Northeast Health Wangaratta

Every patient, Every time

2016-2017 Annual Report

The Hon. Jill Hennessy MP Minister for Health, The Premier Daniel Andrews and Jaclyn Symes MP, Member for Northern Victoria, announcing NHW's capital redevelopment funding on 21st April 2017

REPORT FROM THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

In accordance with the *Financial Management Act 1994*, we are pleased to present the Northeast Health Wangaratta (NHW) Annual Report for the year ending 30th June 2017.

We are delighted that a significant highlight of the 2016-17 year was the announcement by the Premier, the Hon Daniel Andrews and the Minister of Health, the Hon Jill Hennessy, on the 21st of April 2017, of $15.175 million funding to enable the much anticipated Stage 1 redevelopment of NHW. The need for an expansion of medical beds, and the Emergency Department's capacity, was confirmed during the development of NHW's Clinical Service Plan (2015-2020) and has been further reinforced by the ongoing growth in inpatient activity and acuity.

The Board of Management, Executive and all staff at NHW are fully committed to the delivery of efficient, effective and high quality health care, in line with our mission "*To provide health care that enhances the quality of life of people in North East Victoria*".

The 2016-17 year saw a further increase in activity demand from across our North East catchment population of 90,000.

A summary snapshot of our activity for the 2016-17 year highlights:

- 24,539 patients were treated through our Emergency Department, 1,143 more than the previous year, representing a 4.89% increase. 28.8% of these patients required hospital admission.
- 6,315 patients had their surgery undertaken at NHW, a 2.3% increase on the previous year.
- We welcomed 679 babies, an additional 70 to the previous year, representing an 11.49% increase.
- 62,132 occasions of service were provided through the Medical Imaging Department, 2,308 or 4% more than the previous year.

Our diverse outpatient services continue to meet strong demand:

- 7,543 patients were seen through our Dental Service, in line with the previous year.
- 8,257 patient visits were provided through our Antenatal Clinic, compared to 7,872 in the previous year.

REPORT FROM THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

- The new Robotic Virtual Reality Rehabilitation program commenced in August 2016 and in 2016-17 1,242 sessions have been provided, which has improved patients' recovery times and patient enjoyment of their rehabilitation sessions.
- 211 patients were seen through the High Risk Foot Clinic. This service was established as an outpatient clinic in January 2017.
- 3,959 patients were seen through the pre-admission anaesthetic clinic compared to 1,389 in the previous year
- 18,573 patients were admitted to our wards, 388 less than the previous year. However, a significant cost pressure was driven by the increased acuity of admitted patients, along with the impact of opening the Same Day Unit for 440 shift occasions during the year, to accommodate patients when there were no Medical Ward beds available. Additional staffing cost of approximately $400,000 were incurred due to the necessity to operate the Day Stay Unit as an admitted Medical Ward. The 2016-17 year also saw a significant increase in the number of occasions patients with complex care needs required 1:1 care. An additional 530 specialling shifts resulted in an approximate $420,000 adverse budget impact.

NHW's 2016-17 Operating Result was a deficit of $2.296 million which reflected both the level and complexity of activity demand. NHW Operating Result is before taking into account capital, depreciation and specific items. NHW Net Result after taking into account capital income and expenses and depreciation was a Deficit of $3.132million.

The Board and Executive continue to work closely with the Department of Health and Human Services (DHHS) to ensure NHW's budget is sufficient to meet patient demand, particularly as the additional 23 inpatient beds are established and the Emergency Department expanded.

Whilst efficiency will be assisted by the pending Stage 1 redevelopment, the full impact will not be realised until an additional $6.9 million capital development funding is achieved to enable Stage 2 of the redevelopment, which will see all the additional medical beds established.

During the 2016-17 year, a wide range of strategies for Improving the Health and Wellbeing of our community were achieved, including:

- Developing and implementing a partnership approach to a range of initiatives in line with the "Strengthening Hospital Response to Family Violence" strategy.
- An expansion of our Telehealth capacity, with links established with two Metropolitan Health Services to enable care closer to home for rural patients.
- Successful implementation of an Innovative Acute Care Coordination Model to enhance patient flow, transfer times and efficiency.
- Development of the Bpangerang Nungara Plan, in partnership with local Aboriginal and Torres Strait Island people, to enhance culturally safe practices and support healthcare access and employment pathways.
- Achievement of targets within NHW's Environmental Sustainability Strategy.
- The development of a 10 bed expansion at Illoura, comprising of 4 additional Residential Aged Care beds and a six bed Transitional Care Unit.
- The development of NHW's Child Safe Policy Framework and the provision of education and training to staff working in high risk areas.
- The establishment of 24 hour/day security service on site to support the safety of NHW's staff and patients.
- A further expansion of the clinical and corporate support provided by NHW to Small Rural Health Services (SRHS).

NHW's achievements are not possible without the commitment and professionalism of our 1,255 staff, along with the ongoing support of our expanding team of Visiting Medical Specialists. We take this opportunity to recognise with pride and gratitude their dedication to the North East community.

One measure of staff satisfaction and engagement is the public sector wide People Matters Survey. We were delighted that 72% of our staff completed this survey.

REPORT FROM THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

Our community remains supportive and engaged and our 325 volunteers are the heart and soul of our health service. We thank them sincerely for their wonderful contribution, in so many varied ways, to NHW.

Our commitment to effective community consultation continues to be supported by our Community Advisory Committee Council and we recognise and thank the members for their support during the 2016-17 year.

We farewelled Board member Edward Higgins, and we thank Edward for his valued contribution to the governance of NHW during his six years as a Board member.

We acknowledge and thank all who have supported NHW during the 2016-17 year, including DHHS, NHW Board Members, our partner agencies, VMO's, our Executive team, along with all staff and volunteers.

We recommend our Annual Report to you and have pleasure in sharing the wonderful achievements of our team during the 2016-17 year.

We continue to be absolutely focused on NHW's Vision, Mission and Values as we face the challenges and opportunities in the year ahead.

Margaret Bennett
Chief Executive Officer

Brendan Schutt
Chair, Board of Management

Margaret Bennett- Chief Executive Officer
Brendan Schutt- Board Chair

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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RESPONSIBLE BODIES DECLARATION

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 2017.

Margaret Bennett
Chief Executive Officer

Brendan Schutt
Chair, Board of Management

Wangaratta
30 June 2017

Attestation on Ministerial Standing Direction 3.7.1 – 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 3.7.1 – 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 2017

Attestation on Compliance with Health Purchasing Victoria (HPV) Health Purchasing Policies

Compliant

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 it has complied with all requirements set out in the *HPV Health Purchasing Policies* including mandatory HPV collective agreements as required by the *Health Services Act 1988* (Vic) and has critically reviewed these controls and processes during the year.

Margaret Bennett
Chief Executive Officer

Brendan Schutt
Chair, Board of Management

Wangaratta
30 June 2017

ORGANISATIONAL STRUCTURE

Board of Management

Chief Executive Officer

Chief Operating Officer/ Deputy CEO

Director Support Services:

- Food
- Environmental
- Security
- Supply Department

Director Information Management

- Health Information Services
- ICT Services
- Information Systems
- Business Intelligence

Finance

Facilities & Maintenance

Medical Imaging

Nuclear Medicine

Communication & Clerical

Volunteer & Creative Services

Bio-Medical Engineer Liaison

Hume Rural Health Alliance Liaison

Sub-regional Corporate Services

Executive Support Services

Executive Assistance

Community Engagement

Fundraising

Media

Auxiliaries

Corporate Events

Director Medical Services

Director Emergency Department

Director Pharmacy

Pathology

Hospital Medical Officers

Visiting Medical Officers

Telehealth

Medico-Legal

Freedom of Information

Sub-regional Clinical Governance

Medical Library

Medical Administration

Director Clinical Services- Nursing & Midwifery

Operational Directors

Medical Ward

Paediatric Ward

Surgical Ward

Emergency Department

Maternity Services

Perioperative Services

Admission & Day Stay Unit

Critical Care

Oncology

Dialysis

Thomas Hogan Rehabilitation Centre

Infection Prevention & Control/ Staff Health Clinic

Regional Infection Control

Wound Care

Breast Care

Palliative Care

Pastoral Care

Nursing Administration

Deputy Director Community Nursing:

- Post Acute Care (PAC)
- Transition Care Program (TCP)
- Home Care Packages
- Residential In-Reach Service (RIR)
- Hospital in the Home (HITH)
- District Nursing Service (DNS)
- Acute Care Coordination
- Community Palliative Care
- Community Service Intake

Director of Nursing:

- Illoura Residential Aged Care

Director Community Health, Partnerships & Well Ageing

- Allied Health Services:
  - Speech Pathology
  - Physiotherapy
  - Occupational Therapy
  - Diabetes Education
  - Social Work
  - Dietetics
  - Continence Clinic
  - Stomal Therapy
  - Community Rehabilitation
  - Health Promotion
  - Aboriginal Health
  - Complex Care
  - Sub-acute Health Improvement
- Dental Services
- Outpatient Clinics
- Community Partnership Projects

Director Performance Improvement

- Accreditation Programs
- Risk Management:
  - Clinical
  - Organsational
- Hardwiring Excellence Program
- Community Participation
- Public Reporting
- Consumer Feedback
- Medico-Legal
- Policies & Guidelines
- Legislative Compliance
- Clinical Audit
- Clinical Redesign
- Organ & Tissue Donation

Director Education & Research

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

Director People & Culture

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

BOARD OF MANAGEMENT

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

Brendan has been Board Chair since 2014. Brendan is the Chief Financial Officer at Brown Brother's Winery Group. His expertise is in the areas of accounting, project management, logistics and strategic planning.

Mr Jonathan Green
Deputy Chair
B.A. (Melb), LL.B. (La Trobe), GAICD (AICD).

Jonathan is a practising solicitor. His areas of expertise are property law, contract law, commercial law, local government law, succession planning and commercial litigation.

Mr Martin Hession
Chair of Finance Committee & Deputy Chair of the Project Control Group
BSc, Melb Uni, former Lic Estate Agent, former Fellow of the Aust Property Inst, former Assoc Mbr of the Inst of Actuaries of London & the Inst of Actuaries of Aus.

Martin has held many senior management and committee portfolios in commercial and land development and real estate since 1977. He has worked with Governments, local authorities, business partners and investors.

Mr Matthew Joyce
Director
MBA

Matthew is the Managing Director of WCL Management Services, a highly specialised transport consultancy organisation servicing clients in both Australian and International markets. He has been a Special Advisor to the Department of Prime Minister & Cabinet.

Ms Ann Wearne
Director
Adv Mgmt

Ann was the previous CEO of Ovens & King Community Health Service and previously held various Director roles in the Department of Human Services. Ann's focus is on clinical, corporate and financial governance.

Dr Roger Barker
Chair of Quality & Safety Committee, Chair of Human Research Ethics Committee & Chair of the Medical Advisory Committee
M.B.B.S GradDip Anaesthetics FANZCA

Roger is a retired Specialist Anaesthetist with many years experience working across the public and private sectors in North East Victoria.

Ms Lisbeth Long
Director
B Economics, Cert Community Participation, GAICD

Lisbeth has held senior Executive roles in various States including; Caltex Aust Petroleum, Pasminco Century Mine and is General Manager of her family's wine business. Lisbeth has served on several local Boards including GOTAFE

Mr Edward Higgins
Director
Master of Marketing, Post grad Dip Mktg, B. Bus (Mktg & Mgmt)

Edward is the CEO of North East Media Pty Ltd (Melbourne/ Wangaratta).

His areas of focus are on human resources, business development, strategy and meeting business and community expectations.

Ms Cheryl Clutterbuck
Deputy Chair of Quality & Safety Committee
RN, RM, Dip Bus, Dip HR

Cheryl has held many nursing and nurse management roles extending over a 45 year career. She has been on several Boards including Rotary, Red Cross, Carevan volunteer and Red Cross.

Ms Alison Maclean
Chair of Medical Appointments Committee

Alison has many years experience in the Victorian Justice System. She is currently working in the region in the Family Violence Prevention area.

EXECUTIVE

Chief Executive Officer
Ms Margaret 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 John 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 Tim Griffiths
B.Bus (Acct), GradCert (Export), GradCert (ComLaw), GradDip (MarLogistics), MBT, GAICD

The Deputy CEO/Chief Operating Officer has overall responsiblity for the effective delivery of corporate and operational support services. The role is 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 Libby Fifis
RN, Grad Dip (Adv Clinical Practice), Grad Cert (Mgmt), MACN, and MCL (in progress)

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 Michelle 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 Sue 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 David 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 rehabilitation, outpatient care, chronic disease management and promoting the concept of well-ageing in the community.

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

The Director of People & Culture is instrumental in assisting the Executive Team's effective management of NHW's 1,200 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	
	2016	2017	2016	2017
Nursing	382.60	386.47	378.62	382.10
Admin/Clerical	116.75	127.03	112.46	122.86
Medical Support	65.12	75.66	64.21	70.40
Hotel/Allied	92.08	96.62	91.56	91.63
Medical	0.00	0.75	0.00	0.06
Hospital Medical Officers	50.89	52.61	45.72	50.24
Sessional Clinical	4.76	6.10	4.99	5.94
AlliedHealth	56.23	58.39	53.05	55.65
Grand Total	**768.43**	**803.63**	**750.61**	**778.88**

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
S J Oxley
E G O'Keefe
S Leitl
C E Cunningham
R A Underwood
J Mounsey

STATEMENTS OF COMPLIANCE

Minister for Health in the State of Victoria

Northeast Health Wangaratta was established under the *Health Services Act 1988*. The responsible Ministers during the reporting period was The Honourable Jill Hennessy MP; The Minister for Health, The Minister for Ambulance Services, and The Honourable Martin Foley MP; The Minister for Housing, Disability and Ageing, The Minister for Mental Health.

