

Report from the President and Chief Executive Officer

This has been a very busy and productive year. The achievements of Northeast Health Wangaratta (NHW) during 2010-2011 would not have been possible without the hard work, flexibility and dedication of our staff.

We have recently launched our Strategic Plan for 2011-14. This plan is a product of a process that engaged NHW's Board, staff, our community, the Department of Health and other key stakeholders. The Strategic Plan describes the key directions and actions that NHW will pursue to achieve its vision **"to be recognised leaders in rural healthcare"**.

Quality of our care remains the most important goal for us all at NHW. This Annual Financial and Performance Report is an adjunct to the Quality of Care Report which provides the detail of the achievements of our clinical services during the last year.

We had more patients through our doors this year and they were more acutely ill than in previous years. The overall Weighted Inlier Equivalent Separations (WIES) increased to 11,024, which is 352 more than for the previous year. There was also increased Emergency Department presentations. Our Maternity Unit delivered 515 babies while the occupancy at Illoura Aged Residential Care continued to remain high at 98.5%.

Significant highlights of the 2010-11 year include:

- Achieving improvement in our financial position. The net result before Capital and Specific Items was a surplus of \$135,000. The result included financial sustainability funding of \$1.7m from the Department of Health which is \$800,000 less than the previous year. The overall net result was a deficit of \$1.485m after depreciation and capital items
- The establishment of the Learning and Teaching Centre in partnership with the University of Melbourne Rural Clinical School provides excellent facilities to support the further development of medical education at the NHW campus.
- Completion of a detailed Clinical Services Plan which supports the planning and delivery of health services from NHW to best meet the needs of the community we serve in the Central Hume.
- Undertaking an environmental refresh program which included an upgrade of our front entrance and, after many years of planning, a significant refurbishment to the cafeteria
- Allocation of funding to replace critical infrastructure including four state of the art anaesthetic machines and replacement of the chiller which supports NHW's air conditioning system.
- Expansion of the Nurse Practitioner Gerontology role to support residential aged care in partnership with local General Practitioners. This framework has been positively evaluated and will be a model for rural Victoria.



Christine Cunningham, President, Board of Management and Margaret Bennett, Chief Executive Officer

- Allocation of funding to upgrade the Emergency Department, establish a Day Procedure Unit in the theatre complex and relocate the dental clinic. This work will progress over the next 18 months.

On behalf of the Board and the Executive, we would like to recognise and thank all who have supported us including the Department of Health, Board Members of NHW, our visiting medical officers, our partner organisations, all our staff, volunteers, patients, clients and carers.

Margaret Bennett
Chief Executive Officer

Christine Cunningham
President, Board of Management

Report of Operations

Disclosure Index

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

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Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, we are pleased to present the Report of Operations for Northeast Health Wangaratta for the year ending 30 June 2011.



Margaret Bennett
Chief Executive Officer



Christine Cunningham
President, Board of Management

Wangaratta
30 June 2011

Attestation on Data Integrity

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



Margaret Bennett
Chief Executive Officer



Christine Cunningham
President, Board of Management

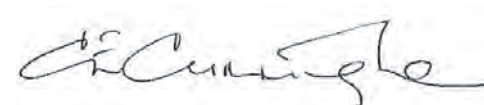
Wangaratta
30 June 2011

Attestation for Compliance with the Australian/New Zealand Risk Management Standard

We, Christine Cunningham (President) and Margaret Bennett (CEO) certify that Northeast Health Wangaratta has risk management processes in place consistent with the *Australian/New Zealand Risk Management Standard* and an internal control system is in place that enables the Executives to understand, manage and satisfactorily control risk exposures. The Audit Committee verifies this assurance and that the risk profile of Northeast Health Wangaratta has been critically reviewed within the last 12 months.



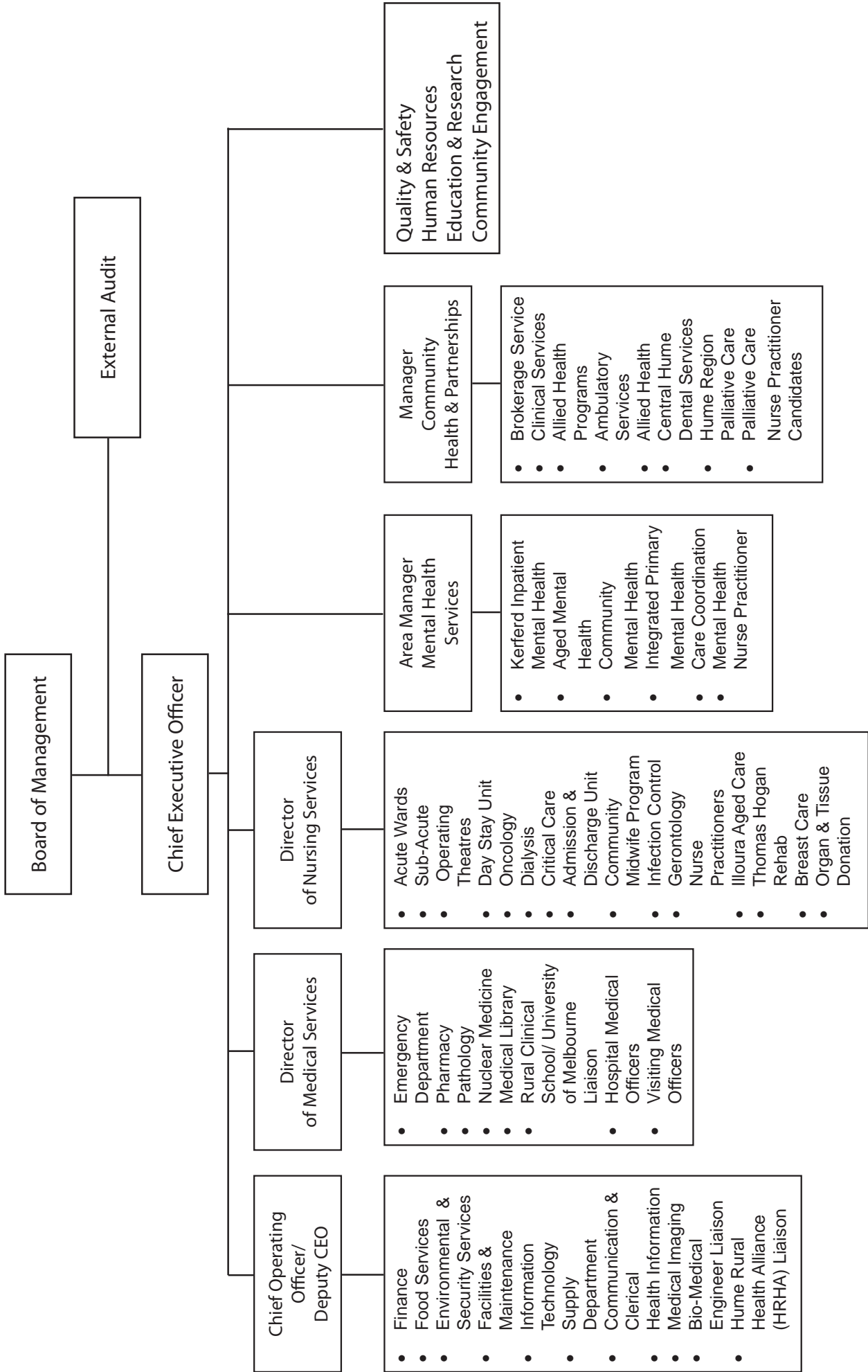
Margaret Bennett
Chief Executive Officer



Christine Cunningham
President, Board of Management

Wangaratta
30 June 2011

Organisational Structure



Organisational Staff

EXECUTIVE MANAGEMENT

Board of Management

Ms C Cunningham - Board President, BA, BLit, MSc, GAICD

Mr A Wills - Vice President, Dip Religion

Mr D Lawson

Ms J Milne, BEd, LLB

Ms K Harmon, AM, BAdmin, GradCertMgt, GradCertIntH, DipNursSt, DipNursAdmin, RN, RM, FRCNA

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

Mr B Schutt, B.Bus (Acct), CPA

EXECUTIVE DIRECTORS

Chief Executive Officer

Ms M Bennett, Grad Dip Bus Admin, RN, RM

Chief Operating Officer/ Deputy CEO

Mr A Freeman, BBus (Accounting), MBA, ASA, AFCHSM, CHE

Director of Medical Services

Dr J M Elcock, B MedSci (Hons), MBBS, FRAGCP, MBA

Director of Nursing

Ms M Pease, FRCNA, BA Appl Sc (Ng), RN, RM, MHA, ACHSE

EXECUTIVE DEPARTMENTS

North East Victoria Area Mental Health Manager

Mr M Nuck, RN, RPN, BA, Dip HS

Quality & Safety Manager

Ms M Butler, RN, Dip App Sci (Dental Therapy), Grad Dip Health Admin, Cert IV workplace assessment

Human Resources/Industrial Relations Manager

Mr L Butler, B. Lab. Stud

Community Health & Partnerships Manager

Mr P Crimmin, RN, BN, Grad Cert Comm, Grad Cert in Leadership, Grad Cert in Stomal Therapy

Education & Research Manager

Dr S Wilson, RN, Paed Cert, Grad Dip Adv Clin Nsg (Psych), BA, BSc, Grad Dip Ed (P-12), MEd, PhD (Manager)

Community Engagement/Executive Support Team Leader

Ms Y Gibson, Dip Bus (Acct), AdvDip Bus Mgt.

CORPORATE SERVICES

Communications & Clerical Support Manager

Ms R Bennett, Dip Bus, Dip Mmgt

Environmental and Security Services Manager

Mr J Antonello

Facilities & Maintenance Manager

Mr K Bruton, MIHEA

Finance Manager

Ms J Ball, BBus (Accounting), CPA

Food Services Manager

Mr I Rosser, Cert Hospitality, Chef

Health Information Services Manager

Ms L Milne, B App Sci (Med Record Admin)

Mrs L Jones, Assoc Diploma MRA

Medical Imaging Manager

Mr H Sharp, B Appl Sci (Medical Imaging), Grad Dip Ultrasound

Information Technology Manager

Mr R Martens

Supply Manager

Mr T Kalkandis, Cert Supply Mgmt, Cert Hospital Mid Mgmt, IPSM, AIPSM

COMMUNITY HEALTH AND PARTNERSHIPS

Brokerage Services Team Leader

Ms C Larkings, RN, BN, Grad Cert Comm

Clinical Services Team Leader

Ms R Lea, RN, RM, Nurse Immuniser, Grad Cert Diabetes's Management

Allied Health Programs Manager

Ms D Eason, BA Sc, Grad Dip (Diet), Grad Cert Comm

Ambulatory Services Team Leader

Ms B Hamer, RN, BN, CCU Cert, Cert IV WT&A, Grad Cert Comm,

Allied Health Team Leader

Ms T Archbold, BA Physiotherapy (working towards Masters Public Health)

Central Hume Dental Services Practice Manager

Ms T Voss, Cert of Practice Management, Dip. Business Management

Hume Region Palliative Care Consortium Manager

Ms C Hattersley, RN, BA Nsg

Palliative Care Nurse Practitioner Candidate

Ms A Booms, RN Mental Health, ANP(Belgium), GradCertWoundManag, GradCertOnc, GradCertRenalDialysis, GradDipCancerCare, Accredited BCN, Masters in Nursing/NP, GradCertAboriginalPC

MENTAL HEALTH SERVICES

Clinical Director of Psychiatric Services/ Authorised Psychiatrist North East Victoria

Dr J Ellix, MBBS, DPM, FRANZCP

Consulting Specialists in Psychiatry

Dr S Carey, MBBS, DPM, Dip Crim

Dr M Wellstead, MBBS (Hons), FRANZCP, Aged Psychiatry, IPMHS)

Dr A Livingston MBBS DPM FRANZCP

Dr V Chopra MBBS DPM MD(Psychiatry)

Kerferd Inpatient Mental Health Manager

Ms B Payne RPN

Aged Mental Health Services Manager

Ms S Davidson, BASW, MSW

Community Mental Health Services Manager

Mr S Anderson RPN, B App Sci

Integrated Primary Mental Health Services Manager

Ms J Ahrens RN, RPN, RM, MCHN, B.Ed. P.Grad. Dip.Midwifery, Master Clinical Nursing

Senior Psychiatric Nurse North East Hume Region

Dr P Fahy , RPN, RN, B App. Sci (Adv Nsg), B Ed, M Ed, PhD

Regional Dual Diagnosis

Mr G Croton RPN, MHS

Nurse Practitioner

Mr W Scheurmann MN(NursPrac), GradCertRuralIH, GradDipAdvClinDecMkg, DipMHNus,RPN

Care Coordination

Ms P Brandon, RPN, PGDip Advanced Clinical Nursing MH, M IMH

NURSING SERVICES

Deputy Director of Nursing – Surgical Services

Mr K Vaughan, RN, RM, RCCN, Grad.Dip App.Sci (Nurs), Grad Dip Educ., Grad Dip Info Sys.

