NORTHEAST HEALTH WANGARATTA

ANNUAL REPORT

2015-2016

REPORT FROM THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

Margaret Bennett- Chief Executive Officer
Brendan Schutt- Board Chair

In accordance with the Financial Management Act 1994 we are pleased to present the Northeast Health Wangaratta (NHW) Annual Report for the year ended 30 June 2016.

NHW is very proud of our continued contribution to the Rural City of Wangaratta and the communities across North East Victoria. Serving a population of just under 90,000 people, NHW is the largest employer in the region with 1,168 people employed at NHW on 30 June 2016.

We are delighted to report on a successful year that has seen a record number of patients treated, a range of innovative projects progressed and a further strengthening of our partnership arrangements with a range of health service providers and other agencies.

With the increased demand pressures impacting on NHW, the dominant focus for the Board and Executive continues to be the achievement of activity and capital funding to enable NHW to continue to meet community needs. Whilst our catchment population is growing at a modest rate, the significant increase in demand for health care driven by ageing and chronic illness is the major factor driving service delivery and service planning.

NHW's Strategic Plan 2015-20, our Clinical Service Plan 2015-20, together with the Master Site Plan, provide clarity of planning and direction, and govern the accountability of the Board and Executive in their leadership of service provision to the community. The 2015-16 year has seen pleasing progress against the objectives within these plans. A particular focus of the Board and Executive is gaining the funding necessary to complete a $25 million staged redevelopment that will see an expansion of medical beds and an increase in the treatment space within the Emergency Department.

A key performance indicator for the Board and Executive is the measure of NHW's self sufficiency which reflects our capacity to meet the hospitalisation needs of patients in our catchment. NHW's self sufficiency for the 2015-16 year was an outstanding 83.29% and maintaining this level of self sufficiency will continue to be a key focus in the years ahead.

A summary snapshot of our activity for the 2015-16 year highlights the growth in demand across our services:

- We admitted 18,946 patients to our wards, 1,331 more than the previous year, equating to a 7.56% increase
- 23,396 patients were treated in our Emergency Department, an increase of 933 on the previous year, representing a 4.15% increase
- 6,170 patients had their surgery undertaken at NHW, a 3.51% increase on the previous year
- We welcomed 609 babies; 23 more than the previous year
- Our diverse outpatient services continued to meet strong demand. For example:
    - 2,550 occasions of service were provided through the Orthopaedic fracture clinic
    - 59,834 occasions of service provided through our Medical Imaging department, a 2.5% growth on the previous year
    - 2,760 episodes of care through our Antenatal clinic.

With the expansion of our Hospital in the Home program, and strong partnerships with surrounding District Hospitals, our length of stay for acute care inpatients was a very efficient 2.28 days. We particularly acknowledge and thank our Central Hume District Hospital partners, Yarrawonga Health, Benalla Health, Alpine Health, Mansfield District Hospital and Beechworth Health Service

REPORT FROM THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

for their collaboration and support in facilitating efficient patient flow within our catchment area.

Given the activity demand, it is significant that NHW was able to achieve an operating surplus of $39,000 during the 2015-16 year.

NHW's achievements are not possible without the commitment and professionalism of our staff. We wish to take this opportunity to recognise with pride and gratitude the expertise and dedication of our staff and our Visiting Medical Officers.

A particular highlight of the year has been a successful fundraising program which has enabled NHW to complete a refurbishment of the Community Care Centre and establish a Robotic Rehabilitation Service, a first of its kind in regional Australia. We are very grateful to our community and our generous benefactors who have supported the $350,000 fundraising program. This significant enhancement of service delivery will benefit patients accessing restorative care for years to come.

Our commitment to education and training is central to our capacity to support our current and future workforce. During the 2015-16 year the Education and Research Division contributed to improving service outcomes by coordinating a wide variety of entry level and career progression pathways and facilitating local and nationally recognised training programs in evidence based care.

Over the year, in partnership with 36 different Universities and other Education Providers from across Australia, NHW was able to:

- Host 326 nursing students, 108 medical students and 70 allied health students all undertaking undergraduate qualifications in their chosen professions.
- Facilitate 95 secondary school students participating in either a school based Work Experience Program, a School Based Traineeship or a Vocational Education and Training Program including 12 students who completed an entry level qualification in Health Support, Allied Health Assistance, Health Services Assistance or Business Studies.
- Successfully attract and support 26 new graduate nurses and midwives, 19 medical interns and 4 allied health clinicians to begin their professional careers in health with us. We also trained 2 new graduate midwives and 6 new graduate rural critical care nurses.
- Provide 2 formal cadetships and establish 4 part time gap year positions for local students enrolled in health related studies. And in partnership with a local Disability Employment Service we have launched an entry level career pathway for 4 local young people living with a disability.

We maintain a continuous focus on the maintenance, improvement and expansion of our facilities and infrastructure. Developments during the 2015-16 year have included the establishment of a patient transport lift and a new patient transfer entrance. Funded by the Department of Health and Human Services (DHHS), the $880,000 development is a significant improvement in supporting patient flow in our increasingly busy hospital.

Other infrastructure developments have included achieving funding to establish four additional beds at our Residential Aged Care facility, Illoura, along with the establishment of a Transitional Care Unit to be co-located with Illoura. This will, in turn, make available six additional beds within the acute wards by February 2017.

Other highlights of the 2015-16 year at NHW included:

- Successful accreditation review by the Australian Council on Healthcare Standards in July 2015.
- Implementation of a Medical Emergency Team process to respond to and effectively manage deteriorating patients.
- Establishment of a People's Champion Program to support staff and strengthen a heathy workplace culture.
- The initiation of the Well Ageing Vision and Engagement (WAVE) project formed through collaboration between NHW and the John Richards Initiative at LaTrobe University.
- Improving processes in the Admission and Day Stay Unit to enhance patient experience and improve workflow.
- Expansion of the Clinical and Corporate Governance support provided by NHW to partner agencies.
- Recruitment of three new Medical Specialists, and further expansion of the Junior Medical Officer staffing, with four additional positions.
- Appointment of a Wound Care Clinical Nurse Consultant.
- Establishment of a Central Hume Surgical Service program.

REPORT FROM THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

- Launching NHW's Environmental Sustainability Plan 2016-18.
- Leadership in the further expansion of Telehealth Service within the Hume region.
- Establishment of a new Dental Van to increase access to service.
- Installing a new state of the art CT scanner.

NHW is committed to the ongoing implementation of the Hardwiring Excellence Framework which is designed to strengthen leadership and accountability for patient safety and satisfaction, along with staff engagement and satisfaction. During the 2015-16 year, our patients responding to the Victorian Patient Experience survey expressed a 94% satisfaction with their care experience at NHW, against a State performance target of 95%. Enhancing our patient's satisfaction is an absolute commitment, and targeted strategies have been developed to further strengthen this indicator.

One measure of staff satisfaction is the public sector wide People Matters Survey. We were delighted that 54% of our staff completed this survey during March 2016, as it gives a valuable insight into our staff members' view of their workplace, and also identifies areas for focus to improve staff wellbeing and engagement. We will work closely with our People Champions team, and all our staff, to identify opportunities to further enhance the satisfaction, engagement and wellbeing of all our staff.

We have farewelled three Board members during the year and sincerely thank Karen Harmon AM, Lorna Williamson and Donovan Jacka for their valued contribution to the governance of NHW during their tenure as Board members.

Our commitment to effective community consultation continues to be supported by our Community Advisory Committee and we recognise and thank the members for their assistance and advice during the year.

NHW is privileged to have a team of 322 volunteers who continue to support patient care in so many diverse ways. We commend their generosity and community spirit and thank them sincerely for the greatly appreciated contribution they make to the environment of care at NHW. It was a great celebration that Mrs Margaret Redmond, a long serving and greatly respected NHW volunteer, was awarded the Outstanding Lifetime Volunteer Award at the 2016 Minister for Health Awards.

We acknowledge and thank all who have supported NHW during the 2015-16 year, including the DHHS, NHW Board members, our partner agencies, Visiting Medical Officers (VMOs), and our Executive team, along with all our staff and volunteers.

We continue to be absolutely focused on NHWs Vision, Mission and Values as we face the challenges and opportunities in 2016-17, and beyond.

Margaret Bennett
Chief Executive Officer

Brendan Schutt
Chair, Board of Management

OUR STRATEGIC PLAN 2015-2020

Our Vision:

To be recognised leaders in rural healthcare

Our Mission:

To provide healthcare that enhances the quality of life of people in North East Victoria

Our Values:

Caring
Respect
Fairness
Excellence
Integrity

Commitments & Strategies:

Clinical Services
Organisational Management
Facilities & Environment
Quality & Innovation
People, Learning & Research
Community & Partnerships

DISCLOSURE INDEX

The Annual Report of Northeast Health Wangaratta is prepared in accordance with all relevant Victorian Legislation. This Financial Reporting Directions (FRD) index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

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DISCLOSURE INDEX

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RESPONSIBLE BODIES DECLARATION

Attestation on Data Integrity

We, Brendan Schutt, (Chair) and Margaret Bennett (CEO) certify that Northeast Health Wangaratta has put in place appropriate internal controls and processes to ensure that the Department of Health and Human Services is provided with data that reflects actual performance. Northeast Health Wangaratta has critically reviewed these controls and processes during the year.

Margaret Bennett
Chief Executive Officer

Brendan Schutt
Chair, Board of Management

Wangaratta
30 June 2016

Attestation on Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, we are pleased to present the Report of Operations for Northeast Health Wangaratta for the year ending 30 June 2016.

Margaret Bennett
Chief Executive Officer

Brendan Schutt
Chair, Board of Management

Wangaratta
30 June 2016

Attestation on Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes

We, Brendan Schutt (Chair) and Margaret Bennett (CEO) certify that Northeast Health Wangaratta has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes. The Northeast Health Wangaratta Audit Committee verifies this.

Margaret Bennett
Chief Executive Officer

Brendan Schutt
Chair, Board of Management

Wangaratta
30 June 2016

ORGANISATIONAL STRUCTURE

Board of Management

External Audit

Chief Executive Officer

Chief Operating Officer/ Deputy CEO

- Finance
- Support Services
  - Food
  - Environmental
  - Security
- Facilities & Maintenance
- Information Management
- Supply Department
- Communication & Clerical
- Reporting & Analysis
- Volunteer Services
- Creative Services
- Bio-Medical Engineer Liaison
- Hume Rural Health Alliance Liaison
- Pastoral Care
- Medical Imaging
- Nuclear Medicine
- Illoura Residential Aged Care
- Sub-regional Corporate Services

Director Medical Services

- Emergency Department
- Pharmacy
- Pathology
- Medical Library
- Hospital Medical Officers
- Visiting Medical Officers
- Telehealth
- Freedom of Information
- Medico-Legal
- Sub-regional Clinical Governance
- Medical Administration

Director Clinical Services- Nursing & Midwifery

- Medical Ward
- Paediatric Ward
- Surgical Ward
- Maternity Services
- Perioperative Services
- Oncology
- Dialysis
- Critical Care
- Admission & Day Stay Unit
- Thomas Hogan Rehabilitation Centre
- Infection Prevention & Control/ Staff Health Clinic
- Organ & Tissue Donation
- Nursing Administration

Director Performance Improvement

- Accreditation Programs
- Risk Management
  - Clinical
  - Organisational
- Hardwiring Excellence Program
- Community Participation
- Public Reporting
- Consumer Feedback
- Policies & Guidelines
- Legislative Compliance
- Clinical Audit
- Clinical Redesign

Executive Support Services

- Executive Assistance
- Community Engagement
- Fundraising
- Media
- Auxiliaries
- Corporate Events

Director Community Health, Partnerships & Well Ageing

- Allied Health Services
- Diabetes Education
- Dental Service
- Palliative Care
- Breast Care
- Continence Clinic
- Health Promotion
- Aboriginal Health
- Outpatient Clinics
- Hospital Admission Risk Program (HARP)
- Post Acute Care (PAC)
- Transition Care Program (TCP)
- Home Care Packages Level 2 & 4
- Residential In-Reach Service (RIR)
- Hospital in the Home (HITH)
- District Nursing Service (DNS)
- Stomal Therapy
- Wound Consultant
- Sub acute Health Improvement
- Community Partnership Projects

Director Education & Research

- Student & Traineeship Programs
- Graduate Programs
- Clinical Support Network
- Staff Training Programs
- Research Governance
- Clinical Constancy Network
- Tertiary Education Liaison

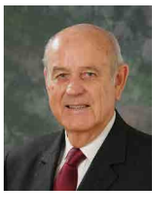
Director People & Culture

- Employee Relations & Culture
- Recruitment
- Payroll
- Occupational Heath & Safety (OH&S)
- Salary Packaging
- Accommodation
- Employee Wellbeing

BOARD OF MANAGMENT

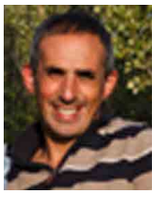
Chair- Mr B Schutt
B.Bus (Acct), CPA, GAICD

Vice Chair- Mr J Green
BA, LLB



Mr M Hession
B.Science

Ms K Harmon, AM
BAdmin, GradDipIntHlth, GradCertMgt, DipNsgSt, DipNsgAdmin, RN, RM, FNCA, FAIM, GAICD



Mr D Jacka
GradDip HRM/IR, GradCert Conflict Resolution

Dr R Baker
MBBS GradDip Anaesthetics FANZCA

Ms L Long
B Economics, Cert Community Participation

Mr E Higgins
B.Bus (Maj Mgmt & Mktg), Post Grad Dip Mktg, Masters Mktg

Ms L Williamson
Dip of AdvNurs (Gerentology) A.C.A.E, (U.N.E.), Dip Nurs Admin (U.N.E.), A.C.A.E. BA (Nursing) (U.N.E.)

Photo of Donovan Jacka courtesy of North East Media

EXECUTIVE

Chief Executive Officer
Ms M L Bennett
Grad Dip Bus Admin, RN, RM, GAICD

The Chief Executive Officer (CEO) is responsible to the Board for the efficient and effective management of Northeast Health Wangaratta. Prime responsibilities include the development and implementation of operational and strategic planning, maximising service efficiency and quality improvement and minimising and managing risk.

Director of Medical Services
Dr J M Elcock
BMedSci (Hons), MB BS, MBA, FRACGP, FRACMA, GAICD

The Director of Medical Services has professional responsibility for the recruitment, credentialling and managment of Visiting Medical Officers, Staff Specialists and Hospital Medical Officers across all clinical services. The role works with other members of the Executive to provide clinical governance, strategic planning and resource management for the health service.

Chief Operating Officer/ Deputy CEO
Mr T Griffiths
B.Bus (Acct), GradCert (Export), GradCert (ComLaw), GradDip (MarLogistics), MBT, GAICD

The Deputy CEO/Chief Operating Officer has overall responsible for the effective delivery of corporate and operational support services. The role is also responsible for financial management, governance and reporting requirements to the Board, Department of Health & Human Services and external bodies. The role is also inclusive of the Chief Procurement Officer responsibilities.

Director of Clinical Services- Nursing & Midwifery
Ms L Fifis
BA Appl Sc (Ng), RN, RM, MHA, FACN, GAICD

The Director of Clinical Services- Nursing & Midwifery has professional responsibility for nursing across clinical streams and executive responsibility for acute nursing services.

Other major areas of responsibility include Clinical Leadership and Standards of Practice, Nursing credentialing and resource management, service and strategic planning and clinical risk management and quality improvement.

EXECUTIVE

Director of Performance Improvement
Ms M Butler
RN, DipApp Sci (Dental Therapy), Grad Dip Health Admin, Cert IV Workplace Assessment

The Director of Performance Improvement has responsibility to develop and oversee the continuous improvement and safety systems across NHW. This position is responsible for the Hardwiring Excellence program, maintenance of accreditation status, and the development of systems, frameworks and processes to support patient safety, organisational improvement, risk management, consumer feedback, community engagement, legislative compliance and policy development and review

Director of Education & Research
Dr S Wilson
RN, Paed Cert, Grad Dip Adv Clin Nsg (Psych), BA, BSc, Grad Dip Ed (p-12), MEd, PhD

The Director of Education and Research services is responsible for facilitating workforce capability by fostering educational partnerships and collaborations; supporting career pathway options and relevant transitional training programs; coordinating skill development, maintenance and advancement; providing a contemporary professional development calendar and suite of training resources; and improving outcomes of care by facilitating the adoption of evidence based practice. The role is deeply committed to ensuring a healthy community through engagement with lifelong learning and continuous practice development.

Director Community Health, Partnerships & Well Ageing
Mr D Kidd
B. Podiatry, M. Public Health

The Director of Community Health, Partnerships and Well-Ageing is responsible for the planning and delivery of services provided by the Dental, Community Nursing, Allied Health and Ambulatory Care services at NHW.