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*, I*nformation 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 this financial year there were 203 requests of Northeast Health Wangaratta under the Act. All requests were complied with within the required 45 days.

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 2016-17.

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 2016-17.

Safe Patient Care Act 2015

Northeast Health Wangaratta has in place appropriate policies and procedures to enforce the *Safe Patient Act 2015*.

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.

STATEMENTS OF COMPLIANCE

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.

Contracts 2016-17 – Local Jobs First - Victorian Industry Participation Policy (VIPP) Act 2003

Northeast Health Wangaratta acknowledges it is required to abide by the principles of the *Victorian Industry Participation Policy Act 2003* (VIPP). In 2016-17 a refurbishment project at the Illoura Residential Aged Care facility was commenced to which the VIPP applies. To ensure that all requirements are in place that assures compliance to the VIPP policy requirements, Northeast Health Wangaratta has:

- Delegated the Northeast Health Wangaratta Procurement Team the responsibility for Registration of future projects requiring ICN registration.
- VIPP requirements and statements are incorporated as part of our RFT documents
- Northeast Health Wangaratta has a nominated VIPP Authorised Administrator to ensure future Projects over $1 million are appropriately captured and compliant with VIPP guidelines and requirements.

Compliance with the Victorian Building Act 1993

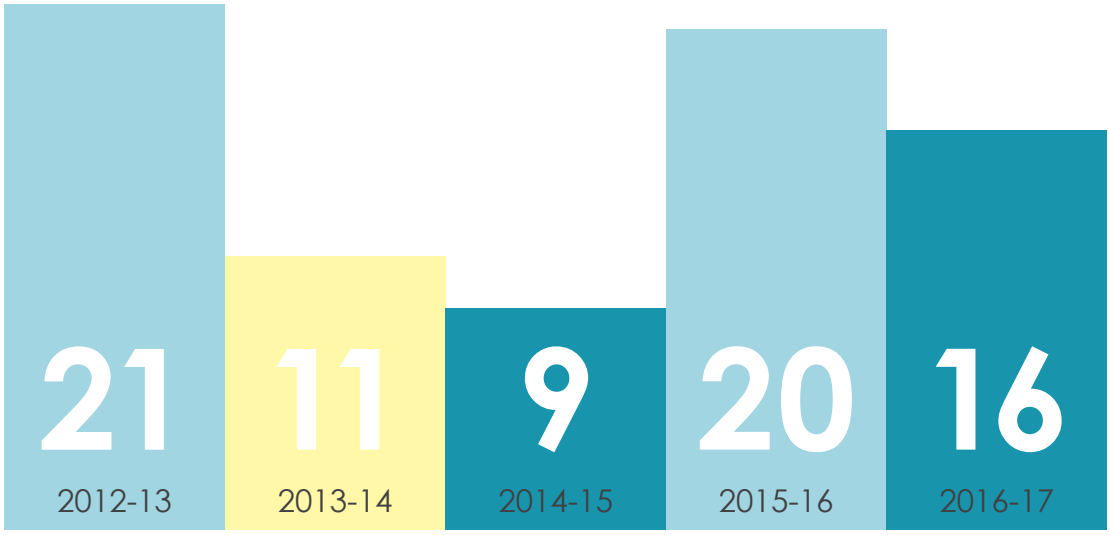
Northeast Health Wangaratta complies with the provisions of the *Building Act 1993* in accordance with the Department of Health and Human Services Capital Development Guidelines (*Minister for Finance Guideline Building Act 1993/ Standards for Publicly Owned Buildings 1994/ Building Regulations 2005*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

STATEMENTS OF COMPLIANCE

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



STATEMENTS OF COMPLIANCE

Statement of Additional Information (FRD 22 H)

In compliance with the requirements of FRD 22H (Section 6.19) 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. Declarations of pecuniary interest have been duly 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 2016-17

Details of consultancies (under $10,000)
In 2016-17, Northeast Health Wangaratta engaged 10 consultancies where the total fees payable to the consultant was less than $10,000, with a total expenditure of $43,250 (excl. GST).

Details of consultancies (valued at $10,000 or greater)
In 2016-17, Northeast Health Wangaratta engaged 7 consultancies where the total fees payable to the consultant were $10,000 or greater.

The total expenditure incurred during 2016-2017 in relation to these consultancies is $202,476 (excl. GST). Details of individual consultancies are detailed in the table below.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee 2016-17 (Exc. GST)	Expenditure 2016-17 (Exc. GST)	Future Expenditure (Exc GST)
ALZHEIMER'S AUSTRALIA VIC	Residential Aged Care Consultancy	31/01/2017	31/01/2017	$12,750	$12,750	NIL
FINITY CONSULTING PTY LIMITED	Measuring Patient Acuity project	01/06/2017	30/06/2017	$20,000	$20,000	NIL
SYRIS CONSULTING	Costing Data - VCDC	31/08/2016	28/04/2017	$26,680	$26,680	NIL
LEHR CONSULTANTS INTERNATIONAL AUSTRALIA PTY LTD	Infrastructure Replacement Tender Document Preparation	09/09/2016	30/11/2016	$29,220	$29,220	NIL
P2 GROUP	Workcover Management	25/07/2016	30/04/2017	$30,075	$30,075	NIL
BATMAN DISCRETIONARY TRUST (PROVIDE ASSIST)	Residential Aged Care consultancy	01/01/2017	17/01/2017	$33,751	$33,751	NIL
RSM Consultancy	NDIS consultancy	01/03/2017	30/06/2017	$50,000	$50,000	NIL

Audit Act 1994

Northeast Health Wangaratta's Audit Committee consists of: Mr Jonathan Green (Chair), Mr Brendan Schutt, Ms Lisbeth Long, Mr Matthew Joyce, Ms Alison Maclean, Mr John Duck (Indep), Mr Brian Hargreaves (Indep), Ms Margaret Bennett, Mr Tim Griffiths, Ms Libby Fifis, Ms Michelle Butler, Ms Jenny Ball, Mr Martin Thompson (Crowe Horwath), Ms Alison Lee (Crowe Horwath).

Expenditure on Government Advertising during 2016-17

Northeast Health Wangaratta had nil expenditure on Government advertising during the 2016-17 year.

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 aims to promote heightened environmental awareness and commitment amongst employees, patients and visitors whilst reducing the impacts of Northeast Health Wangaratta's activities on the local, national and global environment.

Supporting our Environmental Sustainability Plan, a number of principles have been developed that provide additional direction on specific issues. As an organisation 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 planning and landscaping decisions.
- Encourage procurement procedures that adhere to the principles of NHW's environmental policy throughout the organisation's supply chain.

NHW's Environmental Sustainability Committee actively promotes the actions staff can take to minimise any adverse effects to the environment. The committee report on and support the achievements of the following goals:

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

In 2017 a "Green Leaf Award" was introduced to be presented monthly for outstanding work toward environmental sustainability.

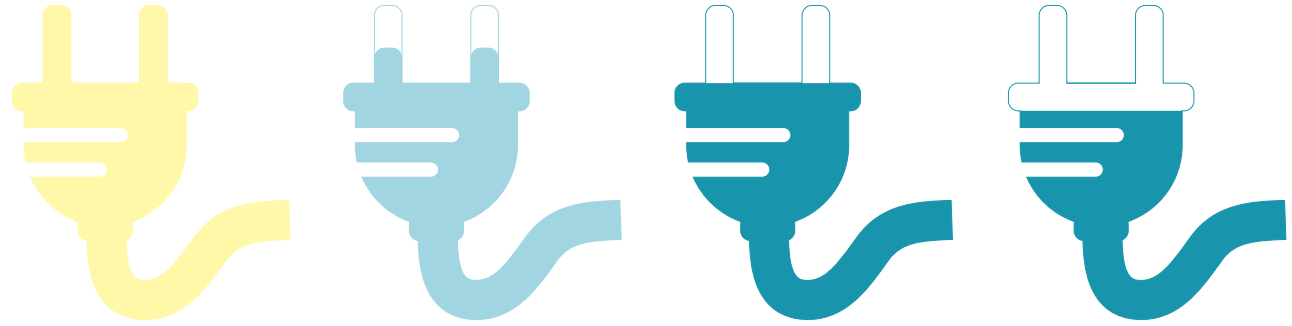
Key Highlights for 2017 include;

- Combined Gas and Electricity consumption for 2016-17 was 38,784GJ which continues a downward trend (reducing by 3,425GJ's on the 2016 period) –this highlights NHW's commitment in reducing energy consumption across the site.
- During the 2016-17 year the LED light replacement programhas been expanded; NHW has incorporated better controls on air conditioning and improved insulation for the buildings thermal performance.
- Across a 5 year period our recycled waste continues on an upward trend upward and our landfill waste is continues on a downward trend
- The 2016-17 waste results are reflective of the challenges the organisation faces when activity is constantly increasing. It also highlights the opportunities for improvement in the organisation and the important role our Environmental Sustainability Committee in reducing the environmental impact.

STATEMENTS OF COMPLIANCE

Gas and Electricity Consumption

Total Energy consumption in Gigajoules (GJ)