Deputy Director of Nursing - Patient Flow

Mrs L Foley, RN, Peri-Op Nsg Cert (Theatre), Bsc (Nurs), Grad Cert Commerce (CSU)

Deputy Director of Nursing – Internal Medicine

Mrs J Hill-Uebergang RN, B Sci (Nursing), Grad Dip (Rural Critical Care) (From Oct 2010)

Assistant Directors of Nursing Out of Hours Coordinators

Mr F Tonini, RN, Dip HN & WM, B App Sc (N Admin)

Organisational Staff

Ms M Gibson, RN, RM, B Nursing Admin
Cert Unit Mgt, Clncl Tchng
Ms C Hoysted, RN, RM, RCNA
Mrs M Vick, RN, Grad Cert Emergency,
Nurse Immuniser
Mrs D Boag, RN

Theatre/Admission/Discharge Short Stay Unit Manager

Mr W Vick RN, Peri-Op Nsg Cert (Theatre),
Cert IV WT&A, Dip.Mgt.

Emergency Department Nurse Unit Manager

Mr G Benton, RN, RPN, CCRN

Paediatric and Medical Nurse Unit Manager

Mrs G Robinson, BN, RM, MRCN

Midwifery and Surgical Nurse Unit Manager

Mrs L Earl, RN, RM, BN, Grad Cert Bus Mgt,
MRCN, ACMI to (to Dec 2010)
Mrs S Arthur (From Dec 2010)

Critical Care and Dialysis Nurse Unit Manager

Mr B Johnson, RN, B Sc (Nurs), ICU Cert

Infection Prevention & Control Coordinators

Ms K Comensoli, RN, Grad Cert IC&P, Ns
Immunizer, HCV/HBV/HIV Counsellor
Mr R Gregory RN, BHLthSc (Nursing), Grad
Dip Clinical Practice (Emergency Nursing),
FLEC to (to Aug 2010)

Hume Region Infection Prevention & Control Consultants

Mrs J Grinter, RN, Grad Dip SIC, Accredited
Nurse Immuniser
Mrs L Lewis, RN, BN, CICP, Cert SIC,
Grad Cert Commerce, Accredited Nurse
Immuniser

Redesigning Care Program

Mr J O'Keeffe, RN, BN, Cert SIC, Cert IV
WT&A, Grad Cert Commerce (CSU), Prof
Cert HSM (Melb Uni)

Staff Health

Ms K Comensoli, RN, Grad Cert IC&P, Ns
Immunizer, HCV/HBV/HIV Counsellor

Oncology Nurse Unit Manager

Ms J Hancock, BN, RN, Breast Care Ns Cert,
Chemotherapy Cert, Lung Cancer Nrs Cert
Mrs K Elliott, RN, BN, Pall Care Cert,
Chemotherapy Cert, Breast Care Ns Cert,
Lymphoedema Mgt Cert, Cert IV WT&A,
Lung Cancer Nrs Cert

Breast Care Nurse

Mrs J Finlayson, RN, BN, Breast Care Ns
Cert, Grad Dip Adv Nsg (Community)

Organ & Tissue Donation

Ms C Chanter RN, B.Ap.Sc, Grad Dip
Advanced Nursing ICU
Ms K Campbell RN, PG cert Crit Care Nsg

Community Midwife Program Nurse Unit Manager

Ms J Baker, RN, CM, MMSci, B App Sci

Thomas Hogan Centre Nurse Unit Manager

Mr R Ryan, RN, BN, Geron Cert, Mid Man
Cert, Rehab Cert

Thomas Hogan Centre Team Leader Allied Health

Ms R Jones, BA Speech Pathology (to Jul
2010)
Mr N Barassi BA Social Work, Dip. Welfare,
ACert Comm. Serv.

ILLOURA Residential Aged Care Director of Nursing

Ms C Delany, RN, BA Admin (NSG), RM,
Grad Dip Aged Services Man

Gerontology Nurse Practitioners

Mr S Voogt, RN, Grad Dip Bus Mgt, Grad
Dip Crit Care, Grad Cert MH, Ma Nsg
Practice (NP)
Ms D Burge, RN, Crit Care Cert, Grad Dip
Health Mgt Pub Health

MEDICAL SERVICES

Deputy Director of Medical Services

Dr R Mann, MB, BS,

Chairman Medical Staff Group

Dr P G Macleish, MB, BS, FRACP

Director of Emergency

Dr I Wilson, MB, BS, Dip Obs, RACOG,
FACRRM

Emergency Department

Dr J Bowmaker, MB, BS, FRACGP
Dr J DeJong, MB, BS,
Dr H Cook MB,ChB

Staff Specialist Geriatricians

Dr A Randell, MB, BS, M Geriatric Med, M
App Sci (SocEco) (CPPP) Dip Obst, RACGP
Dr R Drohan, MB, BS, M. Geriatric Med.
MRCGP, FRACGP, DRANZCOG

Director of Pharmacy

Ms J Lowe, B Pharm, Grad Dip Health
Admin, Grad Dip Comp Sci

Chief Radiographer

Mr S Jones, B Appl Sci (Med Imaging),
Grad Dip Bus Admin (IT) (to Jul 2010)
Mr H Sharp, B Appl Sci (Medical Imaging),
Grad Dip Ultrasound (from Jul 2010)

VISITING MEDICAL OFFICERS

Physicians

Dr L E Bolitho, AM, MB, BS, FRACP, FACRRM
Dr P G Macleish, MB, BS, FRACP
Dr R H Krones, MD, FRACP
Dr A Baisch, MB, BS, MD, FRACP
Dr V Veth, MB, BS, MD, FRACP
Prof. R. McLean MB, BS, MD, FRACP

Anaesthetists

Dr E R Barker, MB, BS, (Hon), FANZCA
Dr R A Sharp, MB ChB, DRCOG, FRCA,
FANZCA
Dr M K Radnor, MB, BS, D Obst RCOG,
FANZCA, BA (to July 2010)
Dr D Burke, MB, BS, FANZCA
Dr P Hebbard, MB, BS, FANZCA, PG Dip.
Echo.
Dr R Bourne, MB, BS, (Hon), FANZCA
Dr A Haughton, MB, BS, FANZCA
Dr F Barry, MB, BS, (Hon), FANZCA
Dr L Wilson MB, BS, FANZCA (from Feb
2011)

Obstetricians and Gynaecologists

Dr C J Pearse, MB, BS, FRANZCOG
Dr L F Fogarty, MB, BS, FRANZCOG
Dr J Krones MB, BS, FRANZCOG
Dr Y Lim, MB, BS, FRANZCOG

Paediatricians

Dr P Dewez, MB, BS, FRACP
Dr T G Stubberfield, MB, BS, Dip RACOG,
DCH (London), FRACP
Dr J Miles, MBBCh., DCH. FCPaed (SA) (to
April 2011)

Paediatric Surgeons

Dr T E Merriman, MB, BS, FRACS (Eng)

General Surgeons

Mr P R Thomas, MB, BS, FRCS, FRACS
Mr S J Franzi MD, FRACS
Miss T Hoffman MB, BS, FRACS
Mr F Miller, MB, BS, PhD, FRACS

Orthopaedic Surgeons

Mr M P Falkenberg, MB, BS, FRACS (Ortho)
Mr W R Seager, MB, BS, FRACS
Miss P A Keith, MB, BS, FRACS (Ortho)
FAOrthA
Mr R Kjar, MB, BS, FRACS (Ortho)

Pathologists

Dr L Wu, MB, BS, PhD (Med), FRCPA (to
May 2011)
Dr M A Larkin MB, BS, FRCPA (from May
2011)
Dr A McNeil MB, BS, FRCPA (from May
2011)
Dr A Haddad MB, BS FRCPA (from May
2011)
Dr L Wu MB, BS, FRCPA (from May 2011)
Dr V Aravindan MB, BS, FRCPA (from May
2011)

Organisational Staff

Radiologists

Dr S Rajapaske, MB, BS, FRCR, FRANZCR
 Dr S Williams, MB, BS, FRACR, FRANZCR
 Dr M Stebnyckyj, MB, BS, FRANZCR,
 ANZAPNM

Oncology

Dr C Underhill, MB, BS, FRACP
 Dr K Clarke, MB, BS, FRACP, MD
 Dr C Steer, MB, BS, FRACP
 Dr R Eek, MB, BS, FRACP

Ear, Nose and Throat Surgeons

Mr G M Fogarty, MB, BS, FRACS (ENT)

Nephrologist

Dr R Auwardt, MB, BS, FRACP, PhD
 Nuclear Medicine
 Prof. R McLean, MB, BS, MD, FRACP

Urologists

Mr H Duncan MD, FRACS
 Mr M Forbes MD, FRACS

Ophthalmologists

Dr N Karunaratne, MB, BS, FRANZCO,
 FRACS

Visiting General Practitioners

Dr S Bismire, MB, BS, DA (UK), Dip Obs,
 RACOG
 Dr M L Byrne, MB, BS, Dip RACOG, FRACGP,
 Grad Dip M.Hlth Sc (Clinical Hypnosis)
 Dr K V Davey, MB, BS, FRACGP
 Dr G F Frawley, MB, BS, Dip RACOG
 Dr D Gaze, MB, BS,
 Dr P Keenan, MB, BS, Dip RACOG, CSCT
 (FMP)
 Dr A J Kingston, MB, BS, Dip RCOG
 Dr S G Lim, MB, BS, Dip RCOG
 Dr S G Moroney, MB, BS, B.Med. Sc (Hons)
 Dr J R Nankervis, MB, BS,
 Dr G Perriment, MB, BS,
 Dr E K Perry, MB, BS, FRACGP
 Dr I Price, MB, BS, FRACGP, Dip Obs.,
 RACOG
 Dr L Squires, MB, BS, FRACGP, Dip Obs.,
 RACOG
 Dr A Traill, MB, BS, Dip RACOG, FRACGP
 Dr B Wakefield, BSc, Dip Ed, MB, BS,
 Dr J Murray, MB, BS,
 Dr L C Hawkins, MB, BS, FRACGP, FACRRM

Dr M J Gould, MB, BS, DRANZCOG, FRACGP
 Dr C Murray, MB, BS, FRACGP
 Dr P O'Connor MB, ChB, MRCGP
 Dr B Addison MB, BS,
 Dr M Alam MB, BS,
 Dr M Cai MB, BS,
 Dr P Dissanayake MB, BS, FRACGP

Clinical Educators

Dr E Poliness, MB, BS, FRACGP, DRANZCOG
 Dr K Davey, MB, BS, FRACGP, Medical
 Educator, NE Victorian Region, Bogong
 Regional Training Network

Clinical Education Facilitator

Mrs J Garvey, RN, BN, CCU Cert. Grad. Cert.
 Simulation

Librarian

Ms J Day, Dip FA, Grad Dip App Sc (Lib/
 Info Mgt)

Life Govenors

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

Number of Staff

Labour Category	June Current Month FTE		June YTD FTE	
	2011	2010	2011	2010
Nursing	413.12	394.82	401.44	388.82
Admin/Clerical	107.88	100.40	104.51	105.46
Medical Support	55.08	54.18	55.18	50.22
Hotel/Allied	85.57	86.10	87.28	101.39
Medical	1.16	1.16	1.16	2.71
Hospital Medical Officers	32.33	33.15	32.97	31.54
Sessional Clinical	5.22	5.47	5.19	3.70
Allied Health	59.16	57.32	57.36	56.94
Grand Total	759.52	732.60	745.09	740.78

Statements of Compliance

Minister for Health in the State of Victoria

Northeast Health Wangaratta was established under the *Health Services Act 1988*. The responsible Minister during the reporting period was The Minister for Health, The Hon Daniel Andrews MP to 4/11/10, then The Hon David Davis MP to 30/06/11.

Victorian Industry Participation Policy Act

Northeast Health Wangaratta abides by the principles of the *Victorian Industry Participation Policy Act 2003*.

Audit Act 1994

Northeast Health Wangaratta's Audit Committee consists of: Mr Brendan Schutt (Chair), Mr Martin Clifford (Indep); Ms Ruth Kneebone (Indep); Ms Christine Cunningham; Mr David Lawson, Ms Janeen Milne, Ms Margaret Bennett, Mr Andrew Freeman, Ms Jenny Ball, Ms Michelle Butler.

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.

Freedom of Information, Information Privacy & Health Records Acts

Northeast Health Wangaratta has a Freedom of Information Officer and a process in place for the public to access their medical records. The *Freedom of Information Act 1982*, *Information Privacy Act 2000* and *Health Records Act 2001* provide for members of the public to access their medical record for the purpose of viewing, amending incorrect notations or copying parts of the record. During the year there were 438 requests of Northeast Health Wangaratta under the Act. All, except for 1 request was complied with within the required 45 days.