A major focus of the role is to provide leadership in the development of contemporary and innovative service delivery models to support health service care at inpatient level and the seamless flow to community based care of community based rehabilitation, outpatient care, chronic disease management and promoting the concept of well-ageing in the community.

Director of People & Culture
Mr A Kumar
BA Arts, MBA HR/IR, Cert IV T&A, JP

The newly created role of Director of People & Culture is instrumental in assisting the Executive Team's effective management of NHW's 1200 plus staff members and volunteers. The role sees the importance of building sustainable rural and remote employment opportunities by focusing on people, their professional goals and wellbeing that promote a healthy organisation culture in a fast changing, highly competitive public sector health market.

STAFF

Labour Category	June Current Month FTE		June YTD FTE	
	2015	2016	2015	2016
Nursing	372.80	382.60	372.23	378.62
Admin/Clerical	108.42	116.75	109.71	112.46
Medical Support	63.96	65.12	63.04	64.21
Hotel/Allied	86.28	92.08	88.93	91.56
Medical	1.00	0.00	1.06	0.00
Hospital Medical Officers	42.54	50.89	43.90	45.72
Sessional Clinical	5.29	4.76	4.15	4.99
AlliedHealth	49.60	56.23	47.33	53.05
Grand Total	**729.89**	**768.43**	**730.35**	**750.61**

Northeast Health Wangaratta commits to the application of employment and conduct principles for all staff. All employees at Northeast Health Wangaratta have been correctly classified in workforce data collections.

LIFE GOVERNORS

M Wilson
P Fiddes
C Cutler
E G O'Keefe
S Leitl
S J Oxley
R A Underwood
J Mounsey
C E Cunningham

STATEMENTS OF COMPLIANCE

Minister for Health in the State of Victoria

Northeast Health Wangaratta was established under the *Health Services Act 1988*. The responsible Minister during the reporting period was The Minister for Health, The Honourable Jill Hennessy MP.

Freedom of Information, Information Privacy & Health Records Acts

Northeast Health Wangaratta has a Freedom of Information Officer and a process in place for the public to access their medical records. *The Freedom of Information Act 1982, Information Privacy Act 2000* and *Health Records Act 2001* provide for members of the public to access their medical record for the purpose of viewing, amending incorrect notations or copying parts of the record. During the year there were 392 requests of Northeast Health Wangaratta under the Act. All, except for two requests were complied with within the required 45 days, due to waiting on information from a third party.

Carers Recognition Act 2012

Northeast Health Wangaratta has appropriate procedures in place to comply with the *Carers Recognition Act 2012* through the provision of ensuring that all staff and volunteers respect and recognise carers, support them as individuals, recognise their commitment and dedication, respect their views and cultural identity and support their social wellbeing. No disclosures have been received during 2015-16.

Protected Disclosure Act 2012

Northeast Health Wangaratta has in place appropriate procedures for disclosure in accordance with the *Protected Disclosure Act 2012* by way of handling and notifying any disclosures. No protected disclosures were made under the Act in 2015-16.

Statement of Merit and Equity

Northeast Health Wangaratta ensures a fair and transparent process for recruitment, selection, transfer and promotion of staff. It bases its employment selection on merit, and complies with relevant legislation including equal employment opportunity and the *Fair Work Act Australia* and the National Employment Standards. Northeast Health Wangaratta has policies and procedures in place that ensure employees are respected and treated fairly. These policies also provide avenues for grievance and complaint processes.

National Competition Policy

Northeast Health Wangaratta applies competitive neutral costing and pricing arrangements to significant business units within its operations. These arrangements are in line with Government policy and the model principles applicable to the health sector.

STATEMENTS OF COMPLIANCE

Contracts 2015-16 - Victorian Industry Participation Policy (VIPP) Act 2003

Northeast Health Wangaratta abides by the *Victorian Industry Participation Policy(VIPP) Act 2003* . In 2015-16 no new contracts commenced to which VIPP applies.

Compliance with the Victorian Building Act 1993

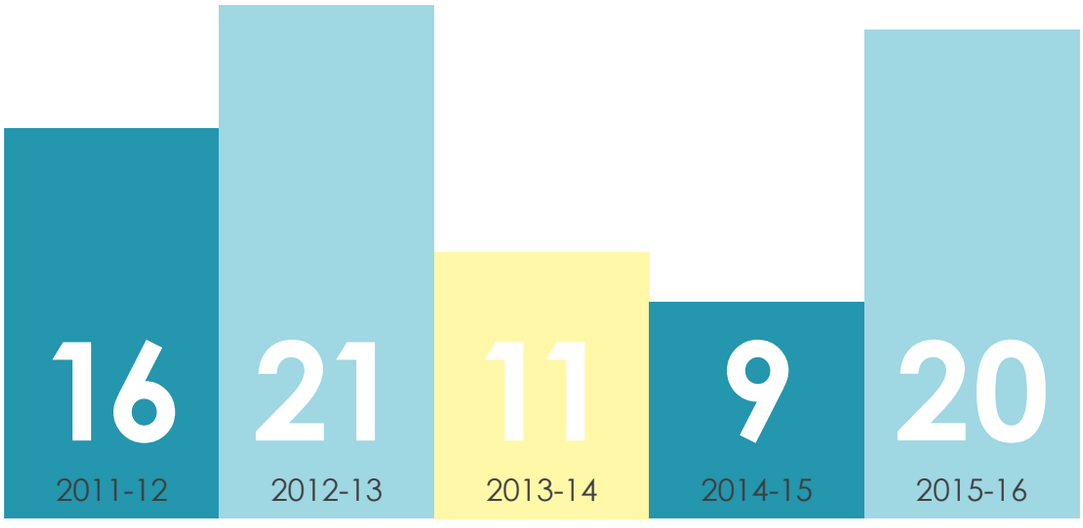
Northeast Health Wangaratta complies with the provisions of the *Building Act 1993* in accordance with the Department of Health and Human Services Capital Development Guidelines (Minister for Finance Guideline *Building Act 1993*/ Standards for Publicly Owned Buildings 1994/ Building Regulations 2005 and Building Code of Australia 2004).

Compliance with the Occupational Health & Safety Act 2004

Northeast Health Wangaratta complies with the *Occupation Health & Safety Act of 2004* and its associated regulations and code of practice to meet the Australian Council of Health Care Standards requirements. The organisation monitors its compliance through an Occupational Health & Safety Committee which reports to the Board of Management and Quality & Safety Committee. All staff injuries and hazards in the workplace are reported and followed up via the 'Riskman' web based incident management system available to all staff. We support our staff both in the provision of training to reduce risk of injury and, if an injury does occur, a comprehensive return to work program.

Workcover Claims: 5 year comparison

Number of claims:Statement of Additional Information (FRD 22 F)



STATEMENTS OF COMPLIANCE

Statement of Additional Information (FRD 22G)

In compliance with the requirements of FRD 22G Section 6:18 *Standard Disclosures in the Report of Operations*, details in respect of the items listed below have been retained by Northeast Health Wangaratta and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

a. A statement of pecuniary interest has been completed by all relevant officers;

b. Details of shares held by senior officers as nominee or held beneficially;

c. Details of publications produced by the Northeast Health Wangaratta about the activities of the Health Service and where they can be obtained;

d. Details of changes in prices, fees, charges, rates and levies charged by Northeast Health Wangaratta;

e. Details of any major external reviews carried out on Northeast Health Wangaratta;

f. Details of major research and development activities undertaken by Northeast Health Wangaratta that are not otherwise covered either in the Report of Operations or in a document that contains the financial statements and Report of Operations;

g. Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;

h. Details of major promotional, public relations and marketing activities undertaken by Northeast Health Wangaratta to develop community awareness of the Health Service and its services;

i. Details of assessments and measures undertaken to improve the occupational health and safety of employees;

j. General statement on industrial relations within Northeast Health Wangaratta and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the Report of Operations;

k. A list of major committees sponsored by Northeast Health Wangaratta, the purposes of each committee and the extent to which those purposes have been achieved;

l. Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

STATEMENTS OF COMPLIANCE

Consultancies 2015-16

Details of consultancies (under $10,000)
In 2015-16, Northeast Health Wangaratta engaged 7 consultancies where the total fees payable to the consultant was less than $10,000, with a total expenditure of $37,730 (excl. GST).

Details of consultancies (valued at $10,000 or greater)
In 2015-16, Northeast Health Wangaratta engaged 6 consultancies where the total fees payable to the consultant were $10,000 or greater.

The total expenditure incurred during 2015-16 in relation to these consultancies is $224,465 (excl. GST). Details of individual consultancies are detailed in the table below.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee 2015-16 (Exc. GST)	Expenditure 2015-16 (Exc. GST)	Future Expenditure 2016-17 (Exc GST)
DAVID A FORD	Pharmacy Review	01/06/2016	30/06/2016	$12,000	$12,000	$0
SYRIS CONSULTING	Costing Data - VCDC	07/09/2015	04/12/2015	$21,545	$21,545	$0
LEHR CONSULTANTS INTERNATIONAL AUSTRALIA PTY LTD	Infrastructure Replacement Tender Document Preparation	22/04/2016	09/06/2016	$24,000	$24,000	$0
STUDER GROUP AUSTRALIA PTY LTD	Leadership Coaching	16/07/2015	23/12/2015	$31,849	$31,849	$0
P2 GROUP	Workcover Management	11/08/2015	23/06/2016	$34,125	$34,125	$0
AUSTRALIAN HEALTH SERVICES GROUP PTY LIMITED	Allied & Community Health, Pharmacy & Human Resources Reviews	24/09/2015	09/06/2016	$100,946	$100,946	$0

Audit Act 1994

Northeast Health Wangaratta's Audit Committee consists of: Mr Jonathan Green (Chair), Mr Brendan Schutt, Mr Donovan Jacka, Ms Lisbeth Long, Mr John Duck (Indep), Mr Brian Hargreaves (Indep), Ms Margaret Bennett, Mr Timothy Griffiths, Mr Ross Moore (to Dec 2015) , Ms Jenny Ball (from Mar 2015) and Ms Michelle Butler.

Expenditure on Government Advertising during 2015-16

Northeast Health Wangaratta had nil expenditure on Government advertising in 2015-16.

Financial Management Act 1994

The information provided in this report has been prepared in accordance with the Directions of the Minister for Finance Part 9.1.3 (IV) and is available to relevant Ministers, Members of Parliament and the public on request.

STATEMENTS OF COMPLIANCE

Statement on Environmental Performance

Northeast Health Wangaratta promotes a sound awareness of, and positive attitudes and behaviour towards the environment among all our staff, patients and visitors.

Supporting our Environmental Sustainability Plan, a number of principles have been developed that provides additional direction on specific issues. As an organization we are applying the best practicable methods to:

- Conserve energy (produced by non renewable resources and by methods which pollute the environment).
- Conserve water resources and minimise wastewater disposal.
- Minimise and, where possible, eliminate the use of harmful substances.
- Ensure the correct and safe disposal of all substances.
- Minimise waste generation through reduction, reuse and recycling.
- Minimise pollution – noise, visual electromagnetic radiation, and odour.
- Address environmental concerns in all our planning and landscaping decisions.
- Encourage procurement procedures that adhere to the principles of our environmental policy.

Our Environmental Sustainability Committee is committed to supporting, reporting and promoting the achievements of the following goals:

- Sustainable Development
- Waste Minimisation and Prevention
- Water Conservation
- Effective Energy Management Reduction Strategies
- Compliance with our Environmental Legal and Reporting Obligation
- Training and Educating our Staff on Environmental Issues.

Our Key Highlights for 2016 include;

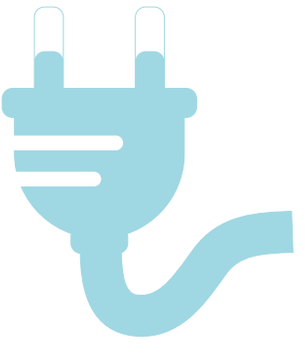
- Combined Gas and Electricity consumption has reduced by 3,470GJ's in the 2015-16 period, highlighting our commitment in reducing energy consumption across the site
- LED light replacement program has been completed throughout the organisation.
- Our Clinical Waste reduced by 2,662.6 Kg from 2014-15 amounts, which highlights our improvements in the correct disposal of clinical waste.
- Our Comingled recycling increased by 52,000L's , which highlights our commitment and process improvements in streaming comingled waste from our general waste.
- Our General landfill waste reduced by 18,480 Kg from the 2014-15 period, highlighting our organisational efforts in improved recycling processes and waste streaming processes – even as our organisational activity has increased.

STATEMENTS OF COMPLIANCE

Gas & Electricity Consumption

Total energy consumption in Gigajoules (GJ)

46,042GJ
2013-14



45,679GJ
2014-15

42,209GJ
2015-16

Recycling of comingled waste

Total litres (L) of materials recycled

342,200L
2013-14

461,280L
2014-15

509,538L
2015-16

STATEMENTS OF COMPLIANCE

Occupational Violence

The 2015 -16 Statement of Priorities requires all health services to monitor and publicly report incidents of occupational violence. Northeast Health Wangaratta has in place appropriate procedures for the reporting, disclosure and handling incidents of occupational violence.

	Occupational violence statistics	2015-16
1.	Workcover accepted claims with an occupational violence cause per 100 FTE	0.0013
2.	Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0.0001
3.	Number of occupational violence incidents reported	133
4.	Number of occupational violence incidents reported per 100 FTE	0.1778
5.	Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0.0676

Definintions
For the purpose of the above statistics the following definitions apply.

Occupational violence- any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.

Incident- occupational health and safety incidents reported in the health service incident reporting system. Code Grey reporting is not included.

Accepted Workcover claims- Accepted Workcover claims that were lodged in 2015-16.

Lost time- is defined as greater than one day.

Information and Communication Technology (ICT) expenditure

During 2015-16, Northeast Health Wangaratta spent $2,843,384 on ICT Business As Usual (BAU) Operational expenditure (excluding GST) and $95,556 on Capital expenditure (excluding GST).

Car Parking Fees

From 1 February 2016, health services operating fee based car parking facilities are required to have a formal policy in place detailing the conditions by which it operates under. During 2015-16, Northeast Health Wangaratta did not operate a fee based car parking facility.

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2015-16

Domain	Action	Deliverable	Outcomes
Patient experience and outcomes	Drive improved health outcomes through a strong focus on patient-centred care in the planning, delivery and evaluation of services, and the development of new models for putting patients first.	Following the development of Northeast Health Wangaratta's Clinical Services Plan 2015 – 2020, Northeast Health Wangaratta will deliver the following first year initiatives, including: Appoint a Wound Consultant to streamline management of complex wounds for inpatients and outpatients of Northeast Health Wangaratta.	**ACHIEVED** Wound Consultant appointed to position at 0.6 EFT and has commenced, providing a Consultant service for both inpatients and outpatients.
		Establish with Gateway Health an integrated plan to manage patients presenting to the Emergency Department with drug and alcohol issues.	**ACHIEVED** An integrated plan with Gateway Health has been established to maximise the use of referral pathways for patients presenting with drug and alcohol related conditions in the Emergency Department.
		Relocate Oncology visiting services to the Community Care Centre to further enhance the services available at the Northeast Health Wangaratta oncology services.	**ACHIEVED** Oncology visiting services established in Outpatients Department of Community Care Centre.
	Strengthen the response of health services to family violence. This includes implementing interventions, processes and systems to prevent; identify and respond appropriately to family violence at an individual and community level.	Northeast Health Wangaratta will develop and implement a comprehensive interagency approach in partnership with other key agencies to prevent, identify and respond appropriately to family violence at an individual and community level. This will include the development of appropriate policy and referral pathways.	**ACHIEVED** Northeast Health Wangaratta is contributing to the development of a comprehensive interagency approach to Domestic Violence. Establishment of Northeast Health Wangaratta Family Violence working party. • Working party objectives established. • Membership of Wangaratta Family Violence Network established • Common referral pathways identified with local Family Violence Network organisations

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2015-16

Domain	Action	Deliverable	Outcomes
Patient experience and outcomes (continued)	Use consumer feedback and develop participation processes to improve person and family centred care, health service practice and patient experiences.	Further enhance consumer feedback by increasing use of 'Patient Stories', Patient Experience Tracker tools, a range of Community Focus Forums (externally facilitated) and increase Community Advisory Committee membership to gain consumer feedback.	**ACHIEVED** Patient Experience Trackers in place. Patient Story Program was developed and commenced. Documentation of 2015 stories included in the 2015 Quality of Care Report. Community Advisory Committee membership has increased. Enhanced Consumer Participation Plan developed and will include quarterly consumer forums.
	Support the effective delivery of alcohol and other drug treatment services.	Establish with Gateway Health an integrated plan to manage patients presenting to the Emergency Department) with drug and alcohol issues.	**ACHIEVED** An integrated plan with Gateway Health has been established to maximise the use of referral pathways for patients presenting with drug and alcohol related conditions in the Emergency Department.
	Implement an organisation-wide approach to advance care planning including a system for identifying, documenting and/or receiving advance care plans in partnership with patients, carers and substitute decision makers so that people's wishes for future care can be activated when medical decisions need to be made.	Continued implementation of the Northeast Health Wangaratta Advance Care Action Plan 2015-2016, including: • review and improve current education provided to staff • develop a training manual for staff • increase data collection and reporting	**ACHIEVED** Advance Care Plan action plan implemented and has resulted in: • Commencement of education package development about Advance Care Planning for inclusion in the online learning program. New inter professional education developed in: • Respecting Patients Choices • Introduction to Advance Care Planning aimed at everyone in the health sector • Additional Advance Care Planning information for health service clinicians

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2015-16

Domain	Action	Deliverable	Outcomes
Governance, leadership and culture	Demonstrate an organisational commitment to Occupational Health and Safety, including mental health and wellbeing in the workplace. Ensure accessible and affordable support services are available for employees experiencing mental ill health. Work collaboratively with the Department of Health and Human Services and professional bodies to identify and address systemic issues of mental ill health amongst the medical professions.	Develop and promote a Staff Health and Wellbeing Plan in the workplace.	**ACHIEVED** Northeast Health Wangaratta staff Health and Well Being Plan has been launched with a menu of options available to staff. Additional menu options still being sourced from external providers.
		Launch and strongly promote a newly revised Occupational Health and Safety Commitment Statement.	**ACHIEVED** Occupational Health and Safety Coordinator appointed and the newly revised Occupational Health and Safety Commitment Statement launched in May 2016.
	Monitor and publically report incidents of occupational violence. Work collaboratively with the Department of Health and Human Services to develop systems to prevent the occurrence of occupational violence.	Report on Occupational Violence rates and actions taken via the annual Quality of Care Report.	**ACHIEVED** Occupational violence rates and actions included in 2015 Quality of Care Report, and will again be included in this year's Quality of Care Report.
		Undertake ongoing aggression risk management training for staff.	**ACHIEVED** In excess of 150 staff have completed the MOVAIT training with an ongoing training program in place.

