NORTHEAST HEALTH WANGARATTA

ANNUAL REPORT

2017-2018

NORTHEAST HEALTH WANGARATTA

Cover image:
Volunteers Heather Lane and Vivien Kemp support well ageing in our community by providing information to older people, carers and families at our Well Ageing info hub located in the Wangaratta Government Centre. Photo: Mark Jesser/Fairfax Syndication

Back cover image:
Earlier this year the Friends of the Hospital (FOTH) Auxiliary celebrated 40 years of fundraising for our health service

REPORT FROM THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER



Margaret Bennett- Chief Executive Officer
Brendan Schutt- Chair, Board of Directors (to 25/04/2018)
Jonathan Green- Chair, Board of Directors (from 26/04/2018)

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 2018. We hope you find this report informative and encourage you to visit our website and also read our 2017/ 18 Quality Account.

We are delighted that a significant highlight of the 2017/ 18 year was the announcement by the Premier on 23rd March of $6,997,990 Stage 2 funding to enable the much-anticipated Stage 1 & 2 redevelopment of NHW to be undertaken as one integrated project.

During the year, detailed design has been progressed and consultants appointed to enable construction to commence early in 2019.

The Capital Redevelopment will include:

- A new 12 bed Critical Care Unit.
- A new 8 bed Short Stay Unit within the Emergency Department.
- A Behavioural Assessment Room to support safe care of patients presenting to the Emergency Department with behavioural disturbance.
- 17 additional Acute Care Medical Beds.
- The establishment of a new, relocated Paediatric Unit.

A further significant development that has progressed over the previous year will see the construction of a much-anticipated 87 bay car park opposite the main Green Street entrance by May 2019.

Additional infrastructure improvements during the 2017/ 18 year, that were completed or in progress, included:

- Upgrade of our fire ring main system, providing greater fire protection and water storage capacity.
- Installation and upgrade of our CCTV monitoring capability throughout the campus.
- Upgrade to our nurse call system.
- Replacement of a major cooling tower and chiller.
- Installation of swipe card door access through the hospital.
- Upgrade to our emergency warning intercommunication system.
- Upgrade of fire sprinklers throughout the hospital.
- Upgrade to our central instrument washer and sterilising infrastructure.

A snap shot of our activity during 2017/ 18:

The year saw a further increase in the number of patients treated at NHW. Key drivers of our activity pressure relate to our specialist referral role within North East Victoria, meeting the specialist referral care needs of a population of 90,000 patients where ageing, along with chronic and complex care, are the significant drivers of service demand, including:

- 25,546 patients were treated through our Emergency Department, an increase of 4.10% on the previous year.
- We admitted 19,127 patients, a 2.98% increase.
- 6,518 patients had their surgery undertaken, a 3.20% increase on the previous year.

REPORT FROM THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

- Our Same Day Theatre Unit was opened for 941 additional shifts to manage inpatient bed demand. The use of this space for admitted patients will continue until the required additional beds are constructed.
- Our Outpatients' service provision increased to over 22,500 consultations, some 5,000 more than 2016/ 17.
- 67,848 occasions of service were conducted through our Medical Imaging Department, 5,716 more than the previous year, which is an increase of 9.2% across all modalities.
- Breast Screen Victoria (BSV) at NHW conducted 1,447 screens in Wangaratta (target was 1,050). Additional demand requested by BSV of NHW totalled 541, which is a result of 137.8%.
- We welcomed 667 babies, 12 less than the 2016/ 17 year when we experienced an increase of 70 births.
- Our Residential Aged Care Facility (RACF) Illoura, encompassing 66 Nursing Home beds, and 6 Transitional Care beds, continued to experience high demand and had an average occupancy of 98.8% during the year.

Reflecting the impact of activity demand and the complexity of care, NHW's 2017/ 18 Operating Result was a deficit of $2.496 million. NHW's Operating Result is before taking into account capital, depreciation and specific items. NHW's Net Result after taking into account capital income and expenses and depreciation was a deficit of $2.364 million.

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 our service continues to expand over the next 3 years.

The care, satisfaction and safety of our patients is our absolute focus. Patient satisfaction, as measured by the Victorian Health Experience Survey (VHES), demonstrated an average of 96.3% acute inpatient satisfaction for 2017/ 18 against a State average of 92%. Similarly, 97% of Community Health clients were very happy with their care from the snapshot survey conducted by VHES (October – December 2017).

Following staff, patient and community consultation, we were delighted to launch our **Care and Kindness Charter** to continue to highlight and reinforce our commitment in bringing alive our promise….***'Every patient…Every time'***

We are committed to the ongoing strengthening of our leadership and partnerships role in the Central Hume and beyond. During the year, we have extended the range of clinical and corporate support services provided from NHW, and we greatly appreciate the close and effective partnership we enjoy with surrounding health services.

A range of care and service achievements during the year include:

- Our lead agency role in the Implementation of the **Strengthening Hospital Response to Family Violence** model across the Central Hume health services.
- Development of Victoria's first rural model of Robotics Rehabilitation supported by Better Care Victoria.
- The success of our Physiotherapy Department's research which led to worldwide literature publications in collaboration with Launceston General Hospital and Princess Alexandra Hospital and collaboration with 40 other hospitals worldwide to measure how often patients are developing respiratory complications following major surgery.
- The establishment of the Well Ageing Vision and Engagement (WAVE) Info Hub in partnership with La Trobe University, the Rural City of Wangaratta and DHHS, which followed over 460 pieces of feedback, consultations and interviews with the community and organisations to determine what would enhance the lives of older people in the Rural City of Wangaratta.
- Implementation of an innovative Chronic Obstructive Pulmonary Care (COPD) Model of Care in partnership with Central Hume Health services, the Murray PHN and the University of Melbourne.
- The removal of high sugar content beverages for sale at NHW and achieving Healthy Choices Accreditation for NHW's Café through the Healthy Eating Advisory Service and as a healthy eating workplace through the DHHS Achievement Program.
- Establishing a Digital ECG service between NHW and Alpine Health Service, to ensure that patients with chest pain can be quickly diagnosed and definitive treatment provided.
- Establishing Clinical Pharmacy services in the Emergency Department and Pre-Admission Clinic to ensure medication reconciliation and review for high risk patients prior to admission.

REPORT FROM THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

- Establishing a Sepsis Improvement Project in collaboration with Albury Wodonga Health, Yarrawonga Health, Beechworth Health and Tallangatta Health Services. The project is leveraging off the implementation of a Sepsis pathway at the Royal Melbourne Hospital. This is the first of its kind in a rural/regional setting.
- Implementation of Daily Operating System (DOS). The simple and effective questioning of, "Are you/we Ready for Today, if not, why not". This questioning cuts across all levels and departments which all ultimately contributes to safe patient care on a daily basis. The DOS is a two-tiered response, bringing operational issues to an Executive level, highlighting risk on a daily basis and ensuring shared knowledge and communication with appropriate problem solving.
- Participation in a state-wide Delirium Point Prevalence study which will provide an accurate estimate of delirium in the adult inpatient population as well as a baseline data to measure the efficacy of quality improvement initiatives undertaken by NHW.
- 100% Influenza Immunisation uptake at our Residential Aged Care facility Illoura, and 95% staff vaccination rate for the organisation.
- Successful implementation of advanced practice for key Registered Nurses to insert Midlines, to reduce the risk of infection from multiple intravenous line insertion. This will reduce the risk of hospital acquired infection and decrease trauma associated with difficult Intravenous cannulation.
- The establishment of an Intensivist Telemedicine service in collaboration with Albury Wodonga Health, providing specialist Intensivist assistance in the management of our sickest patients.
- The recruitment of another four permanent Medical Specialists.

Education & Research

Staff education is a major commitment for NHW, and programs are provided to support our existing and our future workforce, and to assist staff in our partner agencies.

- During the year, we held 67 education events with 2,152 attendees. Additionally, 521 undergraduate students spent on average 24 days each on placement at NHW. Students represented a number of professional groups including Nursing (Registered and Enrolled); Medicine and Allied Health (Physiotherapy, Speech Pathology, Dietetics, Radiology and Medical Imaging, Allied Health Assistance, Occupational Therapy, Social Work, Dentistry, Oral Health, Para-medicine, Pharmacy.) On average (between January-December) NHW facilitated 35 under-graduate students per day.
- NHW facilitates 3 post-graduate programs with clinical support: Post Graduate Certificate in Nursing Practice (Rural Critical Care) in partnership with the University of Melbourne, Post-Graduate Diploma in Midwifery and the Post-Graduate Certificate and Diploma (Peri-operative Nursing).
- NHW is delighted to have in excess of 20 partnerships with education providers nationally – supporting the future health workforce of both our region, but also nationally.
- The support and education of our future workforce is a strong focus, and we were very pleased to hosts 64 Work Experience students during the year, along with a Vocational Education Training in Schools Certificate III Health course in partnership with Goulburn Ovens TAFE and Sacred Heart College Yarrawonga and Yarrawonga College P-12, with 44 students participating.
- In collaboration with a variety of partner organisations, NHW undertakes research generated by our own local researchers and participates in broader multi-site state-wide, national and international studies. Our key research partner is The University of Melbourne, Department of Rural Health through the Rural Health Academic Network (RHAN) program. The RHAN program specifically aims to build research capability and capacity in partner regional and rural health services.

NHW's achievements are not possible without the commitment and professionalism of our 1350 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 67% of our staff completed this survey.

Our community remains supportive and engaged and our 326 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 at our Community Advisory Committee Council and we recognise and thank the members that assisted during the year.

REPORT FROM THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

We farewelled Board Director, Brendan Schutt and we thank Brendan for his valued contribution to the governance of NHW during his eight years as a Board Director and his wonderful contribution as Board Chair from 2014 - 2018. His commitment and his legacy will always be remembered with appreciation and respect.

We acknowledge and thank all who have supported NHW during the 2017/ 18 year, including the DHHS, NHW Board Directors, our partner agencies, VMO's, our Executive Team, along with all staff and volunteers.

We commend our Annual Report to you and have pleasure in sharing the wonderful achievements of our team during the 2017/ 18 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 Directors (to 25/04/2018)

Jonathan Green
Chair, Board of Directors (from 26/04/2018)

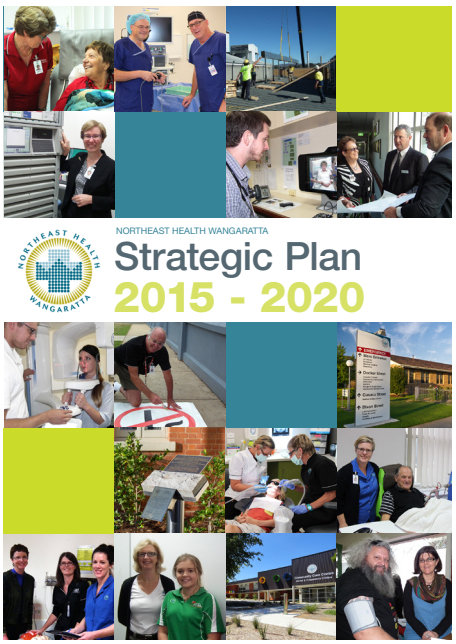
OUR STRATEGIC PLAN 2016-2020

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

Excellence

Respect

Integrity

Fairness

Commitments & Strategies:

Clinical Services

Quality & Innovation

Organisational Management

People, Learning & Research

Facilities & Environment

Community & Partnerships

DISCLOSURE INDEX

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

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DISCLOSURE INDEX

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RESPONSIBLE BODIES DECLARATION

Attestation on Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for Northeast Health Wangaratta for the year ending 30 June 2018.