Compliance with the Victorian Building Act 1993

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

Compliance with the Occupational Health & Safety Act 2004

Northeast Health Wangaratta complies with the *Occupation Health & Safety Act of 2004* and its associated regulations and code of practice to meet the Australian Council of Health Care Standards requirements. The organisation monitors its compliance through an Occupational Health and 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.

Consultancies 2010/ 11

Northeast Health Wangaratta commissioned 8 consultancies under \$100,000 during the year at a total cost of \$143,508.

Whistleblowers Protection Act 2001

Northeast Health Wangaratta has in place a Whistleblower Officer and appropriate procedures for disclosure in accordance with the *Whistleblowers Protection Act 2001*. No protected disclosures were made under the Act in 2010/2011.

Financial Management Act 1994

In compliance with the requirements of the Standing Directions of the Minister for Finance, and FRD 22B additional information is available to relevant Ministers, Members of Parliament and the public on request.

Statement of Merit and Equity

Northeast Health Wangaratta ensures a fair and transparent process for recruitment, selection, transfer and promotion of staff. It bases its employment selection on merit and complies with relevant legislation. Northeast Health Wangaratta has policies and procedures in place that ensure employees are respected and treated fairly. These policies also provide avenues for grievance and complaint processes.

Statement of Priorities

Part A: Strategic Priorities for 2010 – 2011

Strategic priorities		Deliverables	Achievements
1	Clinical	Complete Clinical Service Plan	Completed and endorsed by Board of Management and forwarded to Department of Health
		Establish new Mental Health Governance Model with Albury Wodonga Health and Beechworth Health	Model has been established and implementation will follow once Ministerial and Departmental approval is received
		Strengthen Framework and Improve Inpatient Falls Prevention.	Framework has been strengthened through the introduction of Hardwiring for Excellence which includes Rounding on Wards
		Complete Model and Business Case for Rural Access Orthopaedics.	Model and Business case completed and has been tabled with Department of Health
		Establish 5 day Surgical Beds to maximise Theatre and Bed usage.	5 day Surgical Beds have been established
		Establish Transit Lounge to enhance patient flow.	Transit Lounge in place and working successfully
		Establish Governance Model for ICU.	Currently in negotiation with metropolitan health service to establish a tele-health solution
		Strengthen Framework Around Waiting List Management.	Completed as part of a clinical Redesign process which has resulted in streamlined governance of waiting list management
2	Quality & Risk Management	Develop Revised Risk Register and Reporting Framework.	Completed in partnership with VMIA and governed through the Audit & Risk Committee
		Increase Focus on Legislative Compliance.	An audit of legislative compliance has been undertaken. Process changed to simplify. Majority of compliance areas as identified by Health Legal have been reviewed, with action taken as appropriate
		Implement VHIMS as Part of the State-Wide Rollout.	Successfully implemented
3	Financial	Implement Finance and Supply Oracle System.	Successfully implemented
		Achieve Agreed Financial Recovery Strategy.	Strategy was achieved and overall financial position was improved
4	Workforce	Develop strategies to reduce Sick Leave Rates Through Active Management.	Strategies in place and monitored with Team Leaders on a monthly basis
		Decrease Annual Leave Liability.	Monitored monthly and is a Key Performance Indicators (KPI) in all Operational Plans.
		Reduce Workcover Premium.	Continuing to monitor strategies to decrease overall premium
		Continue to work on processes that attract and retain our key staff.	Whilst turn-over rates remain low there is a targeted strategy to recruit specialist staff

Statement of Priorities

Strategic priorities		Deliverables	Achievements
5	Physical Environment	Progress Site Precinct Plan.	Has been progressed with the DH and will be completed in 2011
		Construct Clinical Teaching Facility in Partnership with the University of Melbourne.	Completed
		Upgrade Front Entrance.	Completed
		Upgrade Duress and Paging System.	Paging system completed. Duress system will be implemented in 2011
		Construct Dental Facility.	Planning is being undertaken with Department of Health with Tenders being called for and completion during 2011/ 12
6	Partnerships	Review Community Engagement Framework.	Completed
		Map Partnerships with Central Hume Health Services.	Completed
		Establish Formal Partnership with Ovens & King Community Health.	Active and supported partnership in place

Part B: Performance Priorities

Financial Performance

Operating result	2010-11 Actuals
Annual operating result (\$m)	\$0.135

Cash management/liquidity	2010-11 Actuals
Creditors	15 days
Debtors	35 days

Service Performance

WIES activity performance	2010-11 Actuals
WIES (public & private) performance to target (%)	101.5

Elective surgery	2010-11 Actuals
Elective surgery admissions – quarter 1	610
Elective surgery admissions – quarter 2	553
Elective surgery admissions – quarter 3	517
Elective surgery admissions – quarter 4	600

Statement of Priorities

Quality and safety	2010-11 Actual
Health service accreditation	Full compliance
Residential aged care accreditation	Full compliance
Cleaning standards	96.1%
Submission of data to VICNISS (%)	100%
VICNISS Infection Clinical Indicators	No outlier
Hand Hygiene Program compliance (%)	69.2%
SAB rate (OBDs)	No outlier
Victorian Patient Satisfaction Monitor (VPSM)	79.7%

Maternity	2010-11 Actual
Postnatal home care (%)	93%

Mental Health	2010-11 Actual
28 day readmission rate (%)	9.77
Post-discharge follow up rate (%)	73.45
Seclusion rate (OBDs)	16.2

Access Performance

Emergency care	2010-11 Actual
Percentage of operating time on hospital bypass	NA
Percentage of emergency patients transferred to an inpatient bed within 8 hours	75%
Percentage of non-admitted emergency patients with length of stay of less than 4 hours	82%
Number of patients with length of stay in the emergency department greater than 24 hours	40
Percentage of Triage Category 1 emergency patients seen immediately	100%
Percentage of Triage Category 2 emergency patients seen within 10 minutes	86%
Percentage of Triage Category 3 emergency patients seen within 30 minutes	75%

Elective surgery	2010-11 Actual
Percentage of Category 1 elective patients admitted within 30 days	100%
Percentage of Category 2 elective surgery patients waiting less than 90 days	90%
Percentage of Category 3 elective surgery patients waiting less than 365 days	92%
Number of patients on the elective surgery waiting list (2)	717
Number of Hospital Initiated Postponements (HiPs) per 100 scheduled admissions	9.7%

Statement of Priorities

Part C: Activity and Funding

Acute Inpatient		Ambulatory	
WIES Public	9,617	Emergency Services – Non-Admitted	20,262
WIES Private	844	Non VACS Outpatients	-
TOTAL WIES (Public and Private)	10,461	Hospital Admission Risk Program (HARP)	-
WIES Renal	132	SACS - Non DVA	12,604
WIES DVA	358	Post Acute Care	865
WIES TAC	74	Palliative Care - Community	5,672
WIES TOTAL	11,025	SACS - DVA	828
		Post Acute Care - DVA	661
Sub Acute Inpatient		Aged Care	
CRAFT	-	Other Aged Care	-
Rehab L2 (non DVA)	3,172	Residential Aged Care	22,285
Rehab L2 - Paediatric	-		
GEM (non DVA)	2,128	Mental Health	
Palliative Care - Inpatient	688	MH - Inpatient	5,283
Transit Care	-	MH - Ambulatory	35,116
Rehab 2 - DVA	187	Community Based Services/Primary Health	
GEM -DVA	374	Community Health – Direct Care	5,703
Palliative Care - DVA	38	Community Health/Primary Care Programs	-
NHT - DVA			

Operational Performance

	2011	2010	2009	2008	2007
	\$000	\$000	\$000	\$000	\$000
Total Revenue	105,126	98,825	94,648	90,286	85,365
Total Expenses	106,611	102,816	96,433	92,353	87,310
Net Result for the Year	(1,485)	(3,991)	(1,785)	(2,067)	(1,945)
Equity					
Asset Revaluation Reserve	48,870	48,870	48,870	5,453	4,932
Retained Surplus	24,220	25,705	29,696	31,316	28,746
Total Equity	73,090	74,575	78,566	36,769	33,678
Total Assets	95,601	94,762	98,290	54,713	51,249
Total Liabilities	22,511	20,187	19,724	17,944	17,571
Net Assets	73,090	74,575	78,566	36,769	33,678

Audited Financial Statements

30 June 2011

Contents

- Northeast Health Wangaratta Certification
- Auditor-General's Report
- Comprehensive Operating Statement for the year ended 30 June 2011
- Balance Sheet as at 30 June 2011
- Statement of Changes in Equity for the year ended 30 June 2011
- Cash Flow Statement for the year ended 30 June 2011
- Notes to the Financial Statements

Northeast Health Wangaratta

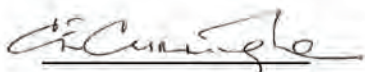
Board Member's, Accountable Officer's and Chief Finance & Accounting Officer's declaration

We certify that the attached financial statements for Northeast Health Wangaratta have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable *Financial Reporting Directions*, Australian Accounting Standards, Australian Accounting 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 notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2011 and financial position of Northeast Health Wangaratta at 30 June 2011.

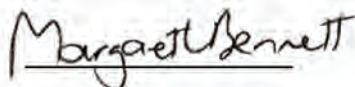
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

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



Christine Cunningham
President
Board of Management

Wangaratta
29 August 2011



Margaret Bennett
Chief Executive Officer

Wangaratta
29 August 2011



Jenny Ball
Chief Finance &
Accounting Officer

Wangaratta
29 August 2011

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Northeast Health Wangaratta

The Financial Report

The accompanying financial report for the year ended 30 June 2011 of Northeast Health Wangaratta which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board Member's, Accountable Officer's and Chief Finance and Accounting Officer's declaration has been audited.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Independent Auditor's Report (continued)

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Northeast Health Wangaratta as at 30 June 2011 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Northeast Health Wangaratta for the year ended 30 June 2011 included both in Northeast Health Wangaratta's annual report and on the website. The Board Members of Northeast Health Wangaratta are responsible for the integrity of Northeast Health Wangaratta's website. I have not been engaged to report on the integrity of Northeast Health Wangaratta's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
29 August 2011



D D R Pearson
Auditor-General

Comprehensive Operating Statement

For the year ending 30 June 2011

	Notes	Total 2011 \$000	Total 2010 \$000
Revenue from Operating Activities	2	99,773	96,048
Revenue from Non-operating Activities	2	414	208
Employee Benefits	3	(65,940)	(63,861)
Non Salary Labour Costs	3	(7,375)	(6,890)
Supplies & Consumables	3	(15,330)	(15,090)
Other Expenses from Continuing Operations	3	(11,358)	(10,272)
Joint Ventures Accounted for using the Proportionate Method	23	(49)	(56)
Net Result Before Capital & Specific Items		135	87
Capital Purpose Income	2	4,988	2,625
Depreciation and Amortisation	4	(6,566)	(6,636)
Finance Costs	5	(24)	(32)
Expenditure using Capital Purpose Income	3	(18)	(35)
NET RESULT FOR THE YEAR		(1,485)	(3,991)
COMPREHENSIVE RESULT FOR THE YEAR		(1,485)	(3,991)

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

Balance Sheet

as at 30 June 2011

	Notes	Total 2011 \$000	Total 2010 \$000
Current Assets			
Cash and Cash Equivalents	6	997	1,555
Receivables	7	2,605	2,180
Investments and other Financial Assets	8	8,978	3,302
Inventories	9	944	982
Other Current Assets	10	242	180
Total Current Assets		13,766	8,199
Non-Current Assets			
Receivables	7	1,283	771
Property, Plant & Equipment	11	80,459	85,779
Intangible Assets	12	93	13
Total Non Current Assets		81,835	86,563
TOTAL ASSETS		95,601	94,762
Current Liabilities			
Payables	13	5,010	4,459
Borrowings	14	-	6
Provisions	15	14,633	13,029
Other Liabilities	16	130	133
Total Current Liabilities		19,773	17,627
Non-Current Liabilities			
Borrowings	14	-	70
Provisions	15	2,738	2,490
Total Non-Current Liabilities		2,738	2,560
TOTAL LIABILITIES		22,511	20,187
NET ASSETS		73,090	74,575
EQUITY			
Property, Plant & Equipment Revaluation Surplus	17a	48,870	48,870
Contributed Capital	17b	38,302	38,302
Accumulated Surpluses/(Deficits)	17c	(14,082)	(12,597)
TOTAL EQUITY	17d	73,090	74,575
Commitments for Expenditure	20		
Contingent Assets and Contingent Liabilities	21		