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2015-16

Domain	Action	Deliverable	Outcomes
Governance, leadership and culture (continued)	Promote a positive workplace culture and implement strategies to prevent bullying and harassment in the workplace. Monitor trends of complaints of bullying and harassment and identify and address organisational units exhibiting poor workplace culture and morale.	Continue implementation of the Studer Hardwiring Excellence program.	**ACHIEVED** Plan for 2016 developed and has included strengthened accountability and communication tactics as well as an updated metrics reporting framework. Current program expanded to introduce Hardwiring Excellence Champions. Northeast Health Wangaratta presented a key note address at the National Studer Conference in May 2016.
		Annual participation in the People Matters Survey with development of an action plan for any identified issues.	**ACHIEVED** Action plan developed in relation to 2015 results with planned actions clearly displayed for all staff across NHW. Much improved completion rate for survey in 2016 (>50%.)
		Ongoing training and promotion of a positive workplace culture, with any complaints of bullying and harassment addressed.	**ACHIEVED** Introduction of a 'People Champions' program has provided peer based workplace contacts that will help to drive a positive culture and be a 'go to' person for issues in the workplace. Staff nominated 'People Champions' team now in place and trained.
	Undertake an annual Board assessment to identify and develop Board capability to ensure all Board Members are well equipped to effectively discharge their responsibilities.	The Board will undertake an external assessment process to further develop board capacity.	**ACHIEVED** A structured external assessment process was undertaken in mid 2015 with recommendations actioned, and an internal self assessment will occur late 2016.
	Apply existing capability frameworks and clinical guidelines to inform service system planning, giving consideration to the capability of neighbouring services and how best to allocate available resources so as to deliver the maximum benefit to the local community.	Continue to expand the Central Hume Partnership agreements with the appointment of a Director of Anaesthetics to support district health services and the use of Telehealth to support surrounding health services after-hours.	**ACHIEVED** Subregional Clinical Director of Anaesthetics appointed.

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2015-16

Domain	Action	Deliverable	Outcomes
Governance, leadership and culture (continued)	Implement strategies to support health service workers to respond to the needs of people affected by ICE.	Work with the Primary Health Networks and Gateway Health to establish an integrated plan to strengthen service delivery and referral for people affected by ICE.	**ACHIEVED** Interagency collaboration and development of a local action plan has seen the establishment of the Wangaratta Ice Steering Committee in the last quarter. An integrated plan has been established to strengthen service delivery and referral for people affected by ICE.
	Adopt the Healthy Choices: Food and Drink Guidelines for Victorian public hospitals, to increase the availability of healthy food and drinks for purchase by staff, visitors and the general public.	Fully adopt and promote healthy choice for food and drink in-line with the Northeast Health Wangaratta Healthy Food Choice Action Plan.	**ACHIEVED** Full adoption of Health Choices: Food and Drink Guidelines is completed. The principles in the Healthy Food Choices Guidelines have been fully adopted. Assessment complete and compliant to Victorian Public Hospital Guidelines.

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2015-16

Domain	Action	Deliverable	Outcomes
Safety and Quality	Ensure management plans are in place to prevent, detect and contain Carbapenem Resistant Enterobacteriaceae as outlined in Hospital Circular 02/15 (issued 16 June 2015).	Monitor, report and review all cases of Carbapenem Resistant Enterobacteriaceae. Further update current policy on receipt of any further directives.	**ACHIEVED** Northeast Health Wangaratta has a comprehensive Multi Resistant Organism policy that aligns with the recommendations outlined by the Departments publication in relation to Carbapenem Resistant Enterobacteriaceae. Any Multi Resistant Organism cases are reported via Infection Control and Executive and are managed according to policy.
	Implement effective antimicrobial stewardship practices and increase awareness of antimicrobial resistance, its implications and actions to combat it, through effective communication, education, and training.	Achieve all strategies within Northeast Health Wangaratta's antimicrobial stewardship plan.	**ACHIEVED** Antimicrobial stewardship plan in place and updated annually. All strategies now achieved. Recruitment underway for part-time Antimicrobial Stewardship Pharmacist.
	Ensure that emergency response management plans are in place, regularly exercised and updated, including trigger activation and communication arrangements.	Participate in an inter-agency Code Brown exercise.	**ACHIEVED** Desk top exercises held with Victorian Police and Country Fire Authority in relations to Code's Brown, Grey, Black and Purple, and a Chemical Biological Radiological Incident.
	Provide information and support about prevention, risk factors and early detection and management of diseases by employing a prevention and detection approach similar to the '*Supporting patients to be smoke free: an ABCD approach in Victorian health services*' model.	Establish targeted strategies to maximise care for patients who present frequently to the health service with chronic diseases eg. Diabetes and Obesity.	**ACHIEVED** Targeted strategies for patients with chronic diseases in collaboration with Murray Primary Health Networks, Alcohol and Other Drugs, Gateway Health, Women's Health Goulburn North East and Centre Against Violence.

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2015-16

Domain	Action	Deliverable	Outcomes
Financial sustainability	Improve cash management processes to ensure that financial obligations are met as they are due.	Northeast Health Wangaratta will review weekly the cash flow position, and undertake cash flow forecasting that factor in cash balances, expected cash inflows and known outflows, so as to ensure we meet our financial obligations as they fall due. This process will include a review of changes in financial performance (actual to budget to forecast) as it impacts on cash flow and corrective action put in place to ensure financial obligations are still met as they are due.	**ACHIEVED** Cashflow is monitored on a weekly basis and appropriate actions taken. Current asset ratio has been maintained. Full year financial position achieved a slight surplus.
	Identify opportunities for efficiency and better value service delivery.	Further enhance Hospital in the Home program to provide better outcomes for patients and more effective use of existing resources.	**ACHIEVED** Hospital in The Home service expansion in place – now 7 day service. Enhanced referral pathways enable better access for non Northeast Health Wangaratta patients to access Hospital in The Home. Development of clinical pathways for Hospital in The Home. Development of Nurse Practitioner opportunity for clinical governance.
		Increase access to community-based services post-discharge.	**ACHIEVED** Increased access to community-based services post-discharge supported by: • Targeted strategies for patients with chronic diseases in collaboration with Murray Primary Health Network. • Increased outpatient clinics in place.
		Complete redesign of Admission Day Stay Unit to streamline pre-admission processes and decrease patients' attendance prior to surgery.	**ACHIEVED** Nurse Unit Manager of Admission Day Stay Unit appointed. Hardwiring of pre-admission processes introduced as part of the Admission Day Stay Unit redesign project to continue in 2016-17.

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2015-16

Domain	Action	Deliverable	Outcomes
Financial sustainability (continued)	Work with Health Purchasing Victoria to implement procurement savings initiatives.	Participate in the Hume collaborative approach to achieving compliance with Health Purchasing Victoria new policy framework by 30 June 2016.	**ACHIEVED** All policies, procedures, plans, and training in place for full compliance to Health Purchasing Victoria. Policy compliance framework effective from 1st July 2016.
		Continue the Hume Spend-Data Analysis process focussed on identifying procurement opportunities for the Hume region.	**ACHIEVED** Procurement Activity Plan for Hume region completed. Committee will continue to look for opportunities.
	Invest in revenue optimisation initiatives to ensure maximisation of revenue from both public and private sources.	Undertake capital development at Illoura Residential Aged Care facility to achieve 'Significant Refurbishment Status' under the Commonwealth Government's Living Longer Living Better Strategy.	**ACHIEVED** Application to the Significant Facilities Refurbishment round was successful. Tender for building works completed. Works to commence in July 2016.

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2015-16

Domain	Action	Deliverable	Outcomes
Access	Implement integrated care approaches across health and community support services to improve access and responses for disadvantaged Victorians.	Northeast Health Wangaratta's Aboriginal and Torres Strait Islander Liaison Officer to follow up all Aboriginal and Torres Strait Islander patients presenting to the Emergency Department, acute care and community care to support and facilitate treatment and follow up care.	**ACHIEVED** Aboriginal Transition & Liaison Officer position in place and funding secured to end June 2017.
	Progress partnerships with other health services to ensure patients can access treatments as close to where they live when it is safe and effective to do so, making the most efficient use of available resources across the system.	Progress a formal partnership with district health services to deliver targeted surgical outcomes through the Elective Surgery Partnership Pool.	**ACHIEVED** Formal partnership established, following successful funding submission, to undertake targeted Northeast Health Wangaratta waitlist surgery at both Benalla Health and Yarrawonga Health Service.
	Work collaboratively with Ambulance Victoria to achieve timely transfer of patients.	Maintain regular liaison meetings with Ambulance Victoria to monitor continued achievement of patient transfer Key Performance Indicators.	**ACHIEVED** Quarterly meetings held with Ambulance Victoria representatives and Northeast Health Wangaratta executive. Key Performance Indicators are tabled and discussed.
	Contribute to the provision of additional dental services to achieve the targets, milestones and objectives of the National Partnership on Adult Public Dental Services.	Establish a 7th dental chair at Northeast Health Wangaratta to further expand service provision and achieve agreed access targets.	**ACHIEVED** Seventh dental chair in place in Wangaratta – August 2015.
	Develop Telehealth service models to facilitate the delivery of high quality and equitable specialist services to patients across regional Victoria.	Lead the expansion of Telehealth within the Hume Region to increase access to specialist services for rural patients.	**ACHIEVED** Telehealth Plan for Hume Region developed. Further target areas for expansion of service include Hospital in the Home, Mental Health and Rehabilitation services. Northeast Health Wangaratta is now the Urgent Care Centre Telehealth hub provider.

STATEMENT OF PRIORITIES
Part B: Performance Priorities 2015-16

Safety and quality performance

Key performance indicator	Target	Actual
Compliance with NSQHS Standards accreditation	Full compliance	Full compliance
Compliance with the Commonwealth's Aged Care Accreditation Standards	Full compliance	Full compliance
Compliance with the Hand Hygience Australia program July- September 2015	80%	82%
Compliance with the Hand Hygience Australia program January- March 2016	80%	83%
Compliance with the Hand Hygience Australia program April- June 2016	80%	85%
Percentage of healthcare workers immunised for influenzaa	75%	89%
Submission of infection surveillance data to VICNISS[1]	Full complicance	Full compliance

[1] VICNISS is the Victorian Hospital Acquired Infection Surveillance System

Cleaning Standards

Cleaning standard measure	AQL target	Achieved/ Not achieved
Overall compliance with standards	Full compliance	Achieved
Very high risk (Category A)	90 points	Achieved
High risk (Category B)	85 points	Achieved
Moderate risk (Category C)	85 points	Achieved

Patient Experience and outcomes performance

Key performance indicator	Target	Actual
Victorian Healthcare Experience Survey - data submission	Full compliance	Achieved
Victorian Healthcare Experience Survey – patient experience Quarter 1	95% positive experience	94%
Victorian Healthcare Experience Survey – patient experience Quarter 2	95% positive experience	95%
Victorian Healthcare Experience Survey – patient experience Quarter 3	95% positive experience	93%
ICU central line-associated blood stream infection	No outliers	No outliers
Maternity- percentage of women with prearranged postnatal home care	100%	100%

Governance, leadership and culture performance

Key performance indicator	Target	Actual
People Matter Survey- percentage of staff with positive response to safety culture questions	80%	75%

STATEMENT OF PRIORITIES
Part B: Performance Priorities 2015-16

Financial sustainability performance

Key performance indicator	Target	Actual
Finance		
Operating result ($m)	0.00	0.039
Trade creditors	<60 days	average days 55
Patient fee debtors	<60 days	average days 32
Public & private WIES[2] performance to target	100%	104.20%
Asset management		
Asset management plan	Full compliance	Full compliance
Adjusted current asset ratio	0.7	0.48
Days of available cash	14 days	5 days

[2] WIES is a Weighted Inlier Equivalent Separation

Access performance

Key performance indicator	Target	Actual
Emergency care		
Percentage of ambulance patients transferred within 40 minutes	90%	97.4%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended times	80%	90.5%
Percentage of emergency patients with a length of stay less than four hours	81%	83%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	0
Elective surgery		
Percentage of elective patients removed within clinically recommended timeframes	94%	94.5%
Percentage of Urgency Category 1 elective patients removed within 30 days	100%	100%
10% longest waiting Category 2 and 3 removals from the elective surgery waiting list	100%	83%
Number of patients on the elective surgery waiting list[3]	660	673
Number of hospital initiated postponements for 100 scheduled admissions	≤8 / 100	9.1 / 100
Number of patients admitted from the elective surgery waiting list- annual total	2,570	2,529

[3] The target shown is the number of patients on the elective surgery waiting list as at 30 June 2016.

STATEMENT OF PRIORITIES
Part C: Activity and Funding 2015-16

Funding type	2015-16 Activity Achievement
Acute Admitted	
WIES Public	10,582.4
WIES Private	1,936.5
WIES (Public and Private)	12,518.9
WIES DVA	261.07
WIES TAC	95.29
WIES TOTAL	12,875.26
Acute Non-Admitted	
Emergency Services	23,396
Specialist Clinics	16,245
Subacute & Non-Acute Admitted	
Rehab Public	5,448
Rehab Private	2,646
Rehab DVA	564
GEM Public	1,614
GEM Private	537
GEM DVA	239
Palliative Care Public	714
Palliative Care Private	72
Palliative Care DVA	11
Subacute Non-Admitted	
Palliative Care Other Non-admitted	5,898
Health Independence Program	25,486
Health Independence Program - DVA	
Subacute & Non-Acute Other	
Other specific funding	
Aged Care	
Residential Aged Care	22,191
HACC	9,067
Mental Health and Drug Services	
Drug Services	
Primary Health	
Community Health / Primary Care Programs	5,274
Community Health Other	
Other	
Health Workforce	
Other specified funding	
Total Funding	

Data recorded as at 16/08/2016

OPERATIONAL PERFORMANCE

	2016 $000	2015 $000	2014 $000	2013 $000	2012 $000
Total Revenue	120,198	116,681	111,701	105,445	105,858
Total Expenses	124,653	120,845	115,490	109,366	109,698
Net Result for the Year	**(4,455)**	**(4,164)**	**(3,789)**	**(3,921)**	**(3,840)**
Equity					
Asset Revaluation Reserve	58,926	58,591	58,591	55,914	48,870
Contributed Capital	39,072	39,072	39,072	39,072	38,302
Retained Surplus/ Accumulated Deficit	(34,251)	(29,796)	(25,632)	(21,843)	(17,922)
Total Equity	**63,747**	**67,867**	**72,031**	**73,143**	**69,250**
Total Assets	94,238	95,287	98,038	97,687	94,999
Total Liabilities	30,491	27,420	26,007	24,544	25,749
Net Assets	**63,747**	**67,867**	**72,031**	**73,143**	**69,250**

AUDITED FINANCIAL STATEMENTS
30 June 2016

CONTENTS

Board Member's, Accountable Officer's and Chief Finance & Accounting Officer's declaration

We certify that the attached financial statements for Northeast Health Wangaratta have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2016 and financial position of Northeast Health Wangaratta at 30 June 2016.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on this day.