Jonathan Green
Chair, Board of Directors

Wangaratta
30 June 2018

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

Compliant
I, 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; except for the following material non-compliance issues that have been reported to HPV. Northeast Health Wangaratta reports the following material non-compliance issues:

1. Waste Management Services compliance, due to transition delays.
2. Continence Management Products compliance, limited subcategories.

Margaret Bennett
Chief Executive Officer

Wangaratta
30 June 2018

Attestation on Data Integrity

I, Margaret Bennett (CEO) certify that Northeast Health Wangaratta has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Northeast Health Wangaratta has critically reviewed these controls and processes during the year.

Margaret Bennett
Chief Executive Officer

Wangaratta
30 June 2018

RESPONSIBLE BODIES DECLARATION

Attestation on Conflict of Interest

I, Margaret Bennett (CEO) certify that Northeast Health Wangaratta has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all Executive staff within Northeast Health Wangaratta and members of the Board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each Executive Board meeting.

Margaret Bennett
Chief Executive Officer

Wangaratta
30 June 2018

Attestation to Financial Management Compliance attestation

We, Jonathan Green (Chair) and Margaret Bennett (CEO), on behalf of the Responsible Body, certify that Northeast Health Wangaratta has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.

Jonathan Green
Chair, Board of Directors

Wangaratta
30 June 2018

ORGANISATIONAL STRUCTURE

Board of Directors

Chief Executive Officer

Chief Operating Officer/ Deputy CEO

Director Corporate Services:
- Food
- Environmental
- Security
- Supply Department

Director Information Management/ Chief Information Officer:
- Health Information Services
- ICT Services
- Information Systems
- Business Intelligence
- Bio-Medical Engineer

Finance

Facilities & Maintenance

Medical Imaging

Nuclear Medicine

Communication & Clerical

Volunteer & Creative Services

Hume Rural Health Alliance Liaison

Sub-regional Corporate Services

Director Redevelopment

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

STAFF

Labour Category	June Current Month FTE 2018	June Current Month FTE 2017	June YTD FTE 2018	June YTD FTE 2017
Nursing	403.23	386.47	388.71	382.10
Admin/Clerical	134.29	127.03	131.49	122.86
Medical Support	75.57	75.66	73.70	70.40
Hotel/Allied	97.51	96.62	98.38	91.63
Medical	1.25	0.75	1.03	0.06
Hospital Medical Officers	53.31	52.61	52.87	50.24
Sessional Clinical	5.82	6.10	5.70	5.94
AlliedHealth	67.54	58.39	61.64	55.65
Grand Total	**838.52**	**803.63**	**813.52**	**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
E G O'Keefe
R A Underwood
P Fiddes
S Leitl
J Mounsey
S J Oxley
C E Cunningham
E Dinning

BOARD OF DIRECTORS

Mr Brendan Schutt
Board Chair (to 24/04/2018)
B. Bus (Acct), CPA, GAICD

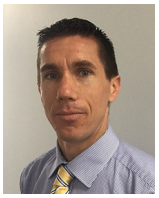
Brendan has been Board Chair since 2014. Brendan is the Chief Financial Officer at Brown Brother's Winery Group. His expertise is in the areas of accounting, project management, logistics and strategic planning.

Mr Jonathan Green
Board Chair (from 25/04/2018)
B.A, LL.B, GAICD, Authorised Real Estate Sales Representative

Jonathan is currently a Director of Insite Real Estate, and his main area of focus is working with professional property developers. He has been a practising commercial and property lawyer since 2010, and still actively practices law via volunteering his time as a Solicitor with the Hume Riverina Community Legal Service in Wangaratta. He is a members of the Law Institute of Victoria and the North East Law Association. Jonathan was Principal Lawyer of legal firm MGR Solicitors until late 2017.

Mr Martin Hession
Board Director
BSc, 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 Aust.

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
Board Director
MBA

Matthew is the Managing Director of WCL Management Services, a transport and technology consultancy organisation focusing on major events and project management.

Ms Ann Wearne
Board 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
Board Director
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.

BOARD OF DIRECTORS

Ms Lisbeth Long
Board Director
B Economics, Cert Community Participation, MAICD

Lisbeth has held senior Executive roles in various States including; Caltex Aust Petroleum, Adelaide Brighton Cement and Pasminco Mining. She has expertise in strategy and leadership, community development and engagement, human resources, indigenous affairs and project management and has worked extensively with local communities and federal and state government across remote and rural Australia. Lisbeth has served on several local Boards including GOTAFE and is currently engaged in the education field with a particular focus on addressing social and economic disadvantage.

Ms Cheryl Clutterbuck
Board Director
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, Carevan volunteer and Red Cross.

Alison Maclean
Board Director

Alison's career experience has been largely in the government and community sectors. Alison brings to the Board skills in corporate governance, partnerships, risk and audit. Currently Alison is Deputy Chair of the Board and she Chairs the Audit and Risk Committee.

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) MBBS MBA FRACGP FRACMA FCHSM GAICD

The Director of Medical Services has professional responsibility for the recruitment, credentialing and management 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 responsible for the effective delivery of corporate and operational support services. The role is also responsible for financial management, governance and reporting requirements to the Board, Department of Health & Human Services and external bodies. The role is also inclusive of the Chief Procurement Officer responsibilities.

Director of Clinical Services- Nursing & Midwifery
Ms Libby Fifis (to February 2018)
BA Appl Sc (Ng), RN, RM, MHA, FACN, GAICD

Acting Directors of Clinical Services- Nursing & Midwifery (from February 2018)
Ms Rebecca Weir & Mr Jason O'Keeffe

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.

EXECUTIVE

Director of Performance Improvement
Ms Michelle Butler
RN, DipApp Sci (Dental Therapy), Grad Dip Health Admin

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 (to April 2018)
RN, Paed Cert, Grad Dip Adv Clin Nsg (Psych), BA, BSc, Grad Dip Ed (p-12), MEd, PhD

Acting Director of Education & Research
Ms Jacqui Verdon (from April 2018)

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

Director of People & Culture
Mr Avi Kumar (to February 2018)
BA Arts, MBA HR/IR, Cert IV T&A, JP

Ms Fiona Shanks (from May 2018)
B. (HRM) Dip. Bus. Mgt. CAHRI

The role of Director of People & Culture is instrumental in assisting the Executive Team's effective management of NHW's 1,350 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.

EXECUTIVE

Director Information Management/ Chief Information Officer
Mr Jorge Silveira
B. Bus Info Systems, QMS Lead Auditor

The Director of Information Management and CIO has the overall responsibility for Information Management, Biomedical Engineering, Business Intelligence, ICT and Health Information. Other major areas of responsibility are Cybersecurity and Digital Health projects. The role works with other members of the Executive and Central Hume Partners for the provision of Health Information and ICT services. The role includes regional representation at various Department of Health and Human Services working groups and committees.

Director of Pharmacy and Redevelopment
Mr David Ford
B Pharm, MPS, PhC, Grad Dip Hosp Pharm Admin

The Director of Pharmacy has professional responsibility for the provision of pharmacy services across NHW, including compliance with legislative obligations and ACSQHC standards relating to medication procurement, governance, storage, distribution, administration, dispensing, disposal, prescribing and safety.

The Director of Redevelopment is responsible for the coordination of the $22M DHHS funded capital program, due for completion in 2021.

Director of Corporate Services
Ms Kim Bennetts
GradCert in Management (Professional Practice), Dip in Quality Auditing Systems,
Dip in Hospitality, Cert IV in Training and Assessment,
Cert II in Security Operations,
CSVQA - Cleaning Standards Auditing

The Director Corporate Services leads the operational activities of the Corporate Services Departments – including Food and Café Services, Volunteers and Creative Services, Communications and Clerical Support, Environmental Services, Policy and Legislative Compliance Administration, Supply and Procurement and Security Services and teams.

The Director of Corporate Services also includes the role and function of the Chief Procurement Officer for NHW.

The Director of Corporate Services role includes the management and function inclusive of Special Projects, HPV Regional Committee roles, Regional Services Support, Contract Management and Administration and Environmental Sustainability.

STATEMENTS OF COMPLIANCE

Minister for Health in the State of Vicotoria

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, 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 2017/18

Northeast Health Wangaratta holds numerous types of documents in order to conduct its business. These documents include, but are not limited to, patient medical records, policies and guidelines, financial records, staff records, training videos, meeting minutes, contracts etc.

As an Agency under the *Freedom of Information (FOI) Act 1982*, requests to access information from Northeast Health Wangaratta may be made by contacting the Northeast Health Freedom of Information Officer at foi@nhw.org.au or on (03) 5722 5233. Further information on health information may be found in the Northeast Health Wangaratta brochure "What Happens to Information About Me?", found at: https://www.northeasthealth.org.au/wp-content/uploads/What-happens-to-information-about-me.pdf

A written application may then be submitted for consideration by the FOI Officer. If the request is a valid request and the document is not an exempt document under the Act, the request will be processed. An application fee and access charges may be applied (as determined by the FOI Act). The charges for the current year and are available from the Freedom of Information Officer.

Exempt documents include, but are not limited to, documents containing personal information about other people, internal working papers and documents provided to Northeast Health Wangaratta in confidence.

A total of 180 formal requests for information were received and processed under the Act in 2017/18

Total Requests processed	180
Request from MP	1
Request denied	3

In accordance with the Freedom of Information Act 1982, Northeast Health Wangaratta reports on these requests to the Office of the Victorian Information Commissioner annually.

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 to the people in their care, respect their views and cultural identity and support their social wellbeing.

Protected Disclosure Act 2012

Northeast Health Wangaratta has in place a Protected Disclosure policy which provides staff with the 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 2017/18.

Expenditure on Government Advertising during 2017/18

Northeast Health Wangaratta had nil expenditure on Government advertising during the 2017/18 period.

STATEMENTS OF COMPLIANCE

Safe Patient Care Act 2015

Northeast Health Wangaratta has in place appropriate policies and procedures to enforce the *Safe Patient Care Act 2015*. Northeast Health Wangaratta has no matters to report in relation to its obligations under Section 40 of the *Safe Patient Care Act 2015* for the 2017/18 year.

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.

Victorian Industry Participation Policy (VIPP) Act 2003 - Contracts 2017/18 - Local Jobs First

Northeast Health Wangaratta acknowledges it is required to abide by the principles of the *Victorian Industry Participation Policy Act 2003 (VIPP)*. In 2017/18 there were no projects 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.

Building Act 1993

Northeast Health Wangaratta complies with the provisions of the *Building Act 1993* and the National Construction Code in accordance with the Department of Health and Human Services (DHHS) 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*).

NHW complies with the DHHS Fire Risk Management Guidelines by having a five yearly fire audit conducted on all acute and sub-acute buildings including Illoura (off-site Aged Care Facility) by an independent Fire Safety Engineer. This report was last undertaken in 2016 with the recommendations now completed as illustrated in our Annual Fire Safety reports sent to DHHS in September each year for the Hospital and Illoura campus.

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 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.

Audit Act 1994

Northeast Health Wangaratta's Audit and Risk Committee consists of: Mr Jonathan Green (Chair), Mr Brendan Schutt (to 25/04/18), Ms Lisbeth Long, Ms Alison Maclean, Ms Ann Wearne, Mr John Duck (External), Mr Brian Hargreaves (External), Ms Margaret Bennett (CEO), Mr Timothy Griffiths, Ms Michelle Butler, Ms Rebecca Weir, Ms Jenny Ball, Mr Martin Thompson (Crowe Horwath, Internal Auditors), Ms Alison Lee (Crowe Horwath, Internal Auditors), Mr Stephen Byrns (Johnsons MME, External Auditors).

