 2028 \$000
Specific revenue class				
Sales of goods and services from contracts with customers	280	-	-	-
Grants and other contributions	1,198	42	-	-
	1,478	42	-	-

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

25. Provisions

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Current				
Employee benefits and related on-costs				
Annual leave				
- Obligations expected to be settled within 12 months	2,454	2,224	-	-
- Obligations expected to be settled after 12 months	203	319	-	-
Long service leave consequential on-costs				
- Obligations expected to be settled within 12 months	64	42	-	-
- Obligations expected to be settled after 12 months	676	618	-	-
Parental leave				
- Obligations expected to be settled within 12 months	23	-	-	-
Provision for other employee benefits	115	122	-	-
Provision for personnel services liability	-	-	3,535	3,325
	3,535	3,325	3,535	3,325
Other Provisions				
Restoration costs	-	11	-	11
Other	551	565	551	565
	551	576	551	576
Total current provisions	4,086	3,901	4,086	3,901
Non-current				
Employee benefits and related on-costs				
Long service leave consequential on-costs	82	65	-	-
Provision for personnel services liability	-	-	82	65
Total non-current provisions	82	65	82	65
Aggregate employee benefits and related on-costs				
Provisions - current	3,535	3,325	-	-
Provisions - non-current	82	65	-	-
Accrued salaries, wages and on-costs and salaries and wages deductions (Note 23)	805	689	-	-
Liability - purchase of personnel services	-	-	4,422	4,079
	4,422	4,079	4,422	4,079

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

25. Provisions (continued)

Movements in provisions (other than employee benefits)

Movements in other provisions during the financial year, other than employee benefits, are set out below:

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Restoration costs				
Carrying amount at beginning of period	11	11	11	11
- Amounts used	(2)	-	(2)	-
- Unused amounts reversed	(9)	-	(9)	-
Carrying amount at end of period	-	11	-	11

The majority of 'restoration costs' represent the expected cost to restore a leased asset at the end of the lease term. Lease end dates vary across the Institute's lease portfolio and therefore the timing of the payments to restore the leased asset at the end of the term will vary. The majority of the 'restoration cost' provision is as per the lease contracts.

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Other				
Carrying amount at beginning of period	565	59	565	59
- Additional provisions recognised	7	506	7	506
- Amounts used	(21)	-	(21)	-
Carrying amount at end of period	551	565	551	565

The majority of the 'other' provision represent various contractual related obligations. The Institute has recognised the provision amount by taking into consideration all available information at the reporting date and making best management estimation of the obligation. The timing of the payments will vary for each contractual related obligations.

Recognition and Measurement

Employee benefits and other provisions

Salaries and wages, annual leave, allocated days off (ADO), parental leave, sick leave and on-costs

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

Annual leave, ADO and parental leave are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As such, they are required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted).

Actuarial advice obtained by NSW Treasury, a controlled entity of the ultimate parent, has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave can be used to approximate the present value of the annual leave liability. On-costs of 20.2% are applied to the value of leave payable at 30 June 2024 (comparable on-costs for 30 June 2023 were 19.20%). The Institute has assessed the actuarial advice based on the Institute's circumstances to annual leave, ADO and parental leave and has determined that the effect of discounting is immaterial. All annual leave, ADO and parental leave are classified as a current liability even where the Institute does not expect to settle the liability within 12 months as the Institute does not have an unconditional right to defer settlement.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

25. Provisions (continued)

Recognition and Measurement (continued)

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.

Long service leave and superannuation

The Institute's liability for long service leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by The Crown in right of the State of New South Wales. The Institute accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown of employee benefits'.

Specific on-costs relating to long service leave assumed by The Crown in right of the State of New South Wales are borne by the Institute.

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using the long-term Commonwealth Government bond rate at the reporting date.

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

Consequential on-costs

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

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

26. Adjusted budget review

NSW Health's budget is shown at a consolidated level when presented in parliament each year (i.e. in the NSW Government Budget Papers). The Institute's budget is not presented in parliament, therefore AASB 1055 Budgetary Reporting is not applicable. Unlike the requirement in AASB 1055 Budgetary Reporting to present original budget information, the Institute's financial statements present adjusted budget information. The adjusted budgeted amounts are drawn from the initial Service Agreements between the Institute and the Ministry of Health at the beginning of the financial year, as well as any adjustments for the effects of additional supplementation provided in accordance with delegations to derive a final budget at year end (i.e. adjusted budget). The budget amounts are not subject to audit and, accordingly, the relevant budget entries in the financial statements are unaudited.

PARENT AND CONSOLIDATION

Net result

The actual Net Result was lower than adjusted budget by \$1 million, primarily due to:

Lower than budgeted NSW Ministry of Health recurrent allocations by \$2 million, offset by savings of \$1 million achieved in employee related expenses and operating expenses throughout the year.