Brendan Schutt
Chair
Board of Management

Wangaratta
25th August 2016

Margaret Bennett
Chief Executive Officer

Wangaratta
25th August 2016

Tim Griffiths
Chief Operating Officer

Wangaratta
25th August 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Northeast Health Wangaratta

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of Northeast Health Wangaratta which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board Member's, Accountable Officer's and Chief Finance & Accounting Officer's declaration.

The Board Members' Responsibility for the Financial Report

The Board Members of Northeast Health Wangaratta are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Northeast Health Wangaratta as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
26 August 2016

Dr Peter Frost
Acting Auditor-General

COMPREHENSIVE OPERATING STATEMENT
For the year ended 30 June 2016

	Notes	Total 2016 $000	Total 2015 Restated $000
Revenue from Operating Activities	2	116,881	113,212
Revenue from Non-operating Activities	2	579	706
Employee Expenses	3	(71,684)	(69,785)
Non Salary Labour Costs	3	(11,108)	(9,953)
Supplies & Consumables	3	(19,502)	(19,068)
Other Expenses	3	(15,119)	(15,455)
Finance costs	5	(8)	-
Net Result Before Capital & Specific Items		**39**	**(343)**
Capital Purpose Income	2	2,738	2,763
Depreciation and Amortisation	4	(5,953)	(5,831)
Specific Expenses	3b	(241)	(28)
Expenditure using Capital Purpose Income	3	(455)	(376)
Net Result after Capital & Specific Items		**(3,872)**	**(3,815)**
Other economic flows included in net result			
Revaluation of Long Service Leave		(583)	(349)
NET RESULT FOR THE YEAR		**(4,455)**	**(4,164)**
Other Comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	18	335	-
Total other comprehensive income		**335**	**-**
Comprehensive Result		**(4,120)**	**(4,164)**

This statement should be read in conjunction with the accompanying notes.

BALANCE SHEET
As at 30 June 2016

	Notes	Total 2016 $000	Total 2015 Restated $000
Current Assets			
Cash and Cash Equivalents	6	457	1,048
Receivables	7	5,828	4,119
Investments and other Financial Assets	8	5,370	4,777
Inventories	9	1,167	1,070
Prepayments and Other Assets	10	250	286
Total Current Assets		**13,072**	**11,300**
Non-Current Assets			
Receivables	7	1,371	1,458
Property, Plant & Equipment	11	79,588	82,379
Intangible Assets	12	207	150
Total Non Current Assets		**81,166**	**83,987**
TOTAL ASSETS		**94,238**	**95,287**
Current Liabilities			
Payables	13	6,796	6,468
Lease Liabilities	14	93	71
Provisions	15	17,707	16,392
Other Liabilities	17	2,900	1,196
Total Current Liabilities		**27,496**	**24,127**
Non-Current Liabilities			
Payables	13	325	-
Lease Liabilities	14	111	60
Provisions	15	2,559	3,233
Total Non-Current Liabilities		**2,995**	**3,293**
TOTAL LIABILITIES		**30,491**	**27,420**
NET ASSETS		**63,747**	**67,867**
EQUITY			
Property, Plant & Equipment Revaluation Surplus	18a	58,926	58,591
Contributed Capital	18b	39,072	39,072
Accumulated Surpluses/(Deficits)	18c	(34,251)	(29,796)
TOTAL EQUITY	**18d**	**63,747**	**67,867**
Commitments	21		
Contingent Assets and Contingent Liabilities	22		

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2016

	Note	Property, Plant & Equipment Revaluation Surplus $000	General Purpose Surplus $000	Contributed Capital $000	Accumulated Surpluses /(Deficits) $000	Total $000
Balance at 1 July 2014		**58,591**	**-**	**39,072**	**(25,632)**	**72,031**
Net result for the year		-	-	-	(4,164)	(4,164)
Balance at 30 June 2015		**58,591**	**-**	**39,072**	**(29,796)**	**67,867**
Net result for the year		-	-	-	(4,455)	(4,455)
Other comprehensive income for the year	18a	335	-	-	-	335
Balance at 30 June 2016		**58,926**	**-**	**39,072**	**(34,251)**	**63,747**

This Statement should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT
For the year ended 30 June 2016

	Notes	Total 2016 $000	Total 2015 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		95,748	90,642
Capital Grants from Government		2,715	2,701
Patient and Resident Fees Received		12,378	12,612
Donations and Bequests Received		349	403
GST Received from/(paid to) ATO		3,448	3,559
Interest Received		230	339
Other Receipts		3,198	2,716
Total Receipts		**118,066**	**112,972**
Employee Expenses Paid		(73,237)	(69,661)
Non Salary Labour Costs		(11,108)	(9,850)
Payments for Supplies & Consumables		(19,502)	(19,068)
Other Payments		(11,283)	(13,212)
Total Payments		**(115,130)**	**(111,791)**
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	**19**	**2,936**	**1,181**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments		(985)	(3,064)
Payments for Non-Financial Assets		(2,985)	(2,866)
Proceeds from sale of Non-Financial Assets		50	86
Proceeds from sale of Investments		393	4,990
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		**(3,527)**	**(854)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		**(591)**	**327**
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		1,048	721
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6	**457**	**1,048**

This Statement should be read in conjunction with the accompanying notes.

CONTENTS

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These annual financial statements represent the audited general purpose financial statements for Northeast Health Wangaratta for the year ended 30 June 2016. The report provides users with information about Northeast Health Wangaratta's stewardship of resources entrusted to it.

a. Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Financial Management Act 1994 and applicable Australian Accounting Standards, which include interpretations by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 Presentation of Financial Statements.

The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance, and relevant Standing Directions (SDs) authorised by the Minister for Finance.

Northeast Health Wangaratta is a not-for profit entity and therefore applies the additional Aus paragraphs applicable to "not-for-profit" Health Services under the AASs.

The annual financial statements were authorised for issue by the Board of Northeast Health Wangaratta on 25th August 2016.

b. Basis of accounting preparation and measurement

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016, and the comparative information presented in these financial statements for the year ended 30 June 2015.

The going concern basis was used to prepare the financial statements on the basis that the Department of Health and Human Services has confirmed that it will continue to provide adequate cashflow support to enable Northeast Health Wangaratta to meet its current and future obligations as and when they fall due for a period up to September 2017 (refer Note 29).

These financial statements are presented in Australian dollars, the functional and presentation currency of the Health Service.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are prepared in accordance with the historical cost convention, except for:

- non-current physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made and are re-assessed when new indices are published by the Valuer General to ensure that the carrying amounts do not materially differ from their fair values;
- the fair value of assets other than land is generally based on their depreciated replacement value.

Judgements, estimates and assumptions are required to be made about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Consistent with AASB 13 Fair Value Measurement, Northeast Health Wangaratta determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, investment properties and financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant FRDs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Northeast Health Wangaratta has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Northeast Health Wangaratta determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is Northeast Health Wangaratta's independent valuation agency.

Northeast Health Wangaratta, in conjunction with VGV monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1(j));
- superannuation expense (refer to Note 1(g)); and
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(k)).

c. Reporting entity

The financial statements include all the controlled activities of Northeast Health Wangaratta.

Its principal address is:

Green St
Wangaratta
Victoria 3677

A description of the nature of Northeast Health Wangaratta's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Objectives and funding
Northeast Health Wangaratta's overall objective is to provide healthcare that enhances the quality of life of people in North East Victoria, as well as improve the quality of life to Victorians.

Northeast Health Wangaratta is predominantly funded by accrual based grant funding for the provision of outputs.

d. Principles of consolidation

Jointly controlled assets or operations

Interests in jointly controlled assets or operations are not consolidated by Northeast Health Wangaratta, but are accounted for in accordance with the policy outlined in Note 1(j) Financial Assets.

e. Scope and presentation of financial statements

Fund Accounting
Northeast Health Wangaratta operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. Northeast Health Wangaratta's Capital and Specific Purpose Funds include unspent capital donations and receipts from fund-raising activities conducted solely in respect of these funds.

Services Supported By Health Services Agreement and Services Supported By Hospital and Community Initiatives

Activities classified as Services Supported by Health Services Agreement (HSA) are substantially funded by the Department of Health and Human Services and includes Residential Aged Care Services (RACS) and are also funded from other sources such as the Commonwealth, patients and residents, while Services Supported by Hospital and Community Initiatives (H&CI) are funded by the Health Service's own activities or local initiatives and/or the Commonwealth.

Residential Aged Care Service
The Illoura Residential Aged Care Service operations are an integral part of Northeast Health Wangaratta and shares its resources. An apportionment of land and buildings has been made based on floor space. The results of the two operations have been segregated based on actual revenue earned and expenditure incurred by each operation in Note 2 and Note 3 to the financial statements.

Illoura Residential Aged Care is substantially funded from Commonwealth bed-day subsidies.

Comprehensive operating statement
The comprehensive operating statement includes the subtotal entitled 'net result before capital & specific items' to enhance the understanding of the financial performance of Northeast Health

Wangaratta. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, expenditure using capital purpose income and items of an unusual nature and amount such as specific income and expenses. The exclusion of these items is made to enhance matching of income and expenses so as to facilitate the comparability and consistency of results between years and Victorian Public Health Services. The 'net result before capital & specific items' is used by the management of Northeast Health Wangaratta, the Department of Health and Human Services and the Victorian Government to measure the ongoing operating performance of Health Services.

Capital and specific items, which are excluded from this sub-total, comprise:

- capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works, plant and equipment or intangible assets. It also includes donations of plant and equipment (refer Note 1 (f)). Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided.
- specific income/expense, comprises the following items, where material:
  - Voluntary departure packages
  - Non-current asset revaluation increments/ decrements
- impairment of financial and non-financial assets, includes all impairment losses (and reversal of previous impairment losses), which have been recognised in accordance with Notes 1 (h) ;
- depreciation and amortisation, as described in Note 1 (g);
- assets provided or received free of charge (refer to Notes 1 (f) and (g)); and
- expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold or doesn't meet asset recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

Other economic flows; are changes arising from market re-measurements. They include:

- gains and losses from disposals of non-financial assets;
- revaluations and impairments of non-financial physical and intangible assets;
- re-measurement arising from defined benefit superannuation plans; and
- fair value changes of financial instruments.

Balance sheet
Assets and liabilities are categorised either as current or non-current (non-current being those assets or liabilities expected to be recovered/ settled more than 12 months after reporting period), and are disclosed in the notes where relevant.

The net result is equivalent to profit or loss derived in accordance with AASs.

Statement of changes in equity
The statement of changes in equity presents reconciliations of each non-owner and owner changes in equity from opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income.

Cash flow statement
Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements under AASB 107 Statement of Cash Flows.

Rounding
All amounts shown in the financial statements are expressed to the nearest $1,000 unless otherwise stated.

Minor discrepancies in tables between totals and sum of components are due to rounding.

f. Income from transactions

Income is recognised in accordance with AASB 118 Revenue and is recognised to the extent that it is probable that the economic benefits will flow to Northeast Health Wangaratta and the income can be reliably measured at fair value. Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

Government Grants and other transfers of income (other than contributions by owners)
In accordance with AASB 1004 Contributions, government grants and other transfers of income (other than contributions by owners) are recognised as income when the Health Service gains control of the underlying assets irrespective of whether conditions are imposed on the Health Service's use of the contributions.

Contributions are deferred as income in advance when the Health Service has a present obligation to repay them and the present obligation can be reliably measured.

Indirect Contributions from the Department of Health and Human Services

- Insurance is recognised as revenue following advice from the Department of Health and Human Services.
- Long Service Leave (LSL) – Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 05/2013 (update for 2014-15).

Patient and Resident Fees
Patient fees are recognised as revenue at the time invoices are raised.

Private Practice Fees
Private practice fees are recognised as revenue at the time invoices are raised.

Revenue from commercial activities
Revenue from commercial activities such as commercial laboratory medicine is recognised at the time invoices are raised.

Donations and Other Bequests
Donations and bequests are recognised as revenue when received. If donations are for a special purpose, they may be appropriated to a surplus, such as the specific restricted purpose surplus.

Interest Revenue
Interest revenue is recognised on a time proportionate basis that takes into account the effective yield of the financial asset, which allocates interest over the relevant period.

Sale of investments
The gain/loss on the sale of investments is recognised when the investment is realised.

Fair value of assets and services received free of charge or for nominal consideration
Resources received free of charge or for nominal consideration are recognised at their fair value when the health service obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another Health Service or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such transfer will be recognised at carrying amount. Contributions in the form of services are only recognised when a fair value can be reliably determined and the service would have been purchased if not received as a donation.

Other income
Other income includes non-property rental, training and seminar revenue.

g. Expense recognition

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Cost of goods sold
Costs of goods sold are recognised when the sale of an item occurs by transferring the cost or value of the item/s from inventories.

Employee expenses

Employee expenses include:

- wages and salaries;
- fringe benefits tax;
- leave entitlements;
- termination payments;
- Workcover premiums; and
- superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans.

Defined contribution superannuation plans
In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred.

Defined benefit superannuation plans
The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by the Health Service to the superannuation plans in respect of the services of current Health Service staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

Employees of Northeast Health Wangaratta are entitled to receive superannuation benefits and Northeast Health Wangaratta contributes to both the defined benefit and defined contribution plans. The defined benefit plan(s) provide benefits based on years of service and final average salary.

The name and details of the major employee superannuation funds and contributions made by Northeast Health Wangaratta are disclosed in Note 16: Superannuation.

Depreciation
All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated (i.e. excludes land assets held for sale, and investment properties). Depreciation begins when the asset is available for use, which is when it is in the location

and condition necessary for it to be capable of operating in a manner intended by management.

Intangible produced assets with finite lives are depreciated as an expense from transactions on a systematic basis over the asset's useful life. Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives, residual value and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate. This depreciation charge is not funded by the Department of Health and Human Services. Assets with a cost in excess of $1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.

The following table indicates the expected useful lives of non current assets on which the depreciation charges are based.

	2015	2014
Buildings		
- Structure Shell Building Fabric	15 to 45 years	15 to 45 years
- Site Engineering Services and Central Plant	12 to 35 years	12 to 35 years
Central Plant		
- Fit Out	10 to 19 years	10 to 19 years
- Trunk Reticulated Building Systems	10 to 19 years	10 to 19 years
Plant & Equipment	5 to 20 years	5 to 20 years
Medical Equipment	4 to 15 years	4 to 15 years
Computers and Communication	3 to 5 years	3 to 5 years
Furniture and Fitting	5 to 20 years	5 to 20 years
Motor Vehicles	4 years	4 years
Leased Assets	2 to 4 Years	2 to 4 Years

As part of the buildings valuation, building values were separated into components and each component assessed for its useful life which is represented above.

Amortisation
Amortisation is allocated to intangible non-produced assets with finite useful lives on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The consumption of intangible non-produced assets with finite useful lives is classified as amortisation.

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 annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the asset concerned is tested as to whether its carrying amount exceeds its recoverable amount.

Intangible assets with finite useful lives are amortised over a 3-5 year period (2015: 3-5 years).

Grants and other transfers
Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies and personal benefit payments made in cash to individuals.

Other operating expenses
Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include:

Supplies and consumables
Supplies and services costs which are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

Bad and doubtful debts
Refer to Note 1 (j) Impairment of financial assets.

Finance Costs
Finance costs are recognised as an expense in the period in which they are incurred. Finance costs include finance charges in respect to finance leases recognised in accordance with AASB 117- Leases.

Fair value of assets, services and resources provided free of charge or for nominal consideration
Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless provided to another agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer will be recognised at its carrying amount.

Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

h. Other comprehensive income included in net result

Other comprehensive income are change in volume or value of assets or liabilities that do not result from transactions.

Net gain/ (loss) on non-financial assets
Net gain/ (loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

Revaluation gains/ (losses) of non-financial physical assets
Refer to Note 1(j) Revaluations of non-financial physical assets.

Net gain/ (loss) on disposal of non-financial assets
Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is the difference between the proceeds and the carrying amount of the asset at the time.

Net gain/ (loss) on financial instruments
Net gain/ (loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost (refer to Note 1 (j)); and
- disposals of financial assets and derecognition of financial liabilities

Impairment of non-financial assets
Goodwill and intangible assets with indefinite useful lives (and intangible assets not available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Refer to Note 1 (j) Assets.

Share of net profits/ (losses) of associates and joint entities

Refer to Note 1 (d) Principles of consolidation.