Information and Communication Technology (ICT) expenditure

During 2017/ 18, Northeast Health Wangaratta spent $3,211,213.00 on ICT Business As Usual (BAU) expenditure (exl GST), and $124,900.00 on Capital expenditure (exl GST).

Business As Usual (BAU) ICT expenditure	Non-Business As Usual (non-BAU) ICT expenditure		
Total (excluding GST)	Total = Operational expenditure and Capital expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
$3.211 m	$0.125m	$0	$0.125m

STATEMENTS OF COMPLIANCE

Details of consultancies (under $10,000)

In 2017/2018, Northeast Health Wangaratta engaged 15 consultancies where the total fees payable to the consultant was less than $10,000, with a total expenditure of $53,167 (excl. GST).

Details of consultancies (valued at $10,000 or greater)

In 2017/18, Northeast Health Wangaratta engaged 4 consultancies where the total fees payable to the consultant were $10,000 or greater.

The total expenditure incurred during 2017/18 in relation to these consultancies is $149,168 (excl. GST). Details of individual consultancies are detailed in the table below.

Consultant	Purpose of consultancy	Total approved project fee 2017/18 (Exc. GST)	Expenditure 2017/18 (Exc. GST)	Future Expenditure (Exc GST)
Worklogic Pty Ltd	Residential Aged Care Workplace review	$82,638	$82,638	$-
Finity Consulting Pty Ld	Measuring Patient Acuity project	$19,250	$19,250	$-
Aspex Consulting Pty Ltd	Update and review of Clinical Services Plan	$20,000	$20,000	$-
The University of Melbourne	Evaluation of Koolin Balit Aboriginal Health Cultural Competence Audit Project	$27,280	$27,280	$-
TOTAL		$149,168		

Occupational Violence

The 2017/ 18 Statement of Priorities requires all health services to monitor and publicly report incidents of occupational violence. Northeast Health Wangaratta has in place appropriate policies and procedures for the reporting, disclosure and handling incidents of occupational violence.

Occupational violence statistics	2017/18
Workcover accepted claims with an occupational violence cause per 100 FTE:	0
Number of accepted Workcover claims with lost time:	0
Number of occupational violence incidents reported:	116
Number of occupational violence incidents reported per 100 FTE:	13.50
Percentage of OVA Incidents resulting in staff injury, illness or condition	9%

Occupational Health and Safety Act 2004

Northeast Health Wangaratta complies with the *Occupation Health and 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.

STATEMENTS OF COMPLIANCE

Occupational Health and Safety Incidents per 100 FT equivalent

Year	Incidents	EFT	EFT/100	Incident Rate
2016	242	768	7.68	31.5
2017	243	803.63	8.03	30.26
2018	263	859.87	8.59	30.61

Occupational Health and Safety

Number of lost time standard claims per 100 staff members

Year	Standard Claims	Per 100	Loss time
2016	12	7.68	1.56
2017	7	8.03	0.87
2018	8	8.59	0.93

Average cost per the claims for the year
(including payments to date and an estimate of outstanding claims costs as advised from Worksafe)

Year	Claim Costs	Prem Claims	Avg Cost per claim
2016	1,765,958	40	$44,149
2017	1,160,181	31	$37,425
2018	1,532,753	37	$41,426

*(Standard & Non- standard of total premium sensitive claims as advised)

No of Workplace Deaths **0**

Definition - For the purposes 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 – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be 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

Environmental Sustainability

Northeast Health Wangaratta continues to promote heightened environmental awareness and commitment amongst employees, patients and visitors whilst reducing the impacts of NHW'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.

Highlights during the 2017/18 Period:

- Introduction of 'keep cup' initiative in our Staff Café - reducing the use of disposable coffee cups.
- LED exit and emergency lighting installation across the organisation
- Installation of more variable speed drives on our pumps and supply air fans – in an effort to use energy more efficiently
- Installation of LED lighting across the organisation and at the Illoura campus.
- Regular features relating to sustainability to be included in the CEO Newsletter, intranet and internet platforms – providing recycling tips and promoting the Environmental Sustainability Committee activities, initiatives and achievements.
- We have improved signage throughout the organisation to guide staff on the correct way to dispose of waste.
- We have standardised our general waste and recycle bins to improve consistency across the site.
- PVC and Plastics recycling is conducted in the Dialysis and CCU units – reducing our landfill impact.
- NHW Green Leaf Awardees for the 2017/18 period have included Engineering, CCU and the Dental Teams to acknowledge their contributions and initiatives in Environmental Sustainability.
- Our Standard Service contract templates includes Environmental Sustainability obligations and awareness for all contractors working on site.

STATEMENTS OF COMPLIANCE

Clinical Waste

Initiative to reduce the monthly average – through education, awareness and audit.

2016/17
average
2,870kg/ month

258kg month

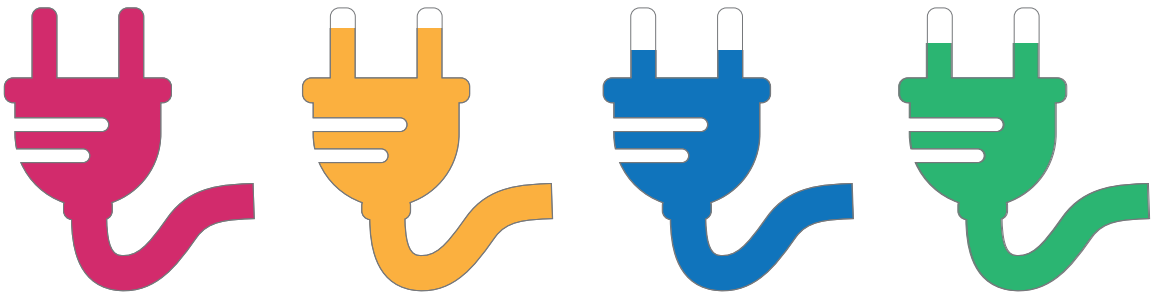
2017/18
average
2,162kg/ month

	Average waste (kg/month)
2013/14	2,818
2014/15	2,794
2015/16	2,652
2016/17	2,870
2017/18	2,612

The focus on improved signage around disposal, access to clinical waste bins and increased recycling focus and initiatives has resulted in not only a cost saving for the organisation of over $700 per month ($8,400 annually) but a benefit to our commitment of 'Minimise waste generation through reduction, reuse and recycling'.

Gas and Electricity Consumption

Total Energy consumption in Gigajoules (GJ)



45,679GJ
2014/15

42,209GJ
2015/16

38,74GJ
2016/17

39,614 GJ
2017/18

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 2017/ 18, Northeast Health Wangaratta did not operate a fee based car parking facility.

STATEMENT OF PRIORITIES

Part A: Strategic Priorities 2017/18

Goals	Strategies	NHW Deliverables	Outcome
Better Health A system geared to prevention as much as treatment Everyone understands their own health and risks Illness is detected and managed early Healthy neighbourhoods and communities encourage healthy lifestyles	**Better Health** Reduce State-wide Risks Build Healthy Neighbourhoods Help people to stay healthy Target health gaps	In partnership with Murray Primary Health Network and Gateway Health, introduce a complex care program for the ongoing support and management of Chronic Obstructive Pulmonary Disease (COPD) clients to reduce hospital admissions of patients with COPD.	**Achieved** Funds were obtained from Murray Primary Health Network (Murray PHN) to implement a chronic care project for the management and support of patients with Chronic Obstructive Pulmonary Disease (COPD), in partnership with Central Hume health services, the Murray PHN and the University of Melbourne. The project implemented NHW's new COPD model of care, patient held record and health professional training.
		In partnership with Gateway Health and the Rural City of Wangaratta, develop and implement health promotion strategies to reduce obesity.	**Achieved** The removal of high sugar content beverages for sale and provision of healthy choices food options assisted NHW to achieve Healthy Eating Accreditation for NHW café through Department of Health and Human Services (DHHS) Healthy Together Initiative and attainment of the DHHS Workplace Achievement Program's Healthy Eating benchmark.
		Increase the uptake of antenatal dental treatment by expectant mothers.	**Partially Achieved** The uptake of antenatal dental treatment by expectant mothers was 67 antenatal priority patients. This was the same level as the 2016/17 year.
		Lead the implementation of Strengthening Hospital Responses to Family Violence across Central Hume health services.	**Achieved** Implemented Strengthening Hospital Responses to Family Violence at NHW and supported implementation of services across Central Hume health services, achieving year 1 KPIs as part of the statewide implementation.

STATEMENT OF PRIORITIES
Part A: Strategic Priorities 2017/18

Goals	Strategies	NHW Deliverables	Outcome
Better Access Care is always there when people need it More access to care in the home and community People are connected to the full range of care and support they need There is equal access to care	**Better Access** Plan and invest Unlock innovation Provide easier access Ensure fair access	Complete Stage One of capital redevelopment as per project plan 2017/18 to increase acute bed capacity.	**Achieved** The capital redevelopment project changed to reflect the successful funding for stage 2 of the project. The project plan was revised to enable a $22.175m integrated redevelopment with completion over 3 years.
		Establish a pilot digital ECG service with Central Hume small rural health services to deliver and improve management of patients presenting with chest pain.	**Achieved** Pilot Digital Electrocardiograph (ECG) service was established between Alpine Health and NHW to deliver and improve management of patients presenting with chest pain.
		Complete outpatient clinic review to increase patient access to appropriate services.	**Achieved** Outpatient clinic review completed and outpatient access and activity increased by 25% in 2017/2018 to appropriate services.
		Review current models of care within sub-acute services to reduce length of stay and improve patient access.	**Achieved** Subacute services reviewed and final report completed. This review will guide future improvements to reduce length of stay and improve patient access to subacute services
		Expand the use of telehealth for specialist patient care to reduce the need for patient travel.	**Achieved** An increased range of telehealth services were provided to patients in the Hume, facilitated by NHW in collaboration with metropolitan health services.
		Fully implement identified actions required to achieve 'Rainbow Tick' standard requirements.	**Achieved** Identified actions to achieve Rainbow Tick accreditation were established and implementation commenced in collaboration with Gateway Health.

STATEMENT OF PRIORITIES
Part A: Strategic Priorities 2017/18

Goals	Strategies	NHW Deliverables	Outcome
Better Care Target zero avoidable harm Healthcare that focusses on outcomes Patients and carers are active in care Care fits together around people's needs	**Better Care** Put Quality First Join up care Partner with patients Strengthen the workforce Embed evidence Ensure equal care **Mandatory actions against the 'Target zero avoidable harm' goal:**	In accordance with the Safe Patient Care Act, implement the use of Nursing Undergraduate Students and/ or Personal Care Attendance to supplement the Nursing and Midwifery Workforce for clinically appropriate 1:1 patient care.	**Achieved** NHW has continued to recruit and employ Personal Care Workers to supplement the Nursing and Midwifery workforce to assist in increased surveillance and care of patients at high risk of delirium, falls and pressure injuries requiring 1:1 specialling.
	Develop and implement a plan to educate staff about obligations to report patient safety concerns.	Introduce a 'Speaking up for Safety' campaign across NHW.	**Partially achieved** A program has been developed to introduce a 'See it, Say It – speaking up for patient safety' campaign. The program will be launched at a Staff forum in July 2018.
	Establish agreements to involve with external specialists in clinical governance processes for each major area of activity (including mortality and morbidity review).	Establish agreement with Albury Wodonga Health for specialist intensivist input into clinical governance of the critical care unit (CCU).	**Achieved** The intensivist telehealth service is embedded in the CCU workflow model. There is clear governance and referral pathways for staff to recognise, refer and activate a telehealth consultation.
	In partnership with consumers, identify 3 priority improvement areas using Victorian Healthcare Experience Survey data and establish an improvement plan for each. These should be reviewed every 6 months to reflect new areas for improvement in patient experience.	Improve patient satisfaction with: the quality of information provided to them, the involvement in their care, and the discharge planning process.	**Partially Achieved** NHW has a Safer Care Victoria (SCV) funded position to assist in a number of strategies to improve patient flow, discharge planning process and involving patients in their care. Patient information pamphlets have been reviewed and will be improved to better inform patients of vital information to assist discharge.