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

Statement of Changes in Equity

For the year ended 30 June 2011

	Note	Property, Plant & Equipment Revaluation Surplus \$000	Contributions by Owners \$000	Accumulated Surpluses/ (Deficits) \$000	Total \$000
Balance at 1 July 2009		48,870	38,302	(8,606)	78,566
Net result for the year		-	-	(3,991)	(3,991)
Balance at 30 June 2010		48,870	38,302	(12,597)	74,575
Net result for the year		-	-	(1,485)	(1,485)
Balance at 30 June 2011		48,870	38,302	(14,082)	73,090

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

Cash Flow Statement

For the year ended 30 June 2011

	Notes	Total 2011 \$000	Total 2010 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		84,301	82,033
Patient and Resident Fees Received		3,327	3,388
Donations and Bequests Received		264	196
GST Received from ATO		3,095	3,245
Interest Received		19	9
Other Receipts		6,035	6,759
Employee Expenses Paid		(64,088)	(64,202)
Non Salary Labour Costs		(7,375)	(6,890)
Payments for Supplies & Consumables		(15,330)	(15,090)
Finance Costs		(24)	(32)
GST paid to ATO		(647)	(692)
Other Payments		(8,045)	(7,310)
Cash Generated from Operations		1,532	1,414
Capital Grants from Government		4,820	2,788
Capital Donations and Bequests Received		158	88
Other Capital Receipts		13	44
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	18	6,523	4,334
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments		(5,676)	-
Payments for Non-Financial Assets		(1,357)	(4,108)
Proceeds from sale of Non-Financial Assets		28	485
Proceeds from Sale of Investments		-	749
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(7,005)	(2,874)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings		(76)	(91)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		(76)	(91)
NET INCREASE/(DECREASE) IN CASH HELD		(558)	1,369
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		1,555	186
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	997	1,555

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

Notes to the Financial Statements

For the year ended 30 June 2011

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Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 1 – Summary of significant accounting policies

(a) Statement of compliance

These financial statements are a general purpose financial report which have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AASs) and Australian Accounting Interpretations and other mandatory requirements. AASs include Australian equivalents to International Financial Reporting Standards.

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

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

The annual financial statements were authorised for issue by the board of Northeast Health Wangaratta on 29/08/2011.

(b) Basis of accounting preparation and measurement

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2011, and the comparative information presented in these financial statements for the year ended 30 June 2010.

The going concern basis was used to prepare the financial statements.

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

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

The financial statements are prepared in accordance with the historical cost convention, except for the revaluation of certain non-financial assets and financial instruments, as noted. Particularly, exceptions to the historical cost convention include:

- Non-current physical assets, which subsequent to acquisition, are measured at valuation and are re-assessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values;
- The fair value of assets other than land is generally based on their depreciated replacement value

Historical cost is based on the fair values of the consideration given in exchange for assets.

In the application of AASs management is required to make judgements, estimates and assumptions about carrying values

of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

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

(c) Reporting Entity

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

Its principal address is:

Green St
Wangaratta
Victoria 3677

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

(d) Principles of Consolidation

Jointly controlled assets

Interests in jointly controlled assets are accounted for by recognising in Northeast Health Wangaratta's financial statements its proportionate share of the assets, liabilities and any income and expenses of such assets.

Details of the jointly controlled asset are set out in note 23.

(e) Scope and presentation of financial statements

Fund Accounting

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

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

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

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Residential Aged Care Services

The Illoura Residential Aged Care Service operations are an integral part of Northeast Health Wangaratta and shares its resources. An apportionment of land and buildings has been made based on floor space. The results of the two operations have been segregated based on actual revenue earned and expenditure incurred by each operation in Note 22 to the financial statements.

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

Comprehensive operating statement

The Comprehensive operating statement includes the subtotal entitled 'Net Result Before Capital & Specific Items' to enhance the understanding of the financial performance of Northeast Health Wangaratta. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, and items of an unusual nature and amount such as specific income and expenses. The exclusion of these items is made to enhance matching of income and expenses so as to facilitate the comparability and consistency of results between years and Victorian Public Health Services. The 'Net Result Before Capital & Specific Items' is used by the management of Northeast Health Wangaratta, the Department of Health and the Victorian Government to measure the ongoing performance of Health Services in operating hospital services.

Capital and specific items, which are excluded from this subtotal, comprise:

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

Balance sheet

Assets and liabilities are categorised either as current or non-current.

Statement of changes in equity

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

Cash flow statement

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

Comparative Information

Where necessary the previous year's figures have been reclassified to facilitate comparisons.

(f) Income Recognition

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent that it is probable that the economic benefits will flow to Northeast Health Wangaratta and the income can be reliably measured. 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

- Insurance is recognised as revenue following advice from the Department of Health.
- Long Service Leave (LSL) – Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 14/2009.

Patient and Resident Fees

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

Private Practice Fees

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

Revenue from commercial activities

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

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

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 reserve, such as the specific restricted purpose reserve.

Dividend Revenue

Dividend revenue is recognised on a receivable basis.

Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes in account the effective yield of the financial asset.

Sale of investments

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

Resources Provided and Received Free of Charge or for Nominal Consideration

Resources provided or received free of charge for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another Health Service or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such transfer will be recognised at carrying value. 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.

(g) Expense Recognition

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

Cost of Goods Sold

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

Employee expenses

Employee expenses include:

- Wages and salaries;
- Annual Leave;
- Sick leave;
- Long service leave; and
- Superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans.

Defined contribution 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 plans

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by the Health Service to the superannuation plans in respect of the services of current Health Service staff during the reporting period. Superannuation

contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

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

The name and details of the major employee superannuation funds and contributions made by Northeast Health Wangaratta are as follows:

Fund	Contributions Paid or Payable for the year	
	2011 \$'000	2010 \$'000
Defined benefit plans:		
Health Super Pty Ltd	269	301
Defined contribution plans:		
Health Super Pty Ltd	3,747	3,687
HESTA Super Fund	969	872
State Superannuation Fund (SSF)	75	89
State Employees Retirement Benefits Scheme	12	11

Depreciation

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

Depreciation is provided on property, plant and equipment, including freehold buildings, but excluding land and investment properties. Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

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

As part of the Buildings valuation, building values were componentised and each component assessed for its useful life which is represented above.

Amortisation

Amortisation is allocated to intangible assets with finite useful lives on systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Depreciation

	2011	2010
Buildings		
Structure Shell Building Fabric	20 to 40 years	20 to 40 years
Site Engineering services and Central Plant	12 to 35 years	12 to 35 years
Fit Out	2 to 19 years	2 to 19 years
Trunk Reticulated Building Systems	2 to 19 years	2 to 19 years
Plant & Equipment	8 to 10 years	8 to 10 years
Medical Equipment	4 to 5 years	4 to 5 years
Computers & Communications	3 to 5 years	3 to 5 years
Furniture & Fittings	3 to 5 years	3 to 5 years
Motor Vehicles	2 to 3 years	2 to 3 years
Leased Assets	2 to 4 years	2 to 4 years
Intangible Assets	3 to 5 years	3 to 5 years
Circulating Linen	Up to 4 years	Up to 4 years

concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually or whenever there is an indication that the asset may be impaired. The useful lives of intangible assets that are not being amortised are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. In addition, Northeast Health Wangaratta tests all intangible assets with indefinite useful lives for impairment by comparing the recoverable amount for each asset with its carrying amount:

- annually; and
- whenever there is an indication that the intangible asset may be impaired.

Any excess of the carrying amount over the recoverable amount is recognised as an impairment loss.

Intangible assets with finite useful lives are amortised over a 3-5 year period (2010: 3-5 years).

Finance Costs

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

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance charges in respect of finance leases recognised in accordance with AASB 117 Leases.

Resources Provided and Received Free of Charge or for Nominal Consideration

Resources provided or received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another Health Service or

agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer will be recognised at carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

(h) Financial Assets

Cash and Cash Equivalents

Cash and cash equivalents 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 and are subject to insignificant risk of changes in value.

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

Receivables

Receivables consist of:

- Statutory receivables, which includes predominately amounts owing from the Victorian Government and GST input tax credits recoverable; and
- Contractual receivables, which includes mainly debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables.

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectable are written off. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.

Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

Receivables are recognised initially at fair value and

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

subsequently measured at amortised cost, using the effective interest method, less any accumulated impairment.

Investments and Other Financial Assets

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:

- Financial assets at fair value through profit and loss;
- Loans and receivables; and
- Available-for-sale financial assets.

Northeast Health Wangaratta classifies its other 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, except those measured at fair value through profit or loss are subject to annual review for impairment.

Loans and receivables

Trade receivables, loans, term deposits with maturity greater than three months and other receivables are recorded at amortised cost, using the effective interest method less impairment. Term deposits with maturity greater than three months are also measured at amortised cost, using the effective interest method, less impairment.

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

Impairment of Financial Assets

At the end of each reporting period Northeast Health Wangaratta assess whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings. All financial instruments assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts considered as written off and allowance for doubtful receivables are recognised as expenses in the net result.

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

Net Gain / (Loss) on Financial Instruments

Net gain / (loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments that are

designated at fair value through profit or loss or held-for-trading;

- impairment and reversal of impairment for financial instruments at amortised cost;
- disposals of financial assets.

Revaluations of Financial Instruments at Fair Value

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

(i) Non-Financial Assets

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 includes land held for sale and 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 bases 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. Inventories acquired for no cost or nominal considerations are measured at current replacement cost at the date of acquisition.

Property, Plant and Equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

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 constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the assets. 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.

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

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

Revaluations of Non-current Physical Assets

Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103D *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

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For the year ended 30 June 2011

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 value and fair value.

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

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 are normally not transferred to accumulated funds on derecognition of the relevant asset.

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

Intangible Assets

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

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

Other Non-financial Assets

Prepayments

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

Disposal of Non-Financial Assets

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

Impairment of Non-Financial Assets

Apart from intangible assets with indefinite useful lives, all other assets are assessed annually for indications of impairment, except for:

- inventories;
- financial assets.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its

recoverable amount, the difference is written-off as an expense except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that same class of asset.

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

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

(j) Liabilities

Payables

These amounts consist predominantly of liabilities for goods and services.

Payables are initially recognised at fair value, and then subsequently carried at amortised cost and represent liabilities for goods and services provided to Northeast Health Wangaratta prior to the end of the financial year that are unpaid, and arise when Northeast Health Wangaratta becomes obliged to make future payments in respect of the purchase of these goods and services.

The normal credit terms are usually Nett 30 days.

Borrowings

Borrowings in the balance sheet are recognised at fair value upon initial recognition. 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. Fair value is determined in the manner described in Note 19.

Provisions

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

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee Benefits

Wages and Salaries, Annual Leave, Sick Leave and Accrued Days Off

Liabilities for wages and salaries, including non-monetary benefits, annual leave, accumulating sick leave and accrued days off which are expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee's services up to the reporting date, and are classified as current liabilities and measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are also recognised in the provision for employee benefits as current liabilities, but are measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long Service Leave

The liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability – unconditional LSL (representing 10 or more years of continuous service) is disclosed in the notes to the financial statements as a current liability even where Northeast Health Wangaratta does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- present value – component that Northeast Health Wangaratta does not expect to settle within 12 months; and
- nominal value – component that Northeast Health Wangaratta expects to settle within 12 months.

Non-Current Liability – conditional LSL (representing less than 10 years of continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. Conditional LSL is required to be measured at present value.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates of Commonwealth Government guaranteed securities in Australia.

On-Costs

Employee benefit on-costs such as payroll tax, workers compensation and superannuation are recognised together with provision for employee benefits.

Superannuation Liabilities

Northeast Health Wangaratta does not recognise any unfunded defined benefit liability in respect of the superannuation plans because Northeast Health Wangaratta 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 administers and discloses the State's defined liabilities in its financial statements.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an expense in the estimated consolidated comprehensive operating statement.

(k) Leases

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. All other leases are classified as operating leases.

Operating Leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

Leasehold Improvements

The cost of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

(l) Equity

Contributed Capital

Consistent with Australian Accounting Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* and *FRD 119 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 or distributions that have been designated as contributed capital are also treated as contributed capital.

Property, Plant & Equipment Revaluation Surplus

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

(m) Commitments for expenditure

Commitments for expenditure are not recognised on the balance sheet. Commitments for expenditure 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.

(n) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

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.

(o) Goods and Services Tax

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

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

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

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

(p) Rounding Of Amounts

All amounts shown in the financial statements are expressed to the nearest \$1000 unless otherwise stated.

Figures in the financial statements may not equal due to rounding.

(q) New Accounting Standards and Interpretations

Certain new Australian accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting period.

As at 30 June 2011, the following standards and interpretations had been issued but were not mandatory for the reporting period ending 30 June 2011. Northeast Health Wangaratta has not and does not intend to adopt these standards early.