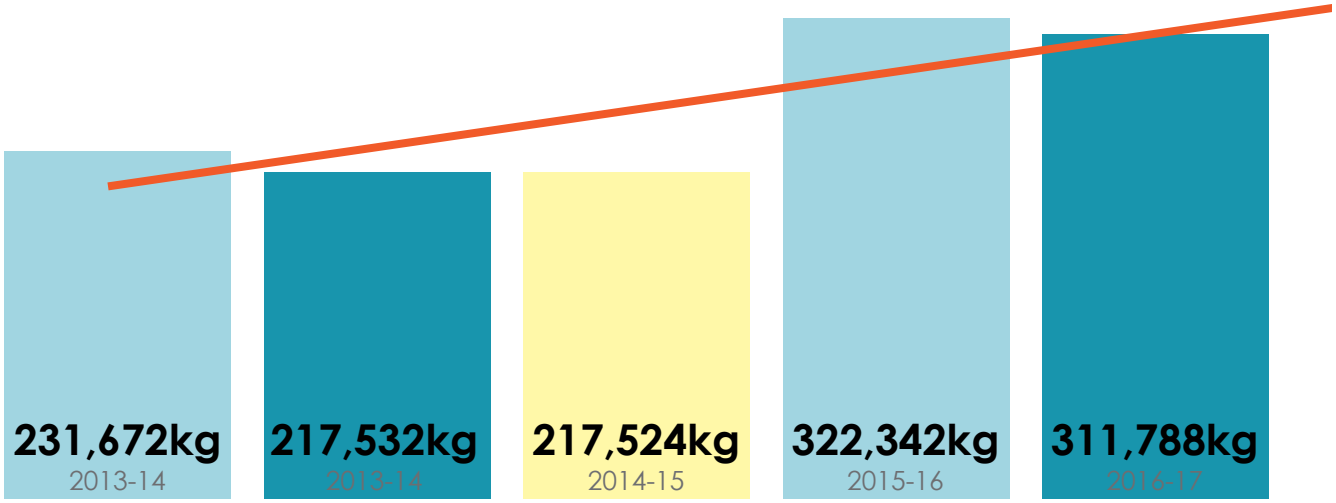
46,042GJ
2013-14

45,679GJ
2014-15

42,209GJ
2015-16

38,784GJ
2016-17

Recycling



231,672kg
2013-14

217,532kg
2013-14

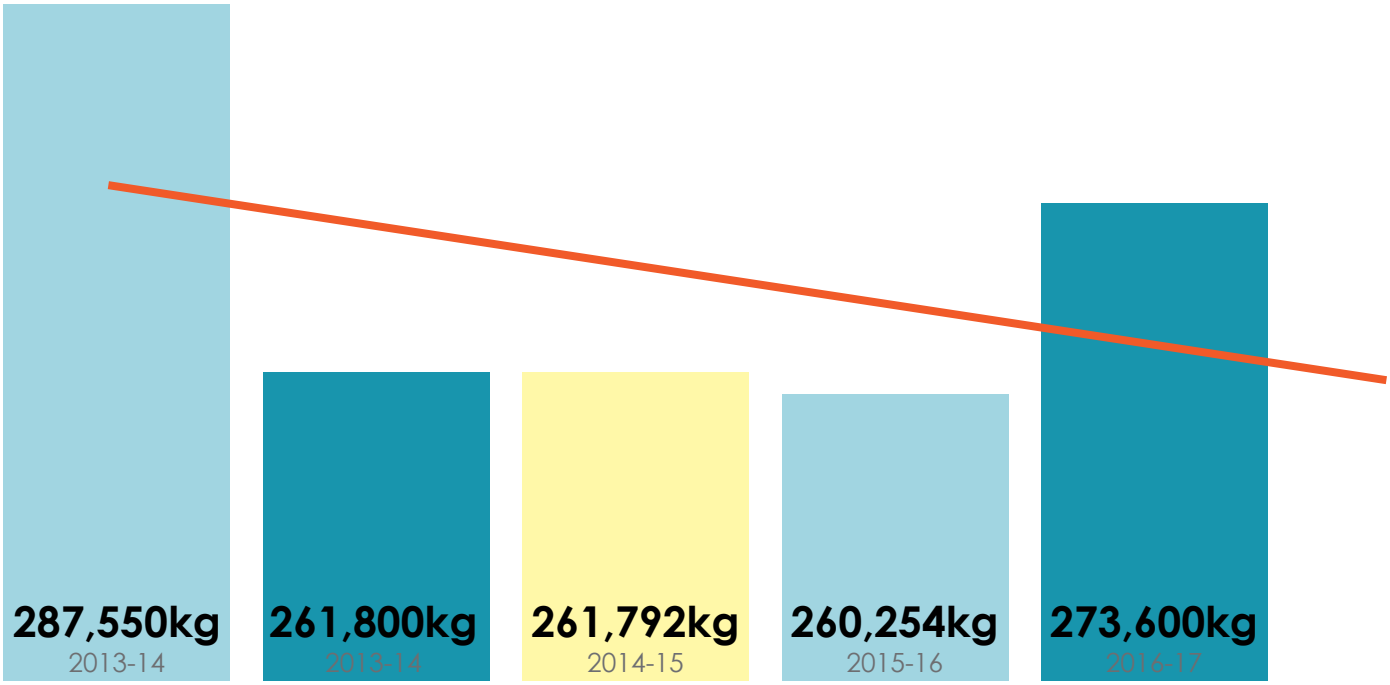
217,524kg
2014-15

322,342kg
2015-16

311,788kg
2016-17

STATEMENTS OF COMPLIANCE

Landfill



Occupational Violence

The 2016-17 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		2016-17
1.	Workcover accepted claims with an occupational violence cause per 100 FTE	0
2.	Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
3.	Number of occupational violence incidents reported	62
4.	Number of occupational violence incidents reported per 100 FTE	0.49
5.	Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

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 2016-17.

Lost time- is defined as greater than one day.

Injury, illness or condition- this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

STATEMENTS OF COMPLIANCE

Information and Communication Technology (ICT) expenditure

During 2016-17, Northeast Health Wangaratta spent $3,256,898 on ICT Business As Usual (BAU) Operational expenditure (excluding GST) and $85,834 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 2016-17, Northeast Health Wangaratta did not operate a fee based car parking facility.

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2016-17

Domain	Action	Deliverable	Outcome
Quality and safety	Implement systems and processes to recognise and support person-centred end of life care in all settings, with a focus on providing support for people who chose to die at home.	Fully implement 'Care Plans for the Dying Person – Victoria' via the Centre for Palliative Care.	**ACHIEVED** 'Care Plans for the Dying Person - Victoria' forms and associated policy and guideline have been introduced and are available for staff use.
	Advance Care Planning is included as a parameter in an assessment of outcomes including: Mortality and Morbidity review reports, patient experience and routine data collection.	Include Advance Care Planning in Morbidity and Mortality review criteria.	**ACHIEVED** Screening for Advanced Care Planning is a routine component of Morbidity and Mortality review
		Establishment of standardised practice regarding recording and storing Advanced Care Plans in patient records to assist staff awareness, ease of access and reporting of data.	**ACHIEVED** All Advanced Care Plan orders are now placed in a standardised area of the patient history.
	Progress implementation of a whole-of-hospital model for responding to family violence.	In consultation with Goulburn Valley Health, develop and implement a delivery model based on 'Strengthening Hospital Responses to Family Violence'.	**ACHIEVED** 'Strengthening Hospital Responses to Family Violence' implemented with policy review, train the trainer training rolled out and key stakeholders engaged as partners at Northeast Health Wangaratta, in conjunction with Goulburn Valley Health.

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2016-17

Domain	Action	Deliverable	Outcome
Quality and safety	Develop a regional leadership culture that fosters multidisciplinary and multiorganisational collaboration to promote learning and the provision of safe, quality care across rural and regional Victoria.	Increase elective surgery performed in collaboration with two subregional hospitals.	**ACHIEVED** Increased number of surgical cases performed in conjunction with subregional health services and processes developed to support further program expansion.
		Enhance access to specialist medical advice via telehealth.	**ACHIEVED** Telehealth service links established with two metropolitan health services and outpatient clinic services supplied to patients.
		Establish a Central Hume Director of Clinical Governance in Emergency/Urgent Care Medicine.	**ACHIEVED** Emergency Medicine specialist employed by Northeast Health Wangaratta has commenced providing clinical governance services in Emergency/Urgent Care Medicine to Central Hume Small Regional Health Services.
		Complete evaluation of the shared subregional education calendar using videoconferencing.	**ACHIEVED** • Access now available to general education calendar via 'Hume Education Learning Portal' (HELP) for interested services in Central Hume. • M2M education calendar has been facilitated on a shared platform for multiple users.
		Expand the process for sharing rotations with Central Hume health services within the Graduate Nurse Program.	**ACHIEVED** Inter-service rotations has been expanded to include graduate nurses across the Central Hume.

STATEMENT OF PRIORITIES
Part A: Strategic Priorities 2016-17

Domain	Action	Deliverable	Outcome
Quality and safety	Establish a foetal surveillance competency policy and associated procedures for all staff providing maternity care that includes the minimum training requirements, safe staffing arrangements and ongoing compliance monitoring arrangements.	Finalise and fully implement the Northeast Health Wangaratta Foetal Surveillance (FS) policy which includes minimum training requirements, safe staffing arrangements and ongoing compliance monitoring arrangements.	**ACHIEVED** The Foetal Surveillance policy has been finalised and training in place. Ongoing compliance is being monitored through the Womens' Health Governance Committee.
	Use patient feedback, including the Victorian Healthcare Experience Survey (VHES) to drive improved health outcomes and experiences through a strong focus on person and family centred care in the planning, delivery and evaluation of services, and the development of new models for putting patients first.	Achieve four consumer feedback forums.	**ACHIEVED** Four consumer feedback forums conducted including a general community forum
		Fully establish bedside Clinical Handover in Acute, Sub-Acute and Residential Aged Care areas	**ACHIEVED** Bedside Clinical Handover in place in Acute, Sub-Acute, and Residential Aged Care.
		90% of all Day Procedure patients received a follow up telephone call.	**ACHIEVED** 100% of all Day Procedure patients are provided with a follow up telephone call.
		Achieve 80% or greater for Q37 in Victorian Healthcare Experience Survey – 'were you involved as much as you wanted to be in decisions about your care and treatment?'	**NOT ACHIEVED** Average 70% positive response rate for Q37 in Victorian Healthcare Experience Survey – 'were you involved as much as you wanted to be in decisions about your care and treatment?'
	Develop a whole of hospital approach to reduce the use of restrictive practices for patients, including seclusion and restraint.	Fully establish comprehensive collection and reporting of seclusion and restraint data.	**ACHIEVED** Northeast Health Wangaratta has developed hospital wide guidelines for the use of restrictive practices for patients, such as seclusion and restraint.
		Develop and implement an organisation wide strategy with a decreased rate of restraint and seclusion where appropriate.	**ACHIEVED** Northeast Health Wangaratta's guidelines include risk reduction and de-escalation strategies as well as strengthened reporting requirements for data collection, clinical review and rate monitoring.

STATEMENT OF PRIORITIES
Part A: Strategic Priorities 2016-17

Domain	Action	Deliverable	Outcome
Access and timeliness	Ensure the development and implementation of a plan in specialist clinics to: 1. Optimise referral management processes and improve patient flow through to ensure patients are seen in turn and within time; and 2. Ensure Victorian Integrated Non-Admitted (Victorian Integrated Non-Admitted Health) data accurately reflects the status of waiting patients.	Complete review of referral pathways and patient prioritisation system.	**ACHIEVED** A full review of outpatient referral pathways has been completed.
		Full implementation of the Specialist Outpatient Clinic strategy.	**ACHIEVED** The Specialist Outpatient Clinic forward plan has been completed.
		>95% of patient data meets the requirements of Victorian Integrated Non-Admitted Health as demonstrated by audit 6 monthly.	**ACHIEVED** >95% of patient data meets the Victorian Integrated Non-Admitted Health requirements.
		>95% of patients on Victorian Integrated Non-Admitted Health have documented correct waiting status as confirmed by audit.	**ACHIEVED** >95% patients on Victorian Integrated Non-Admitted Health have correct waiting list status as confirmed by audit.
	Ensure the implementation of a range of strategies (including processes and service models) to improve patient flow, transfer times and efficiency in the Emergency Department, with particular focus on patients who did not wait for treatment and/or patients that re-presented within 48 hours.	Introduce a process of follow up telephone calls for patients who did not wait for treatment.	**ACHIEVED** A weekly process is in place to review patients who did not wait for treatment with relevant presentations receiving a follow up telephone call. The Aboriginal Transition Liaison Officer follows up 100% of all Indigenous patients who did not wait for treatment
		Complete a feasibility study surrounding a nurse led care coordination role to improve patient flow, transfer times and efficiency	**ACHIEVED** Acute Care Coordination Model (Nurse Led) successfully introduced to enhance patient flow transfer times and efficiency
		Structured data collection and review process in place for re- presentations to the Emergency Department within 48 hours.	**ACHIEVED** Re-presentations to Emergency Department within 48 hours are reported to Emergency Department senior staff for review from January 2017.

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2016-17

Domain	Action	Deliverable	Outcome
Access and timeliness	Identify opportunities and implement pathways to aid prevention and increase care outside hospital walls by optimising appropriate use of existing programs (i.e. the Health Independence Program or telemedicine).	Improve access to Health Independence Programs via a Central Intake Model.	**ACHIEVED** • A Central Intake Model has been introduced to improve access to Health Independence Program with the inclusion of a weekend admission process. • A Community Services Intake position has been implemented across 7 days per week to facilitate timely and appropriate discharges to all Community Nursing programs including Hospital in The Home
		Review and strengthen discharge planning processes to ensure patients have access to appropriate out of hospital services in a timely manner.	**ACHIEVED** • Introduction of Acute Care Coordination Model to assist complex patients and discharge requirements. • Telehealth services have been further developed and services provided linking patients in Central Hume to metropolitan and interstate health services
		Clinical pathways developed and available to staff for the top 5 clinical conditions treated by Hospital in The Home (HITH).	**NOT ACHIEVED** • A review of the top five clinical conditions has been undertaken. A clinical care pathway for Cellulitis is being developed. • Northeast Health Wangaratta actively collaborated with the Murray Primary Health Network on six Health Pathways.
	Increase the proportion of patients (locally and across the state) who receive treatment within clinically recommended time for surgery and implement ongoing processes to ensure patients are treated in turn and within clinically recommended timeframes.	Work with specialist Visiting Medical Officers (VMO) and ensure Elective Surgery Admission Process (Elective Surgery Admission Process) requirements are met.	**ACHIEVED** • Subregional partnerships further developed to involve more surgeons. • Improved proportion of waiting list patients admitted within clinically recommended timeframes, now exceeding Department of Health and Human Services' targets. • Elective Surgery Admission Process requirements met.

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2016-17

Domain	Action	Deliverable	Outcome
Access and timeliness	Develop and implement a strategy to ensure the preparedness of the organisation for the National Disability and Insurance Schedule (NDIS) and Home and Community Care program (HACC) transition and reform, with particular consideration to service access, service expectations, workforce and financial management.	Actively participate in the Home and Community Care preparedness program for the Hume Region.	**ACHIEVED** • Actively participated in Home and Community Care transition planning processes across the Hume region with District Nursing and Aged Care. • District Nursing, Aged Care and National Disability Insurance Scheme change management processes have been put in place.
	Develop and implement strategies within their organisation to ensure identification of potential organ and tissue donors and partner with DonateLife Victoria to ensure that all possible donations are achieved.	Facilitate relevant staff attending organ donation awareness training courses offered by DonateLife Victoria, implement the Organ and Tissue Authority Clinical Practice Improvement Program into hospital services, and comply with reporting requirements identified by DonateLife Victoria	**ACHIEVED** • Relevant staff have attended training facilitated by DonateLife. • Ongoing DonateLife Program in place at Northeast Health Wangaratta which complies with all the reporting requirements established by DonateLife. • Organ Donation Key Performance Indicators reported through the Deteriorating Patient and Systems Committee.
Supporting healthy populations	Support shared population health and wellbeing planning at a local level - aligning with the Local Government Municipal Public Health and Wellbeing plan and working with other local agencies and Primary Health Networks.	Lead the 'Managing Chronic Disease in Wangaratta and Benalla – Improving the patient journey through Primary and Hospital Care' project in partnership with external health care organisations.	**ACHIEVED** Northeast Health Wangaratta led Managing Chronic Disease in Wangaratta and Benalla project has been implemented and new Chronic Obstructive Pulmonary Disease model of care developed in partnership with the Murray Primary Health Network and in collaboration with local General Practitioner practices, local private allied health services and Gateway Health.