STATEMENT OF PRIORITIES
Part B: Performance Priorities 2017/18

Key performance indicator	Target	2017/18 Result
Accreditation		
Accreditation against the National Safety and Quality Health Service Standards	Full compliance	Full compliance
Compliance with the Commonwealth's Aged Care Accreditation Standards	Full compliance	Full compliance
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	80%	85.9%
Percentage of healthcare workers immunised for influenza	75%	90.2%
Patient Experience		
Victorian Healthcare Experience Survey – data submission	Full compliance	Achieved
Victorian Healthcare Experience Survey – positive patient experience – Quarter 1	95% positive experience	97% positive experience
Victorian Healthcare Experience Survey – positive patient experience – Quarter 2	95% positive experience	98% positive experience
Victorian Healthcare Experience Survey – positive patient experience – Quarter 3	95% positive experience	95% positive experience
Victorian Healthcare Experience Survey – discharge care – Quarter 1	75% very positive experience	80% very positive experience
Victorian Healthcare Experience Survey – discharge care – Quarter 2	75% very positive experience	88% very positive experience
Victorian Healthcare Experience Survey – discharge care – Quarter 3	75% very positive experience	79% very positive experience
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 1	70%	78.9%
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 2	70%	88.3%
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 3	70%	86.7%
Healthcare associated infections (HAI's)		
Number of patients with ICU central-line-associated bloodstream infection (CLABSI)	Nil	Nil
Adverse events		
Number of sentinel events	Nil	Nil
Mortality – number of deaths in low mortality DRGs[2]	Nil	N/A*
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with Apgar score <7 to 5 minutes	≤ 1.6%	0.5%
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤ 28.6%	NA
Continuing Care		
Functional independence gain from an episode of GEM[3] admission to discharge relative to length of stay	≥ 0.39	0.6%
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645	0.9%

* This indicator was withdrawn during 2017/18 and is currently under review by the Victorian Agency for Health Information

STATEMENT OF PRIORITIES
Part B: Performance Priorities 2017/18

Strong governance, leadership and culture

Key performance indicator	Target	Result
Organisational culture		
People matter survey - percentage of staff with an overall positive response to safety and culture questions	80%	93%
People matter survey – percentage of staff with a positive response to the question, "I am encouraged by my colleagues to report any patient safety concerns I may have"	80%	95%
People matter survey – percentage of staff with a positive response to the question, "Patient care errors are handled appropriately in my work area"	80%	95%
People matter survey – percentage of staff with a positive response to the question, "My suggestions about patient safety would be acted upon if I expressed them to my manager"	80%	94%
People matter survey – percentage of staff with a positive response to the question, "The culture in my work area makes it easy to learn from the errors of others"	80%	90%
People matter survey – percentage of staff with a positive response to the question, "Management is driving us to be a safety-centred organisation"	80%	95%
People matter survey – percentage of staff with a positive response to the question, "This health service does a good job of training new and existing staff"	80%	87%
People matter survey – percentage of staff with a positive response to the question, "Trainees in my discipline are adequately supervised"	80%	89%
People matter survey – percentage of staff with a positive response to the question, "I would recommend a friend or relative to be treated as a patient here"	80%	95%

STATEMENT OF PRIORITIES
Part B: Performance Priorities 2017/18

Timely access to care

Key performance indicator	Target	Result
Emergency care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	87.1%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	80%	80.8%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	72.9%
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 surgery patients admitted within 30 days	100%	100%
Percentage of urgency category 1,2 and 3 elective surgery patients admitted within clinically recommended time	94%	95.2%
Percentage of patients on the waiting list who have waited longer than clinically recommended time for their respective triage category	5% or 15% proportional improvement from prior year	7.4%
Number of patients on the elective surgery waiting list[4]	630	605
Number of hospital initiated postponements per 100 scheduled elective surgery admissions	≤ 8 /100	7.4%
Number of patients admitted from the elective surgery waiting list	2,624	2,561
Specialist clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	85%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	99.9%

STATEMENT OF PRIORITIES
Part B: Performance Priorities 2017/18

Effective financial management

Key performance indicator	Target	Result
Finance		
Operating result ($m)	0.00	-2.496
Average number of days to paying trade creditors	60 days	56
Average number of days to receiving patient fee debtors	60 days	29
Public and Private WIES5 activity performance to target*	100%	95.36%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.82
Number of days of available cash	14 days	5.6 days

[1] SAB is Staphylococcus Aureus Bacteraemia

[2] DRG is Diagnosis Related Group

[3] GEM is Geriatric Evaluation and Management

[4] the target shown is the number of patients on the elective surgery waiting list as at 30 June 2018

[5] WIES is a Weighted Inlier Equivalent Separation

* The changes arising in the WIES funding model following the introduction of AR-DRG version 8 in 2016/17 have impacted Northeast Health Wangaratta's ability to recognise WIES activity in 2017/18.

The department has acknowledged these issues at a system level and provided assurances around minimum funding levels throughout 2017/18.

STATEMENT OF PRIORITIES
Part C: Activity and Funding 2017/18

Funding type	2017/18 Activity Achievement
Acute Admitted	
WIES Public	11,444
WIES Private	2,063
WIES DVA	276
WIES TAC	93.7
Acute Non-Admitted	
Emergency Services	25,489
Home Enteral Nutrition	72
Specialist Clinics - Public	22,723
Specialist Clinics - DVA	36
Subacute & Non-Acute Admitted	
Subacute WIES - Rehabilitation Public	199.4
Subacute WIES - Rehabilitation Private	84.6
Subacute WIES - GEM Public	137.8
Subacute WIES - GEM Private	65.8
Subacute WIES - Palliative Care Public	22.7
Subacute WIES - Palliative Care Private	10.9
Subacute WIES - DVA	42.6
Subacute Non-Admitted	
Palliative Care Non-admitted	6,324
Health Independence Program - Public	26,105
Health Independence Program - DVA	190
Aged Care	
Residential Aged Care	23,879
HACC	3,527
Primary Health	
Community Health / Primary Care Programs	5,372
Other	
Health Workforce	70

OPERATIONAL PERFORMANCE

	2018 $000	2017 $000	2016 $000	2014 $000	2013 $000
Total Revenue	141,885	128,199	120,198	116,681	111,701
Total Expenses	144,249	131,331	124,653	120,845	115,490
Net Result for the Year	**(2,364)**	**(3,132)**	**(4,455)**	**(4,164)**	**(3,789)**
Net Result before Capital and Specific Items (Operating Result*)	**(2,496)**	**(2,291)**	**39**	**(343)**	**155**
Total Assets	98,604	93,406	94,238	95,287	98,038
Total Liabilities	40,353	32,791	30,491	27,420	26,007
Net Assets	**58,251**	**60,615**	**63,747**	**67,867**	**72,031**
Equity					
Property, Plant and Equipment Revaluation Surplus	58,926	58,926	58,926	58,591	58,591
Contributed Capital	39,072	39,072	39,072	39,072	39,072
Retained Surplus/(Accumulated Deficit)	(39,747)	(37,383)	(34,251)	(29,796)	(25,632)
Total Equity	**58,251**	**60,615**	**63,747**	**67,867**	**72,031**

* The Operating Result is the result for which the health service is monitored in its Statement of Priorities, also referred to as the Net Result before capital and specific items.

Northeast Health Wangaratta
ABN 13 157 273 279
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

CONTENTS

Board Director'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 2018 and the financial position of Northeast Health Wangaratta at 30 June 2018.

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 4 September 2018.

Jonathan Green
Chair
Board of Directors

Wangaratta
4 September 2018

Margaret Bennett
Chief Executive Officer

Wangaratta
4 September 2018

Tim Griffiths
Chief Operating Officer

Wangaratta
4 September 2018

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 2018
- 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 significant accounting policies
- board director'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 2018 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. I further describe my responsibilities under that Act and those standards 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 Victoria. 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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

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 my 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
6 September 2018

Ron Mak
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Notes	Total 2018 $000	Total 2017 $000
Revenue from Operating Activities	2.1	133,980	122,027
Revenue from Non-Operating Activities	2.1	529	513
Employee Expenses	3.1	(85,269)	(78,098)
Non Salary Labour Costs	3.1	(12,747)	(11,160)
Supplies and Consumables	3.1	(21,305)	(19,630)
Other Expenses	3.1	(17,684)	(15,943)
Net Result before Capital and Specific Items		**(2,496)**	**(2,291)**
Capital Purpose Income	2.1	7,349	4,785
Depreciation and Amortisation	4.3	(5,984)	(6,013)
Finance Costs	3.4	(4)	(5)
Specific Expenses	3.3	(54)	(204)
Expenditure using Capital Purpose Income	3.1	(1,202)	(278)
Net Result after Capital and Specific Items		**(2,391)**	**(4,006)**
Other Economic Flows Included in Net Result			
Net Gain/(Loss) on Non-Financial Assets		25	64
Revaluation of Long Service Leave		2	810
NET RESULT FOR THE YEAR		**(2,364)**	**(3,132)**
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in Property, Plant and Equipment Revaluation Surplus	8.1	-	-
Total Other Comprehensive Income		**-**	**-**
Comprehensive Result		**(2,364)**	**(3,132)**

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

BALANCE SHEET

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Notes	Total 2018 $000	Total 2017 $000
Current Assets			
Cash and Cash Equivalents	6.2	2,371	2,269
Receivables	5.1	6,790	3,783
Investments and Other Financial Assets	4.1	12,121	6,959
Inventories	5.2	1,556	1,414
Prepayments and Other Assets	5.4	462	272
Total Current Assets		**23,300**	**14,697**
Non-Current Assets			
Receivables	5.1	2,771	2,098
Property, Plant and Equipment	4.2	72,213	76,374
Intangible Assets	4.4	320	237
Total Non-Current Assets		**75,304**	**78,709**
TOTAL ASSETS		**98,604**	**93,406**
Current Liabilities			
Payables	5.5	8,988	6,255
Borrowings	6.1	381	78
Provisions	3.5	21,758	18,950
Other Liabilities	5.3	5,363	4,568
Total Current Liabilities		**36,490**	**29,851**
Non-Current Liabilities			
Payables	5.5	163	241
Borrowings	6.1	632	88
Provisions	3.5	3,068	2,611
Total Non-Current Liabilities		**3,863**	**2,940**
TOTAL LIABILITIES		**40,353**	**32,791**
NET ASSETS		**58,251**	**60,615**
EQUITY			
Property, Plant and Equipment Revaluation Surplus	8.1(a)	58,926	58,926
Contributed Capital	8.1(b)	39,072	39,072
Accumulated Deficits	8.1(c)	(39,747)	(37,383)
TOTAL EQUITY	8.1(d)	**58,251**	**60,615**

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	Property, Plant and Equipment Revaluation Surplus $000	Contributed Capital $000	Accumulated Deficits $000	Total $000
Balance at 1 July 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**
Net result for the year		-	-	(2,364)	(2,364)
Other comprehensive income for the year	8.1	-	-	-	-
Balance at 30 June 2018		**58,926**	**39,072**	**(39,747)**	**58,251**

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

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Notes	Total 2018 $000	Total 2017 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		111,647	103,915
Capital Grants from Government		7,347	4,785
Patient and Resident Fees Received		13,022	12,752
Donations and Bequests Received		186	290
GST Received from/(paid to) ATO		3,720	3,750
Interest Received		343	223
Other Receipts		1,074	2,313
Total Receipts		**137,339**	**128,028**
Employee Expenses Paid		(82,057)	(76,198)
Non-Salary Labour Costs		(12,747)	(11,160)
Payments for Supplies and Consumables		(21,305)	(19,630)
Other Payments		(14,720)	(14,875)
Total Payments		**(130,829)**	**(121,863)**
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	8.2	**6,510**	**6,165**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments		(5,162)	(1,588)
Purchase of Non-Financial Assets		(1,905)	(2,856)
Purchase of Intangible Assets		(289)	-
Proceeds from Disposal of Non-Financial Assets		35	91
Proceeds from Disposal of Investments		-	-
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		**(7,321)**	**(4,353)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		**913**	**-**
NET CASH FLOW FROM FINANCING ACTIVITIES		**913**	**-**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		**102**	**1,812**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,269	457
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6.2	**2,371**	**2,269**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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Basis of Preparation
The financial statements are prepared in accordance with Australian Accounting Standards and relevant FRDs.