Standard/ Interpretation	Summary	Applicable for Reporting periods beginning on or ending on	Impact on Hospital's Annual Statements
AASB 9 Financial Instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: recognition and measurement (AASB 139 Financial Instruments: recognition and measurement).	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 124 Related Party Disclosures (Dec 2009)	Government related Health Services have been granted partial exemption with certain disclosure requirements.	Beginning 1 Jan 2011	Preliminary assessment suggests that impact is insignificant. However, Northeast Health Wangaratta is still assessing the detailed impact and whether to adopt early.
AASB 1053 Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector.

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

<p>AASB 2009-12 Amendments to Australian Accounting Standards (AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052)</p>	<p>This standard amends AASB 8 to require an entity to exercise judgment in assessing whether a government and Health Services known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures.</p> <p>This standard also makes numerous editorial amendments to other AASs.</p>	<p>Beginning 1 January 2011</p>	<p>AASB 8 does not apply to Health Services therefore no impact is expected. Otherwise, only editorial changes arising from amendments to other standards, no major impact.</p> <p>Impacts of editorial changes are not expected to be significant.</p>
<p>AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a minimum funding requirement (AASB Interpretation 14)</p>	<p>Amendment to Interpretation 14 arising from the issuance of Prepayments of a minimum funding requirement.</p>	<p>Beginning 1 Jan 2011</p>	<p>Expected to have no significant impact.</p>
<p>AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</p>	<p>This Standard makes amendments to many Australian Accounting Standards, including interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.</p>	<p>Beginning 1 July 2013</p>	<p>Does not affect financial measurement or recognition, so is not expected to have any impact on financial result or position. May reduce some note disclosures in financial statements.</p>
<p>AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12)</p>	<p>This gives effect to consequential changes arising from the issuance of AASB 9.</p>	<p>Beginning 1 Jan 2013</p>	<p>Detail of impact is still being assessed</p>
<p>AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]</p>	<p>This Standard makes numerous improvements designed to enhance the clarity of standards.</p>	<p>Beginning 1 Jan 2011</p>	<p>No significant impact on the financial statements.</p>
<p>AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]</p>	<p>This amendment contains editorial corrections to a range of Australian Accounting Standards and Interpretations, which includes amendments to reflect changes made to the text of IFRSs by the IASB.</p>	<p>Beginning 1 Jan 2011</p>	<p>No significant impact on the financial statements.</p>

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

<p>AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]</p>	<p>This amendment adds and changes disclosure requirements about the transfer of financial assets. This includes the nature and risk of the financial assets.</p>	<p>Beginning 1 July 2011</p>	<p>This may impact on departments and public sector entities as it creates additional disclosure for transfers of financial assets. Detail of impact is still being assessed.</p>
<p>AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]</p>	<p>These amendments are in relation to the introduction of AASB 9.</p>	<p>Beginning 1 Jan 2013</p>	<p>This amendment may have an impact on departments and public sector bodies as AASB 9 is a new standard and it changes the requirements of numerous standards. Detail of impact is still being assessed.</p>
<p>AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]</p>	<p>This amendment provides a practical approach for measuring deferred tax assets and deferred tax liabilities when measuring investment property by using the fair value model in AASB 140 Investment Property</p>	<p>Beginning 1 Jan 2012</p>	<p>This amendment provides additional clarification through practical guidance.</p>
<p>AASB 2010-9 Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1]</p>	<p>This amendment provides guidance for entities emerging from severe hyperinflation who are going to resume presenting Australian Accounting Standards financial statements or entities that are going to present Australian Accounting Standards financial statements for the first time. It provides relief for first-time adopters from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards</p>	<p>Beginning 1 July 2011</p>	<p>Amendment unlikely to impact on public sector entities</p>
<p>AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]</p>	<p>This amendment affects multiple Australian Accounting Standards and AASB Interpretations for the objective of increased alignment with IFRSs and achieving harmonisation between both Australian and New Zealand Standards. It achieves this by removing guidance and definitions from some Australian Accounting Standards, without changing their requirements.</p>	<p>Beginning 1 July 2011</p>	<p>This amendment will have no significant impact on public sector bodies</p>

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

<p>AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & AASB 1054]</p>	<p>The objective of this amendment is to include some additional disclosure from the Trans-Tasman Convergence Project and to reduce disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.</p>	<p>Beginning 1 July 2013</p>	<p>The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented to Victorian Public Sector.</p>
<p>AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments [AASB 1049]</p>	<p>This amends AASB 1049 to clarify the definition of the ABS GFS Manual, and to facilitate the adoption of changes to the ABS GFS Manual and related disclosures.</p>	<p>Beginning 1 July 2012</p>	<p>This amendment provides clarification to users on the version of the GFS Manual to be used and what to disclose if the latest GFS Manual is not used. No impact on performance measurements will occur.</p>

(r) Category groups

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

Admitted Patient Services (Admitted Patients) comprises all recurrent health revenue / expenditure on admitted patient services, where services are delivered in public hospitals, or free standing day hospital facilities, or alcohol and drug treatment units or hospitals specialising in dental services, hearing and ophthalmic aids.

Mental Health Services (Mental Health) comprises all recurrent health revenue / expenditure on specialised Mental Health Services (child and adolescent, general and adult, community and forensic) managed or funded by the state or territory health administrations, and includes: Admitted patient services (including forensic mental health), outpatient services, emergency department services (where it is possible to separate emergency department mental health services), community – based services, residential and ambulatory services.

Outpatient Services (Outpatients) comprises all recurrent health revenue / expenditure on public hospital type outpatient services, where services are delivered in public hospital outpatient clinics, or free standing day hospital facilities or rehabilitation facilities, or alcohol and drug treatment units, or outpatient clinics specialising in ophthalmic aids or palliative care.

Emergency Department Services (EDS) comprises all recurrent health revenue / expenditure on emergency department services that are available free of charge to public patients.

Aged Care comprises revenue / expenditure from Home & Community Care (HACC) programs, Allied Health, Aged Care Assessment and support services.

Primary Health comprises revenue / expenditure for Community Health Services including health promotion and counselling, physiotherapy, speech therapy, podiatry and occupational therapy.

Off Campus, Ambulatory Services (Ambulatory) comprises all recurrent health revenue / expenditure on public hospital type services including palliative care facilities and rehabilitation facilities, as well as services provided under the following agreements: Services that are provided or received by hospitals (or area health services) but are delivered / received outside a hospital campus, services which have moved from a hospital to a community setting since June 1998, services which fall within the agreed scope of inclusions under the new system, which have been delivered within hospital's i.e. in rural/remote areas.

Residential Aged Care including Mental Health (RAC incl. Mental Health) referred to in the past as psychogeriatric residential services, comprises those Commonwealth-licensed residential aged care services in receipt of supplementary funding from DH under the mental health program. It excludes all other residential services funded under the mental health program, such as mental health funded community care units (CCUs) and secure extended care units (SECs).

Other Services excluded from Australian Health Care Agreement (AHCA) (Other) comprises revenue / expenditure for services not separately classified above, including: Public health services including Laboratory testing, Blood Borne Viruses / Sexually Transmitted Infections clinical services, Kooris liaison officers, immunisation and screening services, Drugs services including drug withdrawal, counselling and the needle and syringe program, Dental Health Services including general and specialist dental care, school dental services and clinical education, 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.

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

(s) Going Concern

The financial statements are prepared on a going concern basis. Northeast Health Wangaratta has:

- a deficit from ordinary activities of \$1.485 million for the year ended 30 June 2011 (\$3.991 million for the year ended 30 June 2010);
- a working capital deficiency of \$6.007 million as at 30 June 2011 (\$9.428 million as at 30 June 2010).

The Department of Health (DH) has confirmed that it will continue to provide Northeast Health Wangaratta (NHW) adequate cash flow support to enable NHW to meet its current and future obligations as and when they fall due for a period up to September 2012 should this be required.

DH support is based upon NHW continuing to commit to achieve the agreed budget targets, and all other requirements of the Health Service Agreement in 2011-12. NHW will also submit a Financial Improvement Plan that outlines strategies to support achieving a break-even result.

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For the year ended 30 June 2011

Note 2: Revenue

	HSA 2011 \$000	HSA 2010 \$000	H&CI 2011 \$000	H&CI 2010 \$000	Total 2011 \$000	Total 2010 \$000
Revenue from Operating Activities						
Government Grants						
- Department of Health	77,050	71,123	-	658	77,050	71,781
- Department of Human Services	257	3,486	-	-	257	3,486
- Dental Health Services Victoria	1,983	1,768	-	-	1,983	1,768
- State Government - Other						
- Equipment and Infrastructure Maintenance	343	333	-	-	343	333
- Commonwealth Government						
- Residential Aged Care Subsidy	3,593	3,164	-	-	3,593	3,164
- Other	1,483	1,542	1,577	1,076	3,060	2,618
Total Government Grants	84,709	81,416	1,577	1,734	86,286	83,150
Indirect contributions by Department of Health *						
- Insurance	1,581	1,204	-	-	1,581	1,204
- Long Service Leave	512	230	-	-	512	230
Total Indirect Contributions by Department of Health	2,093	1,434	-	-	2,093	1,434
Patient and Resident Fees						
- Patient and Resident Fees (refer note 2b)	2,228	2,342	19	15	2,247	2,357
- Residential Aged Care (refer note 2b)	1,172	1,077	-	-	1,172	1,077
Total Patient & Resident Fees	3,400	3,419	19	15	3,419	3,434
Business Units						
- Diagnostic Imaging	3,810	3,788	-	-	3,810	3,788
Commercial Activities & Specific Purpose Funds						
- Private Practice and Other Patient Activities Fees	-	-	511	335	511	335
- Linen Service	-	-	-	432	-	432
- Coffee Shop	-	-	514	452	514	452
- Property Income	427	220	-	-	427	220
Total Business Units & Specific Purpose Funds	4,237	4,008	1,025	1,219	5,262	5,227
Donations & Bequests	-	-	264	196	264	196
Other Revenue from Operating Activities	2,183	2,317	266	290	2,449	2,607
Sub-Total Revenue from Operating Activities	96,622	92,594	3,151	3,454	99,773	96,048
Revenue from Non-Operating Activities						
Interest	395	199	19	9	414	208
Sub-Total Revenue from Non-Operating Activities	395	199	19	9	414	208
Revenue from Capital Purpose Income						
State Government Capital Grants						
- Targeted Capital Works and Equipment	-	-	4,803	2,759	4,803	2,759
- Other	-	-	17	29	17	29
Assets Received Free of Charge (refer note 2d)	-	-	-	18	-	18
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2c)	-	-	(3)	(295)	(3)	(295)
Capital Interest	-	-	13	26	13	26
Donations and Bequests	-	-	158	88	158	88
Sub-Total Revenue from Capital Purpose Income	-	-	4,988	2,625	4,988	2,625
Share of Net Result of Joint Venture Accounted for using the Proportionate Method (refer note 23)						
	(49)	(56)	-	-	(49)	(56)
Total Revenue (refer to note 2a)	96,968	92,737	8,158	6,088	105,126	98,825

* Indirect contributions by Department of Health: Department of Health makes certain payments on behalf of the Hospital.

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

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 2a: Analysis of Revenue by Source

	Admitted Patients 2011 \$000	Out- patients 2011 \$000	EDS 2011 \$000	Ambul- atory 2011 \$000	Mental Health 2011 \$000	RAC 2011 \$000	Aged Care 2011 \$000	Primary Health 2011 \$000	Other 2011 \$000	Total 2011 \$000
Revenue from Services Supported by Health Services Agreement										
Government grants	47,560	4,216	6,135	7,886	9,852	5,260	814	676	2,310	84,709
Indirect contributions by Department of Health *	1,907	3	24	40	59	30	2	20	8	2,093
Patient and Resident Fees (refer note 2b)	1,119	-	48	355	151	1,172	77	385	93	3,400
Business Unit - Diagnostic Imaging	-	-	-	-	-	-	-	-	3,810	3,810
Other Revenue from Operating Activities	1,677	-	12	35	819	-	-	24	43	2,610
Interest & Dividends	395	-	-	-	-	-	-	-	-	395
Share of Net Result of Joint Venture Accounted for using the Proportionate Method (refer note 23)	(49)	-	-	-	-	-	-	-	-	(49)
Sub-Total Revenue from Services Supported by Health Services Agreement	52,609	4,219	6,219	8,316	10,881	6,462	893	1,105	6,264	96,968
Revenue from Services Supported by Hospital and Community Initiatives										
Donations and Bequests (non capital)	-	-	-	-	-	-	-	-	264	264
Commercial Activities & Specific Purpose Funds	-	-	-	-	-	-	-	-	1,025	1,025
Other	-	-	-	-	-	-	-	-	1,881	1,881
Capital Purpose Income (refer note 2)	-	-	-	-	-	-	-	-	4,988	4,988
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	-	-	-	-	-	-	-	-	8,158	8,158
Total Revenue	52,609	4,219	6,219	8,316	10,881	6,462	893	1,105	14,422	105,126

* Indirect contributions by Department of Health: The Department of Health makes certain payments on behalf of the Hospital (Insurance & LSL).