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2016-17

Domain	Action	Deliverable	Outcome
Supporting healthy populations	Focus on primary prevention, including suicide prevention activities, and aim to impact on large numbers of people in the places where they spend their time adopting a place based, whole of population approach to tackle the multiple risk factors of poor health.	Develop a model for illness prevention and improving health knowledge in the community based on population health data.	**ACHIEVED** • A collaborative approach to Health Promotion Planning has been implemented which aligns with the Rural City of Wangaratta Municipal Public Health Plan and Wellbeing. • Northeast Health Wangaratta Family Violence Prevention Strategy has been implemented in collaboration with Centre Against Violence, Women's Health Goulburn North East, Gateway Health, Victoria Police and Goulburn Valley Health. • High Risk Foot Service has been implemented in partnership with the Murray Primary Health Network and in collaboration with Benalla Health, Gateway Health and Albury Wodonga Health. • Northeast Health Wangaratta is a member of the Wangaratta ICE Local Drug Action Group who oversee the local area based public health approach to tackling drug and alcohol issues.
	Develop and implement strategies that encourage cultural diversity such as partnering with culturally diverse communities, reflecting the diversity of your community in the organisational governance, and having culturally sensitive, safe and inclusive practices.	Develop and implement a cultural diversity plan that is based on demographic data available for the Central Hume.	**ACHIEVED** • Diversity policy updated and implemented. • Development and implementation of the Bpangerang Nungara Plan and Disability Action Plan.
	Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices which recognise and respect their cultural identities and safely meets their needs, expectations and rights.	Finalise and fully implement the Northeast Health Wangaratta Koolin Balit Plan.	**ACHIEVED** The Northeast Health Wangaratta Koolin Balit Plan completed (Bpangerang Nungara Plan).

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2016-17

Domain	Action	Deliverable	Outcome
Supporting healthy populations	Drive improvements to Victoria's mental health system through focus and engagement in activity delivering on the 10 Year Plan for Mental Health and active input into consultations on the Design, Service and Infrastructure Plan for Victoria's Clinical mental health system.	Establish a Tele-Mental Health service in collaboration with North East Border Mental Health Service.	**ACHIEVED** Agreement obtained from North East Border Mental Health Services. Tele-Mental Health service to be introduced following North East Border Mental Health Services internal review of own assessment processes.
	Using the Government's Rainbow eQuality Guide, identify and adopt 'actions for inclusive practices' and be more responsive to the health and wellbeing of lesbian, gay, bisexual, transgender and intersex (LGBTI) individuals and communities.	Complete review of current Northeast Health Wangaratta's performance against 'actions for inclusive practice'.	**ACHIEVED** Completed comprehensive review against Rainbow eQuality Guide 'actions for inclusive practice'.
		Develop and implement actions to meet the identified gaps.	**ACHIEVED** Action plan developed and implementation in progress.
Governance and leadership	Demonstrate implementation of the Victorian Clinical Governance Policy Framework: Governance for the provision of safe, quality healthcare at each level of the organisation, with clearly documented and understood roles and responsibilities. Ensure effective integrated systems, processes, leadership are in place to support the provision of safe, quality, accountable and person centred healthcare. It is an expectation that health services implement to best meet their employees' and community's needs, and that clinical governance arrangements undergo frequent and formal review, evaluation and amendment to drive continuous improvement.	Northeast Health Wangaratta's Clinical Governance Policy reviewed and completed in line with the Victorian Clinical Governance Policy Framework.	**ACHIEVED** Clinical Governance Policy expanded and reviewed to become Clinical Governance and Quality Policy with associated framework based on the Victorian Clinical Governance Policy Framework.

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2016-17

Domain	Action	Deliverable	Outcome
Governance and leadership	Contribute to the development and implementation of Local Region Action Plans under the series of statewide design, service and infrastructure plans being progressively released from 2016 17. Development of Local Region Action Plans will require partnerships and active collaboration across regions to ensure plans meet both regional and local service needs, as articulated in the statewide design, service and infrastructure plans.	Active participation in the development and implementation of a Local Region Action Plan.	**ACHIEVED** Active ongoing contribution to the development of various Department of Health and Human Services and Ovens & Murray Partnership Planning Forums.
	Ensure that an anti-bullying and harassment policy exists and includes the identification of appropriate behaviour, internal and external support mechanisms for staff and a clear process for reporting, investigation, feedback, consequence and appeal and the policy specifies a regular review schedule.	Review and educate staff regarding the anti-bullying and harassment policy that is in place.	**ACHIEVED** Anti-bullying and harassment policy reviewed and staff education provided.

STATEMENT OF PRIORITIES
Part A: Strategic Priorities 2016-17

Domain	Action	Deliverable	Outcome
Governance and leadership	Board and senior management ensure that an organisational wide Occupational Health and Safety (OH&S) risk management approach is in place which includes: 1. A focus on prevention and the strategies used to manage risks, including the regular review of these controls; 2. Strategies to improve reporting of OH&S incidents, risks and controls, with a particular focus on prevention of occupational violence and bullying and harassment, throughout all levels of the organisation, including to the board; and 3. Mechanisms for consulting with, debriefing and communicating with all staff regarding outcomes of investigations and controls following occupational violence and bullying and harassment incidents.	Complete implementation of Northeast Health Wangaratta's Staff Health and Wellbeing Plan.	**ACHIEVED** Northeast Health Wangaratta's Staff Health and Wellbeing Plan implemented.
		Establish comprehensive Workplace Wellbeing/ Occupational Health & Safety reports and action plans to the Northeast Health Wangaratta's Board and Leadership team on a quarterly basis.	**ACHIEVED** • Northeast Health Wangaratta's Occupational Health & Safety Statement reviewed, Zone based Health and Safety Representatives structure implemented and Occupational Health & Safety Committee structure refreshed. • Audits of Occupational Violence and Aggression, Bullying and Harassment and WorkCover related incidents have been completed and action plans developed. • Human Resource / Occupational Health & Safety Metrics refreshed and reported to Board through the Quality & Safety Committee.
		Establish a team of trained staff to provide Critical Incident debriefing support to Northeast Health Wangaratta staff.	**ACHIEVED** Training completed in Crisis Intervention and Management for 15 Northeast Health Wangaratta and 10 regional staff.

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2016-17

Domain	Action	Deliverable	Outcome
Governance and leadership	Implement and monitor workforce plans that: improve industrial relations; promote a learning culture; align with the Best Practice Clinical Learning Environment Framework; promote effective succession planning; increase employment opportunities for Aboriginal and Torres Strait Islander people; ensure the workforce is appropriately qualified and skilled; and support the delivery of high-quality and safe person centred care.	Complete and implement a Northeast Health Wangaratta Workforce Plan that supports the Northeast Health Wangaratta Clinical Services Plan and aligns with the Best Practice Clinical Learning Environment.	**ACHIEVED** Workforce Plan aligned with Clinical Services Plan and aligned with Best Practice Clinical Learning Environment Framework developed to a working draft.
		Develop and implement a Leadership Development Framework for current and aspiring leaders.	**ACHIEVED** Northeast Health Wangaratta's Leadership Development Framework implemented.
		Complete and implement a Northeast Health Wangaratta Aboriginal Employment, Education and Health Service Access plan.	**ACHIEVED** Bpangerang Nungara Plan (a Northeast Health Wangaratta Aboriginal employment, education and health service access plan) developed and implemented.
		An education calendar is in place that is informed by the requirements of the National Quality and Safety Standards.	**ACHIEVED** Comprehensive education calendar informed by National Quality and Safety Standards in place.
	Create a workforce culture that: 1. Includes staff in decision making; 2. Promotes and supports open communication, raising concerns and respectful behaviour across all levels of the organisation; and 3. Includes consumers and the community.	Key tactics of the Hardwiring Excellence Program fully embedded, as per Northeast Health Wangaratta's Hardwiring Excellence Plan.	**ACHIEVED** Key actions of Northeast Health Wangaratta Hardwiring Excellence Program embedded.

STATEMENT OF PRIORITIES
Part A: Strategic Priorities 2016-17

Domain	Action	Deliverable	Outcome

Governance and leadership	Ensure that the Victorian Child Safe Standards are embedded in everyday thinking and practice to better protect children from abuse, which includes the implementation of: strategies to embed an organisational culture of child safety; a child safe policy or statement of commitment to child safety; a code of conduct that establishes clear expectations for appropriate behaviour with children; screening, supervision, training and other human resources practices that reduce the risk of child abuse; processes for responding to and reporting suspected abuse to children; strategies to identify and reduce or remove the risk of abuse and strategies to promote the participation and empowerment of children.	• Completed gap analysis of Victorian Child Safe Standards.
		• Development of Northeast Health Wangaratta's Child Safe Policy Framework which includes:
		  • Code of Conduct for appropriate behaviour with children
		  • Practices to identify and reduce the risk of child abuse
		  • Processes for responding and reporting suspected child abuse
		  • Strategies to promote the participation and empowerment of children.
			ACHIEVED
			Child Safe Policy developed which includes:
			• Code of Conduct for appropriate behavior with children.
			• Practices to identify and reduce the risk of child abuse
			• Processes for responding and reporting suspected child abuse
			• Strategies to promote the participation and empowerment of children

		Provision of relevant training and education to staff working in high risk areas.	**ACHIEVED** Child Safety and Child Safety Standards are available to all staff on the Hume Education Learning Portal.

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2016-17

Domain	Action	Deliverable	Outcome
Governance and leadership	Implement policies and procedures to ensure patient facing staff have access to vaccination programs and are appropriately vaccinated and/or immunised to protect staff and prevent the transmission of infection to susceptible patients or people in their care.	100% of new staff screened for serological status.	**ACHIEVED** All new staff who are not able to verify vaccination and disease history are screened for serological status.
		100% of Category A staff required to provide evidence of serological immunity or vaccination history.	**ACHIEVED** • 100% of all new staff (including Category A) are required to provide evidence of serological immunity or vaccination history. • Northeast Health Wangaratta's Exposure Prone Guidelines reviewed and new guidelines linked with National Health & Medical Research Council Australian Guidelines for the Prevention and Control of Infection and Healthcare.
		Completed review of Northeast Health Wangaratta Exposure Prone Guidelines in line with current practice.	**ACHIEVED** Northeast Health Wangaratta has exceeded the Department of Health and Human Services' target for staff vaccination at 90%.
Financial sustainability	Further enhance cash management strategies to improve cash sustainability and meet financial obligations as they are due.	Weekly review, control and corrective action of cashflow position.	**ACHIEVED** • Cash flow was reviewed regularly and controlled within the context of Northeast Health Wangaratta's changed operating environment. • Debtors are maintained <60 days and Creditor are maintained >30 days.

STATEMENT OF PRIORITIES
Part A: Strategic Priorities 2016-17

Domain	Action	Deliverable	Outcome
Financial sustainability	Actively contribute to the development of the Victorian Government's policy to be net zero carbon by 2050 and improve environmental sustainability by identifying and implementing projects, including workforce education, to reduce material environmental impacts with particular consideration of procurement and waste management, and publicly reporting environmental performance data, including measureable targets related to reduction of clinical, sharps and landfill waste, water and energy use and improved recycling.	Achievement of 100% of the key deliverables in the Northeast Health Wangaratta's Environmental Sustainability Plan (ESP).	**ACHIEVED** • Northeast Health Wangaratta's Environmental Sustainability Plan has been developed and implemented. • The key deliverables: workforce education, energy reductions, energy savings initiatives, water consumption reduction, waste reduction and recycling initiatives have been implemented, actioned and realised the benefits in the context of increased activity.