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Department.

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 2018. 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 issued 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 4 September 2018.

(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.

(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 2018, and the comparative information presented in these financial statements for the year ended 30 June 2017.

The financial statements are prepared on a going concern basis (refer to Note 8.9).

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.

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 underlying 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.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AABSs that have significant effects on the financial statements and estimates relate to:

- The fair value of land, buildings and plant and equipment (Refer to Note 4.2 Property, Plant and Equipment);
- Superannuation expense (Refer to Note 3.6 Superannuation);
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (Refer to Note 3.5 Employee Benefits in the Balance Sheet)

Goods and Service Tax (GST)
Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Balance Sheet.

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

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

(d) Jointly Controlled Operation
Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

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 nay assets held jointly;
- its revenue from the sale of its share of the output from the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

Northeast Health Wangaratta is a member of the Hume Rural Health Alliance Joint Venture and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.10 Jointly Controlled Operations).

Note 2: Funding Delivery of Our Services

The Health Services overall objective is to deliver programs and services that support and enhance the wellbeing of all Victorians. Northeast Health Wangaratta is predominantly funded by accrual based Grant Funding for the provision of outputs. 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 2018 $000	Non Admitted 2018 $000	EDS 2018 '$000	Mental Health 2018 $000	RAC 2018 $000	Aged Care 2018 $000	Primary Health 2018 $000	Other * 2018 $000	Total 2018 $000
Government Grants	89,030	5,238	7,793	-	5,717	1,162	1,235	2,872	113,047
Indirect Contributions by Department of Health and Human Services	700	11	-	-	-	6	24	-	741
Patient and Resident Fees	11,265	-	141	-	1,497	202	34	174	13,313
Commercial Activities (Note 3.2)	360	-	-	-	-	-	-	864	1,224
Other Revenue from Operating Activities	3,813	-	131	1,092	4	1	89	525	5,655
Total Revenue from Operating Activities	**105,168**	**5,249**	**8,065**	**1,092**	**7,218**	**1,371**	**1,382**	**4,435**	**133,980**
Interest and Dividends	229	-	-	-	92	-	-	22	343
Donations and Bequests	-	-	-	-	-	-	-	186	186
Total Revenue from Non-Operating Activities	**229**	**-**	**-**	**-**	**92**	**-**	**-**	**208**	**529**
Capital Purpose Income (excluding interest)	6,835	-	-	-	-	-	-	514	7,349
Total Capital Purpose Income	**6,835**	**-**	**-**	**-**	**-**	**-**	**-**	**514**	**7,349**
Total Revenue	**112,232**	**5,249**	**8,065**	**1,092**	**7,310**	**1,371**	**1,382**	**5,157**	**141,858**

	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 (Non Capital)	3	-	-	-	-	-	10	277	290
Total Revenue from Non-Operating Activities	**122**	**-**	**-**	**-**	**80**	**-**	**10**	**301**	**513**
Capital Purpose Income (excluding interest) (i)	4,163	-	-	-	-	-	-	622	4,785
Total Capital Purpose Income	**4,163**	**-**	**-**	**-**	**-**	**-**	**-**	**622**	**4,785**
Total Revenue	**98,924**	**5,158**	**7,588**	**1,175**	**7,093**	**1,347**	**930**	**5,110**	**127,325**

* Other programs included Commerical Acitivity, Special Purpose Funds and Capital

(i) Prior year income previously included the net gain/(loss) on non-financial assets which now form part of Other Economic Flows included in the Net Result.

The Department of Health and Human Services makes certain payments on behalf of the Health Service (Insurance & LSL). These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

Revenue Recognition

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 Deprtment of Health and Human Services Hospital Circular 04/2017.

Patient and Resident Fees

Patient fees are recognised as revenue on an accrual basis.

Revenue from Commercial Activities

Revenue from commercial activities such as private practice, coffee shop and property rental is recognised on an accrual basis.

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.

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

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.

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

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, Koori 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 Services

This section provides an account of the expenses incurred by the Health Service in delivering services and outputs. In Note 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 2018 $000	Non Admitted 2018 $000	EDS 2018 '$000	Mental Health 2018 $000	RAC 2018 $000	Aged Care 2018 $000	Primary Health 2018 $000	Other* 2018 $000	Total 2018 $000
Employee Expenses	65,512	757	6,670	93	6,053	1,980	1,823	2,381	85,269
Non-Salary Labour Costs	12,310	-	340	-	6	-	36	55	12,747
Supplies and Consumables	18,012	24	1,243	2	295	57	106	1,566	21,305
Other Expenses from Continuing Operations	6,116	962	5,324	933	2,956	(107)	131	1,369	17,684
Finance Costs	4	-	-	-	-	-	-	-	4
Total Expenses from Operating Activities	**101,954**	**1,743**	**13,577**	**1,028**	**9,310**	**1,930**	**2,096**	**5,371**	**137,009**
Expenditure for Capital Purposes	303	-	-	-	-	-	-	899	1,202
Depreciation and Amortisation (refer Note 4.3)	-	-	-	-	-	-	-	5,984	5,984
Specific Expenses (refer Note 3.3)	54	-	-	-	-	-	-	-	54
Total Other Expenses	**357**	**-**	**-**	**-**	**-**	**-**	**-**	**6,883**	**7,240**
Total Expenses	**102,311**	**1,743**	**13,577**	**1,028**	**9,310**	**1,930**	**2,096**	**12,254**	**144,249**

	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 4.3)	-	-	-	-	-	-	-	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**

* Other programs included Commerical Acitivity, Special Purpose Funds and Capital

Expenses Recognition

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

Employee Expenses

Employee expenses include:

. salaries and wages;
· fringe benefits tax;
· leave entitlements;
· termination payments;
· workcover premiums; and
· superannuation expenses.

Grants and Other Transfers

These include transactions such as: grants, subsidies and personal benefit payments made in cash to individuals.

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

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

- 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.

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 4.2 Property, Plant and Equipment).

- 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.

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 (Note 4.1); 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 4.4 Intangible Assets.

Other Gains/ (Losses) from Other Economic Flows
Other gains/ (losses) include:
- the revaluation of the present value of the long service leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes in probability factors; and,
- 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.

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

	Expense		Revenue	
	Total 2018 $000	Total 2017 $000	Total 2018 $000	Total 2017 $000
Commercial Activities				
Private Practice and Other Patient Activities	465	295	39	32
Coffee Shop/Catering	894	917	825	918
Property	798	725	360	340
TOTAL	**2,157**	**1,937**	**1,224**	**1,290**

Note 3.3: Specific Expenses

	Total 2018 $000	Total 2017 $000
Voluntary Departure Packages	54	204
TOTAL	**54**	**204**

Note 3.4: Finance Costs

	Total 2018 $000	Total 2017 $000
Finance Charges on Finance Leases (i)	4	5
TOTAL	**4**	**5**

(i) the finance charges relate 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 2018 $000	Total 2017 $000
Current Provisions		
Employee Benefits (i)		
Annual Leave		
- unconditional and expected to be settled within 12 months (nominal value) (ii)	2,610	2,352
- unconditional and expected to be settled after 12 months (present value) (iii)	3,380	3,016
Long Service Leave		
- unconditional and expected to be settled within 12 months (nominal value) (ii)	1,334	1,230
- unconditional and expected to be settled after 12 months (present value) (iii)	8,375	7,703
Accrued Salaries and Wages	3,154	1,930
Accrued Days Off	157	134
Provisions related to Employee Benefit On-Costs		
- unconditional and expected to be settled within 12 months (nominal value) (ii)	877	819
- unconditional and expected to be settled after 12 months (present value) (iii)	1,871	1,766
Total Current Provisions	**21,758**	**18,950**
Non-Current Provisions		
Employee Benefits (i)	2,766	2,338
Provisions related to Employee Benefit On-Costs	302	273
Total Non-Current Provisions	**3,068**	**2,611**
Total Provisions	**24,826**	**21,561**

(a) Employee Benefits and Related On-Costs

	Total 2018 $000	Total 2017 $000
Current Employee Benefits and Related On-Costs		
Unconditional Long Service Leave entitlements	10,777	9,977
Annual Leave Entitlements	7,670	6,909
Accrued Salaries and Wages	3,154	1,930
Accrued Days Off	157	134
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements (iii)	3,068	2,611
Total Employee Benefits and Related On-Costs	**24,826**	**21,561**

(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.

(b) Movements in Provisions

	Total 2018 $000	Total 2017 $000
Movement in Long Service Leave:		
Balance at start of year	**12,589**	**12,186**
Provision made during the year		
- Revaluations	2	(810)
- Expense recognising Employee Service	1,172	2,408
Settlement made during the year	(1,286)	(1,195)
Balance at end of year	**12,477**	**12,589**

Employee Benefit Recognition

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rended to the reporting date as an expense during the period the services are delivered.

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.

Employee Benefits

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

Salaries and Wages, Annual 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 salaries and wages, annual leave and accrued days off 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. An uncondition right arises after a quailifying period.

The components of this current LSL liability 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.

Conditional LSL is disclosed as a non-current liability. 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 estimations e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recongnised as other Economic Flows.

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.

On-Costs Related to Employee Expense

Provisions for on-costs, such as 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 2018 $000	Total 2017 $000	Total 2018 $000	Total 2017 $000
Defined benefit plans: (i)				
Other	118	115	22	21
Defined contribution plans:				
Other	6,738	6,169	527	473
Total	**6,856**	**6,284**	**549**	**494**

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

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.

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.

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. The Department of Treasury and Finance disclosed the State's defined benefit liability in its disclosure for administered items.

However sperannuation contributions paid or payable for the reporting period are included as part of the employee benefits in the Comprehensive Operating Statement of the Health Service's.

The name, detail and amounts that have been expensed in relation to the major employee superannuation funds and contributions made by the Health Service are disclosed above.