Other gains/ (losses) from other comprehensive income
Other gains/ (losses) include:

a. the revaluation of the present value of the long service leave liability due to changes in the bond interest rates, this will also include the impact of changes related to the impact of moving from the 2004 long service leave model to the 2008 long service leave model; and

b. transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

i. Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Northeast Health Wangaratta's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Loans and receivables
Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 1(j)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Financial liabilities at amortised cost
Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all of the Health Service's contractual payables, deposits held and advances received, and interest-bearing arrangements.

j. Assets

Cash and Cash Equivalents
Cash and cash equivalents recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and highly liquid investments (with an original maturity of three months or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash with an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the balance sheet.

Receivables
Receivables consist of:

- contractual receivables, which includes mainly debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables; and
- statutory receivables, which includes predominantly amounts owing from the Victorian Government and Goods and Services Tax ("GST") input tax credits recoverable.

Receivables that are contractual are classified as financial instruments and categorised as loans and receivables. Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less any accumulated impairment.

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

Investments and other financial assets
Hospital investments must be in accordance in Standing Direction 4.5.6 – Treasury Risk Management. Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Investments are classified in the following categories:

- loans and receivables.

Northeast Health Wangaratta classifies its financial assets between current and non-current assets based on the purpose for which the assets were acquired. Management determines the classification of its other financial assets at initial recognition.

Northeast Health Wangaratta assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

All financial assets are subject to annual review for impairment.

All financial assets, except those measured at fair value through profit or loss are subject to annual review for impairment.

Inventories
Inventories include goods and other property held either for sale, consumption or for distribution at no or nominal cost in the ordinary course of business operations. It excludes depreciable assets.

Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value.

The basis used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

Cost for all other inventory is measured on the basis of weighted average cost.

Property, plant and equipment
All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and accumulated impairment loss. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a merger/machinery of government are transferred at their carrying amount.

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 11 Property, plant and equipment.

Crown land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

Land and buildings are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and accumulated impairment loss.

Plant, equipment and vehicles are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and accumulated impairment loss. Depreciated historical cost is generally a reasonable proxy for fair value because of the short lives of the assets concerned.

Revaluations of non-current physical assets
Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103F Non-current physical assets. This revaluation process normally occurs at least every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increments or decrements arise from differences between an asset's carrying amount and fair value.

Revaluation increments are recognised in 'other comprehensive income' and are credited directly in equity to the asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, the increment is recognised as income in the net result.

Revaluation decrements are recognised in 'other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment.

Revaluation increases and revaluation decreases relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation surplus is not normally transferred to accumulated funds on derecognition of the relevant asset.

In accordance with FRD 103F, Northeast Health Wangaratta's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

Intangible assets
Intangible assets represent identifiable non-monetary assets without physical substance such as patents, trademarks, and computer software and development costs (where applicable).

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Health Service.

Prepayments
Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Disposal of non-financial assets
Any gain or loss on the sale of non-financial assets is recognised in the comprehensive operating statement. Refer to Note 1(h) – 'other comprehensive income'.

Impairment of non-financial assets
Goodwill and intangible assets with indefinite lives (and intangible assets not yet available for use)

are tested annually for impairment (as described below) and whenever there is an indication that the asset may be impaired.

All other non-financial assets are assessed annually for indications of impairment, except for:

- inventories.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying amount exceeds their possible recoverable amount. Where an asset's carrying amount exceeds its recoverable amount, the difference is written-off as an expense except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that same class of asset.

If there is an indication that there has been a reversal in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall increase to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs of disposal. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs of disposal.

Investments in joint operations
In respect of any interest in joint operations, Northeast Health Wangaratta recognises in the financial statements:

- its assets, including its share of any assets held jointly;
- any liabilities including its share of liabilities that it had incurred;
- its revenue from the sale of its share of the output from the joint operation;
- its share of the revenue from the sale of the output by the operation; and
- its expenses, including its share of any expenses incurred jointly.

Derecognition of financial assets
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 rights to receive cash flows from the asset have expired; or
- the Health Service retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Health Service has transferred its rights to receive cash flows from the asset and either:

  (a) has transferred substantially all the risks and rewards of the asset; or

  (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets
At the end of each reporting period Northeast Health Wangaratta assesses whether there is objective evidence that a financial asset or group of financial asset is impaired. All financial instrument assets are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Bad debts considered as written off and allowances for doubtful receivables are expensed. Bad debts written off by mutual consent and the allowance for doubtful debts are classified as 'other comprehensive income' in the net result.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Where the fair value of an investment in an equity instrument at balance date has reduced by 20 percent or more than its cost price or where its fair value has been less than its cost price for a period of 12 or more months, the financial asset is treated as impaired.

In order to determine an appropriate fair value as at 30 June 2016 for its portfolio of financial assets, Northeast Health Wangaratta based these at invested value as all investments are in term deposits with reputable financial institutions. Therefore invested face value represents fair value.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

Net gain/(loss) on financial instruments
Net gain/(loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading;
- impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets and derecognition of financial liabilities.

Revaluations of financial instruments at fair value
The revaluation gain/(loss) on financial instruments at fair value excludes dividends or interest earned on financial assets.

k. Liabilities

Payables
Payables consist of:

- contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to the Health Service prior to the end of the financial year that are unpaid, and arise when the Health Service becomes obliged to make future payments in respect of the purchase of those goods and services. The normal credit terms for accounts payable are usually Nett 30 days.
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and are initially recognised at fair value, and then subsequently carried at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Provisions
Provisions are recognised when the Health Service has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee benefits
This provision arises for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

Wages and salaries, annual leave, sick leave and accrued days off
Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accumulating sick leave are all recognised in the provision for employee benefits as 'current liabilities', because the health service does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and sick leave are measured at:

- Undiscounted value – if the health service expects to wholly settle within 12 months; or
- Present value – if the health service does not expect to wholly settle within 12 months.

Long service leave (LSL)
Liability for LSL is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the health service does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- Undiscounted value – if the health service expects to wholly settle within 12 months; and
- Present value – if the health service does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as other comprehensive income.

Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date or when an employee decides to accept an offer of benefits in exchange for the termination of employment.

The health service recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

On-costs
Provisions for on-costs, such as payroll tax, workers compensation and superannuation are recognised together with provisions for employee benefits.

Superannuation liabilities
Northeast Health Wangaratta does not recognise any unfunded defined benefit liability in respect of the superannuation plans because the Health Service has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged, 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 a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an expense in the consolidated comprehensive operating statement.

l. Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. The Treasurer has approved the finance leases held by HRHA. The approved cap for Northeast Health Wangaratta is $729,173.

All other leases are classified as operating leases.

Finance leases

The Health Service does not hold any finance lease arrangements with other parties, other than those held in the HRHA joint venture, which have been recognised and disclosed in accordance with the policy outlined in Note 1 (j). Refer Note 24.

Operating leases

Entity as lessee
Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

m. Equity

Contributed capital
Consistent with Australian Accounting Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities and FRD 119A Contributions by Owners, appropriations for additions to the net asset base have been designated as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners that have been designated as contributed capital are also treated as contributed capital.

Transfers of net assets arising from administrative restructurings are treated as contributions by owners. Transfers of net liabilities arising from administrative restructures are to go through the comprehensive operating statement.

Property, plant & equipment revaluation surplus
The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current physical assets.

n. Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 21) at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

o. Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

p. Goods and Services Tax ("GST")

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as an operating cash flow.

Commitments for expenditure and contingent assets and liabilities are presented on a gross basis.

q. AASs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2016 reporting period. DTF assesses the impact of all these new standards and advises the Health Service of their applicability and early adoption where applicable.

As at 30 June 2016, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Northeast Health Wangaratta has not and does not intend to adopt these standards early.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on Hospital's Annual Statements
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 2014 1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on Hospital's Annual Statements
AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018	1 Jan 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require: A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access).	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified in AASB 15
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	1 Jan 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. No change for lessors.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2015-16 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 1056 Superannuation Entities
- AASB 1057 Application of Australian Accounting Standards
- AASB 2014 1 Amendments to Australian Accounting Standards [PART D – Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts only] 2
- AASB 2014 3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]
- AASB 2014 6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141]
- AASB 2015 2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2015 5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception [AASB 10, AASB 12, AASB 128] 2
- AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1057]
- AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128
- AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

Notes:
1. For the current year, given the number of consequential amendments to AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers, the standards/interpretations have been grouped together to provide a more relevant view of the upcoming changes.

2. This Standard or Amendment may not be relevant to Victorian not-for-profit entities when operative

r. Category Groups

Northeast Health Wangaratta has used the following category groups for reporting purposes for the current and previous financial years.

Admitted Patient Services (Admitted Patients) comprises all acute and subacute admitted patient services, where services are delivered in public hospitals.

Mental Health Services (Mental Health) comprises all specialised mental health services providing a range of inpatient, community based and ambulatory services which treat and support people with a mental illness and their families and carers. These services aim to identify mental illness early, and seek to reduce its impact through providing timely acute care services and appropriate longer-term accommodation and support for those living with a mental illness. These services are delivered under contract by Albury Wodonga Health through the North East and Border Mental Health Service agreement (NEBMHS).

Non Admitted Services comprises acute and subacute non admitted services, where services are delivered in public hospital clinics and provide models of integrated community care, which significantly reduces the demand for hospital beds and supports the transition from hospital to home in a safe and timely manner.

Emergency Department Services (EDs) comprises all emergency department services.

Aged Care comprises a range of in home, specialist geriatric, residential care and community based programs and support services, such as Home and Community Care (HACC) that are targeted to older people, people with a disability, and their carers.

Primary, Community and Dental Health comprises a range of home based, community based, community, primary health and dental services including health promotion and counselling, physiotherapy, speech therapy, podiatry and occupational therapy and a range of dental health services

Residential Aged Care (RAC) comprises those Commonwealth licensed residential aged care services.

Other not reported elsewhere - (Other) comprises services not separately classified above, including: Public Health Services including laboratory testing, blood borne viruses / sexually transmitted infections clinical services, Kooris liaison officers, immunisation and screening services, drugs services including drug withdrawal, counselling and the needle and syringe program, Disability services including aids and equipment and flexible support packages to people with a disability, Community Care programs including sexual assault support, early parenting services, parenting assessment and skills development, and various support services. Health and Community Initiatives also falls in this category group.

Note 2: Analysis of Revenue by Source

	Admitted Patients 2016 $000	Non-Admitted 2016 $000	EDS 2016 $000	Mental Health 2015 $000	RAC 2015 $000	Aged Care 2015 $000	Primary Health 2015 $000	Other 2015 $000	Total 2015 $000
Government Grants	74,532	4,990	7,100	-	5,498	2,128	800	2,883	97,931
Indirect contributions by Department of Health and Human Services *	(17)	-	-	-	-	-	-	-	(17)
Patient and Resident Fees	10,234	-	114	-	1,534	223	67	152	12,324
Commercial Activities (Note 3a)	338	-	-	-	-	-	-	1,028	1,366
Other Revenue from Operating Activities	3,605	-	94	1,323	6	1	4	244	5,277
Total Revenue from Operating Activities	**88,692**	**4,990**	**7,308**	**1,323**	**7,038**	**2,352**	**871**	**4,307**	**116,881**
Interest & Dividends	139	-	-	-	66	-	-	25	230
Donations and Bequests	-	-	-	-	-	-	-	349	349
Total Revenue from Non-Operating Activities	**139**	**-**	**-**	**-**	**66**	**-**	**-**	**374**	**579**
Capital Purpose Income (excluding interest)	1,395	-	-	-	900	-	-	420	2,715
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2a)	-	-	-	-	-	-	-	23	23
Total Capital Purpose Income	**1,395**	**-**	**-**	**-**	**900**	**-**	**-**	**443**	**2,738**
Total Revenue	**90,226**	**4,990**	**7,308**	**1,323**	**8,004**	**2,352**	**871**	**5,124**	**120,198**

* Indirect contributions by Department of Health and Human Services

The Department of Health and Human Services makes certain payments on behalf of the Health Service (Insurance & LSL).

These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

Note 2: Analysis of Revenue by Source

	Admitted Patients 2015 $000	Non-Admitted 2015 $000	EDS 2015 $000	Mental Health 2015 $000	RAC 2015 $000	Aged Care 2015 $000	Primary Health 2015 $000	Other 2015 $000	Total 2015 $000
Government Grants	69,760	4,892	7,525	-	5,634	2,072	723	2,528	93,134
Indirect contributions by Department of Health and Human Services*	771	-	-	-	-	-	-	-	771
Patient and Resident Fees	10,221	-	76	-	1,560	235	50	663	12,805
Commercial Activities (Note 3a)	387	-	-	-	-	-	-	948	1,335
Other Revenue from Operating Activities	3,225	-	91	1,518	4	-	14	315	5,167
Total Revenue from Operating Activities	**84,364**	**4,892**	**7,692**	**1,518**	**7,198**	**2,307**	**787**	**4,454**	**113,212**
Interest & Dividends	277	-	-	-	15	-	-	11	303
Donations and Bequests	-	-	-	-	-	-	-	403	403
Total Revenue from Non-Operating Activities	**277**	**-**	**-**	**-**	**15**	**-**	**-**	**414**	**706**
Capital Purpose Income (excluding interest)	2,311	-	-	-	30	-	-	385	2,726
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2a)	-	-	-	-	-	-	-	37	37
Total Capital Purpose Income	**2,311**	**-**	**-**	**-**	**30**	**-**	**-**	**422**	**2,763**
Total Revenue	**86,952**	**4,892**	**7,692**	**1,518**	**7,243**	**2,307**	**787**	**5,290**	**116,681**

* Indirect contributions by Department of Health and Human Services

The Department of Health and Human Services makes certain payments on behalf of the Health Service (Insurance & LSL).

These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

Note 2a: Net Gain/(Loss) on Disposal of Non-Financial Assets

	Total 20156 $000	Total 2015 $000
Proceeds from Disposals of Non-Current Assets		
Motor Vehicles	40	77
Medical Equipment	10	9
Total Proceeds from Disposal of Non-Current Assets	**50**	**86**
Less: Written Down Value of Non-Current Assets Sold		
Motor Vehicles	2	25
Medical Equipment	25	24
Total Written Down Value of Non-Current Assets Sold	**27**	**49**
Net gains/(losses) on Disposal of Non-Current Assets	**23**	**37**

Note 3: Analysis of Expenses by Source

	Admitted Patients 2016 $000	Non Admitted 2016 $000	EDS 2016 $000	Mental Health 2016 $000	RAC 2016 $000	Aged Care 2016 $000	Primary Health 2016 $000	Other 2016 $000	Total 2016 $000
Employee Expenses	54,271	654	5,562	110	5,513	1,927	1,682	1,965	71,684
Non Salary Labour Costs	10,857	-	221	12	1	-	17	-	11,108
Supplies & Consumables	16,205	15	1,158	29	237	407	42	1,409	19,502
Other Expenses from Continuing Operations	6,546	955	4,243	874	1,954	(60)	(424)	1,031	15,119
Finance Costs	8	-	-	-	-	-	-	-	8
Total Expenses from Operating Activities	**87,887**	**1,624**	**11,184**	**1,025**	**7,705**	**2,274**	**1,317**	**4,405**	**117,421**
Expenditure for Capital Purposes	455	-	-	-	-	-	-	-	455
Depreciation & Amortisation (refer note 4)	-	-	-	-	-	-	-	5,953	5,953
Specific Expenses (refer note 3b)	241	-	-	-	-	-	-	-	241
Total Other Expenses	**696**	**-**	**-**	**-**	**-**	**-**	**-**	**5,953**	**6,649**
Total Expenses	**88,583**	**1,624**	**11,184**	**1,025**	**7,705**	**2,274**	**1,317**	**10,358**	**124,070**

Note 3: Analysis of Expenses by Source (continued)

	Admitted Patients 2015 $000	Non Admitted 2015 $000	EDS 2015 $000	Mental Health 2015 $000	RAC 2015 $000	Aged Care 2015 $000	Primary Health 2015 $000	Other 2015 $000	Total 2015 $000
Employee Expenses	52,304	637	5,683	98	5,408	2,015	1,655	1,985	69,785
Non Salary Labour Costs	9,821	-	105	-	15	-	12	-	9,953
Supplies & Consumables	16,071	12	1,040	16	243	344	46	1,296	19,068
Other Expenses from Continuing Operations	7,204	768	4,074	1,096	1,685	(4)	(463)	1,095	15,455
Total Expenses from Operating Activities	**85,400**	**1,417**	**10,902**	**1,210**	**7,351**	**2,355**	**1,250**	**4,376**	**114,261**
Expenditure for Capital Purposes	376	-	-	-	-	-	-	-	376
Depreciation & Amortisation (refer note 4)	-	-	-	-	-	-	-	5,831	5,831
Specific Expenses (refer note 3b)	28	-	-	-	-	-	-	-	28
Total Other Expenses	**404**	**-**	**-**	**-**	**-**	**-**	**-**	**5,831**	**6,235**
Total Expenses	**85,804**	**1,417**	**10,902**	**1,210**	**7,351**	**2,355**	**1,250**	**10,207**	**120,496**

Note 3a: Analysis of Expenses and Revenue by Internally Managed and Restricted Specific Purpose Funds

	Expense		Revenue	
	Total 2016 $000	Total 2015 $000	Total 2016 $000	Total 2015 $000
Commercial Activities				
Private Practice and Other Patient Activities	192	163	31	39
Coffee Shop/Catering	864	899	937	909
Property	669	714	338	387
TOTAL	**1,725**	**1,776**	**1,306**	**1,335**

Note 3b: Specific expenses

	Total 2016 $000	Total 2015 $000
Voluntary Departure Packages	241	28
TOTAL	**241**	**28**

Note 4: Depreciation and Amortisation

	Total 2016 $000	Total 2015 $000
Depreciation		
Buildings	4,135	4,103
Plant & Equipment	593	495
Medical Equipment	779	819
Computers and Communication	86	87
Furniture & Equipment	65	61
Motor Vehicles	241	213
Total Depreciation	**5,899**	**5,778**
Amortisation		
Intangible Assets	54	53
Total Amortisation	**54**	**53**
Total Depreciation and Amortisation	**5,953**	**5,831**

Note 5: Finance Costs

	Total 2016 $000	Total 2015 $000
Finance charges on Finance Leases (i)	8	-
Total Finance Costs	**8**	**-**

(i) The 'interest on finance lease' all relates to assets contracted under the HRHA arrangement.