STATEMENT OF PRIORITIES
Part B: Performance Priorities 2016-17

Quality and safety

Key performance indicator	Target	2016-17 Result
Accreditation		
Compliance with NSQHS Standards accreditation	Full compliance	Full compliance
Compliance with the Commonwealth's Aged Care Accreditation Standards	Full compliance	Full compliance
Infection prevention and control		
Submission of infection surveillance data to VICNISS	Full compliance	Full complicance
Compliance with the Hand Hygiene Australia program	80%	85.7%
Percentage of healthcare workers immunised for influenza	75%	90%

Cleaning standard measure	AQL Target	Outcome
Overall compliance with standards	Full compliance	Full compliance
Very high risk (Category A)	90 points	Achieved
High risk (Category B)	85 points	Achieved
Moderate risk (Category C)	85 points	Achieved

Key performance indicator	Target	2016-17 Result
Patient experience		
Victorian Healthcare Experience Survey - data submission	Full compliance	Achieved
Victorian Healthcare Experience Survey -patient experience Quarter 1	95% positive experience	96% (Jul to Sept Result-Taken from Q2 Monitor)
Victorian Healthcare Experience Survey -patient experience Quarter 2	95% positive experience	98% (Oct to Dec Result-Taken from Q3 Monitor)
Victorian Healthcare Experience Survey -patient experience Quarter 3	95% positive experience	90% (Jan to March Result-Taken from Q4 Monitor)
Victorian Healthcare Experience Survey -discharge care Quarter 1	75% very positive response	82% (Jul to Sept Result-Taken from Q2 Monitor)
Victorian Healthcare Experience Survey -discharge care Quarter 2	75% very positive response	83.5% (Oct to Dec Result-Taken from Q3 Monitor)
Victorian Healthcare Experience Survey -discharge care Quarter 3	75% very positive response	78.1% (Jan to March Result-Taken from Q4 Monitor)
Healthcare associated infections		
ICU central line-associated blood stream infection	No outliers	No outliers
Maternity and newborn		
Percentage of women with prearranged postnatal home care	100%	100%
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤1.6%	0.38%
Rate of severe foetal growth restriction in singleton pregnancy undelivered by 40 weeks	≤28.6%	20.83%
Continuing care		
Functional independence gain from admission to discharge, relative to length of stay	≥0.39 (GEM) and ≥0.645 (rehab)	0.78 (GEM) 0.76 (rehab)

STATEMENT OF PRIORITIES
Part B: Performance Priorities 2016-17

Governance and leadership

Key performance indicator	Target	2016-17 Result
People Matter Survey - percentage of staff with a positive response to safety culture questions	80%	90%

Access and timelines

Key performance indicator	Target	2016-17 Result
Emergency care		
Percentage of ambulance patients transferred within 40 minutes	90%	94.75%
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%	88.80%
Percentage of emergency patients with a length of stay less than four hours	81%	79%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	3
Elective surgery		
Percentage of urgency category 1 elective patients admitted within 30 days	100%	100%
Percentage of urgency category 1, 2 and 3 elective patients admitted within clinically recommended timeframes	94%	94.70%
20% longest waiting Category 2 and 3 removals from the elective surgery waiting list	100%	86.3%
Number of patients on the elective surgery waiting list	660	663
Number of hospital initiated postponements per 100 scheduled admissions	≤8 /100	7.8
Number of patients admitted from the elective surgery waiting list – annual total	2,546	2,586
Specialist clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	94.5%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	100%

STATEMENT OF PRIORITIES
Part B: Activity and Funding 2016-17

Financial sustainability

Key performance indicator	Target	2016-17 Result
Finance		
Operating result ($m)	0.03	*-2.296*
Trade creditors	60 days	*average days 53*
Patient fee debtors	60 days	*average days 28*
Public & private WIES performance to target	100%	*100.3%*
Adjusted current asset ratio	0.7	*.67*
Number of days with available cash	14 days	*11.5 days*
Asset management		
Basic asset management plan	Full compliance	*Full Compliance*

STATEMENT OF PRIORITIES
Part C: Activity and Funding 2016-17

Funding type	2016-17 Activity Achievement
Acute Admitted	
WIES DVA	203.7
WIES Private	2,220.4
WIES Public	10,941.7
WIES TAC	111.2
WIES Total	13,477.2
Acute Non-Admitted	
Emergency Department Presentations	24,539
Specialist Clinics - Public - Occasions of Service	17,625
Home Enteral Nutrition - Occasions of Service	54
Aged Care	
HACC - Occasions of Service	2,158
Residential Aged Care Bed Days	22,577
Subacute & Non-Acute Admitted	
Subacute WIES - GEM Private	29.1
Subacute WIES - GEM Public	111.8
Subacute WIES - Palliative Care Private	12
Subacute WIES - Palliative Care Public	33.3
Subacute WIES - Rehabilitation Private	104.4
Subacute WIES - Rehabilitation Public	217.2
Subacute WIES - DVA	36.1
Subacute Non-Admitted	
Health Independence Program - DVA - Occasions of Service	363
Health Independence Program - Public - Occasions of Service	23,585
Palliative Care Non-admitted - Occasions of Service	6,106
Primary Health	
Community Health / Primary Care Programs - Occasions of Service	5,378
Other	
Health Workforce - Supported Training Positions	70

OPERATIONAL PERFORMANCE

	2017 $000	2016 $000	2015 $000	2014 $000	2013 $000
Total Revenue	128,199	120,198	116,681	111,701	105,445
Total Expenses	131,331	124,653	120,845	115,490	109,366
Net Result for the Year	**(3,132)**	**(4,455)**	**(4,164)**	**(3,789)**	**(3,921)**
Net Result before Capital and Specific Items (Operating Result)	**(2,296)**	**39**	**(343)**	**155**	**(270)**
Total Assets	93,406	94,238	95,287	98,038	97,687
Total Liabilities	32,791	30,491	27,420	26,007	24,544
Net Assets	**60,615**	**63,747**	**67,867**	**72,031**	**73,143**
Equity					
Property, Plant and Equipment Revaluation Surplus	58,926	58,926	58,591	58,591	55,914
Contributed Capital	39,072	39,072	39,072	39,072	39,072
Retained Surplus/(Accumulated Deficit)	(37,383)	(34,251)	(29,796)	(25,632)	(21,843)
Total Equity	**60,615**	**63,747**	**67,867**	**72,031**	**73,143**

AUDITED FINANCIAL STATEMENTS
30 June 2017

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Northeast Health Wangaratta Certification
Auditor-General's Report
Comprehensive Operating Statement for the year ended 30 June 2017
Balance Sheet as at 30 June 2017
Statement of Changes in Equity for the year ended 30 June 2017
Cash Flow Statement for the year ended 30 June 2017
Notes to the Financial Statements

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

The attached financial statements for Northeast Health Wangaratta have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under 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 2017 and the financial position of Northeast Health Wangaratta at 30 June 2017.

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 23rd August 2017.

Brendan Schutt
Chair
Board of Management

Wangaratta
23rd August 2017

Margaret Bennett
Chief Executive Officer

Wangaratta
23rd August 2017

Tim Griffiths
Chief Operating Officer

Wangaratta
23rd August 2017

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Northeast Health Wangaratta

Opinion

I have audited the financial report of Northeast Health Wangaratta (the health service) which comprises the:

- balance sheet as at 30 June 2017
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including a summary of significant accounting policies
- board member's, accountable officer's and chief finance & accounting officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Board's responsibilities for the financial report

The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 health service's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the health service's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the health service to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
25 August 2017

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT

For the year ended 30 June 2017

	Notes	Total 2017 $000	Total 2016 $000
Revenue from Operating Activities	2.1	122,027	116,881
Revenue from Non-Operating Activities	2.1	513	579
Employee Expenses	3.1	(78,098)	(71,684)
Non Salary Labour Costs	3.1	(11,160)	(11,108)
Supplies and Consumables	3.1	(19,630)	(19,502)
Other Expenses	3.1	(15,943)	(15,119)
Finance Costs	3.4	(5)	(8)
Net Result before Capital and Specific Items		(2,296)	39
Capital Purpose Income	2.1	4,849	2,738
Depreciation and Amortisation	4.4	(6,013)	(5,953)
Specific Expenses	3.3	(204)	(241)
Expenditure for Capital Purpose	3.1	(278)	(455)
Net Result after Capital and Specific Items		(3,942)	(3,872)
Other Economic Flows Included in Net Result			
Revaluation of Long Service Leave		810	(583)
NET RESULT FOR THE YEAR		(3,132)	(4,455)
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in Property Plant and Equipment Revaluation Surplus	8.1	-	335
Total Other Comprehensive Income		**-**	**335**
Comprehensive Result		(3,132)	(4,120)

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

BALANCE SHEET
As at 30 June 2017

	Notes	Total 2017 $000	Total 2016 $000
Current Assets			
Cash and Cash Equivalents	6.2	2,269	457
Receivables	5.1	3,783	5,828
Investments and Other Financial Assets	4.1	6,959	5,370
Inventories	5.2	1,414	1,167
Prepayments and Other Assets	5.4	272	250
Total Current Assets		**14,697**	**13,072**
Non-Current Assets			
Receivables	5.1	2,098	1,371
Property, Plant and Equipment	4.3	76,374	79,588
Intangible Assets	4.5	237	207
Total Non-Current Assets		**78,709**	**81,166**
TOTAL ASSETS		**93,406**	**94,238**
Current Liabilities			
Payables	5.5	6,255	6,796
Lease Liabilities	6.1	78	93
Provisions	3.5	18,950	17,707
Other Liabilities	5.3	4,568	2,900
Total Current Liabilities		**29,851**	**27,496**
Non-Current Liabilities			
Payables	5.5	241	325
Lease Liabilities	6.1	88	111
Provisions	3.5	2,611	2,559
Total Non-Current Liabilities		**2,940**	**2,995**
TOTAL LIABILITIES		**32,791**	**30,491**
NET ASSETS		**60,615**	**63,747**
EQUITY			
Property, Plant and Equipment Revaluation Surplus	8.1(a)	58,926	58,926
Contributed Capital	8.1(b)	39,072	39,072
Accumulated Surpluses/(Deficits)	8.1(c)	(37,383)	(34,251)
TOTAL EQUITY	8.1(d)	**60,615**	**63,747**
Commitments for Expenditure	6.3		
Contingent Assets and Contingent Liabilities	7.3		

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

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2017

	Note	Property, Plant and Equipment Revaluation Surplus $000	Contributed Capital $000	Accumulated Surpluses /(Deficits) $000	Total $000
Balance at 1 July 2015		**58,591**	**39,072**	**(29,796)**	**67,867**
Net result for the year		-	-	(4,455)	(4,455)
Other comprehensive income for the year	8.1	335	-	-	335
Balance at 30 June 2016		**58,926**	**39,072**	**(34,251)**	**63,747**
Net result for the year		-	-	(3,132)	(3,132)
Other comprehensive income for the year	8.1	-	-	-	-
Balance at 30 June 2017		**58,926**	**39,072**	**(37,383)**	**60,615**

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

CASH FLOW STATEMENT
For the year ended 30 June 2017

	Notes	Total 2017 $000	Total 2016 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		103,915	95,748
Capital Grants from Government		4,785	2,715
Patient and Resident Fees Received		12,752	12,378
Donations and Bequests Received		290	349
GST Received from/(paid to) ATO		3,750	3,448
Interest Received		223	230
Other Receipts		2,313	3,198
Total Receipts		**128,028**	**118,066**
Employee Expenses Paid		(76,198)	(73,237)
Non-Salary Labour Costs		(11,160)	(11,108)
Payments for Supplies and Consumables		(19,630)	(19,502)
Other Payments		(14,875)	(11,283)
Total Payments		**(121,863)**	**(115,130)**
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	8.2	**6,165**	**2,936**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments		(1,588)	(985)
Payments for Non-Financial Assets		(2,856)	(2,985)
Proceeds from Sale of Non-Financial Assets	7.2	91	50
Proceeds from Sale of Investments		-	393
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		**(4,353)**	**(3,527)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		**1,812**	**(591)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		457	1,048
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6.2	**2,269**	**457**

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

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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 2017. 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 paragraphs applicable to "not-for-profit" Health Services under the AASBs.

The annual financial statements were authorised for issue by the Board of Northeast Health Wangaratta on 23rd August 2017.

(b) 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.

(c) 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 2017, and the comparative information presented in these financial statements for the year ended 30 June 2016.

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 2018 (refer Note 8.7).

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

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

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.

(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 4.2 Financial Assets.

Note 2: Funding Delivery of Our Services

The hospital's overall objective is to deliver programs and services that support and enhance the wellbeing of all Victorians. To enable the hospital to fulfill its objectives it receives income based on parliamentary appropriations. The hospital also receives income from the supply of services.

Structure

2.1 Analysis of Revenue by Source

Note 2.1: Analysis of Revenue by Source

	Admitted Patients 2017 $000	Non Admitted 2017 $000	EDS 2017 '$000	Mental Health 2017 $000	RAC 2017 $000	Aged Care 2017 $000	Primary Health 2017 $000	Other 2017 $000	Total 2017 $000
Government Grants	79,704	5,154	7,286	-	5,521	1,149	806	2,615	102,235
Indirect Contributions by Department of Health and Human Services*	647	4	52	-	36	8	37	13	797
Patient and Resident Fees	10,636	-	86	-	1,453	184	33	236	12,628
Commercial Activities (Note 3.2)	340	-	-	-	-	-	-	950	1,290
Other Revenue from Operating Activities	3,312	-	164	1,175	3	6	44	373	5,077
Total Revenue from Operating Activities	**94,639**	**5,158**	**7,588**	**1,175**	**7,013**	**1,347**	**920**	**4,187**	**122,027**
Interest and Dividends	119	-	-	-	80	-	-	24	223
Donations and Bequests	3	-	-	-	-	-	10	277	290
Total Revenue from Non-Operating Activities	**122**	**-**	**-**	**-**	**80**	**-**	**10**	**301**	**513**
Capital Purpose Income (excluding interest)	4,163	-	-	-	-	-	-	622	4,785
Net Gain/(Loss) on Disposal of Non-Financial Assets (Note 7.2)	-	-	-	-	-	-	-	64	64
Total Capital Purpose Income	**4,163**	**-**	**-**	**-**	**-**	**-**	**-**	**686**	**4,849**
Total Revenue	**98,924**	**5,158**	**7,588**	**1,175**	**7,093**	**1,347**	**930**	**5,174**	**127,389**

Note 2.1: Analysis of Revenue by Source (continued)

	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
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 3.2)	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 and Dividends	139	-	-	-	66	-	-	25	230
Donations and Bequests (non Capital)	-	-	-	-	-	-	-	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 (Note 7.2)	-	-	-	-	-	-	-	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).

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 04/2017 (update for 2016-17).

Note 2.1: Analysis of Revenue by Source (continued)

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.

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.