Note 4: Key Assets to Support Service Delivery

The Health Service 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 Property, Plant and Equipment
4.3 Depreciation and Amortisation
4.4 Intangible Assets

Note 4.1: Investments and Other Financial Assets

	Operating Fund		Specific Purpose Fund		Total	Total
	2018	2017	2018	2017	2018	2017
	$000	$000	$000	$000	$000	$000
Current						
Loans and Receivables						
Term Deposit						
Australian Dollar Bank Term Deposits > 3 months	11,783	6,624	338	335	12,121	6,959
Total Investments and Other Financial Assets	**11,783**	**6,624**	**338**	**335**	**12,121**	**6,959**
Represented by:						
Health Service Investments	6,422	2,159	338	335	6,760	2,494
Monies Held In Trust						
- Patient Monies	16	8	-	-	16	8
- Refundable Accommodation Deposits	5,345	4,457	-	-	5,345	4,457
Total Investments and Other Financial Assets	**11,783**	**6,624**	**338**	**335**	**12,121**	**6,959**

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 2018 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: Property, Plant and Equipment

(a) Gross Carrying Amount and Accumulated Depreciation

	Total 2018 $000	Total 2017 $000
Crown Land at fair value	3,520	3,212
Total Land	**3,520**	**3,212**
Buildings		
Buildings at fair value	77,360	75,668
Less Accumulated Depreciation	16,773	12,456
Total Buildings	**60,587**	**63,212**
Plant and Equipment		
Plant and Equipment at Fair Value	9,617	9,498
Less Accumulated Depreciation	6,394	5,936
Total Plant & Equipment	**3,223**	**3,562**
Medical Equipment		
Medical Equipment at Fair Value	12,404	12,197
Less Accumulated Depreciation	9,739	9,012
Total Medical Equipment	**2,665**	**3,185**
Computers and Communications		
Computers and Communication at Fair Value	693	666
Less Accumulated Depreciation	639	612
Total Computers and Communications	**54**	**54**
Furniture and Fittings		
Furniture and Fittings at Fair Value	993	982
Less Accumulated Depreciation	646	584
Total Furniture and Fittings	**347**	**398**
Motor Vehicles		
Motor Vehicles at Fair Value	1,370	1,328
Less Accumulated Depreciation	890	711
Total Motor Vehicles	**480**	**617**
Share of HRHA Assets		
Property, Plant and Equipment at fair value	78	17
Less Accumulated Depreciation	19	15
Leased Assets	257	347
Less Accumulated Depreciation	157	181
	159	**168**
Assets Under Construction at cost	**1,178**	**1,966**
Total	**72,213**	**76,374**

(b) Reconciliations of the Carrying Amounts of Each Class of Asset

	Land '$000	Buildings '$000	Plant and Equipment '$000	Medical Equipment '$000	Computers and Comms '$000	Furniture and Fittings '$000	Motor Vehicles '$000	Assets Under Construction '$000	Share of HRHA Assets '$000	Total '$000
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)	-	**-**
Depreciation and Amortisation (Note 4.3)	-	(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**
Additions	308	-	92	171	27	1	104	1,189	72	**1,964**
Disposals	-	-	-	-	-	-	(10)	(58)	-	**(68)**
Net Transfers between Classes	-	1,692	39	35	-	10	-	(1,776)	-	**-**
Impairment Losses (Recognised)/Reversed in Net Result	-	-	-	-	-	-	-	(143)	-	**(143)**
Depreciation and Amortisation (Note 4.3)	-	(4,317)	(470)	(726)	(27)	(62)	(231)	-	(81)	**(5,914)**
Balance at 30 June 2018	**3,520**	**60,587**	**3,223**	**2,665**	**54**	**347**	**480**	**1,178**	**159**	**72,213**

Land and buildings carried at valuation.

The Valuer-General Victoria undertook to re-value all of Northeast Health Wangaratta's land and buildings to determine their fair value. 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.

In compliance with FRD103F, in the year ended 30 June 2018, the Health Service's mangement conducted an annual assessment of the fair value of land and buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General Victoria indices for the financial year ended 30 June 2018.

The fair value of the land had ben adjusted by a managerial revaluation in 2016. The latest indices did not require a managerial revaluation in 2018, as there was no material financial impact on change in fair value of land or buildings.

(c) Fair Value Measurement Hierarchy for Assets

Balance at 30 June 2018	Carrying amount as of 30 June 2018	Fair value measurement at end of reporting period using: Level 1(i)	Level 2 (i)	Level 3 (i)
Land at fair value				
Non-specilaised land	2,033	-	2,033	-
Specialised land	1,487	-	-	1,487
Total of Land at fair value	3,520	-	2,033	1,487
Buildings at fair value				
Non-specialised buildings	706	-	706	-
Specialised buildings	59,881	-	-	59,881
Total of Buildings at fair value	60,587	-	706	59,881
Plant and equipment at fair value				
- Motor vehicles	480	-	-	480
- Plant and equipment	3,223	-	-	3,223
- Share of HRHA Assets	159			159
- Furniture and fittings	347	-	-	347
- Computers and communications	54	-	-	54
Total of Plant, Equipment and Vehicles at fair value	4,263	-	-	4,263
Medical equipment at fair value				
Medical equipment	2,665	-	-	2,665
Total Medical Equipment at fair value	2,665	-	-	2,665
	71,035	-	2,739	68,296

Balance at 30 June 2017	Carrying amount as at 30 June 2017	Fair value measurement at end of reporting period using: Level 1(i)	Level 2 (i)	Level 3 (i)
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
- Share of HRHA Assets	168			168
- Furniture and fittings	398	-	-	398
- Computers and communications	54	-	-	54
Total of Plant, Equipment and Vehicles at fair value	4,799	-	-	4,799
Medical equipment at fair value				
Medical equipment	3,185	-	-	3,185
Total medical equipment at fair value	3,185	-	-	3,185
	74,408	-	2,508	71,900

(i) Classified in accordance with the fair value hierarchy.
(ii) There have been no transfers between levels during the period.

(d) Reconciliation of Level 3 Fair Value (i)

30 June 2018	Specialised Land	Specialised Buildings	Plant and Equipment	Medical Equipment
Opening Balance	**1,487**	**62,429**	**4,799**	**3,185**
Purchases (Sales/Transfers)	-	1,571	254	206
Gains or Losses Recognised in Net Result				
- Depreciation	-	(4,119)	(790)	(726)
Subtotal	-	(4,119)	(790)	(726)
Closing balance	**1,487**	**59,881**	**4,263**	**2,665**

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	773	280
Gains or Losses Recognised in Net Result				
- Depreciation	-	(4,121)	(875)	(760)
Subtotal	-	(4,121)	(875)	(760)
Closing balance	**1,487**	**62,429**	**4,799**	**3,185**

(i) Classified in accordance with the fair value hierarchy, refer Note 4.2 (e).

(e) Fair Value Determination

Asset Class	Valuation technique	Expected fair value level	Significant unobservable inputs
Non-specialised land	Market approach	Level 2	n.a.
Specialised land	Market approach	Level 3	Community Service Obligation (CSO) adjustment
Non-specialised buildings	Market approach	Level 2	n.a.
Specialised buildings	Depreciated replacement cost	Level 3	Building costs approach using best available evidence from recognised cost indicators and or quality surveyor and example of current costs. Useful life of PPE
Plant and equipment at fair value	Depreciated replacement cost	Level 3	Cost per unit Useful life of PPE
Vehicles	Depreciated replacement cost	Level 3	Cost per unit Useful life of PPE
Medical equipment at fair value	Depreciated replacement cost	Level 3	Cost per unit Useful life of PPE

(a) Newly built/acquired assets could be categorised as Level 2 assets as depreciation would not be a significant unobservable input (based on the 10 per cent materiality threshold).

(b) AASB Fair Value Measurement provides an exemption for not for profit public sector entities from disclosing the sensitivity analysis relating to 'unrealised gains/(losses) on non-financial assets' if the assets are held primarily for their current service potential rather than to generate net cash inflows.

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

There were no changes in valuation techniques throughout the period to 30 June 2018.

Initial Recognition

Items of Property, Plant, Equipment and Vehicles are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment loss. When an asset is aquired for no or nominal cost, the cost is its fair value at the date of acquisition.

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.

Subsequent Measurement

Consistent with AASB 13 Fair Value Measurement, the Health Service determines the policies and procedures for recurring property, plant, and equipment fair value measurements, in accordance with the requirements of AASB 13 and the relevant FRDs.

All property, plant and equipment for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

For the purpose of fair value disclosures, the Health Service has determined classses of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

Fair Value Measurement

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Consideration of highest and best use (HBU) for non-financial physical assets
Judgements about highest and best use must take into account the characteristics of the assets concerned, including restrictions on the use and disposal of assets arising from the asset's physical nature and any applicable legislative/contractal arrangements.

In accordance with paragraph AASB 13.29, Health Service's can assume the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Valuation Hierarchy
Health Service's need to use valuation techniques that are appropriate for the circumstances and where there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

Identifying unobservable inputs (level 3) fair value measurements

Level 3 fair value inputs are unobservable valuation inputs for an asset or liability. These inputs require significant judgement and assumptions in deriving fair value for both financial and non-financial assets.

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 the 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.

Specialised Land and Specialised Buildings
Specialised land includes Crown Land which 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.
The market approach is also used for specialised land and specialised buildings although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, unobservable adjustments; therefore these assets are classified as Level 3 under the market based direct comparison approach.
The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.
For Northeast Health Wangaratta, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.
An independent valuation of the Health Service's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 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 2018.
For all assets measured at fair value, the current use is considered the highest and best use.

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 4.3: Depreciation and Amortisation

	Total 2018 $000	Total 2017 $000
Depreciation		
Buildings	4,317	4,218
Plant and Equipment	550	590
Medical Equipment	726	760
Computers and Communications	27	60
Furniture and Equipment	62	67
Motor Vehicles	231	259
Total Depreciation	**5,913**	**5,954**
Amortisation		
Intangible Assets	71	59
Total Amortisation	**71**	**59**
Total Depreciation and Amortisation	**5,984**	**6,013**

Depreciation
All buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases and land) that have finite useful lives are depreciated.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value over its estimated useful life. The etimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Amortisation
Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

Intangible assets such as computer software are included under Intangible Assets (Note 4.4) and amortised.

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

	2018	2017
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
Intangible Assets	3 to 5 years	3 to 5 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 4.4: Intangible Assets

	Total 2018 $000	Total 2017 $000
Software	1,222	934
Share of HRHA Software	80	208
Less Accumulated Amortisation	(982)	(905)
Total Intangible Assets	**320**	**237**

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 2016	**207**
Additions	89
Amortisation (Note 4.3)	(59)
Balance at 1 July 2017	**237**
Additions	289
Disposals	(135)
Amortisation (Note 4.3)	(71)
Balance at 30 June 2018	**320**

Intangible Assets
Intangible assets represent identifiable non-monetary assets without physical substance such as 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.

Expenditure on research activities is recognised as an expense in the period on which it is incurred.