Movements in the level of the Ministry of Health Recurrent Allocation that have occurred since the time of the initial allocation on 19 September 2023 are as follows:

	\$000
Initial allocation, 19 September 2023	30,191
HETI Postgraduate Courses	3,500
HETI to Deliver Diagnostic Imaging Medical Physicists (DIMPs) Training Program and DIMPs Training Program Evaluation	167
Workers Compensation: TMF Agency Performance Adjustment (APA)	(61)
Budget and Funding for Relocation to 1 Reserve Road (1RR)	1,216
HETI Contract Invoice and Projects	575
HETI Contract Invoice and Projects	162
Delivery of expanded Orthotics and Prosthetics technician training pathway	59
Finalisation and delivery of Cultural Mentoring Education and Training Modules	20
Strengthening Foundations Modules 3 & 4	94
HETI Contract Invoice and Projects	588
Rural Generalist Medical and General Practitioner Procedural Training Programs	(2,219)
Training Support Unit	500
End of life and palliative care activities from FY2023/24 to FY2025/26	200
HETI Library Staff	281
HETI Contract Invoices	661
National Rural Generalist Pathway	676
Rural Generalist Medical and General Practitioner Procedural Training Programs	(1,992)
HETI Contract Invoices	484
Development of Voluntary Assisted Dying Education and Training	197
2023-24 Defined Benefit Superannuation	12
HETI Contract Invoices and Additional Postgraduate Scholarships	1217
Balance as per Statement of Comprehensive Income	36,528

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

27. 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 as follows:

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Net cash used on operating activities	37	400	37	400
Depreciation and amortisation expense	(174)	(105)	(174)	(105)
Allowance for impairment	-	(13)	-	(13)
Decrease / (increase) in provisions	(198)	65	(198)	65
Increase / (decrease) in prepayments and other assets	7,001	1,393	7,001	1,393
Decrease / (increase) in payables	(8,084)	(212)	(8,084)	(212)
Decrease / (increase) in contract liabilities	131	287	131	287
Net gain / (loss) on sale of property, plant and equipment	7	(15)	7	(15)
Assets donated or brought to account (Note 28)	(43)	40	(43)	40
Net result	(1,323)	1,840	(1,323)	1,840

28. Non-cash financing and investing activities

	Consolidated 2024 \$000	Consolidated 2023 \$000	Parent 2024 \$000	Parent 2023 \$000
Assets donated or brought to account	(43)	40	(43)	40
	(43)	40	(43)	40

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

29. Financial instruments

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

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

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

(a) Financial instrument categories

PARENT AND CONSOLIDATION

Class	Category	Carrying	Carrying
		Amount	Amount
		2024	2023
		\$000	\$000
Financial assets			
Cash and cash equivalents (Note 17)	Amortised cost	173	162
Receivables (Note 18) ¹	Amortised cost	8,870	1,820
Total financial assets		9,043	1,982
Financial liabilities			
Payables (Note 23) ²	Financial liabilities measured at amortised cost	11,458	3,369
Total financial liabilities		11,458	3,369

Notes

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

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

The Institute determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the entity transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement and either:

- The Institute has transferred substantially all the risks and rewards of the asset; or
- The Institute has neither transferred nor retained substantially all the risks and rewards for the asset, but has transferred control.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

29. Financial instruments (continued)

(b) Derecognition of financial assets and financial liabilities (continued)

When the Institute has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Institute has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Institute's continuing involvement in the asset. In that case, the Institute also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Institute has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Institute could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) Financial risk

i. Credit risk

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

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

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

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

29. Financial instruments (continued)

(d) Financial risk (continued)

i. Credit risk (continued)

The Institute considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Institute may also consider a financial asset to be in default when internal or external information indicates that the Institute is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Institute.

The Institute applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, other receivables and contract assets.

To measure the expected credit losses, trade receivables, other receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Institute has identified relevant factors, and accordingly has adjusted the historical loss rates based on expected changes in these factors.

Trade receivables, other receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

29. Financial instruments (continued)

(d) Financial risk (continued)

i. Credit risk (continued)

Accounting policy for impairment of trade receivables and other financial assets (continued)

Receivables - trade receivables, other receivables and contract assets (continued)

The loss allowance for trade receivables, other receivables and contract assets as at 30 June 2024 and 30 June 2023 was determined as follows:

PARENT AND CONSOLIDATION

	Current	<30 days	30-60 days	61-90 days	>91 days	Total
30 June 2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Estimated total gross carrying amount ¹	-	6	4	2	16	28
Expected credit loss	-	-	-	-	-	-
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
30 June 2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Estimated total gross carrying amount ¹	294	42	1	-	(1)	336
Expected credit loss	-	-	-	-	-	-

Notes

¹ The analysis excludes statutory receivables and prepayments as these are not within the scope of AASB 7 Financial Instruments: Disclosures. Therefore the 'total' will not reconcile to the receivables total in Note 18.

The Institute is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2024 and 30 June 2023.

ii. Liquidity risk

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

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

During the current and prior year, there were no defaults of loans payable. No assets have been pledged as collateral. The Institute's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

29. Financial instruments (continued)

(d) Financial risk (continued)

ii. Liquidity risk (continued)

The Institute has exposure to liquidity risk. However, the risk is minimised by the service agreement with the Ministry of Health, as the annual service agreement requires local management to control its financial liquidity and in particular meet benchmarks for the payment of creditors. Where the Institute fails to meet service agreement performance standards, the Ministry of Health as the state manager can take action in accordance with annual performance framework requirements, including providing financial support and increased management interaction (refer Note 1).