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 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 3: The Cost of Delivering Our Services

This section provides an account of the expenses incurred by the hospital in delivering services and outputs. In section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure

3.1 Analysis of Expenses by Source

3.2 Analysis of Expenses and Revenue by Internally Managed and Restricted Specific Purpose Funds

3.3 Specific Expenses

3.4 Finance Costs

3.5 Employee Benefits in the Balance Sheet

3.6 Superannuation

Note 3.1: Analysis of Expenses by Source

	Admitted Patients 2017 $000	Non Admitted 2017 $000	EDS 2017 '$000	Mental Health 2017 $000	RAC 2017 $000	Aged Care 2017 $000	Primary Health 2017 $000	Other 2017 $000	Total 2017 $000
Employee Expenses	60,177	612	6,181	93	5,274	1,797	1,771	2,193	78,098
Non-Salary Labour Costs	10,870	-	245	-	-	-	36	9	11,160
Supplies and Consumables	16,776	12	1,220	9	237	122	66	1,188	19,630
Other Expenses from Continuing Operations	6,596	972	4,499	961	2,051	(91)	(246)	1,201	15,943
Finance Costs	5	-	-	-	-	-	-	-	5
Total Expenses from Operating Activities	**94,424**	**1,596**	**12,145**	**1,063**	**7,562**	**1,828**	**1,627**	**4,591**	**124,836**
Expenditure for Capital Purposes	278	-	-	-	-	-	-	-	278
Depreciation and Amortisation (refer Note 4.4)	-	-	-	-	-	-	-	6,013	6,013
Specific Expenses (refer Note 3.3)	204	-	-	-	-	-	-	-	204
Total Other Expenses	**482**	**-**	**-**	**-**	**-**	**-**	**-**	**6,013**	**6,495**
Total Expenses	**94,906**	**1,596**	**12,145**	**1,063**	**7,562**	**1,828**	**1,627**	**10,604**	**131,331**

Note 3.1: Analysis of Expenses by Source (continued)

	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 and 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 and Amortisation (refer Note 4.4)	-	-	-	-	-	-	-	5,953	5,953
Specific Expenses (refer Note 3.3)	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**

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.

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 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 4.1 Impairment of financial assets.

Note 3.1: Analysis of Expenses by Source (continued)

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.

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 4.3 *Revaluation gains/(losses) 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 7.1); 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 4.5 Intangible 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.

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.

Note 3.2: Analysis of Expenses and Revenue by Internally Managed and Restricted Specific Purpose Funds

	Expense		Revenue	
	Total 2017 $000	Total 2016 $000	Total 2017 $000	Total 2016 $000
Commercial Activities				
Private Practice and Other Patient Activities	295	192	32	31
Coffee Shop/Catering	917	864	918	997
Property	725	669	340	338
TOTAL	**1,937**	**1,725**	**1,290**	**1,366**

Note 3.3: Specific Expenses

	Total 2017 $000	Total 2016 $000
Voluntary Departure Packages	204	241
TOTAL	**204**	**241**

Note 3.4: Finance Costs

	Total 2017 $000	Total 2016 $000
Finance Charges on Finance Leases (i)	5	8
TOTAL	**5**	**8**

(i) Of the balance in 'interest on finance leases', $5K [$8K in 2016] related to assets contracted under HRHA arrangement.

Finance costs are recognised as expenses in the period in which they are incurred.

Finance costs include:

- finance charges in respect of finance leases recognised in accordance with AASB 117 *Leases.*

Note 3.5: Employee Benefits in the Balance Sheet

	Total 2017 $000	Total 2016 $000
Current Provisions		
Employee Benefits[i]		
Annual Leave		
- unconditional and expected to be settled within 12 months (nominal value)[ii]	2,352	2,690
- unconditional and expected to be settled after 12 months (present value)[iii]	3,016	3,033
Long Service Leave		
- unconditional and expected to be settled within 12 months (nominal value)[ii]	1,230	1,161
- unconditional and expected to be settled after 12 months (present value)[iii]	7,703	7,480
Accrued Salaries and Wages	1,930	1,571
Accrued Days Off	134	137
Provisions related to Employee Benefit On-Costs		
- unconditional and expected to be settled within 12 months (nominal value)[ii]	819	495
- unconditional and expected to be settled after 12 months (present value)[iii]	1,766	1,140
Total Current Provisions	**18,950**	**17,707**
Non-Current Provisions		
Employee Benefits[i]	2,338	2,291
Provisions related to Employee Benefit On-Costs	273	268
Total Non-Current Provisions	**2,611**	**2,559**
Total Provisions	**21,561**	**20,266**

(a) Employee Benefits and Related On-Costs

	Total 2017 $000	Total 2016 $000
Current Employee Benefits and Related On-Costs		
Unconditional Long Service Leave Entitlements	9,977	9,628
Annual Leave Entitlements	6,909	6,263
Accrued Salaries and Wages	1,930	1,680
Accrued Days Off	134	137
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements	2,611	2,558
Total Employee Benefits and Related On-Costs	**21,561**	**20,266**

i. Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.

ii. The amounts disclosed are nominal amounts

iii. The amounts disclosed are discounted to present values.

Note 3.5: Employee Benefits in the Balance Sheet (continued)

(b) Movements in Provisions

	Total 2017 $000	Total 2016 $000
Movement in Long Service Leave:		
Balance at start of year	**12,186**	**11,687**
Provision made during the year		
- Revaluations	(810)	583
- Expense recognising Employee Service	2,408	1,043
Settlement made during the year	(1,195)	(1,127)
Balance at end of year	**12,589**	**12,186**

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.

Note 3.5: Employee Benefits in the Balance Sheet (continued)

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.

Note 3.6: Superannuation

	Paid contribution for the year		Contribution outstanding at year end	
	Total 2017 $000	Total 2016 $000	Total 2017 $000	Total 2016 $000
(i) Defined benefit plans:				
Other	115	215	21	20
Defined contribution plans:				
Other	6,169	5,571	473	556
Total	**6,284**	**5,786**	**494**	**576**

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

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.

Note 3.6: Superannuation (continued)

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.

Note 4: Key Assets to Support Service Delivery

The hospital controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the hospital to be utilised for delivery of those outputs.

Structure

4.1 Investments and Other Financial Assets

4.2 Jointly Controlled Operations and Assets

4.3 Property, Plant and Equipment

4.4 Depreciation and Amortisation

4.5 Intangible Assets

Note 4.1: Investments and Other Financial Assets

	Operating Fund		Specific Purpose Fund		Total	Total
	2017 $000	2016 $000	2017 $000	2016 $000	2017 $000	2016 $000
Current						
Loans and Receivables						
Term Deposit						
Australian Dollar Bank Term Deposits > 3 months	2,159	2,203	335	335	2,494	2,538
Monies Held in Trust	8	7	-	-	8	7
Refundable Accommodation Deposits	4,457	2,825	-	-	4,457	2,825
Total Current	**6,624**	**5,035**	**335**	**335**	**6,959**	**5,370**
Total Investments and Other Financial Assets	**6,624**	**5,035**	**335**	**335**	**6,959**	**5,370**
Represented by:						
Health Service Investments	2,159	2,203	335	335	2,494	2,538
Monies Held In Trust						
- Patient Monies	8	7	-	-	8	7
- Refundable Accommodation Deposits	4,457	2,825	-	-	4,457	2,825
Total Investments and Other Financial Assets	**6,624**	**5,035**	**335**	**335**	**6,959**	**5,370**

(a) Ageing analysis of other financial assets
Please refer to Note 7.1(c) for the ageing analysis of other financial assets.

(d) Nature and extent of risk arising from other financial assets
Please refer to Note 7.1(c) for the nature and extent of credit risk arising from other financial assets.

Note 4.1: Investments and other Financial Assets (continued)

Investments and Other Financial Assets
Hospital investments must be in accordance in Standing Direction 3.7.2 – 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.

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.

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.

In order to determine an appropriate fair value as at 30 June 2017 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*.

Doubtful Debts
Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful debts are classified as other economic flows in the net result.

Note 4.2: Jointly Controlled Operations and Assets

		Ownership Interest	
Name of Entity	**Principal Activity**	2017	2016
Hume Rural Health Alliance	Information Systems	11.98%	12.28%

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 2017 $000	Total 2016 $000
Current Assets		
Cash and Cash Equivalents	434	234
Receivables	312	116
Other Assets	16	9
Total Current Assets	**762**	**359**
Non-Current Assets		
Property, Plant and Equipment and Intangibles	359	313
Total Non Current Assets	**359**	**313**
Total Assets	**1,121**	**672**
Current Liabilities		
Payables	59	65
Lease Liability	78	93
Total Current Liabilities	**137**	**158**
Non-Current Liabilities		
Lease Liability	88	111
Total Non-Current Liabilities	**88**	**111**
Total Liabilities	**225**	**269**

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

	Total 2017 $000	Total 2016 $000
Revenue		
Operating Activities	1,018	1,108
Non-Operating Activities	2	2
Capital Purpose Income	479	116
Total Revenue	**1,499**	**1,226**
Expenses		
Employee Benefits	205	233
Other Expenses from Continuing Operations	696	755
Depreciation and Amortisation	107	109
Finance Charges	5	8
Total Expenses	**1,013**	**1,105**
Profit/(Loss)	**486**	**121**

Note 4.2: Jointly Controlled Operations and Assets (continued)

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.

Note 4.3: Property, Plant and Equipment

(a) Gross Carrying Amount and Accumulated Depreciation

	Total 2017 $000	Total 2016 $000
Land		
Crown Land at fair value	3,212	3,212
Total Land	**3,212**	**3,212**
Buildings		
Buildings at fair value	75,668	73,947
Less Accumulated Depreciation	12,456	8,238
Total Buildings	**63,212**	**65,709**
Plant and Equipment		
Plant and Equipment at Fair Value	9,498	9,169
Less Accumulated Depreciation	5,936	5,449
Total Plant and Equipment	**3,562**	**3,720**
Medical Equipment		
Medical Equipment at Fair Value	12,197	11,956
Less Accumulated Depreciation	9,012	8,291
Total Medical Equipment	**3,185**	**3,665**
Computers and Communications		
Computers and Communication at Fair Value	666	647
Less Accumulated Depreciation	612	559
Total Computers and Communications	**54**	**88**
Furniture and Fittings		
Furniture and Fittings at Fair Value	982	954
Less Accumulated Depreciation	584	517
Total Furniture and Fittings	**398**	**437**
Motor Vehicles		
Motor Vehicles at Fair Value	1,328	1,359
Less Accumulated Depreciation	711	703
Total Motor Vehicles	**617**	**656**
Share of HRHA Assets		
Property, Plant and Equipment at fair value	17	2
Less Accumulated Depreciation	15	-
Leased Assets	347	204
Less Accumulated Depreciation	181	-
	168	**206**
Assets Under Construction	**1,966**	**1,895**
Total	**76,374**	**79,588**

Note 4.3: 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 and Equipment $000	Medical Equipment $000	Computers and Communctns $000	Furniture and Fittings $000	Motor Vehicles $000	Assets Under Construction $000	Share of HRHA Assets $000	Total $000
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)	-	(4,135)	(485)	(779)	(86)	(65)	(241)	-	(108)	(5,899)
Balance at 1 July 2016	**3,212**	**65,709**	**3,720**	**3,665**	**88**	**437**	**656**	**1,895**	**206**	**79,588**
Additions	-	-	331	135	26	28	239	1,945	63	**2,767**
Disposals	-	-	-	(8)	-	-	(19)	-	-	**(27)**
Net Transfers between Classes	-	1,721	-	153	-	-	-	(1,874)	-	**-**
Impairment Losses (Recognised)/Reversed in Net Result	-	-	-	-	-	-	-	-	-	**-**
Depreciation and Amortisation (Note 4.4)	-	(4,218)	(489)	(760)	(60)	(67)	(259)	-	(101)	(5,954)
Balance at 30 June 2017	**3,212**	**63,212**	**3,562**	**3,185**	**54**	**398**	**617**	**1,966**	**168**	**76,374**

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 within 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 4.3: Property, Plant & Equipment (continued)

(c) Fair Value Measurement Hierarchy for Assets as at 30 June 2017

	Carrying amount as at 30 June 2017	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	783	-	783	-
Specialised buildings	62,429	-	-	62,429
Total of Building at fair value	63,212	-	783	62,429
Plant and equipment at fair value				
- Motor vehicles	617	-	-	617
- Plant and equipment	3,562	-	-	3,562
- Furniture and Fittings	398	-	-	398
- Computers and Communications	54	-	-	54
Total of Plant, Equipment and Vehicles at fair value	4,631	-	-	4,631
Medical equipment at fair value				
Medical equipment	3,185	-	-	3,185
Total Medical Equipment at fair value	3,185	-	-	3,185
	74,240	-	2,508	71,732

Note: There have been no transfers betweeen levels during the period.

Fair Value Measurement Hierarchy for Assets as at 30 June 2016

	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				
- Motor vehicles	656	-	-	656
- Plant and equipment	3,720	-	-	3,720
- Furniture and Fittings	437	-	-	437
- Computers and 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

Note 4.3: Property, Plant & Equipment (continued)

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;
- superannuation expense (refer to Note 3.6); 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 3.5).

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.

- 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.

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 AASBs 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;
- superannuation expense (refer to Note 3.6); 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 3.5).