Note 5: Other Assets and Liabilities

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

Structure

5.1 Receivables
5.2 Inventories
5.3 Other Liabilities
5.4 Prepayments and Other Non-Financial Assets
5.5 Payables

Note 5.1: Receivables

	Total 2018 $000	Total 2017 $000
CURRENT		
Contractual		
Inter Hospital Debtors	443	412
Trade Debtors	918	759
Patient Fees	1,225	936
Accrued Investment Income	42	84
Accrued Revenue - Other	2,148	404
Less Allowance for Doubtful Debts		
Trade Debtors	(15)	(15)
Patient Fees	(52)	(52)
	4,709	2,528
Statutory		
GST Receivable	919	746
Accrued Revenue - Department of Health and Human Services	809	12
Accrued Revenue - Dental Health Services Victoria (DHSV)	230	331
Accrued Revenue - Commonwealth	123	166
	2,081	1,255
TOTAL CURRENT RECEIVABLES	**6,790**	**3,783**
NON-CURRENT		
Contractual		
Debtors Other	35	34
	35	34
Statutory		
Long Service Leave - Department of Health and Human Services	2,736	2,064
	2,736	2,064
TOTAL NON-CURRENT RECEIVABLES	**2,771**	**2,098**
TOTAL RECEIVABLES	**9,561**	**5,881**

	Total 2018 $000	Total 2017 $000
(a) Movement in the Allowance for Doubtful Debts		
Balance at beginning of year	67	67
Amounts written off during the year	(9)	(22)
Increase/(decrease) in allowance recognised in net result	9	22
Balance at end of year	67	67

Receivables consist of:
• Contractual receivables, which consists of debtors in relation to goods and services and accrued investment income; and
• Statutory receivables, which predominantly includes 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 2018 $000	Total 2017 $000
Pharmaceuticals- at cost	398	430
Catering Supplies - at cost	56	38
Housekeeping Supplies - at cost	28	28
Medical and Surgical Lines - at cost	1,022	873
Engineering Stores - at cost	29	29
Administration Stores - at cost	23	16
Total Inventories	**1,556**	**1,414**

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 2018 $000	Total 2017 $000
Current		
Monies Held in Trust *		
- Patient Monies Held in Trust	16	8
- Refundable Accommodation Deposits	5,345	4,457
Other	2	103
Total Other Liabilities	**5,363**	**4,568**
*** Total Monies Held in Trust**		
Represented by the following assets:		
Investment and Other Financial Assets (refer to Note 4.1)	5,361	4,465
Total	**5,361**	**4,465**

Note 5.4: Prepayments and Other Non-Financial Assets

	Total 2018 $000	Total 2017 $000
Current		
Prepayments	445	256
Share of Hume Rural Health Alliance (HRHA) Other Assets	17	16
Total Current Other Assets	**462**	**272**
Total Other Assets	**462**	**272**

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 2018 $000	Total 2017 $000
Current		
Trade Creditors	3,827	2,551
Accrued Expenses	3,315	2,426
Income In Advance	208	219
Amounts Payable to Governments and Agencies	418	298
Share of HRHA Payables	577	59
	8,345	5,553
Statutory		
GST Payable	129	113
Department of Health and Human Services (Income In Advance)	514	589
Other Commonwealth Government Departments		
	643	702
Total Current	**8,988**	**6,255**
Non-Current		
Contractual		
Trade Creditors	163	241
Total Non-Current	**163**	**241**
Total Payables	**9,151**	**6,496**

Payables consist of:
- Contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Health Service prior to the end of the financial year that are unpaid, and

- Statutory payables, that 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 contracts.

Note 5.5 (a): Maturity Analysis of Financial Liabilities as at 30 June

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 Dates				
2018	Carrying Amount $000	Contractual Cash Flows $000	Less than 1 month $000	1-3 Months $000	months - 1 Year $000	1 - 5 Years $000	Over 5 Years $000
Financial Liabilities							
At Amortised Cost							
Payables	8,508	8,508	8,345	-	-	163	-
Borrowings	1,013	1,013	31	62	288	632	-
Refundable Accommodation Deposits	5,345	5,345	5,345	-	-	-	-
Other Financial Liabilities	18	18	18	-	-	-	-
Total Financial Liabilities	**14,884**	**14,884**	**13,739**	**62**	**288**	**795**	**-**
2017							
Financial Liabilities							
At Amortised Cost							
Payables	5,794	5,794	4,913	808	73		-
Borrowings	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**	**-**

Ageing analysis of financial liabilities excludes the types of statutory financial liabillities (ie. GST Payable).

Note 6: How We Finance Our Operations

This section provides information on the sources of finance utilised by the Health Service 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 Borrowings
6.2 Cash and Cash Equivalents
6.3 Commitments for Expenditure

Note 6.1: Borrowings

	Total 2018 $000	Total 2017 $000
CURRENT		
Australian Dollars Borrowings		
Finance Lease Liability (i)	50	78
Department of Health & Human Services - Loan (ii)	331	-
Total Current	**381**	**78**
NON-CURRENT		
Australian Dollars Borrowings		
Finance Lease Liability (i)	50	88
Department of Health & Human Services - Loan (ii)	582	-
Total Non-Current	**632**	**88**
Total Borrowings	1,013	166

(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.

(ii) They are unsecured loans which bear no interest.

(a) Maturity analysis of borrowings

Please refer to note 5.5(a) for the aging analysis of borrowings.

(b) Defaults and breaches

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

(c) Finance Lease Liabilities

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	
	2018 '$000	2017 '$000	2018 '$000	2017 '$000
Finance Lease Liabilities Payable				
Not longer than one year	50	78	50	78
Longer than one year but not longer than five years	50	88	50	88
Minimum Future Lease Payments	**100**	**166**	**100**	**166**
Present value of minimum lease payments	100	166	100	166

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 2018 $000	Total 2017 $000
Cash on Hand	47	46
Cash at Bank	2,324	2,223
Total Cash and Cash Equivalents	**2,371**	**2,269**
Represented by:		
Cash as per Cash Flow Statement	2,371	2,269
Total Cash and Cash Equivalents	**2,371**	**2,269**

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 2018 $000	Total 2017 $000
Capital Expenditure Commitments		
Land and Buildings	1,872	-
Total Capital Commitments	**1,872**	**-**
Land and Buildings		
Not later than one year	1,872	-
Total	**1,872**	**-**
Other Expenditure Commitments		
Payable:		
Pathology	1,534	1,315
Total Other Commitments	**1,534**	**1,315**
Not later than one year	1,534	1,315
Total	**1,534**	**1,315**
Lease Commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	3,418	3,745
Total Lease Commitments	**3,418**	**3,745**
Operating Leases		
Non-Cancellable		
Less than one year	1,038	1,073
Longer than one year but not longer than 5 years	1,766	2,004
5 years or more	614	668
	3,418	**3,745**
Total Commitments for expenditure (inclusive of GST)	**6,824**	**5,060**

Future finance lease payments are recognised on the balance sheet, refer to Note 6.1Borrowings.

All amounts shown in the commitements note are nominal amounts inclusive of GST.

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.

The weighted average interest rate implicit in the finance lease is 6% (2017: 6%)
(i) Minimum future lease payments include the aggregate of all base payments and any guaranteed residual.

Borrowing Recognition

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 8.10.

Borrowings

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the net result over the period of the borrowing using the effective interest method.

Note 7: Risks, Contingencies and Valuation Uncertainties

The Health Service 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 Contingent Assets and Contingent Liabilities

Note 7.1: Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entitiy. Due to the nature of the Health Service'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 definintion of financial instruments in AASB 132 *Financial Instruments Presentation.*

(a) Financial Instruments: categorisation

	Contractual Financial Assets - Receivables $000	Contractual Financial Liabilities at Amortorised Cost $000	Total $000
2018			
Contractual Financial Assets			
Cash and Cash Equivalents	2,371	-	2,371
Receivables			
- Trade Debtors	1,381	-	1,381
- Other Receivables	3,363	-	3,363
Other Financial assets			
- Term Deposits	12,105	-	12,105
- Monies Held in Trust	16	-	16
Total Financial Assets	**19,236**	**-**	**19,236**
Financial Liabilities			
Payables	-	8,508	8,508
Borrowings		1,013	1,013
Refundable Accommodation Deposits	-	5,345	5,345
Other Liabilities	-	18	18
Total Financial Liabilities (i)	**-**	**14,884**	**14,884**

	Contractual Financial Assets - Receivables $000	Contractual Financial Liabilities Amortised Cost $000	Total $000
2017			
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
Borrowings		166	166
Refundable Accommodation Deposits	-	4,457	4,457
Other Liabilities	-	111	111
Total Financial Liabilities (i)	**-**	**10,528**	**10,528**

(i) The carrying amount excludes statutory receivables (ie. GST receivable and DHHS receivable) and statutory payable (ie. Revenue in Advance and DHHS payable).

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

2018	**Total Interest income $000**	**Total $000**
Financial Assets		
Other Financial Assets (i)	343	343
Total Financial Assets	**343**	**343**

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

(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.

Categories of financial instruments

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

Northeast Health Wangaratta recognises the following assets in this category:
- cash and deposits
- term deposits
- receivables (excluding statutory receivables)

Financial iabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to intitial recognition, these financial instruments are measured at amortised cost with any difference between the intital 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. Northeast Health Wangaratta recognises the following liabilities in this category:
- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

Impairment of financial assets: At the end of each reporting period, the Health Service assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit and loss, are subject to annual review for impairment.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Note 7.2: Contingent Assets and Contingent Liabilities

Northeast Health Wangaratta does not have any contingent assets or contingent liabilities as at 30 June 2018 (2017: $ 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 flow from Operating Activities
8.3 Responsible Persons disclosures
8.4 Remuneration of Executives
8.5 Related Parties
8.6 Remuneration of Auditors
8.7 AASBs issued that are not yet effective
8.8 Events Occuring after the Balance Sheet Date
8.9 Economic Dependency
8.10 Jointly Controlled Operations
8.11 Alternative Presentation of Comprehensive Operating Statement

Note 8.1: Equity

	Total 2018 $000	Total 2017 $000
(a) Surpluses		
Property, Plant and Equipment Revaluation Surplus (i)		
Balance at the Beginning of the Reporting Period	58,926	58,926
Revaluation Increment/(Decrement)		
- Land	-	-
- 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**
(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 Deficits		
Balance at the Beginning of the Reporting Period	(37,383)	(34,251)
Net Result for the Year	(2,364)	(3,132)
Balance at the End of the Reporting Period	**(39,747)**	**(37,383)**
(d) Total Equity at End of Financial Year	**58,251**	**60,615**

(i) The property, plant and equipment asset revaluation surplus arises on the revaluation of property, plant and equipment.

Equity Recognition

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 from Operating Activities

	Total 2018 $000	Total 2017 $000
Net Result for the Year	**(2,364)**	**(3,132)**
Non-Cash Movements:		
Depreciation and Amortisation	5,984	6,013
Impairment of Non-financial Assets	143	-
Movements included in Investing and Financing Activities:		
Net (Gain)/Loss from Sale of Plant and Equipment	(25)	(64)
Net Loss from Disposal of Intangible Assets	135	-
Movements in Assets and Liabilities:		
Change in Operating Assets and Liabilites		
Increase/(Decrease) in Payables	2,655	(625)
Increase/(Decrease) in Employee Benefits	3,265	1,295
(Increase)/Decrease in Receivables	(3,680)	1,318
(Increase)/Decrease in Prepayments	(189)	(15)
(Increase)/Decrease in Other Assets	(1)	(7)
(Increase)/Decrease in Inventories	(142)	(247)
Increase/(Decrease) in Other Liabilities	729	1,629
Net Cash Inflow/(Outflow) from Operating Activities	**6,510**	**6,165**

Note 8.3: 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 and Minister for Ambulance Services	1/07/2017 - 30/06/2018
The Honourable Martin Foley, Minister for Housing, Disability and Ageing and Minister for Mental Health	1/07/2017 - 30/06/2018

Board of Management	Period
Mr B J Schutt (Chair of the Board - resigned 25 April 2018)	1/07/2017 - 25/04/2018
Mr J Green (Chair of the Board - from 26 April 2018))	1/07/2017 - 30/06/2018
Dr R Barker	1/07/2017 - 30/06/2018
Ms C Clutterbuck	1/07/2017 - 30/06/2018
Mr M Hession	1/07/2017 - 30/06/2018
Mr M Joyce	1/07/2017 - 30/06/2018
Ms L Long	1/07/2017 - 30/06/2018
Ms A Maclean	1/07/2017 - 30/06/2018
Ms A Wearne	1/07/2017 - 30/06/2018

Accountable Officer	Period
Ms M Bennett	1/07/2017 - 30/06/2018

Remuneration of Responsible Persons

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

Income Band	2018 No.	2017 No.
$0 - $9,999	9	10
$340,000 - $349,999	-	1
$350,000 - $359,999	1	-
Total Numbers	**10**	**11**

	$000	$000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**353**	**346**

Amounts relating to Governing Board Members and Accountable Officer are disclosed in the Health Service's financial statements.