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

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 2a: Analysis of Revenue by Source (continued)

	Admitted Patients 2010 \$000	Out- patients 2010 \$000	EDS 2010 \$000	Ambu- latory 2010 \$000	Mental Health 2010 \$000	RAC 2010 \$000	Aged Care 2010 \$000	Primary Health 2010 \$000	Other 2010 \$000	Total 2010 \$000
Revenue from Services Supported by Health Services Agreement										
Government grants	46,257	3,989	5,828	8,010	8,870	4,780	778	686	2,218	81,416
Indirect contributions by Department of Health *	1,434	-	-	-	-	-	-	-	-	1,434
Patient and Resident Fees (refer note 2b)	1,026	-	38	453	167	1,077	68	462	128	3,419
Business Unit - Diagnostic Imaging	-	-	-	-	-	-	-	-	3,788	3,788
Other Revenue from Operating Activities	1,471	1	5	35	962	-	-	19	44	2,537
Interest & Dividends	199	-	-	-	-	-	-	-	-	199
Share of Net Result of Joint Venture Accounted for using the Proportionate Method (refer note 23)	(56)	-	-	-	-	-	-	-	-	(56)
Sub-Total Revenue from Services Supported by Health Services Agreement	50,331	3,990	5,871	8,498	9,999	5,857	846	1,167	6,178	92,737
Revenue from Services Supported by Hospital and Community Initiatives										
Donations and Bequests (non capital)	-	-	-	-	-	-	-	-	196	196
Business Units & Specific Purpose Funds	-	-	-	-	-	-	-	-	1,219	1,219
Other	-	-	-	-	-	-	-	-	2,048	2,048
Capital Purpose Income (refer note 2)	-	-	-	-	-	-	-	-	2,625	2,625
Sub-Total Revenue from Services Supported by Hospital and Community Initiatives	-	-	-	-	-	-	-	-	6,088	6,088
Total Revenue	50,331	3,990	5,871	8,498	9,999	5,857	846	1,167	12,266	98,825

* Indirect contributions by Department of Health: The Department of Health makes certain payments on behalf of the Hospital (Insurance & LSL).

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

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 2b: Patient and Resident Fees

Patient and Resident Fees Raised	Total 2011 \$000	Total 2010 \$000
Recurrent:		
HSA		
Acute		
- Inpatients	1,119	1,026
- Emergency Department	48	38
- Ambulatory	355	453
Mental Health	151	167
Other	555	658
	<u>2,228</u>	<u>2,342</u>
Residential Aged Care		
- Residential Accommodation Payments *	1,172	1,077
H&CI		
Other	19	15
	<u>3,419</u>	<u>3,434</u>

*This includes accommodation charges, interest earned on accommodation bonds and retention amount.

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

	Total 2011 \$000	Total 2010 \$000
Proceeds from Disposals of Non-Current Assets		
Medical Equipment	5	24
Motor Vehicles	23	37
Plant & Equipment	-	328
Furniture & Fittings	-	96
Total Proceeds from Disposal of Non-Current Assets	<u>28</u>	<u>485</u>
Less: Written Down Value of Non-Current Assets Sold		
Medical Equipment	17	51
Motor Vehicles	11	30
Plant & Equipment	2	573
Furniture & Fittings	1	126
Total Written Down Value of Non-Current Assets Sold	<u>31</u>	<u>780</u>
Net gains/(losses) on Disposal of Non-Current Assets	<u>(3)</u>	<u>(295)</u>

Note 2d: Assets Received Free of Charge or for Nominal Consideration

During the reporting period, the fair value of assets received free of charge was as follows:

Motor Vehicles - Goulburn Valley Health

	Total 2011 \$000	Total 2010 \$000
	-	18
	<u>-</u>	<u>18</u>

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 3: Expenses

	HSA 2011 \$000	HSA 2010 \$000	H&CI 2011 \$000	H&CI 2010 \$000	Total 2011 \$000	Total 2010 \$000
Employee Benefits						
Salaries & Wages	56,847	53,980	1,101	1,301	57,948	55,281
WorkCover Premium	953	932	20	31	973	963
Departure Packages	5	471	-	658	5	1,129
Long Service Leave	1,892	1,553	40	41	1,932	1,594
Superannuation	4,984	4,762	98	132	5,082	4,894
Total Employee Benefits	64,681	61,698	1,259	2,163	65,940	63,861
Non Salary Labour Costs						
Fees for Visiting Medical Officers	7,375	6,890	-	-	7,375	6,890
Total Non Salary Labour Costs	7,375	6,890	-	-	7,375	6,890
Supplies & Consumables						
Drug Supplies	2,759	2,775	4	3	2,763	2,778
S100 Drugs	536	535	-	-	536	535
Medical, Surgical Supplies and Prosthesis	9,444	9,325	525	379	9,969	9,704
Pathology Supplies	927	912	-	-	927	912
Food Supplies	930	977	205	184	1,135	1,161
Total Supplies and Consumables	14,596	14,524	734	566	15,330	15,090
Other Expenses from Continuing Operations						
Domestic Services & Supplies	1,168	1,154	2	(227)	1,170	927
Fuel, Light, Power and Water	984	942	5	62	989	1,004
Insurance costs funded by Department of Health	1,581	1,204	-	-	1,581	1,204
Motor Vehicle Expenses	281	233	11	40	292	273
Repairs & Maintenance	1,283	1,067	31	45	1,314	1,112
Maintenance Contracts	389	453	-	4	389	457
Patient Transport	1,257	1,001	10	8	1,267	1,009
Bad & Doubtful Debts	75	104	-	10	75	114
Lease Expenses	1,230	1,269	2	96	1,232	1,365
Other Administrative Expenses	2,431	1,916	556	840	2,987	2,756
Audit Fees						
- VAGO - Audit of Financial Statements	35	34	-	-	35	34
- Other	27	17	-	-	27	17
Total Other Expenses from Continuing Operations	10,741	9,394	617	878	11,358	10,272
Expenditure using Capital Purpose Income						
Other Expenses						
- Other	-	-	18	35	18	35
Total Other Expenses	-	-	18	35	18	35
Total Expenditure using Capital Purpose Income	-	-	18	35	18	35
Depreciation and Amortisation	-	-	6,566	6,636	6,566	6,636
Finance Costs	-	-	24	32	24	32
Total	-	-	6,590	6,668	6,590	6,668
Total Expenses	97,393	92,506	9,218	10,310	106,611	102,816

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 3a: Analysis of Expenses by Source

	Admitted Patients 2011 \$000	Out- patients 2011 \$000	EDS 2011 \$000	Ambu- latory 2011 \$000	Mental Health 2011 \$000	RAC 2011 \$000	Aged Care 2011 \$000	Primary Health 2011 \$000	Other 2011 \$000	Total 2011 \$000
Services Supported by Health Services Agreement										
Employee Benefits	34,720	571	3,697	6,049	8,558	4,856	260	2,452	3,518	64,681
Non Salary Labour Costs	7,297	-	32	29	17	-	-	-	-	7,375
Supplies & Consumables	9,069	19	739	889	176	221	26	40	3,417	14,596
Other Expenses from Continuing Operations	3,282	753	2,421	1,375	1,748	1,349	634	(1,318)	497	10,741
Sub -Total Expenses from Services Supported by Health Services Agreement	54,368	1,343	6,889	8,342	10,499	6,426	920	1,174	7,432	97,393
Services Supported by Hospital and Community Initiatives										
Employee Benefits	-	-	-	-	-	-	-	-	1,259	1,259
Supplies & Consumables	-	-	-	-	-	-	-	-	734	734
Other Expenses from Continuing Operations	-	-	-	-	-	-	-	-	617	617
Sub -Total Expense from Services Supported by Hospital and Community Initiatives	-	-	-	-	-	-	-	-	2,610	2,610
Expenditure using Capital Purpose Income										
Other Expenses	-	-	-	-	-	-	-	-	18	18
Sub-Total Expenditure using Capital Purpose Income	-	-	-	-	-	-	-	-	18	18
Depreciation & Amortisation (refer note 4)	-	-	-	-	-	-	-	-	6,566	6,566
Finance Costs (refer note 5)	-	-	-	-	-	-	-	-	24	24
Sub-total Expenditure from Services supported by Health Services Agreement and Hospital and Community Initiatives	-	-	-	-	-	-	-	-	6,590	6,590
Total Expenses	54,368	1,343	6,889	8,342	10,499	6,426	920	1,174	16,650	106,611

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 3a: Analysis of Expenses by Source continued

	Admitted Patients 2010 \$000	Out- patients 2010 \$000	EDS 2010 \$000	Ambu- latory 2010 \$000	Mental Health 2010 \$000	RAC 2010 \$000	Aged Care 2010 \$000	Primary Health 2010 \$000	Other 2010 \$000	Total 2010 \$000
Services Supported by Health Services Agreement										
Employee Benefits	32,738	592	3,370	5,955	8,251	4,779	137	2,553	3,323	61,698
Non Salary Labour Costs	6,845	-	18	13	14	-	-	-	-	6,890
Supplies & Consumables	8,998	26	692	1,132	217	231	-	49	3,179	14,524
Other Expenses from Continuing Operations	2,254	737	2,277	1,420	1,620	1,264	867	(1,478)	433	9,394
Sub -Total Expenses from Services Supported by Health Services Agreement	50,835	1,355	6,357	8,520	10,102	6,274	1,004	1,124	6,935	92,506
Services Supported by Hospital and Community Initiatives										
Employee Benefits	-	-	-	-	-	-	-	-	2,163	2,163
Supplies & Consumables	-	-	-	-	-	-	-	-	566	566
Other Expenses from Continuing Operations	-	-	-	-	-	-	-	-	878	878
Sub -Total Expense from Services Supported by Hospital and Community Initiatives	-	-	-	-	-	-	-	-	3,607	3,607
Expenditure using Capital Purpose Income										
Other Expenses	-	-	-	-	-	-	-	-	35	35
Sub-Total Expenditure using Capital Purpose Income	-	-	-	-	-	-	-	-	35	35
Depreciation & Amortisation (refer note 4)	-	-	-	-	-	-	-	-	6,636	6,636
Finance Costs (refer note 5)	-	-	-	-	-	-	-	-	32	32
Sub-total Expenditure from Services supported by Health Services Agreement and Hospital and Community Initiatives	-	-	-	-	-	-	-	-	6,668	6,668
Total Expenses	50,835	1,355	6,357	8,520	10,102	6,274	1,004	1,124	17,245	102,816

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 3b: Analysis of Expenses by Internal and Restricted Specific Purpose Funds for Services Supported by Hospital and Community Initiatives

	Total 2011 \$000	Total 2010 \$000
Private Practice and Other Patient Activities	532	368
Linen Service	-	1,360
Coffee Shop	511	443
Other	1,567	1,436
Total	2,610	3,607

Note 4: Depreciation and Amortisation

	Total 2011 \$000	Total 2010 \$000
Depreciation		
Buildings	5,245	5,218
Plant & Equipment	336	315
Medical Equipment	626	626
Computers and Communication	58	90
Furniture & Equipment	41	89
Motor Vehicles	246	276
Total Depreciation	6,552	6,614
Amortisation		
Intangible Assets	14	22
Total Amortisation	14	22
Total Depreciation and Amortisation	6,566	6,636

Note 5: Finance Costs

	Total 2011 \$000	Total 2010 \$000
Interest on Long Term Borrowings	8	14
Other - Bank Charges	16	18
Total	24	32

Note 6: Cash and Cash Equivalents

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

	Total 2011 \$000	Total 2010 \$000
Cash on Hand	30	42
Cash at Bank	967	1,513
Total	997	1,555
Represented by:		
Cash for Health Service Operations (as per Cash Flow Statement)	997	1,555
Total	997	1,555

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 7: Receivables

	Total 2011 \$000	Total 2010 \$000
Current		
Contractual		
Inter Hospital Debtors	134	95
Trade Debtors	732	468
Patient Fees	720	642
Accrued Investment Income	101	12
Accrued Revenue - Other	129	85
Less Allowance for Doubtful Debts		
Trade Debtors	(15)	(27)
Patient Fees	(55)	(50)
	<u>1,746</u>	<u>1,225</u>
Statutory		
GST Receivable	327	307
Accrued Revenue - Department of Health (DH)	59	172
Accrued Revenue - Dental Health Services Victoria (DHSV)	211	225
Accrued Revenue - Commonwealth	262	251
	<u>859</u>	<u>955</u>
Total Current Receivables	<u>2,605</u>	<u>2,180</u>
Non Current		
Statutory		
Long Service Leave - Department of Health (DH)	1,283	771
Total Non Current Receivables	<u>1,283</u>	<u>771</u>
Total Receivables	<u>3,888</u>	<u>2,951</u>