Note 6: Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash assets includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

	Total 2016 $000	Total 2015 $000
Cash on Hand	54	57
Cash at Bank	403	991
Total Cash and Cash Equivalents	**457**	**1,048**
Represented by:		
Cash for Health Service Operations (as per Cash Flow Statement)	457	1,048
Total Cash and Cash Equivalents	**457**	**1,048**

Note 7: Receivables

	Total 2016 $000	Total 2015 $000
CURRENT		
Contractual		
Inter Hospital Debtors	428	615
Trade Debtors	758	906
Patient Fees	1,060	1,114
Accrued Investment Income	19	7
Accrued Revenue - Other	401	102
Less Allowance for Doubtful Debts		
Trade Debtors	(15)	(15)
Patient Fees	(52)	(52)
	2,599	2,677
Statutory		
GST Receivable	407	421
Accrued Revenue - Department of Health and Human Services	2,105	548
Accrued Revenue - Dental Health Services Victoria (DHSV)	252	182
Accrued Revenue - Commonwealth	465	291
	3,229	1,442
TOTAL CURRENT RECEIVABLES	**5,828**	**4,119**
NON CURRENT		
Contractual		
Debtors Other	29	29
	29	29
Statutory		
Long Service Leave - Department of Health and Human Services	1,342	1,429
	1,342	1,429
TOTAL NON CURRENT RECEIVABLES	**1,371**	**1,458**
TOTAL RECEIVABLES	**7,199**	**5,577**
(a) Movement in the Allowance for doubtful debts		
Balance at beginning of year	67	67
Amounts written off during the year	(21)	(8)
Increase/(decrease) in allowance recognised in net result	21	8
Balance at end of year	**67**	**67**

(b) Ageing analysis of receivables
Please refer to note 20(c) for the ageing analysis of receivables

(c) Nature and extent of risk arising from receivables

Please refer to note 20(c) for the nature and extent of credit risk arising from receivables

Note 8: Investments and other Financial Assets

	Operating Fund		Specific Purpose Fund		Total	Total
	2016 $000	2015 $000	2016 $000	2015 $000	2016 $000	2015 $000
Current						
Loans and Receivables						
Term Deposit						
Australian Dollar Bank Term Deposits > 3 months	2,203	3,294	335	327	2,538	3,621
Monies Held in Trust	7	6	-	-	7	6
Refundable Accommodation Deposits	2,825	1,150	-	-	2,825	1,150
Total Current	**5,035**	**4,450**	**335**	**327**	**5,370**	**4,777**
Total Investments and Other Financial Assets	**5,035**	**4,450**	**335**	**327**	**5,370**	**4,777**
Represented by:						
Health Service Investments	2,203	3,294	335	327	2,538	3,621
Monies Held In Trust						
- Patient Monies	7	6	-	-	7	6
- Refundable Accommodation Deposits	2,825	1,150	-	-	2,825	1,150
Total Investments and Other Financial Assets	**5,035**	**4,450**	**335**	**327**	**5,370**	**4,777**

(b) Ageing analysis of other financial assets
Please refer to note 20(c) for the ageing analysis of other financial assets

(c) Nature and extent of risk arising from other financial assets
Please refer to note 20(c) for the nature and extent of credit risk arising from other financial assets

Note 9: Inventories

	Total 2016 $000	Total 2015 $000
Pharmaceuticals- at cost	320	282
Catering Supplies - at cost	47	41
Housekeeping Supplies - at cost	13	14
Medical and Surgical Lines - at cost	749	683
Engineering Stores - at cost	23	29
Administration Stores - at cost	15	21
Total Inventories	**1,167**	**1,070**

Note 10: Prepayments and other assets

	Total 2016 $000	Total 2015 $000
Current		
Prepayments	241	278
Share of Hume Rural Health Alliance (HRHA) Other Assets	9	8
Total Current Other Assets	**250**	**286**
Total Other Assets	**250**	**286**

Note 11: Property, Plant & Equipment

	Total 2016 $000	Total 2015 $000
(a) Gross carrying amount and accumulated depreciation		
Land		
Crown Land at fair value	3,212	2,877
Total Land	**3,212**	**2,877**
Buildings		
Buildings at fair value	73,947	73,552
Less Accumulated Depreciation	8,238	4,103
Total Buildings	**65,709**	**69,449**
Plant and Equipment		
Plant and Equipment at Fair Value	9,169	9,186
Less Accumulated Depreciation	5,449	5,052
Total Plant & Equipment	**3,720**	**4,134**
Medical Equipment		
Medical Equipment at Fair Value	11,956	11,298
Less Accumulated Depreciation	8,291	7,584
Total Medical Equipment	**3,665**	**3,714**
Computers and Communication		
Computers and Communication at Fair Value	647	641
Less Accumulated Depreciation	559	476
Total Computers and Communications	**88**	**165**
Furniture and Fittings		
Furniture and Fittings at Fair Value	954	928
Less Accumulated Depreciation	517	453
Total Furniture and Fittings	**437**	**475**
Motor Vehicles		
Motor Vehicles at Fair Value	1,359	1,089
Less Accumulated Depreciation	703	603
Total Motor Vehicles	**656**	**486**
Share of HRHA Assets		
Property Plant and Equipment at fair value	2	4
Leased Assets	204	209
	206	**213**
Assets under construction	**1,895**	**866**
Total	**79,588**	**82,379**

Note 11: Property, Plant & Equipment (continued)

(b) Reconciliations of the carrying amounts of each class of asset at the beginning and end of previous and current financial year is set out below

	Land $000	Buildings $000	Plant & Equipment $000	Medical Equipment $000	Computers & Communctns $000	Furniture & Fittings $000	Motor Vehicles $000	Assets under construction $000	Share of HRHA Assets $000	Total $000
Balance at 1 July 2014	**2,877**	**73,380**	**3,602**	**3,650**	**165**	**475**	**404**	**623**	**49**	**85,225**
Additions	-	73	237	858	87	61	320	1,175	170	**2,981**
Disposals	-	-	-	(24)	-	-	(25)	-	-	**(49)**
Net Transfers between classes	-	99	784	49	-	-	-	(932)	-	**-**
Depreciation and Amortisation (note 4)	-	(4,103)	(489)	(819)	(87)	(61)	(213)	-	(6)	**(5,778)**
Balance at 1 July 2015	**2,877**	**69,449**	**4,134**	**3,714**	**165**	**475**	**486**	**866**	**213**	**82,379**
Additions	-	29	71	747	9	27	199	1,641	101	**2,824**
Disposals	-	-	-	(17)	-	-	(2)	-	-	**(19)**
Revaluation Increments/ (Decrements)	335	-	-	-	-	-	-	-	-	**335**
Net Transfers between classes	-	366	-	-	-	-	214	(580)	-	**-**
Impairment Losses (recognised)/Reversed in Net Result	-	-	-	-	-	-	-	(32)	-	**(32)**
Depreciation and Amortisation (note 4)	-	(4,135)	(485)	(779)	(86)	(65)	(241)	-	(108)	**(5,899)**
Balance at 30 June 2016	**3,212**	**65,709**	**3,720**	**3,665**	**88**	**437**	**656**	**1,895**	**206**	**79,588**

Land and buildings carried at valuation.
An independent valuation of Northeast Health Wangaratta's land and buildings was performed by the Valuer-General Victoria to determine the fair value of the land and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments.

The effective date of the valuation was 30 June 2014.

A managerial revaluation of land was subsequently undertaken as at 30 June 2016. This was undertaken in accordance with the requirements contained with FRD 103F – Non Current Physical Assets which requires a managerial revaluation where there is a material movement between 10% and 40% in the fair values as indicated by the compounded impacts of the VGV indices since the last scheduled revaluation in June 2014. The managerial revaluation has been approved by the CFO of the Department of Health and Human Services.

Note 11: Property, Plant & Equipment (continued)

(c) Fair Value measurement hierarchy for assets as at 30 June 2015

	Carrying amount as at 30 June 2016	Fair value measurement at end of reporting period using : Level 1	Level 2	Level 3
Land at fair value				
Non-specilaised land	1,725	-	1,725	-
Specialised land	1,487	-	-	1,487
Total of land at fair value	3,212	-	1,725	1,487
Buildings at fair value				
Non-specialised buildings	880	-	880	-
Specialised buildings	64,829	-	-	64,829
Total of building at fair value	65,709	-	880	64,829
Plant and equipment at fair value				
- Vehicles	656	-	-	656
- Plant and equipment	3,720	-	-	3,720
- Furniture & Fittings	437	-	-	437
- Computers & Communications	88	-	-	88
Total of plant, equipment and vehicles at fair value	4,901	-	-	4,901
Medical equipment at fair value				
Medical equipment	3,665	-	-	3,665
Total medical equipment at fair value	3,665	-	-	3,665
	77,487	-	2,605	74,882

Fair Value measurement hierarchy for assets as at 30 June 2015

	Carrying amount as at 30 June 2015	Fair value measurement at end of reporting period using : Level 1	Level 2	Level 3
Land at fair value				
Non-specilaised land	1,545	-	1,545	-
Specialised land	1,332	-	-	1,332
Total of land at fair value	2,877	-	1,545	1,332
Buildings at fair value				
Non-specialised buildings	978	-	978	-
Specialised buildings	68,471	-	-	68,471
Total of building at fair value	69,449	-	978	68,471
Plant and equipment at fair value				
- Vehicles	486	-	-	486
- Plant and equipment	4,134	-	-	4,134
- Furniture & Fittings	475	-	-	475
- Computers & Communications	165	-	-	165
Total of plant, equipment and vehicles at fair value	5,260	-	-	5,260
Medical equipment at fair value				
Medical equipment	3,714	-	-	3,714
Total medical equipment at fair value	3,714	-	-	3,714
	81,300	-	2,523	78,777

Note 11: Property, Plant & Equipment (continued)

Non-specialised land, non-specialised buildings
Non-specialised land and non-specialised buildings are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by independent valuers, Valuer to determine the fair value using the market approach.

Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30th June 2014.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised land and specialised buildings
The market approach is also used for specialised land and specialised buildings although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, unobservable adjustments; therefore these assets are classified as Level 3 under the market based direct comparison approach.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For Northeast Health Wangaratta, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of the Health Service's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30th June 2014.

Vehicles
Northeast Health Wangaratta acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by the Health Service who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying value (depreciated cost).

Plant and equipment and Medical Equipment
Plant and equipment is held at carrying value (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will the existing carrying value.

There were no changes in valuation techniques throughout the period to 30 June 2016.

For all assets measured at fair value, the current use is considered the highest and best use.

Note 11: Property, Plant & Equipment (continued)

(d) Reconciliation of Level 3 fair value

30 June 2016	Specialised Land	Specialised Buildings	Plant and Equipment	Medical Equipment
Opening Balance	**1,332**	**68,471**	**5,260**	**3,714**
Purchases (sales/transfers)		395	518	730
Gains or losses recognised in net result				
- Depreciation	-	(4,037)	(877)	(779)
Subtotal	-	(4,037)	(877)	(779)
Items recognised in other comprehensive income				
- Revaluation increase/(decrease)	155	-	-	-
Subtotal	155	-	-	-
Closing balance	**1,487**	**64,829**	**4,901**	**3,665**

30 June 2015	Specialised Land	Specialised Buildings	Plant and Equipment	Medical Equipment
Opening Balance	**1,332**	**72,305**	**4,646**	**3,650**
Purchases (sales/transfers)	-	172	1,464	883
Gains or losses recognised in net result				
- Depreciation	-	(4,006)	(850)	(819)
Subtotal	-	(4,006)	(850)	(819)
Items recognised in other comprehensive income				
- Revaluation increase/(decrease)	-	-	-	-
Subtotal	-	-	-	-
Closing balance	**1,332**	**68,471**	**5,260**	**3,714**

Note 11: Property, Plant & Equipment (continued)

(e) Desciption of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment	20% (i)	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value
Specialised buildings	Depreciated replacement cost	Building costs approach using best available evidence from recognised cost indicators and or quantity surveyors and example of current costs.	$1,000 - $3,000/$m^2$	A significant increase or decrease in building costs would result in a significantly higher or lower fair value.
		Useful life of specialised building.	10 - 45 years (20 years)	A significant increase or decrease in the estimated useful life would result in a significantly higher or lower value.
Plant and equipment at fair value	Depreciated replacement cost	Cost per unit	$500 - $705,000 ($7,000)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life of PPE	5-20 years (10 years)	A significant increase or decrease in the estimated useful life of the asset would result in in a significantly higher or lower value.
Vehicles	Depreciated replacement cost	Cost per unit	$8,000 to $30,000 per unit ($16,000 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life of PPE	4 years	A significant increase or decrease in the estimated useful life of the asset would result in in a significantly higher or lower value.
Medical equipment at fair value	Depreciated replacement cost	Cost per unit	$500 to $98,000 per unit ($3,500 per unit)	Increase (decrease) in gross replacement cost would result in a significantly higher or (lower) fair value.
		Useful life of PPE	4 - 15 years (8 years)	A significant increase or decrease in the estimated useful life of the asset would result in in a significantly higher or lower value.

(i) CSO adjustment of 20% was applied to reduce the market approach value for the Department's specialised land.

Note 12: Intangible Assets

	Total 2016 $000	Total 2015 $000
Software	934	931
Share of HRHA Software	107	-
Less Accumulated Amortisation	834	781
Total Intangible Assets	**207**	**150**

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the previous and current financial year

	Total $000
Balance at 1 July 2014	**187**
Additions	16
Amortisation (note 4)	(53)
Balance at 1 July 2015	**150**
Additions	111
Amortisation (note 4)	(54)
Balance at 30 June 2016	**207**

Note 13: Payables

	Total 2016 $000	Total 2015 $000
Current		
Contractual		
Trade Creditors (i)	2,789	3,291
Accrued Expenses	2,751	1,982
Income in Advance	125	159
Amounts payable to Governments and Agencies	515	384
Share of HRHA Payables	70	112
	6,250	5,928
Statutory		
GST Payable	46	47
Department of Health and Human Services (Income in Advance) (ii)	500	493
Other Commonwealth Government Departments		-
	546	540
Total Current	**6,796**	**6,468**
Non Current		
Contractual		
Trade Creditors	325	-
Total Non Current	**325**	**-**
Total Payables	**7,121**	**6,468**

(i) The average credit period is 30 days.

(ii) Terms and conditions of amounts payable to the Department of Health and Human Services vary according to the particular agreement with the department.

(a) Maturity analysis of payables
Please refer to Note 20(d) for the ageing analysis of payables

(b) Nature and extent of risk arising from payables
Please refer to Note 20(d) for the nature and extent of risks arising from payables

Note 14: Lease Liabilities

	Total 2016 $000	Total 2015 $000
CURRENT		
Australian Dollars Borrowings		
Finance Lease Liability (1) (Refer Note 14a)	93	71
Total Current	**93**	**71**
NON CURRENT		
Australian Dollars Borrowings		
Finance Lease Liability(1) (Refer Note 14a)	111	60
Total Non-Current	**111**	**60**
Total Borrowings	204	131

(i) Secured by the assets leased. Finance leases are effectively secured as the rights to the leased asset revert to the lessor in the event of a default.