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

Note 8.4: Remuneration of Executives

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reprting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services reddered, and is disclosed in the following categories:

Short-term Emloyee Benefits
Salaries and wages, annual leave or sick leave that are usually paid or payable on a regular basis.

Post-employment benefits
Superannuation entitlements.

Other long-term benefits
Long-service leave.

Remuneration of Executive Officers (including Key Management Personnel Disclosed in Note 8.5)	**2018 $000**	**2017 $000**
Short-term employee benefits	626	691
Post-employment benefits	51	58
Other long-term benefits	7	7
Total Remuneration (i)	**684**	**756**
Total number of Executive Officers	3.0	3.0
Total annualised employee equivalent (AEE)* (ii)	2.6	3.0

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the Health Service under AASB 124 *Related Party Disclosures* and are also reported with Note 8.5 Related parties.

(ii) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

Note 8.5: Related Parties

The Health Service is a wholly owned and controlled entity of the State of Victoria. Related parties of the hospital include:
- All Key Management Personnel (KMP) and their close family members;
- Cabinet ministers (where applicabe) and their close family members;
- Jointly Controlled Operation - A member of the Hume Rural Health Alliance Joint Venture; and
- All hospitals and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of Northeast Health Wangaratta directly or indireclty. The Board of Directors and the Executive Directors of the Health Service are deemed to be KMPs.

Entity	KMPs	Position Title
Northeast Health Wangaratta	Mr B J Schutt - resigned 25/4/18	Chair of the Board
Northeast Health Wangaratta	Mr J Green	Chair of the Board
Northeast Health Wangaratta	Dr R Barker	Board Member
Northeast Health Wangaratta	Ms C Clutterbuck	Board Member
Northeast Health Wangaratta	Mr M Hession	Board Member
Northeast Health Wangaratta	Mr M Joyce	Board Member
Northeast Health Wangaratta	Ms L Long	Board Member
Northeast Health Wangaratta	Ms A Maclean	Board Member
Northeast Health Wangaratta	Ms A Wearne	Board Member
Northeast Health Wangaratta	Ms M Bennett	Chief Exective Officer
Northeast Health Wangaratta	Mr T Griffiths	Deputy CEO/ Chief Operating Officer
Northeast Health Wangaratta	Dr J M Elcock	Director of Medical Services
Northeast Health Wangaratta	Ms Libby Fifis	Director of Clinical Services - Nursing & Midwifery

The compensation 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.

Compensation - KMPs	2018 $000	2017 $000
Short-term employee benefits	951	1,009
Post-employment benefits	72	78
Other long-term benefits	15	15
Total Remuneration	**1,038**	**1,102**

KMPs are also reported in Note 8.3 Responsible Persons or Note 8.4 Remuneration of Executives.

Significant Transactions with Government Related Entities

Northeast Health Wangaratta received funding from the Department of Health and Human Services of $107.17m (2017 $97.19m).

Expenses incurred by the Health Service in delivering services and outputs are in accordance with Health Purchasing Victoria requirements. Good and services including procurement, diagnostics, patient meals are provided by other Victorian Health Service Providers on commercial terms.

Professional medical indemnity insurance and other insurance products are obtained from a Victorian Public Financial Corporation.

Treasury Risk Management Directions require the Health Service to hold cash (in excess of working capital) and investments, and source all borrowings from Victorian Public Financial Corporations.

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 and other government fees and charges). Further employment of processes within the Victorian public sector occur on terms and condtions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commision. Procurement processes occur on terms and conditions consistent with Victorian Government Procurement Board requirements. Outside of normal citizen type transactions with the Department of Health and Human Services, all other related party transactions that involved key management personnel and their close family members have been entered into on an arm's length basis. Transactions are disclosed when they are considered material to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

There were no related party transactions with Cabinet Ministers required to be disclosed in 2018.

There were no related party transactions required to be disclosed for the Health Service Board of Directors and Executive Directors in 2018.

Note 8.6: Remuneration of Auditors

	Total 2018	Total 2017
Vctorian Auditor-General's Office		
Audit and review of Financial Statements	41	40

Note 8.7: ASSBs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2018 reporting period. Department of Treasury and Finance 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 2018, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Northeast Health Wangaratta has not and does not intend to adopt these standards early.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on publc sector financial statements
AASB 9 *Financial Instruments*	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedge 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	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. The initial application of AASB 9 is not expected to significantly impact the financial position however there will be a change to the way financial instruments are classified and the new disclosure requirements.
AASB 2014-1 *Amendments to Australian Accounting Standards (Part E Financial Instruments)*	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018, and to amend Reduced Disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9*	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.

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. Note that amending standard AASB 2015-8 *Amendments to Australian Accounting Standards - Effective Date of AASB 15* has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1	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 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*	Amends the measurement of trade receivables and the recognition of dividends as follows: ● Trade receivables that do not have a significant financing component, are to be measured at their transaction price, at intial recognition. ● Dividends are recognised in the profit and loss only when: - the entity's right to receive payment of the dividend is established; - it is probable that the economic benefits associated with the dividend will flow to the entity; and	1 Jan 2018, except amendments to AASB9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2015-8 *Amendments to Australian Accounting Standards - Effective Date of AASB 15*	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition

AASB 2016-3 *Amendments to Australian Accounting Standards - Clarifications to AASB 15*	This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require: ● A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; ● For items purchased online, the entity is a principal if it obtains control of the goods or service prior to transferrring to the customer; and ● For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified for AASB 15 above.
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 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.

AASB 2016-8 *Amendments to Australian Accounting Standards - Implementation Guidance for Not-for-Profit Entities*	AASB 2016-8 inserts Australian requirements and authorative implementation guidance for not-for-profit-entities into AASB9 and AASB 15. This Standard amends AASB 9 and AASB 14 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.	1 Jan 2019	This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profir context. The areas within these standards that are amended for not-for-profit application include: *AASB 9* ● Statutory receivables are recognised and measured similarly to financial assets *AASB 15* ● The "customer" does not need to be the recipient of goods and/or services: ● The "contract" could include an arrangement entered into under the direction of another party: ● Contracts are enforceable if they are enforceable by legal or "equivalent means"; ● Contracts do not have to have commercial substance; and ● Performance obligations need to be "sufficiently specific" to be able to apply AASB 15 to these transactions.
AASB 16 *Leases*	The key changes introduced by AASB 16 include the recognition of operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	The assessment has indicated that most operating leases, with the exception of short term and low volume leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability. In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge. There will be no change for lessors as the classification of operating and finance leases remains unchanged.

AASB 1058 *Income of Not-for-Profit Entities*	AASB 1058 standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 *Contributions.* The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context. AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further their objective.	1 Jan 2019	The current revenue recognition for grants is to recognise revenue up front upon receipt of the funds. This may change under AASB 1058, as capital grants for the construction of assets will need to be deferred. Income will be recognised over time, upon completion and satisfaction of performance obligations for assets being constructed, or income will be recognised at a point in time for acquisition of assets. The revenue recognition for operating grants will need to be analysed to establish whether the requirements under other applicable standards need to be considered for recognition of liabilities (which will have the effect of deferring the income associated with these grants). Only after that analysis would it be possible to conclude whether there are any The impact on current revenue recognition of the changes is the phasing and timing of revenue recorded in the profit and loss statement.

Note 8.8: 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 8.9: Going Concern

Northeast Health Wangaratta is wholly dependent on the continued financial support of the State Government and in particular, the Department of Health and Human Services.

A letter has been requested from the Department of Health and Human Services (DHHS), to confirm that it will continue to provide Northeast Health Wangaratta adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to 30 September 2018.

The Health Service's current asset ratio continues to be below an adequate short term position (2018: 0.64 and 2017: 0.49). The Net Result before Capital and Specific Items is a defecit of $2.496m (2017: deficit $2.291m). The Net Result for the Year is a deficit of $2.364m (2017: deficit $3.132m). A letter confirming adequate cash flow was also provided in the previous financial year.

The Financial Statements have been prepared on a going concern basis. The State Government and the Department of Health and Human Service's have confirmed financial support to settle the Health Service's financial obligations when they fall due.

Note 8.10: Jointly Controlled Operations

Name of Entity	Principal Activity	Ownership Interest 2018	Ownership Interest 2017
Hume Rural Health Alliance	Information Systems	11.55%	11.98%

Northeast Health Wangaratta's interest in the above jointly controlled operations are detailed below.

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

	Total 2018 $000	Total 2017 $000
Current Assets		
Cash and Cash Equivalents	635	434
Receivables	448	312
Other Assets	17	16
Total Current Assets	**1,100**	**762**
Non-Current Assets		
Property, Plant and Equipment and Intangibles	216	359
Total Non Current Assets	**216**	**359**
Total Assets	**1,316**	**1,121**
Current Liabilities		
Payables	576	59
Lease Liability	50	78
Total Current Liabilities	**626**	**137**
Non-Current Liabilities		
Lease Liability	50	88
Total Non-Current Liabilities	**50**	**88**
Total Liabilities	**676**	**225**

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

	Total 2018 $000	Total 2017 $000
Revenue		
Operating Activities	917	1,018
Non-Operating Activities	5	2
Capital Purpose Income	473	479
Total Revenue	**1,395**	**1,499**
Expenses		
Employee Benefits	147	205
Other Expenses from Continuing Operations	1,390	696
Depreciation and Amortisation	91	107
Finance Charges	4	5
Total Expenses	**1,632**	**1,013**
Profit/(Loss)	**(237)**	**486**

Figures obtained from the unaudited Victorian Joint Venture Alliance annual report.

Contingent Liabilities and Capital Commitments

There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date.

Note 8.11 - Alternative Presentation of Comprehensive Operating Statement

	Total 2018 $000	Total 2017 $000
Interest	343	223
Sales of Goods and Services	18,967	16,711
Grants	119,191	107,189
Other Income	4,164	3,692
Total Revenue	**142,665**	**127,815**
Employee Expenses	86,113	78,637
Depreciation	5,984	6,013
Other Operating Expenses	52,928	46,965
Total Expenses	**145,025**	**131,615**
Net Result from Transactions - Net Operating Balance	**(2,360)**	**(3,800)**
Net Gain/(Loss) on Sale of Non-Financial Assets	26	64
Other Gains/(Losses) from Other Economic Flows	(30)	604
Total Other Economic Flows Included in Net Result	(4)	668
Net Result	**(2,364)**	**(3,132)**

This alternative presentation reflects the format required to the Department of Treasury and Finance, which differs to the disclosures of certain transactions, in particular revenue and expenses, in the Health Service's Annual Report.

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