(a) Movement in the Allowance for doubtful contractual receivables

	Total 2011 \$000	Total 2010 \$000
Balance at beginning of year	77	61
Amounts written off during the year	(82)	(98)
Amounts recovered during the year	-	-
Increase/(decrease) in allowance recognised in net result	75	114
Balance at end of year	<u>70</u>	<u>77</u>

(b) Ageing analysis of receivables

Please refer to note 19(b) for the ageing analysis of receivables

(c) Nature and extent of risk arising from receivables

Please refer to note 19(b) for the nature and extent of credit risk arising from receivables

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 8: Investments and other Financial Assets

	Operating Fund		Specific Purpose Fund		Capital Fund		Total	Total
	2011	2010	2011	2010	2011	2010	2011	2010
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Current								
Term Deposit								
Australian Dollar Bank Term Deposits > 3 months	5,198	2,742	258	246	3,519	311	8,975	3,299
Monies Held in Trust	3	3	-	-	-	-	3	3
Total	5,201	2,745	258	246	3,519	311	8,978	3,302
Represented by:								
Hospital Investments	5,198	2,742	258	246	3,519	311	8,975	3,299
Monies Held In Trust - Patient Monies	3	3	-	-	-	-	3	3
Total	5,201	2,745	258	246	3,519	311	8,978	3,302

(b) Ageing analysis of other financial assets

Please refer to note 19(b) for the ageing analysis of other financial assets

(c) Nature and extent of risk arising from other financial assets

Please refer to note 19 (b) for the nature and extent of credit risk arising from other financial assets

Note 9: Inventories

	Total	Total
	2011	2010
	\$000	\$000
Pharmaceuticals- at cost	273	316
Catering Supplies - at cost	42	27
Housekeeping Supplies - at cost	13	9
Medical and Surgical Lines - at cost	550	573
Engineering Stores - at cost	36	33
Administration Stores - at cost	30	24
Total Inventories	944	982

Note 10: Other Assets

	Total	Total
	2011	2010
	\$000	\$000
Current		
Prepayments	220	155
Share of Hume Rural Health Alliance (HRHA) Other Assets	22	25
Total	242	180

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 11: Property, Plant & Equipment

	Total 2011 \$000	Total 2010 \$000
Land		
Crown Land at fair value	2,964	2,964
Total Land	2,964	2,964
Buildings		
Buildings at fair value	81,292	80,033
Less Accumulated Depreciation	10,463	5,218
Total Buildings	70,829	74,815
Plant and Equipment		
Plant and Equipment at Fair Value	6,733	5,690
Less Accumulated Depreciation	4,081	3,844
Total Plant & Equipment	2,652	1,846
Medical Equipment		
Medical Equipment at Fair Value	8,565	8,575
Less Accumulated Depreciation	5,658	5,540
Total Medical Equipment	2,907	3,035
Computers and Communication		
Computers and Communication at Fair Value	908	956
Less Accumulated Depreciation	820	817
Total Computers and Communications	88	139
Furniture and Fittings		
Furniture and Fittings at Fair Value	680	678
Less Accumulated Depreciation	299	263
Total Furniture and Fittings	381	415
Motor Vehicles		
Motor Vehicles at Fair Value	1,501	1,412
Less Accumulated Depreciation	1,231	1,051
Total Motor Vehicles	270	361
Work in Progress	368	2,204
Total	80,459	85,779

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 11: Property, Plant & Equipment (continued)

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

	Land \$000	Buildings \$000	Plant & Equipment \$000	Medical Equipment \$000	Computers & Communi- cations \$000	Furniture & Fittings \$000	Motor Vehicles \$000	Work in Progress \$000	Total \$000
Balance at 1 July 2009	2,964	78,542	2,107	3,268	180	556	620	838	89,075
Additions	-	134	567	434	49	49	47	2,818	4,098
Disposals	-	-	(573)	(51)	-	(126)	(30)	-	(780)
Revaluation increments	-	-	-	-	-	-	-	-	-
Net Transfers between classes	-	1,357	60	10	-	25	-	(1,452)	-
Depreciation and Amortisation (note 4)	-	(5,218)	(315)	(626)	(90)	(89)	(276)	-	(6,614)
Balance at 1 July 2010	2,964	74,815	1,846	3,035	139	415	361	2,204	85,779
Additions	-	-	135	515	8	8	165	432	1,263
Disposals	-	-	(2)	(17)	(1)	(1)	(10)	-	(31)
Revaluation increments	-	-	-	-	-	-	-	-	-
Net Transfers between classes	-	1,259	1,009	-	-	-	-	(2,268)	-
Depreciation and Amortisation (note 4)	-	(5,245)	(336)	(626)	(58)	(41)	(246)	-	(6,552)
Balance at 30 June 2011	2,964	70,829	2,652	2,907	88	381	270	368	80,459

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

The effective date of the valuation is 30 June 2009.

Note 12: Intangible Assets

	Total 2011 \$000	Total 2010 \$000
Software	1,003	917
Less Accumulated Amortisation	910	904
Total Written Down Value	93	13

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 2009	25
Additions	10
Disposals	-
Amortisation (note 4)	(22)
Balance at 1 July 2010	13
Additions	94
Disposals	-
Amortisation (note 4)	(14)
Balance at 30 June 2011	93

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 13: Payables

	Total 2011 \$000	Total 2010 \$000
Current		
Contractual		
Trade Creditors	1,251	988
Accrued Expenses	2,362	2,112
Income in Advance	16	71
Share of HRHA Payables	185	95
	<u>3,814</u>	<u>3,266</u>
Statutory		
GST Payable	69	54
Income in Advance	1,127	1,139
	<u>1,196</u>	<u>1,193</u>
Total	<u><u>5,010</u></u>	<u><u>4,459</u></u>

(a) Maturity analysis of payables

Please refer to Note 19(c) for the ageing analysis of payables

(b) Nature and extent of risk arising from payables

Please refer to Note 19(c) for the nature and extent of risks arising from payables

Note 14: Borrowings

	Total 2011 \$000	Total 2010 \$000
Current		
Bank Overdraft	-	-
Australian Dollar Borrowings		
- Other	-	6
	<u>-</u>	<u>6</u>
Total Australian Dollar Borrowings	<u>-</u>	<u>6</u>
Total Current	<u>-</u>	<u>6</u>
Non-Current		
Australian Dollar Borrowings		
- Other	-	70
	<u>-</u>	<u>70</u>
Total Australian Dollar Borrowings	<u>-</u>	<u>70</u>
Total Non-Current	<u>-</u>	<u>70</u>
Total Borrowings	<u><u>-</u></u>	<u><u>76</u></u>

All interest bearing borrowings are unsecured.

The Australian Dollar Borrowings 'Other' comprised of one Bank loan which was repaid during the year.

The loan was at a variable interest rate.

Finance costs incurred during the year totalled \$34,000 and were recognised as expenses.

The Hospital has an approved Bank Overdraft facility of \$300,000 which is secured by term deposits.

(a) Maturity analysis of borrowings

Please refer to note 19(c) for the ageing analysis of interest bearing liabilities

(b) Nature and extent of risk arising from borrowings

Please refer to note 19(c) for the nature and extent of risks arising from interest bearing liabilities

(c) Defaults and breaches

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

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 15: Provisions

	Total 2011 \$000	Total 2010 \$000
Current Provisions		
Employee Benefits		
- unconditional and expected to be settled within 12 months	4,690	4,299
- unconditional and expected to be settled after 12 months	8,644	7,575
Provisions related to employee benefit on-costs		
- unconditional and expected to be settled within 12 months (nominal value)	452	410
- unconditional and expected to be settled after 12 months (present value)	847	745
Total Current Provisions	14,633	13,029
Non-Current Provisions		
Employee Benefits	2,475	2,252
Provisions related to employee benefit on-costs	263	238
Total Non-Current Provisions	2,738	2,490
Total Provisions	17,371	15,519
	Total	Total
(a) Employee Benefits and Related On-Costs	2011	2010
	\$000	\$000
Current Employee Benefits and related on-costs		
Unconditional long service leave entitlements	6,305	5,435
Annual Leave entitlements	5,616	5,230
Accrued Salaries and Wages	1,174	959
Accrued Days Off	239	250
Non-Current Employee Benefits and related on-costs		
Conditional long service leave (present value)	2,475	2,252
Total Employee Benefits	15,809	14,126
On-Costs		
Current On-Costs	1,299	1,155
Non-Current On-Costs	263	238
Total On-Costs	1,562	1,393
Total Employee Benefits and Related On-Costs	17,371	15,519
(b) Movements in provisions		
Movement in Long Service Leave:		
Balance at start of year	8,501	7,957
Provision made during the year	1,932	1,594
Settlement made during the year	(720)	(1,050)
Balance at end of year	9,713	8,501

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 16: Other Liabilities

	Total 2011 \$000	Total 2010 \$000
Current		
Monies Held in Trust *		
- Patient Monies Held in Trust	3	3
Other	127	130
Total Other Liabilities	130	133
* Total Monies Held in Trust		
Represented by the following assets:		
Other Financial Assets (refer to note 8)	3	3
Total	3	3

Note 17: Reserves

	Total 2011 \$000	Total 2010 \$000
(a) Reserves		
Property, Plant & Equipment Revaluation Reserve ¹		
Balance at the beginning of the reporting period	48,870	48,870
Revaluation Increment/(Decrement)		
- Land	-	-
- Buildings	-	-
Balance at the end of the reporting period *	48,870	48,870
* Represented by:		
- Land	756	756
- Buildings	48,114	48,114
Total Reserves	48,870	48,870
(1) The property, plant & equipment asset revaluation reserve arises on the revaluation of property, plant & equipment.		
(b) Contributed capital		
Balance at the beginning of the reporting period	38,302	38,302
Capital contribution received from Victorian State Government	-	-
Balance at the end of the reporting period	38,302	38,302
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	(12,597)	(8,606)
Net Result for the Year	(1,485)	(3,991)
Balance at the end of the reporting period	(14,082)	(12,597)
(d) Total Equity at end of financial year	73,090	74,575

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 18: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities

	Total 2011 \$000	Total 2010 \$000
Net Result for the Year	(1,485)	(3,991)
Depreciation & Amortisation	6,566	6,636
Net (Gain)/Loss from Sale of Plant and Equipment	3	295
Change in Operating Assets & Liabilities		
Increase/(Decrease) in Payables	551	961
Increase/(Decrease) in Employee Benefits	1,852	(341)
(Increase)/Decrease in Receivables	(937)	(149)
(Increase)/Decrease in Prepayments	(65)	1,035
(Increase)/Decrease in Other Assets	3	(9)
(Increase)/Decrease in Stores	38	(37)
Increase/(Decrease) in Other Liabilities	(3)	(66)
Net Cash Inflow/(Outflow) from Operating Activities	6,523	4,334

Note 19: Financial Instruments

(a) Financial Risk Management Objectives and Policies

Northeast Health Wangaratta's principal financial instruments comprise of:

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

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

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

Categorisation of financial instruments

	Note	Category	Carrying Amount 2011 \$000	Carrying Amount 2010 \$000
Financial Assets				
Cash and cash equivalents	6	NA	997	1,555
Receivables	7	Loans and Receivables	1,746	1,225
Other Financial assets	8	Loans and Receivables	8,978	3,302
Financial Liabilities				
Payables	13	Financial liabilities at amortised cost	3,814	3,266
Borrowings	14	Financial liabilities at amortised cost	-	76
Other Liabilities	16	Financial liabilities at amortised cost	130	133

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 19: Financial Instruments (continued)

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

	Net holding gain/(loss) 2011 \$000	Net holding gain/(loss) 2010 \$000
Financial Assets		
Cash and cash equivalents	-	-
Receivables	-	-
Other Financial assets	427	234
Total Financial Assets	427	234
Financial Liabilities		
Payables	-	-
Borrowings	8	14
Other Liabilities	-	-
Total Financial Liabilities	8	14

(b) Credit Risk

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

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

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

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

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

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 19: Financial Instruments (continued)

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

	Financial Institutions (AA credit rating) \$000	Government agencies (AAA credit ratings) \$000	Other \$000	Total \$000
2011				
Financial Assets				
Cash and Cash Equivalents	997	-	-	997
Receivables				
- Trade Debtors	-	134	717	851
- Other Receivables	101	-	794	895
Other Financial Assets				
- Term Deposit	8,975	-	-	8,975
- Monies held in Trust	3	-	-	3
Total Financial Assets	10,076	134	1,511	11,721
2010				
Financial Assets				
Cash and Cash Equivalents	1,555	-	-	1,555
Receivables				
- Trade Debtors	-	95	441	536
- Other Receivables	12	-	677	689
Other Financial Assets				
- Term Deposit	3,299	-	-	3,299
- Monies held in Trust	3	-	-	3
Total Financial Assets	4,869	95	1,118	6,082

Ageing analysis of financial assets as at 30 June

	Consol'd Carrying Amount \$000	Not Past Due and Not Impaired \$000	Past Due But Not Impaired			
			Less than 1 Month \$000	1-3 Months \$000	3 months -1 Year \$000	1-5 Years \$000
2011						
Financial Assets						
Cash and Cash Equivalents	997	997	-	-	-	-
Receivables						
- Trade Debtors	851	668	-	158	25	-
- Other Receivables	895	602	-	208	85	-
Other Financial Assets						
- Term Deposit	8,975	8,975	-	-	-	-
- Monies held in Trust	3	3	-	-	-	-
Total Financial Assets	11,721	11,245	-	366	110	-
2010						
Financial Assets						
Cash and Cash Equivalents	1,555	1,555	-	-	-	-
Receivables						
- Trade Debtors	536	431	-	68	37	-
- Other Receivables	689	394	-	183	110	2
Other Financial Assets						
- Term Deposit	3,299	3,299	-	-	-	-
- Monies held in Trust	3	3	-	-	-	-
Total Financial Assets	6,082	5,682	-	251	147	2

There are no material financial assets which are individually determined to be impaired. Currently Northeast Health Wangaratta does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

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

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 19: Financial Instruments (continued)

(c) Liquidity Risk

Liquidity risk is the risk that the Health Service would be unable to meet its financial obligations as and when they fall due.