Note 4.3: Property, Plant & Equipment (continued)

(d) Reconciliation of Level 3 Fair Value

30 June 2017	Specialised Land	Specialised Buildings	Plant and Equipment	Medical Equipment
Opening Balance	**1,487**	**64,829**	**4,901**	**3,665**
Purchases (Sales/transfers)	**-**	**1,721**	**605**	**280**
Gains or Losses Recognised in Net Result				
- Depreciation	-	(4,121)	(875)	(760)
Subtotal	**-**	**(4,121)**	**(875)**	**(760)**
Closing balance	**1,487**	**62,429**	**4,631**	**3,185**

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**

Non-Specialised Land and 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 General Victoria, 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 30 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.

Note 4.3: Property, Plant & Equipment (continued)

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 30 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 be materially different from the existing carrying value.

There were no changes in valuation techniques throughout the period to 30 June 2017.

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

Note 4.3: Property, Plant & Equipment (continued)

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

	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment
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. Useful life of specialised building.
Plant and equipment at fair value	Depreciated replacement cost	Cost per unit Useful life of PPE
Vehicles	Depreciated replacement cost	Cost per unit Useful life of PPE
Medical equipment at fair value	Depreciated replacement cost	Cost per unit Useful life of PPE

(i) CSO adjustment of 20% was applied to reduce the market approach value for the Department's specialised land. The significant unobservable inputs have remained unchanged from 2016.

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 4.3 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.

Note 4.4: Depreciation and Amortisation

	Total 2017 $000	Total 2016 $000
Depreciation		
Buildings	4,218	4,135
Plant and Equipment	590	593
Medical Equipment	760	779
Computers and Communications	60	86
Furniture and Equipment	67	65
Motor Vehicles	259	241
Total Depreciation	**5,954**	**5,899**
Amortisation		
Intangible Assets	59	54
Total Amortisation	**59**	**54**
Total Depreciation and Amortisation	**6,013**	**5,953**

All 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.

	2017	2016
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 and 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.

Note 4.5: Intangible Assets

	Total 2017 $000	Total 2016 $000
Software	934	934
Share of HRHA Software	208	107
Less Accumulated Amortisation	(905)	(834)
Total Intangible Assets	**237**	**207**

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 2015	**150**
Additions	111
Amortisation (Note 4.4)	(54)
Balance at 1 July 2016	**207**
Additions	89
Amortisation (Note 4.4)	(59)
Balance at 30 June 2017	**237**

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.

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 (2016: 3-5 years).

Note 5: Other Assets and Liabilities

This section sets out those assets and liabilities that arose from the hospital's operations.

Structure

5.1 Receivables

5.2 Inventories

5.3 Other Liabilities

5.4 Prepayments and Other Assets

5.5 Payables

Note 5.1: Receivables

	Total 2017 $000	Total 2016 $000
CURRENT		
Contractual		
Inter Hospital Debtors	412	428
Trade Debtors	759	758
Patient Fees	936	1,060
Accrued Investment Income	84	19
Accrued Revenue - Other	404	401
Less Allowance for Doubtful Debts		
Trade Debtors	(15)	(15)
Patient Fees	(52)	(52)
	2,528	2,599
Statutory		
GST Receivable	746	407
Accrued Revenue - Department of Health and Human Services	12	2,105
Accrued Revenue - Dental Health Services Victoria (DHSV)	331	252
Accrued Revenue - Commonwealth	166	465
	1,255	3,229
TOTAL CURRENT RECEIVABLES	**3,783**	**5,828**
NON-CURRENT		
Contractual		
Debtors Other	34	29
	34	29
Statutory		
Long Service Leave - Department of Health and Human Services	2,064	1,342
	2,064	1,342
TOTAL NON-CURRENT RECEIVABLES	**2,098**	**1,371**
TOTAL RECEIVABLES	**5,881**	**7,199**

Note 5.1: Receivables (continued)

(a) Movement in the Allowance for Doubtful Debts

	Total 2017 $000	Total 2016 $000
Balance at beginning of year	67	67
Amounts written off during the year	(22)	(21)
Increase/(decrease) in allowance recognised in net result	22	21
Balance at end of year	**67**	**67**

(b) Ageing analysis of receivables
Please refer to Note 7.1(c) for the ageing analysis of receivables

(c) Nature and extent of risk arising from receivables
Please refer to Note 7.1 for the nature and extent of credit risk arising from 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.

Receivables 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.

Note 5.2: Inventories

	Total 2017 $000	Total 2016 $000
Pharmaceuticals- at cost	430	320
Catering Supplies - at cost	38	47
Housekeeping Supplies - at cost	28	13
Medical and Surgical Lines - at cost	873	749
Engineering Stores - at cost	29	23
Administration Stores - at cost	16	15
Total Inventories	**1,414**	**1,167**

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.

Note 5.3: Other Liabilities

	Total 2017 $000	Total 2016 $000
Current		
Monies Held in Trust *		
- Patient Monies Held in Trust	8	7
- Refundable Accommodation Deposits	4,457	2,825
Other	103	68
Total Other Liabilities	**4,568**	**2,900**
*** Total Monies Held in Trust**		
Represented by the following assets:		
Investment and Other Financial Assets (refer to Note 7.1)	4,465	2,832
Total	**4,465**	**2,832**

Note 5.4: Prepayments and Other Non-Financial Assets

	Total 2017 $000	Total 2016 $000
Current		
Prepayments	256	241
Share of Hume Rural Health Alliance (HRHA) Other Assets	16	9
Total Current Other Assets	**272**	**250**
Total Other Assets	**272**	**250**

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.

Note 5.5: Payables

	Total 2017 $000	Total 2016 $000
Current		
Contractual		
Trade Creditors [(i)]	2,551	2,789
Accrued Expenses	2,426	2,751
Income In Advance	219	125
Amounts Payable to Governments and Agencies	298	515
Share of HRHA Payables	59	70
	5,553	6,250
Statutory		
GST Payable	113	46
Department of Health and Human Services (Income In Advance) [(ii)]	589	500
Other Commonwealth Government Departments	-	-
	702	546
Total Current	**6,255**	**6,796**
Non-Current		
Contractual		
Trade Creditors	241	325
Total Non-Current	**241**	**325**
Total Payables	**6,496**	**7,121**

(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 7.1 (d) for the ageing analysis of payables.

(b) Nature and extent of risk arising from payables
Please refer to Note 7.1 for the nature and extent of risk arising from payables.

Payables
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.

Note 6: How We Finance Our Operations

This section provides information on the sources of finance utilised by the hospital during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the hospital.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides additional, specific financial instrument disclosures.

Structure

6.1 Lease Liabilities

6.2 Cash and Cash Equivalents

6.3 Commitments for Expenditure

Note 6.1: Lease Liabilities

	Total 2017 $000	Total 2016 $000
CURRENT		
Australian Dollars Borrowings		
Finance Lease Liability (i)	78	93
Total Current	**78**	**93**
NON-CURRENT		
Australian Dollars Borrowings		
Finance Lease Liability (i)	88	111
Total Non-Current	**88**	**111**
Total Borrowings	**166**	**204**

(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.

Note 6.1: Lease Liabilities (continued)

(a) Maturity analysis of borrowings
Please refer to note 7.1 (c) for the aging analysis of borrowings.

(b) Nature and extent of risk arising from borrowings
Please refer to note 7.1 for the risk arising from borrowings.

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

The Finance Lease Liabilities relate to Northeast Health Wangaratta's share of the Hume Rural Health Alliance leases for IT equipment.

	Minimum future lease payments (i)		Present value of minimum future lease payments	
	2017 $000	2016 $000	2017 $000	2016 $000
Finance Lease Liabilities Payable				
Not longer than one year	78	93	78	93
Longer than one year but not longer than five years	88	111	88	111
Minimum Future Lease Payments	**166**	**204**	**166**	**204**
Present value of minimum lease payments	166	204	166	204

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

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.

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 4.2.

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.

Note 6.2: Cash and Cash Equivalents

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

	Total 2017 $000	Total 2016 $000
Cash on Hand	46	54
Cash at Bank	2,223	403
Total Cash and Cash Equivalents	**2,269**	**457**
Represented by:		
Cash for Health Service Operations (as per Cash Flow Statement)	2,269	457
Total Cash and Cash Equivalents	**2,269**	**457**

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.

Note 6.3: Commitments for Expenditure

	Total 2017 $000	Total 2016 $000
Capital Expenditure Commitments		
Payable:		
Land and Buildings	-	1,237
Total Capital Commitments	**-**	**1,237**
Land and Buildings		
Not later than one year	-	1,237
Total	**-**	**1,237**
Other Expenditure Commitments		
Payable:		
Pathology	1,315	1,300
Total Other Commitments	**1,315**	**1,300**
Not later than one year	1,315	1,300
Total	**1,315**	**1,300**
Lease Commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	3,745	2,869
Total Lease Commitments	**3,745**	**2,869**
Operating Leases		
Non-Cancellable		
Less than one year	1,073	875
Longer than one year but not longer than 5 years	2,004	1,994
5 years or more	668	-
	3,745	**2,869**
Total Commitments for expenditure (inclusive of GST)	**5,060**	**5,406**
less GST recoverable from the Australian Tax Office	(460)	(491)
Total Commitments for expenditure (exclusive of GST)	**4,600**	**4,915**

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed 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.

Note 7: Risks, Contingencies and Valuation Uncertainties

Introduction
The hospital is exposed to risk from its activities and outside factors. In addtion, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risk) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the hospital is related mainly to fair value determination.

Structure

7.1 Financial Instruments

7.2 Net Gain/(Loss) on Disposal of Non-Financial Assets

7.3 Contingent Assets and Contingent Liabilities

Note 7.1: 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 within the notes 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 7.1: Financial Instruments (continued)

Categorisation of financial instruments

2017	Contractual Financial Assets - Receivables $000	Contractual Financial Liabilities at Cost $000	Total $000
Contractual Financial Assets			
Cash and Cash Equivalents	2,269	-	2,269
Receivables			
- Trade Debtors	1,190	-	1,190
- Other Receivables	1,372	-	1,372
Other Financial assets			
- Term Deposits	6,951	-	6,951
- Monies Held In Trust	8	-	8
Total Financial Assets	**11,790**	**-**	**11,790**
Financial Liabilities			
Payables	-	5,794	5,794
Lease Liabilities		166	166
Refundable Accommodation Deposits	-	4,457	4,457
Other Liabilities	-	111	111
Total Financial Liabilities	**-**	**10,528**	**10,528**

2016	Contractual Financial Assets - Receivables $000	Contractual Financial Liabilities at 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**

Note 7.1: Financial Instruments (continued)

(b) Net Holding Gain/(Loss) on Financial Instruments by Category

2017	Total Interest income $000	Total $000
Financial Assets		
Other Financial Assets (i)	223	223
Total Financial Assets	**223**	**223**

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

(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.

Note 7.1: Financial Instruments (continued)

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.

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
2017				
Financial Assets				
Cash and Cash Equivalents	2,269	-	-	2,269
Receivables				
- Trade Debtors	-	412	778	1,190
- Other Receivables [(i)]	84	-	1,288	1,372
Other Financial Assets				
- Term Deposit [(ii)]	5,083	1,868	-	6,951
- Monies Held In Trust	8	-	-	8
Total Financial Assets	**7,444**	**2,280**	**2,066**	**11,790**
2016				
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 [(ii)]	5,363		-	5,363
- Monies Held In Trust	7	-	-	7
Total Financial Assets	**5,846**	**428**	**2,181**	**8,455**

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

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

Note 7.1: 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
2017						
Financial Assets						
Cash and Cash Equivalents	2,269	2,269	-	-	-	-
Receivables						
- Trade Debtors	1,190	885	-	286	19	-
- Other Receivables	1,372	739	-	425	208	-
Other Financial Assets						
- Term Deposit	6,951	6,951	-	-	-	-
- Monies Held In Trust	8	8	-	-	-	-
Total Financial Assets	**11,790**	**10,852**	**-**	**711**	**227**	**-**
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**	**-**

There are no material financial assets which are individually determined to be impaired. Currently Northeast Health Wangaratta does not 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.

Note 7.1: Financial Instruments (continued)

(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.

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
2017							
Financial Liabilities							
At Amortised Cost	-	-	-	-	-	-	-
Payables:							
Trade Creditors and Accruals	5,794	5,794	4,913	808	73	-	-
Lease Liabilities	166	166	6	13	59	88	-
Refundable Accommodation Deposits	4,457	4,457	4,457	-	-	-	-
Other Financial Liabilities	111	111	111	-	-	-	-
Total Financial Liabilities	**10,528**	**10,528**	**9,487**	**821**	**132**	**88**	**-**
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**	**-**

Note 7.1: 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.

Currency Risk
Northeast Health Wangaratta is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas.

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.

Note 7.1: Financial Instruments (continued)

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
2017					
Financial Assets					
Cash and Cash Equivalents	0.55%	2,269	-	2,223	46
Receivables					
- Trade Debtors		1,190	-	-	1,190
- Other Receivables		1,372	-	-	1,372
Other Financial Assets					
- Term Deposit	2.49%	6,951	6,951	-	-
- Monies Held In Trust		8	-	-	8
		11,790	**6,951**	**2,223**	**2,616**
Financial Liabilities					
At Amortised Cost					
Payables	-	5,794	-	-	5,794
Lease Liabilities	3.20%	166	166	-	-
Refundable Accommodation Deposits	-	4,457	-	-	4,457
Other Financial Liabilities	-	111	-	-	111
		10,528	**166**	**-**	**10,362**
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**

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).