(a) Maturity analysis of borrowings
Please refer to note 20 (c) for the aging analysis of borrowings.

(b) Nature and extent of risk arising from borrowings
Please refer to note 20 (c) for the aging analysis of borrowings.

(c) Defaults and breaches
During the current and prior year, there were no defaults and breaches of any of the borrowings.

Note 14a: Lease Liabilities

The Finance lease liabilities relate to Northeast Health Wangaratta's share of the Hume Rural Health Alliance leases for IT

	Minimum future lease payments (i)		Present value of minimum future lease payments	
	2016 $000	2015 $000	2016 $000	2015 $000
Finance lease liabilities payable				
Not longer than one year	93	71	93	71
Longer than one year but not longer than five years	111	60	111	60
Minimum future lease payments	**204**	**131**	**204**	**131**
Less future finance charges	-	-	-	-
Present value of minimum lease payments	**204**	**131**	**204**	**131**

(i) Minimum future lease payments include the aggregate of all base payments and any guaranteed residual.

Note 15: Provisions

	Total 2016 $000	Total 2015 $000
Current Provisions		
Employee Benefits		
Annual Leave (Note 15(a))		
- unconditional and expected to be settled within 12 months (nominal value)	2,690	2,524
- unconditional and expected to be settled after 12 months (present value)	3,033	2,887
Long Service Leave (Note 15(a))		
- unconditional and expected to be settled within 12 months (nominal value)	1,161	916
- unconditional and expected to be settled after 12 months (present value)	7,480	6,658
Accrued Salaries and Wages	1,571	1,660
Accrued Days Off	137	134
Provisions related to employee benefit on-costs		
- unconditional and expected to be settled within 12 months (nominal value)	495	558
- unconditional and expected to be settled after 12 months (present value)	1,140	1,055
Total Current Provisions	**17,707**	**16,392**
Non-Current Provisions		
Employee Benefits (Note 15(a))	2,291	2,896
Provisions related to employee benefit on-costs	268	337
Total Non-Current Provisions	**2,559**	**3,233**
Total Provisions	**20,266**	**19,625**

(a) Employee Benefits and Related On-Costs

Current Employee Benefits and related on-costs		
Unconditional LSL entitlements	9,628	8,454
Annual Leave entitlements	6,263	5,937
Accrued Salaries and Wages	1,680	1,867
Accrued Days Off	137	134
Non-Current Employee Benefits and related on-costs		
Conditional long service leave entitlements	2,558	3,233
Total Employee Benefits and Related On-Costs	**20,266**	**19,625**

(b) Movements in provisions

Movement in Long Service Leave:		
Balance at start of year	11,687	10,722
Provision made during the year	1,626	1,982
Settlement made during the year	(1,127)	(1,017)
Balance at end of year	**12,186**	**11,687**

Note 16: Superannuation

	Paid contribution for the year		Contribution outstanding at year end	
	Total 2016 $000	Total 2015 $000	Total 2016 $000	Total 2015 $000
(i)Defined benefit plans:				
First State Super	215	229	20	16
Defined contribution plans:				
First State Super	3,979	3,828	384	296
Hesta Super	1,592	1,464	172	120
Total	**5,786**	**5,521**	**576**	**432**

(i) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans

Employees of the Health Service are entitled to receive superannuation benefits and the Health Service contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provides benefits based on years of service and final average salary.

The Health Service does not recognise any defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future beneftis relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered items.

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Health Service. The name, details and amounts expense in relation to the major employee superannuation funds and contributions made by the Health Services are listed above.

Note 17: Other Liabilities

	Total 2016 $000	Total 2015 $000
Current		
Monies Held in Trust *		
- Patient Monies Held in Trust	7	6
- Refundable Accommodation Deposits	2,825	1,150
Other	68	40
Total Other Liabilities	**2,900**	**1,196**
*** Total Monies Held in Trust**		
Represented by the following assets:		
Investment and other Financial Assets (refer to note 7)	2,832	1,156
Total	**2,832**	**1,156**

Note 18: Equity

	Total 2016 $000	Total 2015 $000
(a) Surpluses		
Property, Plant & Equipment Revaluation Surplus [1]		
Balance at the beginning of the reporting period	58,591	58,591
Revaluation Increment/(Decrement)		
- Land	335	-
- Buildings		-
Balance at the end of the reporting period *	**58,926**	**58,591**
* Represented by:		
- Land	1,004	669
- Buildings	57,922	57,922
	58,926	**58,591**

(1) The property, plant & equipment asset revaluation surplus arises on the revaluation of property, plant & equipment.

(b) Contributed capital		
Balance at the beginning of the reporting period	39,072	39,072
Capital contribution received from the Victorian State Government	-	-
Balance at the end of the reporting period	**39,072**	**39,072**
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	(29,796)	(25,632)
Net Result for the Year	(4,455)	(4,164)
Balance at the end of the reporting period	**(34,251)**	**(29,796)**
(d) Total Equity at end of financial year	**63,747**	**67,867**

Note 19: Reconciliation of Net Result for the Year to Net Cash Inflow/ (Outflow) from Operating Activities

	Total 2016 $000	Total 2015 $000
Net Result for the Year	**(4,455)**	**(4,164)**
Non-cash movements:		
Depreciation & Amortisation	5,953	5,831
Movements included in investing and financing activities:		
Net (Gain)/Loss from Sale of Plant and Equipment	(23)	(37)
Movements in assets and liabilities:		
Change in Operating Assets & Liabilites		
Increase/(Decrease) in Payables	328	(654)
Increase/(Decrease) in Employee Benefits	1,224	1,080
(Increase)/Decrease in Receivables	(1,622)	(1,552)
(Increase)/Decrease in Prepayments	37	(70)
(Increase)/Decrease in Other Assets	(1)	(4)
(Increase)/Decrease in Stores	(97)	(105)
Increase/(Decrease) in Other Liabilities	1,592	856
Net Cash Inflow/(Outflow) from Operating Activities	**2,936**	**1,181**

Note 20: Financial Instruments

(a) Financial Risk Management Objectives and Policies
Northeast Health Wangaratta's principal financial instruments comprise of:

- Cash Assets
- Term Deposits
- Receivables (excluding statutory receivables)
- Payables (excluding statutory receivables)
- Refundable Accommodation Deposits

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

The Health Service's main financial risks include credit risk, interest rate risk and liquidity risk. The Health Service manages these financial risks in accordance with its financial risk management policy.

The Health Service uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the financial risk management committee of the Health Service.

The main purpose in holding financial instruments is to prudentially manage Northeast Health Wangaratta's financial risks within the government policy parameters.

Note 20: Financial Instruments (continued)

Categorisation of financial instruments 2016	Contractual financial assets - receivables $000	Contractual financial liabilities at amortised cost $000	Total $000
Contractual Financial Assets			
Cash and cash equivalents	457	-	457
Receivables			
- Trade Debtors	1,200	-	1,200
- Other Receivables	1,428	-	1,428
Other Financial assets			
- Term Deposits	5,363	-	5,363
- Monies held in trust	7	-	7
Total Financial Assets	**8,455**	**-**	**8,455**
Financial Liabilities			
Payables	-	6,575	6,575
Lease Liabilities	-	204	204
Refundable Accommodation Deposits	-	2,825	2,825
Other Liabilities	-	75	75
Total Financial Liabilities	**-**	**9,679**	**9,679**

Categorisation of financial instruments 2015	Contractual financial assets - receivables $000	Contractual financial liabilities at amortised cost $000	Total $000
Contractual Financial Assets			
Cash and cash equivalents	1,048	-	1,048
Receivables			
- Trade Debtors	1,535	-	1,535
- Other Receivables	1,171	-	1,171
Other Financial assets			
- Term Deposits	4,771	-	4,771
- Monies held in trust	6	-	6
Total Financial Assets	**8,531**	**-**	**8,531**
Financial Liabilities			
Payables	-	5,928	5,928
Lease Liabilities	-	131	131
Refundable Accommodation Deposits	-	1,150	1,150
Other Liabilities	-	46	46
Total Financial Liabilities	**-**	**7,255**	**7,255**

Note 20: Financial Instruments (continued)

(b) Net holding gain/(loss) on financial instruments by category

2016	Total Interest income $000	Total $000
Financial Assets		
Other Financial assets (i)	230	230
Total Financial Assets	**230**	**230**

2015	Total Interest income $000	Total $000
Financial Assets		
Other Financial assets (i)	303	303
Total Financial Assets	**303**	**303**

(i) For cash and cash equivalents, loans or receivables and other financial assets, the net gain or loss is calculated by taking the movement in the fair value of the assets, interest revenue and minus any impairment recognised in the net result.

(c) Credit Risk

Credit risk arises from the contractual financial assets of the Health Service, which comprise cash and deposits and non-statutory receivables. The Health Service's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Health Service. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Health Service's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the Health Sevice's policy to only deal with entities with high credit ratings and to obtain sufficient collateral or credit enhancements, where appropriate.

In addition, the Health Service does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. The Health Service's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Health Service will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue and changes in debtor credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Northeast Health Wangaratta's maximum exposure to credit risk without taking account of the value on any collateral obtained.

Note 20: Financial Instruments (continued)

Credit quality of contractual financial assets that are neither past due or impaired

	Financial Institutions (AA credit rating) $000	Government agencies (AAA credit rating) $000	Other $000	Total $000
2015				
Financial Assets				
Cash and Cash Equivalents	457	-	-	457
Receivables				
- Trade Debtors	-	428	772	1,200
- Other Receivables [(i)]	19	-	1,409	1,428
Other Financial Assets				
- Term Deposit [(2)]	5,363		-	5,363
- Monies held in Trust	7	-	-	7
Total Financial Assets	**5,846**	**428**	**2,181**	**8,455**
2015				
Financial Assets				
Cash and Cash Equivalents	1,048	-	-	1,048
Receivables				
- Trade Debtors	-	615	920	1,535
- Other Receivables	7	-	1,164	1,171
Other Financial Assets				
- Term Deposit	2,528	2,243	-	4,771
- Monies held in Trust	6	-	-	6
Total Financial Assets	**3,589**	**2,858**	**2,084**	**8,531**

(i) The total amounts disclosed here exclude statutory amounts (e.g amounts owing from the Victorian Government and GST input tax credit recoverable)

(2) The amount invested with Government agencies relates to a term deposit with the Treasury Corporation of Victoria.

Note 20: Financial Instruments (continued)

Ageing analysis of financial assets as at 30 June

	Consol'd Carrying Amount $000	Not Past Due and Not Impaired $000	Past Due But Not Impaired			
			Less than 1 Month $000	1-3 Months $000	3 months -1 Year $000	1-5 Years $000
2016						
Financial Assets						
Cash and Cash Equivalents	457	457	-	-	-	-
Receivables						
- Trade Debtors	1,200	645	-	467	88	-
- Other Receivables	1,428	1,005	-	295	128	-
Other Financial Assets						
- Term Deposit	5,363	5,363	-	-	-	-
- Monies held in Trust	7	7	-	-	-	-
Total Financial Assets	**8,455**	**7,477**	**-**	**762**	**216**	**-**
2015						
Financial Assets						
Cash and Cash Equivalents	1,048	1,048	-	-	-	-
Receivables						
- Trade Debtors	1,535	737	-	591	207	-
- Other Receivables	1,171	714	-	347	110	-
Other Financial Assets						
- Term Deposit	4,771	4,771	-	-	-	-
- Monies held in Trust	6	6	-	-	-	-
Total Financial Assets	**8,531**	**7,276**	**-**	**938**	**317**	**-**

There are no material financial assets which are individually determined to be impaired. Currently Northeast Health Wangaratta hold any collateral as secuity nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired.

(d) Liquidity Risk

Liquidity risk is the risk that the Health Service would be unable to meet its financial obligations as and when they fall due. The Health Service operates under the Government's fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Health Service's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet.

The following table discloses the contractual maturity analysis for Northeast Health Wangaratta's financial liabilities. For interest rates applicable to each class of liability refer to the individual notes to the financial statements.

Note 20: Financial Instruments (continued)

Maturity analysis of financial liabilities as at 30 June

			Maturity Dates				
	Carrying Amount $000	Contractual Cash Flows $000	Less than 1 month $000	1-3 Months $000	3 months - 1 Year $000	1 - 5 Years $000	Over 5 Years $000
2016							
Financial Liabilities							
At amortised cost							
Payables:							
Trade creditors and accruals	6,575	6,575	6,250	-	-	325	-
Lease Liabilities	204	204	8	24	61	111	-
Refundable Accommodation Deposits	2,825	2,825	2,825	-	-	-	-
Other Financial Liabilities	75	75	75	-	-	-	-
Total Financial Liabilities	**9,679**	**9,679**	**9,158**	**24**	**61**	**436**	**-**
2015							
Financial Liabilities							
At amortised cost							
Payables:							
Trade creditors and accruals	5,928	5,928	4,858	1,065	5	-	-
Lease Liabilities	131	131	6	18	47	60	-
Refundable Accommodation Deposits	1,150	1,150	-	450	-	700	-
Other Financial Liabilities	46	46	46	-	-	-	-
Total Financial Liabilities	**7,255**	**7,255**	**4,910**	**1,533**	**52**	**760**	**-**

Note 20: Financial Instruments (continued)

(e) Market Risk

Northeast Health Wangaratta's exposures to market risk are primarily through interest rate risk with only insignificant exposure to currency risk and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraph below.

Interest Rate Risk
Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Health Service manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, and with only insignificant amounts at a floating rate. Management has concluded that for cash at bank and bank overdraft, as financial assets that can be left at floating rates without necessarily exposing the Health Service to significant bad risk. Management monitors movement in interest rates on a daily basis.

Interest Rate Exposure of Financial Assets and Liabilities as at 30 June

	Weighted Average Effective Interest Rate (%)	Carrying Amount $000	Interest Rate Exposure		
			Fixed Interest Rate $000	Variable Interest Rate $000	Non Interest Bearing $000
2016					
Financial Assets					
Cash and Cash Equivalents	0.01%	457	-	403	54
Receivables					
- Trade Debtors		1,200	-	-	1,200
- Other Receivables		1,428	-	-	1,428
Other Financial Assets					
- Term Deposit	2.55%	5,363	5,363	-	-
- Monies held in Trust		7	-	-	7
		8,455	**5,363**	**403**	**2,689**
Financial Liabilities					
At amortised cost					
Payables	-	6,575	-	-	6,575
Lease Liabilities	4.10%	204	204	-	-
Refundable Accommodation Deposits	-	2,825	-	-	2,825
Other Financial Liabilities	-	75	-	-	75
		9,679	**204**	**-**	**9,475**
2015					
Financial Assets					
Cash and Cash Equivalents	0.01%	1,048	-	991	57
Receivables					
- Trade Debtors		1,535	-	-	1,535
- Other Receivables		1,171	-	-	1,171
Other Financial Assets					
- Term Deposit	2.46%	4,771	4,771	-	-
- Monies held in Trust		6	-	-	6
		8,531	**4,771**	**991**	**2,769**
Financial Liabilities					
At amortised cost					
Payables	-	5,928	-	-	5,928
Lease Liabilities	4.10%	131	131	-	-
Refundable Accommodation Deposits	-	1,150	-	-	1,150
Other Financial Liabilities	-	46	-	-	46
		7,255	**131**	**-**	**7,124**

Note 20: Financial Instruments (continued)

Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Northeast Health Wangaratta believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from the Reserve Bank of Australia):

- a parallel shift of +1% and -1% in market interest rates (AUD) from year end rates of 2.0%;

- a parallel shift of + 1% and -1% in inflation rates from year end rates of 1.5% (not analysed).

The following table discloses the impact on net operating result and equity for each category of interest bearing financial held by Northeast Health Wangaratta at year end as presented to key management personnel, if changes in the relevant risk occur.

	Carrying Amount $000	Interest Rate Risk			
		-1%		+1%	
		Profit $000	Equity $000	Profit $000	Equity $000
2016					
Financial Assets					
Cash and Cash Equivalents	457	(5)	(5)	5	5
Receivables					
- Trade Debtors	1,200	-	-	-	-
- Other Receivables	1,428	-	-	-	-
Other Financial Assets					
- Term Deposit	5,363	(53)	(53)	53	53
- Monies held in Trust	7	-	-	-	-
Financial Liabilities					
At amortised cost					
Trade creditors and accruals	6,575	-	-	-	-
Lease Liabilities	204	(2)	(2)	2	2
Refundable Accommodation Deposits	2,825	-	-	-	-
Other Financial Liabilities	75	-	-	-	-
		(60)	(60)	60	60
2015					
Financial Assets					
Cash and Cash Equivalents	1,048	(10)	(10)	10	10
Receivables					
- Trade Debtors	1,535	-	-	-	-
- Other Receivables	1,171	-	-	-	-
Other Financial Assets					
- Term Deposit	4,771	(48)	(48)	48	48
- Monies held in Trust	6	-	-	-	-
Financial Liabilities					
At amortised cost					
Trade creditors and accruals	5,928	-	-	-	-
Lease Liabilities	131	(1)	(1)	1	1
Refundable Accommodation Deposits	1,150				
Other Financial Liabilities	46	-	-	-	-
		(59)	(59)	59	59

Note 20: Financial Instruments (continued)

(f) Fair Value

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

Level 1- the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to qouted market prices;

Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and

Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

Northeast Health Wangaratta considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short term nature of the financial instruments and the expectation that they will be paid in full.