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

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

Maturity analysis of financial liabilities as at 30 June

	Carrying Amount \$000	Contractual Cash Flows \$000	Maturity Dates					
			Less than 1 month \$000	1-3 Months \$000	3 months - 1 Year \$000	1 - 5 Years \$000	Over 5 Years \$000	
2011								
Payables:								
Trade creditors and accruals	3,814	3,814	3,637	177	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
Other Financial Liabilities	130	130	-	130	-	-	-	-
Total Financial Liabilities	3,944	3,944	3,637	307	-	-	-	-
2010								
Payables:								
Trade creditors and accruals	3,266	3,266	3,197	65	4	-	-	-
Borrowings	76	76	1	1	3	34	37	
Other Financial Liabilities	133	133	-	133	-	-	-	-
Total Financial Liabilities	3,475	3,475	3,198	199	7	34	37	

(d) Market Risk

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

Currency Risk

Northeast Health Wangaratta is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement.

Interest Rate Risk

Exposure to interest rate risk might arise primarily through Northeast Health Wangaratta's interest bearing liabilities. Minimisation of risk is achieved by mainly holding fixed rate or non-interest bearing financial instruments. For financial liabilities, Northeast Health Wangaratta mainly holds financial liabilities with relatively even maturity profiles.

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 19: Financial Instruments (continued)

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

	Weighted Average Effective Interest Rate (%)	Carrying Amount \$000	Interest Rate Exposure		
			Fixed Interest Rate \$000	Variable Interest Rate \$000	Non Interest Bearing \$000
2011					
Financial Assets					
Cash and Cash Equivalents	2.43%	997	-	967	30
Receivables	-	1,746	-	-	1,746
Other Financial Assets	6.19%	8,978	8,975	-	3
		11,721	8,975	967	1,779
Financial Liabilities					
Trade creditors and accruals	-	3,814	-	-	3,814
Borrowings	-	-	-	-	-
Other Financial Liabilities	-	130	-	-	130
		3,944	-	-	3,944
2010					
Financial Assets					
Cash and Cash Equivalents	3.75%	1,555	-	1,513	42
Receivables	-	1,225	-	-	1,225
Other Financial Assets	6.30%	3,302	3,299	-	3
		6,082	3,299	1,513	1,270
Financial Liabilities					
Trade creditors and accruals	-	3,266	-	-	3,266
Borrowings	8.69%	76	-	76	-
Other Financial Liabilities	-	133	-	-	133
		3,475	-	76	3,399

Sensitivity Disclosure Analysis

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

- a parallel shift of +1% and -1% in market interest rates (AUD) from year end rates of 6%;
- a parallel shift of + 1% and -1% in inflation rates from year end rates of 2% (not analysed).

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

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 19: Financial Instruments (continued)

2011

Financial Assets

Cash and Cash Equivalents

Receivables

Other financial assets

Financial Liabilities

Trade creditors and accruals

Borrowings

Other Financial Liabilities

Carrying Amount	Interest Rate Risk			
	-1% Profit \$000	Equity \$000	+1% Profit \$000	Equity \$000
997	(10)	(10)	10	10
1,746	-	-	-	-
8,978	(90)	(90)	90	90
3,814	-	-	-	-
-	-	-	-	-
130	-	-	-	-

Carrying Amount	Interest Rate Risk			
	-1% Profit \$000	Equity \$000	+1% Profit \$000	Equity \$000
1,555	(16)	(16)	16	16
1,225	-	-	-	-
3,302	(33)	(33)	33	33
3,266	-	-	-	-
76	1	1	(1)	(1)
133	-	-	-	-

2010

Financial Assets

Cash and Cash Equivalents

Receivables

Other financial assets

Financial Liabilities

Trade creditors and accruals

Borrowings

Other Financial Liabilities

(e) Fair Value

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

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

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

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

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

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

Comparison between carrying amount and fair value

Financial Assets

Cash and Cash Equivalents

Receivables

- Trade Debtors

- Other Receivables

Other Financial Assets

- Term Deposit

- Monies held in Trust

Total Financial Assets

Financial Liabilities

Payables

Borrowings

Other Liabilities

Total Financial Liabilities

Consol'd Carrying Amount 2011 \$000	Fair Value 2011 \$000	Consol'd Carrying Amount 2010 \$000	Fair Value 2010 \$000
997	997	1,555	1,555
851	851	536	536
895	895	689	689
8,975	8,975	3,299	3,299
3	3	3	3
11,721	11,721	6,082	6,082
3,814	3,814	3,266	3,266
-	-	76	76
130	130	133	133
3,944	3,944	3,475	3,475

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 20: Commitments for Expenditure

	Total 2011 \$000	Total 2010 \$000
Capital Expenditure Commitments		
Payable:		
Land and Buildings	3,865	162
Plant and Equipment	591	205
Total Capital Commitments	4,456	367
Land and Buildings		
Not later than one year	3,865	162
Plant and Equipment		
Not later than one year	591	205
Total	4,456	367
Other Expenditure Commitments		
Payable:		
Pathology	5,292	231
Maintenance & Information Technology	483	306
Total Other Commitments	5,775	537
Not later than one year	1,315	401
Later than one year and not later than 5 years	4,460	136
Later than 5 years	-	-
Total	5,775	537
Lease Commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	3,002	2,653
Total Lease Commitments	3,002	2,653
Operating Leases		
Non-Cancellable		
Not later than one year	1,132	1,210
Later than one year but not later than 5 years	1,842	1,436
Later than 5 years	28	7
Total	3,002	2,653
Total Commitments for expenditure (inclusive of GST)	13,233	3,557
less GST recoverable from the Australian Tax Office	(1,203)	(323)
Total Commitments for expenditure (exclusive of GST)	12,030	3,234

Note 21 - Contingent Assets and Contingent Liabilities

Northeast Health Wangaratta does not have any contingent assets or contingent liabilities (2010: \$nil).

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 22: Operating Segments

	Hospital 2011 \$000	Hospital 2010 \$000	Mental Health 2011 \$000	Mental Health 2010 \$000	RAC 2011 \$000	RAC 2010 \$000	Total 2011 \$000	Total 2010 \$000
Revenue								
External Segment Revenue	87,388	82,770	10,881	9,999	6,462	5,857	104,731	98,626
Total Revenue	87,388	82,770	10,881	9,999	6,462	5,857	104,731	98,626
Expenses								
External Segment Expense	(83,096)	(79,772)	(10,499)	(10,102)	(6,426)	(6,274)	(100,021)	(96,148)
Unallocated Expense								
- Depreciation & Amortisation	(5,441)	(5,505)	(411)	(429)	(714)	(702)	(6,566)	(6,636)
Total Expenses	(88,537)	(85,277)	(10,910)	(10,531)	(7,140)	(6,976)	(106,587)	(102,784)
Net Result from ordinary activities	(1,149)	(2,507)	(29)	(532)	(678)	(1,119)	(1,856)	(4,158)
Interest/Finance Expense	(24)	(32)	-	-	-	-	(24)	(32)
Interest Income	395	199	-	-	-	-	395	199
Net Result for Year	(778)	(2,340)	(29)	(532)	(678)	(1,119)	(1,485)	(3,991)
Other Information								
Total Segment Assets	77,638	76,241	4,340	4,686	13,623	13,835	95,601	94,762
Total Segment Liabilities	19,235	17,249	2,339	2,047	937	892	22,511	20,187

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

Business Segments

Hospital

Services

Acute & Sub-Acute inpatient and outpatient services, District Nursing & Allied Health services.

Mental Health

Inpatient, Community & Aged Mental Health services

Residential Aged Care (RAC) Nursing Home

The basis of inter-segment pricing is at cost.

RAC Segment Expenses

Care employee expenses	
Other employee expenses	
Depreciation	
Other operating expenses	
Total	

	2011 \$000	2010 \$000
Care employee expenses	4,058	3,958
Other employee expenses	798	821
Depreciation	714	702
Other operating expenses	1,570	1,495
Total	7,140	6,976

Geographical Segment

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

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 23: Jointly Controlled Operations and Assets

Name of Entity	Principal Activity	Ownership Interest	
		2011	2010
Hume Rural Health Alliance	Information Systems	14.23%	15.48%

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

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

Current Assets

Cash and Cash Equivalents
Receivables
Other Assets

Total Current Assets

Total Assets

Total 2011 \$000	Total 2010 \$000
97	210
312	160
22	25
431	395
431	395

Current Liabilities

Payables
Other Liabilities

Total Current Liabilities

Total Liabilities

186	95
-	5
186	100
186	100

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

Revenue

Operating Activities
Non-operating Activities
Capital Purpose Income

Total Revenue

Total 2011 \$000	Total 2010 \$000
359	257
9	8
-	(1)
368	264

Expenses

Employee Benefits
Other Expenses from Continuing Operations
Depreciation
Expenditure using Capital Purpose Income

Total Expenses

Profit/(Loss)

224	147
188	117
5	4
-	52
417	320
(49)	(56)

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 24a - Responsible Person Disclosures

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

Responsible Ministers:	Period
The Honourable Daniel Andrews, MP, Minister for Health	1/07/2010 - 2/12/2010
The Honourable David Davis, MP, Minister for Health and Minister for Ageing	2/12/2010 - 30/6/2011
The Honourable Mary Woodridge, MLA, Minister for Mental Health	2/12/2010 - 30/6/2011

Board of Management		Period
Ms C E Cunningham	President	1/07/2010 - 30/06/2011
Mr A R Wills	Vice President	1/07/2010 - 30/06/2011
Ms J M Milne	Director	1/07/2010 - 30/06/2011
Mr D R Lawson	Director	1/07/2010 - 30/06/2011
Ms L A Williamson	Director	1/07/2010 - 30/06/2011
Ms K M Harmon	Director	1/07/2010 - 30/06/2011
Mr B Schutt	Director	1/07/2010 - 30/06/2011

Accountable Officer	Period
Ms M Bennett	1/07/2010 - 30/06/2011

Remuneration of Responsible Persons

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

Income Band	2011 No.	2010 No.
\$0 - \$9,999	7	8
\$20,000 - \$29,999	-	2
\$200,000 - \$209,999	-	1
\$220,000 - \$229,999	1	-
Total Numbers	8	11

Total remuneration received or due and receivable by Responsible Persons from the Reporting entity amounted to:

\$000	\$000
226	254

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

Notes to and forming part of the Financial Statements

For the year ended 30 June 2011

Note 24b - Executive Officer Disclosures

Executive Officers' Remuneration

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

	Total Remuneration		Base Remuneration	
	2011 No.	2010 No.	2011 No.	2010 No.
\$130,000 - \$139,999	-	1	-	1
\$150,000 - \$159,999	1	-	1	-
\$170,000 - \$179,000	1	-	1	-
\$250,000 - \$259,999	-	1	-	1
\$270,000 - \$279,999	1	-	1	-
Total	3	2	3	2
	\$000	\$000	\$000	\$000
Total remuneration for the reporting period for Executive Officers included above amounted to:	612	391	612	391

Note 25 - Events occurring after the Balance Sheet Date

Northeast Health Wangaratta does not have any events occurring after the Balance Sheet Date.

Notes