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. For all suppliers, that have a correctly rendered invoice, a matched purchase order and where goods have been received, an immediate payment is made irrespective of current contract payment terms.

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

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

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

29. Financial instruments (continued)

(d) Financial risk (continued)

ii. Liquidity risk (continued)

PARENT AND CONSOLIDATION

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

Maturity Analysis and interest rate exposure of financial liabilities

	Interest Rate Exposure				Maturity Dates			
	EIR ³ %	Nominal Amount ¹ \$000	Fixed Interest Rate \$000	Variable Interest Rate \$000	Non - Interest Bearing \$000	< 1 Yr \$000	1-5 Yr \$000	> 5Yr \$000
2024								
Payables:								
- Creditors ²		11,458	-	-	11,458	11,458	-	-
		11,458	-	-	11,458	11,458	-	-
2023								
Payables:								
- Creditors ²		3,369	-	-	3,369	3,369	-	-
		3,369	-	-	3,369	3,369	-	-

Notes:

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

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

³ Weighted Average Effective Interest Rate (EIR).

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

29. Financial instruments (continued)

iii. 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 Institute's exposures to market risk are primarily through interest rate risk on the Institute's borrowings and other price risks associated with the movement in the Hour Glass Investment Facilities. The Institute has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on net result 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 Institute 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 as for 2023. The analysis assumes that all other variables remain constant.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the Institute's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily through NSW TCorp. The Institute does not account for any fixed rate financial instruments at fair value through profit or loss or at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect the carrying value or interest paid/earned. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official Reserve Bank of Australia interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

However, the Institute is not permitted to borrow external to the Ministry of Health (except energy loans which are negotiated through NSW Treasury). Both NSW Treasury and the Ministry of Health loans are set at fixed rates and therefore are generally not affected by fluctuations in market rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates:

PARENT AND CONSOLIDATION

	2024		2023	
	\$000		\$000	
	-1%	1%	-1%	1%
Net result	(2)	2	(2)	2
Equity	(2)	2	(2)	2

(e) Fair value measurement

Fair value compared to carrying amount

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

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

Therefore the fair value of the financial instruments does not differ from the carrying amount.

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

30. Related party disclosures

PARENT AND CONSOLIDATION

(a) Key management personnel compensation

During the financial year, Health Education and Training Institute obtained key management personnel services from the immediate parent and incurred \$668 thousand (2023: \$379 thousand) for these services. This amount does not form part of the key management personnel compensation disclosed above.

The Institute's key management personnel comprise its board members and chief executive (or acting chief executive) from time to time during the year.

Compensation for the Minister for Health is paid by the Legislature and is not reimbursed by the Ministry of Health and its controlled entities. Accordingly no such amounts are included in the key management personnel compensation disclosures above.

Remuneration for the Secretary and Deputy Secretaries are paid by the Ministry of Health and is not reimbursed by the health entities. Accordingly no such amounts are included in the key management personnel compensation disclosures above.

(b) Transactions with key management personnel and their close family members

There were no transactions with key management personnel and their close family members (2023: \$Nil).

(c) Transactions with the ultimate parent

There were no transactions with the ultimate parent during the financial period (2023: \$Nil).

(d) Transactions the Institute had with government related entities during the financial year

During the financial year and comparative year, the Institute entered into the various transactions with other entities consolidated as part of the Ministry of Health (the immediate parent) and the NSW Total State Sector (the ultimate parent) within the normal course of business.

The following operating expenses were incurred with entities controlled by the immediate parent:

- Health Administration Corporation (includes Ambulance Service of NSW, eHealth NSW, Health Infrastructure, Health System Support Group, HealthShare NSW and NSW Health Pathology) provides shared services for the majority of patient transport services, information management services, domestic supplies and services, food supplies and corporate support services.
- Short-term leases for office buildings and spaces
- Staff related costs in relation to seconded staff and some executive salaries
- Various grants and subsidies towards health education and training programs and projects

Health Education and Training Institute

Notes to and forming part of the Financial Statements

for the year ended 30 June 2024

30. Related party disclosures (continued)

(d) Transactions the Institute had with government related entities during the financial year (continued)

The following operating expenses were incurred with entities controlled by the ultimate parent:

- Audit of the statutory financial statements
- Utilities, including electricity, gas and water expenses
- Insurance costs

The following revenues were earned from entities controlled by the immediate parent:

- Revenue from recurrent and capital allocations
- Various grants and contributions towards education and training programs
- Revenue in respect of development of eLearning modules and delivery of training services

The following revenues were earned from entities controlled by the ultimate parent:

- Various grants and contributions towards education and training programs
- Revenue from acceptance of long service leave liabilities and defined benefit superannuation

Assets and liabilities as follows:

- Receivables and payables in respect of the above noted related party revenue and expense transactions

31. Events after the reporting period

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

END OF AUDITED FINANCIAL STATEMENTS