The following table shows that the fair value of most of the contractual financial assets and liabilities are the same as the carrying amounts.

Comparison between carrying amount and fair value	Carrying Amount 2016 $000	Fair value 2016 $000	Carrying Amount 2015 $000	Fair value 2015 $000
Financial Assets				
Cash and Cash Equivalents	457	457	1,048	1,048
Receivables				
- Trade Debtors	1,200	1,200	1,535	1,535
- Other Receivables	1,428	1,428	1,171	1,171
Other Financial Assets				
- Term Deposit	5,363	5,363	4,771	4,771
- Monies held in Trust	7	7	6	6
Total Financial Assets	**8,455**	**8,455**	**8,531**	**8,531**
Financial Liabilities				
Payables	6,575	6,575	5,928	5,928
Lease Liabilities	204	204	131	131
Refundable Accommodation Deposits	2,825	2,825	1,150	1,150
Other Liabilities	75	75	46	46
Total Financial Liabilities	**9,679**	**9,679**	**7,255**	**7,255**

Note 21: Commitments for Expenditure

	Total 2016 $000	Total 2015 $000
Capital Expenditure Commitments		
Payable:		
Land and Buildings	1,237	1,222
Plant and Equipment	-	529
Total Capital Commitments	**1,237**	**1,751**
Land and Buildings		
Not later than one year	1,237	1,222
Plant and Equipment		
Not later than one year	-	529
Total	**1,237**	**1,751**
Other Expenditure Commitments		
Payable:		
Pathology	1,300	1,159
Total Other Commitments	**1,300**	**1,159**
Not later than one year	1,300	1,159
Later than one year and not later than 5 years	-	-
Total	**1,300**	**1,159**
Lease Commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	2,869	2,890
Total Lease Commitments	**2,869**	**2,890**
Operating Leases		
Non-Cancellable		
Not later than one year	875	920
Later than one year but not later than 5 years	1,994	1,970
Total	**2,869**	**2,890**
Total Commitments for expenditure (inclusive of GST)	**5,406**	**5,800**
less GST recoverable from the Australian Tax Office	(491)	(527)
Total Commitments for expenditure (exclusive of GST)	**4,915**	**5,273**

Note 22: Contingent Assets and Contingent Liabilities

Northeast Health Wangaratta does not have any contingent assets or contingent liabilities as at 30 June 2016 (2015:$ Nil).

Note 23: Operating Segments

	Hospital 2016 $000	Hospital 2015 $000	Mental Health 2016 $000	Mental Health 2015 $000	RAC 2016 $000	RAC 2015 $000	Total 2016 $000	Total 2015 $000
Revenue								
External Segment Revenue	110,641	107,617	1,323	1,518	8,004	7,243	119,968	116,378
Total Revenue	**110,641**	**107,617**	**1,323**	**1,518**	**8,004**	**7,243**	**119,968**	**116,378**
Expenses								
External Segment Expense	(109,387)	(106,104)	(1,025)	(1,210)	(7,705)	(7,351)	(118,117)	(114,665)
Unallocated Expense								
- Depreciation & Amortisation	(5,054)	(4,934)	(316)	(312)	(583)	(585)	(5,953)	(5,831)
Total Expenses	**(114,441)**	**(111,038)**	**(1,341)**	**(1,522)**	**(8,288)**	**(7,936)**	**(124,070)**	**(120,496)**
Net Result from ordinary activities	**(3,800)**	**(3,421)**	**(18)**	**(4)**	**(284)**	**(693)**	**(4,102)**	**(4,118)**
Interest Income	230	303	-	-	-	-	230	303
Revaluation of Long Service Leave	(583)	(349)	-	-	-	-	(583)	(349)
Net Result for the Year	**(4,153)**	**(3,467)**	**(18)**	**(4)**	**(284)**	**(693)**	**(4,455)**	**(4,164)**
Other Information								
Total Segment Assets	**74,015**	**76,627**	**4,595**	**4,592**	**15,628**	**13,937**	**94,238**	**95,287**
Total Segment Liabilities	**26,542**	**25,151**	**-**	**-**	**3,949**	**2,138**	**30,491**	**27,420**

The major products/services from which the above segments derive revenue are:

Business Segments
Hospital
Mental Health
Residential Aged Care (RAC)
The basis of inter-segment pricing is at cost.

	2016 $000	2015 $000
RAC Segment Expenses		
Care employee expenses	4,601	4,490
Other employee expenses	913	933
Depreciation	583	585
Other operating expenses	2,191	1,928
Total	**8,288**	**7,936**

Geographical Segment

Northeast Health Wangaratta operates predominantly in Wangaratta, Victoria. More than 90% of revenue, net surplus from and segment assets relate to operations in Wangaratta, Victoria.

Note 24: Jointly Controlled Operations and Assets

		Ownership Interest	
Name of Entity	**Principal Activity**	2016	2015
Hume Rural Health Alliance	Information Systems	12.28%	12.53%

Northeast Health Wangaratta's interest in assets and liabilities employed in the above jointly controlled operations and assets is detailed below.

The amounts are included in the financial statements under their respective asset categories.

	Total 2016 $000	Total 2015 $000
Current Assets		
Cash and Cash Equivalents	234	52
Receivables	116	246
Other Assets	9	8
Total Current Assets	**359**	**306**
Non Current Assets		
Property Plant and Equipment	313	213
Total Non Current Assets	**313**	**213**
Total Assets	**672**	**519**
Current Liabilities		
Payables	65	112
Lease Liability	93	71
Total Current Liabilities	**158**	**183**
Non Current Liabilities		
Lease Liability	111	60
Total Current Liabilities	**111**	**60**
Total Liabilities	**269**	**243**

Northeast Health Wangaratta's interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

	Total 2016 $000	Total 2015 $000
Revenue		
Operating Activities	1,108	1,097
Non-operating Activities	2	*1*
Capital Purpose Income	116	*25*
Total Revenue	**1,226**	**1,123**
Expenses		
Employee Benefits	233	*247*
Other Expenses from Continuing Operations	*755*	*841*
Depreciation & Amortisation	109	6
Finance charges	8	-
Total Expenses	**1,105**	**1,094**
Profit/(Loss)	**121**	**29**

Note 25: Correction of a prior period error and revision of estimates

Correction of a prior period error

For the financial reporting period ended 30 June 2015, Northeast Health Wangaratta recognised its interest in a joint operation (Hume Rural Health Alliance) based on unaudited financial statements of the joint operation. Subsequently it has been advised that leases of equipment had been incorrrectly accounted for as operating leases rather than finance leases.

The error has been corrected by restating each of the affected financial statements line items for the prior period as follows:

Balance Sheet extract

	Original 2015 $000	Increase/ (Decrease) $000	Restated 2015 $000
Current Assets			
Cash and Cash Equivalents	1,048	-	1,048
Receivables	4,119	-	4,119
Investments and other Financial Assets	4,777	-	4,777
Inventories	1,070	-	1,070
Other Assets	286	-	286
Total Current Assets	**11,300**	**-**	**11,300**
Non-Current Assets			
Receivables	1,458	-	1,458
Property, Plant & Equipment	82,248	131	82,379
Intangible Assets	150	-	150
Total Non Current Assets	**83,856**	**131**	**83,987**
TOTAL ASSETS	**95,156**	**131**	**95,287**
Current Liabilities			
Payables	6,468	-	6,468
Lease Liabilities	-	71	71
Provisions	16,392	-	16,392
Other Liabilities	1,196	-	1,196
Total Current Liabilities	**24,056**	**71**	**24,127**
Non-Current Liabilities			
Lease Liabilities	-	60	60
Provisions	3,233	-	3,233
Total Non-Current Liabilities	**3,233**	**60**	**3,293**
TOTAL LIABILITIES	**27,289**	**131**	**27,420**
NET ASSETS	**67,867**	**-**	**67,867**
EQUITY			
Property, Plant & Equipment Revaluation Surplus	58,591	-	58,591
Contributed Capital	39,072	-	39,072
Accumulated Surpluses/(Deficits)	(29,796)	-	(29,796)
TOTAL EQUITY	**67,867**	**-**	**67,867**

Note 26a - Responsible Person Disclosures

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Responsible Ministers:	**Period**
The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services	01/07/2015 - 30/06/2016
The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Mental Health	01/07/2015 - 30/06/2016

Board of Management:	**Period**
Mr B J Schutt	01/07/2015 - 30/06/2016
Mr M Hession	01/07/2015 - 30/06/2016
Dr R Barker	01/07/2015 - 30/06/2016
Ms L A Williamson	01/07/2015 - 30/06/2016
Ms K M Harmon	01/07/2015 - 30/06/2016
Mr E Higgins	01/07/2015 - 30/06/2016
Mr J Green	01/07/2015 - 30/06/2016
Mr D Jacka	01/07/2015 - 30/06/2016
Ms L Long	01/07/2015 - 30/06/2016

Accountable Officer:	**Period**
Ms M Bennett	01/07/2015 - 30/06/2016

Remuneration of Responsible Persons

The number of Responsible Persons are shown in their relevant income bands;

Income Band	2016 No.	2015 No.
$0 - $9,999	9	9
$280,000 - $289,999	-	-
$300,000 - $309,999	-	1
$320,000 - $329,999	1	-
Total Numbers	**10**	**10**

	$000	$000
Total remuneration received or due and receivable by Responsible Persons from the Reporting entity amounted to:	**325**	**309**

Amounts relating to Responsible Ministers are reported in the financial statements of the Department of Premier and Cabinet.

For information regarding related party transactions of ministers, the register of members' interests is publicly available from: www.parliament.vic.gov.au/publications/register of interests.

Note 26b - Executive Officer Disclosures

Executive Officers' Remuneration

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands.

The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

	Total Remuneration		Base Remuneration	
	2016 No.	2015 No.	2016 No.	2015 No.
$160,000 - $169,000	-	-	-	-
$170,000 - $179,000		1		1
$180,000 - $189,000	-	-	-	-
$190,000 - $199,000	1	-	1	-
$280,000 - $289,999	-	-	-	-
$290,000 - $299,999	1	1	1	1
Total	**2**	**2**	**2**	**2**
Total annualised employee equivalent (AEE)*	2	2	2	2
	$000	$000	$000	$000
Total remuneration for the reporting period for Executive Officers included above amounted to:	**498**	**463**	**493**	**463**

Note:
* Annualised employee equivalent is based on paid working hours 38 ordinary hours per week over the 52 weeks for a reporting period.

Note 27: Remuneration of auditors

	Total 2016 $000	Total 2015 $000
Victorian Auditor-General's Office		
Audit or review of financial statement	40	39

Note 28: Events occuring after the Balance Sheet Date

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect operations of the health service, the results of these operations or state of affairs of the health service in future financial years.

Note 29: Economic dependency

The financial performance and position of Northeast Health Wanagaratta is similar to the prior year, with the health service reporting a surplus net result before capital and specific items of $39,000 (2015 Deficit $343,000), a net current liability position of $14,424,000 (2015 $12,827,000), resulting in a current asset ratio of 0.48 (2015 0.47) and a cash inflow from operations of $2,936,000 (2015 inflow $1,181,000).

As a result of the financial performance and position, Northeast Health Wangaratta has obtained a letter of support from the State Government and in particular, the Department of Health and Human Services (DHHS), confirming that the department will continue to provide Northeast Health Wangaratta adequate cash flow to meet its current and future obligations up to 30 September 2017. A similar letter was also received for the previous financial year. On that basis, the financial statements have been prepared on a going concern basis.

Note 30: Glossary

Actuarial gains or losses on superannuation defined benefit plans
Actuarial gains or losses are changes in the present value of the superannuation defined benefit liability resulting from

a. experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and

b. the effects of changes in actuarial assumptions.

Amortisation
Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset.

Associates
Associates are all entities over which an entity has significant influence but not control, generally accompanying a shareholding and voting rights of between 20 per cent and 50 per cent.

Comprehensive result
The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Commitments
Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Current grants
Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation
Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense reduces the 'net result for the year'.

Effective interest method
The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

Employee benefits expenses
Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex gratia expenses
Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability, or claim against the entity.

Financial asset
A financial asset is any asset that is:

a. cash;

b. an equity instrument of another entity;

c. a contractual or statutory right:

- to receive cash or another financial asset from another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions

that are potentially favourable to the entity; or

d. a contract that will or may be settled in the entity's own equity instruments and is:

- a non-derivative for which the entity is or may be obliged to receive a variable number
- of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability
A financial liability is any liability that is:

a. A contractual obligation:

   (i) to deliver cash or another financial asset to another entity; or

   (ii) to exchange financial assets or financial liabilities with another entity under conditionsthat are potentially unfavourable to the entity; or

b. A contract that will or may be settled in the entity's own equity instruments and is:

   (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or

   (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements
A complete set of financial statements comprises:

a. Balance sheet as at the end of the period;
b. Comprehensive operating statement for the period;
c. A statement of changes in equity for the period;
d. Cash flow statement for the period;
e. Notes, comprising a summary of significant accounting policies and other explanatory information;
f. Comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements; and
g. A statement of financial position at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grants and other transfers
Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes. Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

General government sector
The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Intangible produced assets
Refer to produced assets in this glossary.

Intangible non-produced assets
Refer to non-produced asset in this glossary.

Interest expense
Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and short-term and long-term liabilities, amortisation of discounts or premiums relating to liabilities, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest income
Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Investment properties
Investment properties represent properties held to earn rentals or for capital appreciation or both.

Investment properties exclude properties held to meet service delivery objectives of the State of Victoria.

Joint Arrangements
A Joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement has the following characteristics:

a. The Parties are bound by a contractual arrangement
b. The contractual arrangement gives two or more of those parties joint control of the arrangement

Liabilities
Liabilities refers to interest-bearing liabilities mainly raised from public liabilities raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Liabilities also include non-interest-bearing advances from government that are acquired for policy purposes.

Net acquisition of non-financial assets (from transactions)
Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. It includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net result
Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other comprehensive income'.

Net result from transactions/net operating balance Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets.

Net worth
Assets less liabilities, which is an economic measure of wealth.

Non-financial assets
Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

Non-produced assets
Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

Non-profit institution
A legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it.

Payables
Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

Produced assets
Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films, and research and development costs (which does not include the start up costs associated with capital projects).

Public financial corporation sector
Public financial corporations (PFCs) are bodies primarily engaged in the provision of financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account (e.g. taking deposits, issuing securities or providing insurance services). Estimates are not published for the public financial corporation sector.

Public non-financial corporation sector
The public non-financial corporation (PNFC) sector comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the market place at prices that aim to recover most of the costs involved (e.g. water and port authorities). In general, PNFCs are legally distinguishable from the governments which own them.

Receivables
Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services
Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-

produced assets such as land. User charges includes sale of goods and services income.

Supplies and services
Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Department.

Taxation income
Taxation income represents income received from the State's taxpayers and includes:

- payroll tax; land tax; duties levied principally on conveyances and land transfers;
- gambling taxes levied mainly on private lotteries, electronic gaming machines, casino
- operations and racing;
- insurance duty relating to compulsory third party, life and non-life policies;
- insurance company contributions to fire brigades;
- motor vehicle taxes, including registration fees and duty on registrations and transfers;
- levies (including the environmental levy) on statutory corporations in other sectors of
- government; and
- other taxes, including landfill levies, license and concession fees.

Transactions
Revised Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows in an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset.

Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

Note 31: Alternative presentation of comprehensive operating statement

	Total 2016 $000	Total 2015 $000
Interest	230	302
Sales of goods and services	15,471	18,086
Grants	99,721	96,053
Other Income	4,277	3,981
Total Revenue	**119,699**	**118,422**
Employee Expenses	71,341	69,523
Depreciation	5,953	5,830
Grants and other transfers	-	432
Other Operating Expenses	46,038	46,113
Total Expenses	**123,332**	**121,898**
Net result from transactions - Net operating balance	**(3,633)**	**(3,476)**
Net gain/(loss) on sale of non-financial assets	23	37
Other gains/(losses) from other economic flows	(845)	(725)
Total other economic flows included in net result	(822)	(688)
Net result	**(4,455)**	**(4,164)**

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