Note 7.1: Financial Instruments (continued)

The following table discloses the impact on net operating result and equity for each category of interest bearing financial instrument 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
2017					
Financial Assets					
Cash and Cash Equivalents	2,269	(23)	(23)	23	23
Receivables					
- Trade Debtors	1,190	-	-	-	-
- Other Receivables	1,372	-	-	-	-
Other Financial Assets					
- Term Deposit	6,951	(70)	(70)	70	70
- Monies Held In Trust	8	-	-	-	-
Financial Liabilities					
At Amortised Cost					
Trade Creditors and Accruals	5,794	-	-	-	-
Lease Liabilities	166	(2)	(2)	2	2
Refundable Accommodation Deposits	4,457	-	-	-	-
Other Financial Liabilities	111	-	-	-	-
		(94)	(94)	94	94
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

(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.

Note 7.1: Financial Instruments (continued)

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 2017 $000	Fair Value 2017 $000	Carrying Amount 2016 $000	Fair value 2016 $000
Financial Assets				
Cash and Cash Equivalents	2,269	2,269	457	457
Receivables				
- Trade Debtors	1,190	1,190	1,200	1,200
- Other Receivables	1,372	1,372	1,428	1,428
Other Financial Assets				
- Term Deposit	6,951	6,951	5,363	5,363
- Monies Held In Trust	8	8	7	7
Total Financial Assets	**11,790**	**11,790**	**8,455**	**8,455**
Financial Liabilities				
Payables	5,794	5,794	6,575	6,575
Lease Liabilities	166	166	204	204
Refundable Accommodation Deposits	4,457	4,457	2,825	2,825
Other Liabilities	111	111	75	75
Total Financial Liabilities	**10,528**	**10,528**	**9,679**	**9,679**

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 6.2), 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.

Note 7.2: Net Gain/(Loss) on Disposal of Non-Financial Assets

	Total 2017 $000	Total 2016 $000
Proceeds from Disposals of Non-Current Assets		
Motor Vehicles	90	40
Medical Equipment	1	10
Total Proceeds from Disposal of Non-Current Assets	**91**	**50**
Less: Written Down Value of Non-Current Assets Sold		
Motor Vehicles	19	2
Medical Equipment	8	25
Total Written Down Value of Non-Current Assets Sold	**27**	**27**
Net Gains/(Losses) on Disposal of Non-Current Assets	**64**	**23**

Disposal of Non-Financial Assets
Any gain or loss on the sale of non-financial assets is recognised in the comprehensive operating statement.

Impairment of Non-Financial Assets
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.

Note 7.3: Contingent Assets and Contingent Liabilities

Northeast Health Wangaratta does not have any contingent assets or contingent liabilities as at 30 June 2017 (2016:$ Nil).

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.

Note 8: Other Disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

8.1 Equity

8.2 Reconciliation of Net Result for the Year to Net Cash Inflow/(Outlow) from Operating Activities

8.3 Operating Segments

8.4(a) Responsible Persons Disclosures

8.4(b) Executive Officer Disclosures

8.4(c) Related Parties

8.5 Remuneration of Auditors

8.6 AASBs issued that are not yet effective

8.7 Events Occuring after the Balance Sheet Date

8.8 Economic Dependency

8.9 Alternative Presentation of Comprehensive Operating Statement

8.10 Glossary of Terms and Style Conventions

Note 8.1: Equity

	Total 2017 $000	Total 2016 $000
(a) Surpluses		
Property, Plant and Equipment Revaluation Surplus [(i)]		
Balance at the Beginning of the Reporting Period	58,926	58,591
Revaluation Increment/(Decrement)		
- Land	-	335
- Buildings		
Balance at the end of the reporting period *	**58,926**	**58,926**
* Represented by:		
- Land	1,004	1,004
- Buildings	57,922	57,922
	58,926	**58,926**

(i) The property, plant and equipment asset revaluation surplus arises on the revaluation of property, plant and 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	(34,251)	(29,796)
Net Result for the Year	(3,132)	(4,455)
Balance at the End of the Reporting Period	**(37,383)**	**(34,251)**
(d) Total Equity at End of Financial Year	**60,615**	**63,747**

Note 8.1: Equity (continued)

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 and Equipment Revaluation Surplus
The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current physical assets.

Note 8.2: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities

	Total 2017 $000	Total 2016 $000
Net Result for the Year	**(3,132)**	**(4,455)**
Non-Cash Aovements:		
Depreciation and Amortisation	6,013	5,953
Movements included in Investing and Financing Activities:		
Net (Gain)/Loss from Sale of Plant and Equipment	(64)	(23)
Movements in Assets and Liabilities:		
Change in Operating Assets and Liabilites		
Increase/(Decrease) in Payables	(625)	328
Increase/(Decrease) in Employee Benefits	1,295	1,224
(Increase)/Decrease in Receivables	1,318	(1,622)
(Increase)/Decrease in Prepayments	(15)	37
(Increase)/Decrease in Other Assets	(7)	(1)
(Increase)/Decrease in Stores	(247)	(97)
Increase/(Decrease) in Other Liabilities	1,629	1,592
Net Cash Inflow/(Outflow) from Operating Activities	**6,165**	**2,936**

Note 8.3: Operating Segments

	Hospital 2017 $000	Hospital 2016 $000	Mental Health 2017 $000	Mental Health 2016 $000	RAC 2017 $000	RAC 2016 $000	Total 2017 $000	Total 2016 $000
Revenue								
External Segment Revenue	118,898	110,641	1,175	1,323	7,093	8,004	127,166	119,968
Total Revenue	**118,898**	**110,641**	**1,175**	**1,323**	**7,093**	**8,004**	**127,166**	**119,968**
Expenses								
External Segment Expense	(116,693)	(109,387)	(1,063)	(1,025)	(7,562)	(7,705)	(125,318)	(118,117)
Unallocated Expense								
- Depreciation and Amortisation	(5,114)	(5,054)	(316)	(316)	(583)	(583)	(6,013)	(5,953)
Total Expenses	**(121,807)**	**(114,441)**	**(1,379)**	**(1,341)**	**(8,145)**	**(8,288)**	**(131,331)**	**(124,070)**
Net Result from Ordinary Activities	**(2,909)**	**(3,800)**	**(204)**	**(18)**	**(1,052)**	**(284)**	**(4,165)**	**(4,102)**
Interest Income	223	230	-	-	-	-	223	230
Revaluation of Long Service Leave	810	(583)	-	-	-	-	810	(583)
Net Result for the Year	**(1,876)**	**(4,153)**	**(204)**	**(18)**	**(1,052)**	**(284)**	**(3,132)**	**(4,455)**
Other Information								
Total Segment Assets	**78,148**	**74,015**	**3,968**	**4,595**	**11,290**	**15,628**	**93,406**	**94,238**
Total Segment Liabilities	**28,334**	**26,542**	**-**	**-**	**4,457**	**3,949**	**32,791**	**30,491**

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.

	2017 $000	2016 $000
RAC Segment Expenses		
Care Employee Expenses	4,827	4,601
Other Employee Expenses	447	913
Depreciation	583	583
Other Operating Expenses	2,288	2,191
Total	**8,145**	**8,288**

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

Note 8.4(a): Responsible Persons 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	01/07/2016 - 30/06/2017
The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Mental Health	01/07/2016 - 30/06/2017

Board of Management:	**Period**
Mr B J Schutt	01/07/2016 - 30/06/2017
Mr M Hession	01/07/2016 - 30/06/2017
Dr R Barker	01/07/2016 - 30/06/2017
Mr E Higgins	01/07/2016 - 30/06/2017
Mr J Green	01/07/2016 - 30/06/2017
Ms L Long	01/07/2016 - 30/06/2017
Ms A Maclean	01/07/2016 - 30/06/2017
Ms A Wearne	01/07/2016 - 30/06/2017
Ms C Clutterbuck	01/07/2016 - 30/06/2017
Mr M Joyce	01/07/2016 - 30/06/2017

Accountable Officer:	**Period**
Ms M Bennett	01/07/2016 - 30/06/2017

Remuneration of Responsible Persons

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

Income Band	2017 No.	2016 No.
$0 - $9,999	10	9
$320,000 - $329,999	-	1
$340,000 - $349,999	1	-
Total Numbers	**11**	**10**

	$000	$000
Total remuneration received or due and receivable by Responsible Persons from the Reporting entity amounted to:	**346**	**325**

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 8.4(b): 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 is as follows:-

Remuneration	2017 $000
Short-term employee benefits	691
Post-employment benefits	58
Other long-term benefits	7
Total Remuneration	**756**
Total Number of Executive Officers	3
Total Annualised Employee Equivalent (AEE)*	3

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

No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21C. Remuneration previously excluded non-monetary benefits and comprise any money, consideration or benefit received or receivable from a related party transaction. Refer to the priior year's financial statements for executive remuneration for the 2015-16 reporting period.

The remunderation categories include:

Short term benefits: wages, paid annual leave and paid sick leave

Post-employment benefits: superannuation entitlements

Other long-term benefits: long service leave

Note 8.4(c): Related Parties

The hospital is a wholly owned and controlled entity of the State of Victoria. Related parties of the hospital include:

- all key management personnel and their close family members;
- all cabinet ministers and their close family members; and
- all hospitals and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Key Management Peronnel (KMP)of the hospital include the Portfolio Ministers and Cabinet Ministers and KMP as determined by the hospital. The remuneration detailed below excludes the salaries and benefits the Portfolio Ministers receive. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968*, and is reported within the Department of Parliamentary Services' Financial Report.

The number of Key Management Personnel, other than Ministers, and their total remuneration during the reporting period is as follows:-

Remuneration	2017 $000
Short-term employee benefits	1,009
Post-employment benefits	78
Other long-term benefits	15
Total Remuneration	**1,102**

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

No comparatives have been reported due to AASB 124 Related Party Disclosures being effective for not for profit entities from 1 July 2016.

Note 8.4c: Related Parties Disclosure (continued)

Transactions with Key Management Personnel and Other Related Parties
Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty snd other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and condtions consistent with the Victorian Government Procurement Board requirements. Outside of normal citizen type transactions with the department, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

Significant Transactions with Government Related Entities
Northeast Health Wangaratta received funding from the Department of Health and Human Services of $97.19m (2016 $89.49m).

Note 8.5: Remuneration of Auditors

	Total 2017 $000	Total 2016 $000
Victorian Auditor-General's Office		
Audit or review of financial statement	40	40

Note 8.6: ASSBs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2017 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 2017, 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.

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 there will be no significant impact arising from AASB 9, there will be a change to the way financial instruments are disclosed.
AASB 15 *Revenue from Contracts with Customers*	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferrring a promised good or service to a customer.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.
AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 Jan 2018	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.
AASB 16 *Leases*	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase. Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.
AASB 1058 *Income of Not-for-Profit Entities*	This standard replaces AASB 1004 *Contributions* and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives	1 Jan 2019	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change.

Note 8.7: Events Occurring 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 8.8: Economic Dependency

The financial performance and position of Northeast Health Wanagaratta has declined since the prior year, with the health service reporting a deficit net result before capital and specific items of $2,296,000 (2016 Surplus $39,000), a net current liability position of $15,154,000 (2016 $14,424,000), resulting in a current asset ratio of 0.49 (2016 0.48) and a cash inflow from operations of $6,165,000 (2016 inflow $2,936,000).

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 2018. A letter was also obtained for the previous financial year. On that basis, the financial statements have been prepared on a going concern basis.

Note 8.9: Alternative Presentation of Comprehensive Operating Statement

	Total 2017 $000	Total 2016 $000
Interest	223	230
Sales of Goods and Services	16,711	15,471
Grants	107,189	99,721
Other Income	3,692	4,277
Total Revenue	**127,815**	**119,699**
Employee Expenses	78,637	71,341
Depreciation	6,013	5,953
Other Operating Expenses	46,965	46,038
Total Expenses	**131,615**	**123,332**
Net Result from Transactions - Net Operating Balance	**(3,800)**	**(3,633)**
Net Gain/(Loss) on Sale of Non-Financial Assets	64	23
Other Gains/(Losses) from Other Economic Flows	604	(845)
Total Other Economic Flows Included in Net Result	668	(822)
Net Result	**(3,132)**	**(4,455)**

Note 8.10: Glossary of terms and style conventions

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:

c. cash;

d. an equity instrument of another entity;

e. 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 favorable to the entity; or

f. 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.

Note 8.10: Glossary of terms and style conventions (continued)

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 conditions that are potentially unfavorable 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.

Note 8.10: Glossary of terms and style conventions (continued)

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

A joint arrangement is either a joint operation or a joint venture.

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.

Note 8.10: Glossary of Terms and Style Conventions (continued)

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 startup 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.

Style conventions
Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts. The notation used in the tables is as follows:

zero, or rounded to zero

(xxx.x) negative numbers

201x year period

201x-1x year period

PO Box 386
Wangaratta Victoria 3676
Ph: (03) 5722 5111
Fax: (03) 5722 5109
Email: enquiries@nhw.hume.org.au