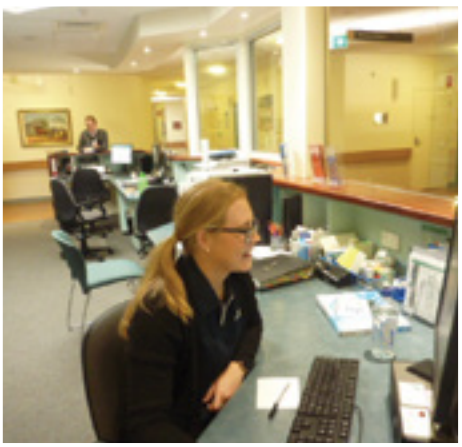
Nathalia District Hospital

Providing Quality Care



annual REPORT

2017/18

Nathalia District Hospital

ANNUAL REPORT 2017-18

Mission

Working collaboratively to provide quality health and well-being services for our community.

Vision

Leading our community towards better health.

Values

Integrity
We engage others in a respectful, fair and ethical manner, fulfilling our commitments as professionals. We ensure the highest degree of dignity, equity, honesty and kindness.

Accountability
We ensure quality patient care and use resources appropriately in an open and transparent manner.

Collaboration
We work as a team in partnership with our staff, our community and other healthcare providers.

Knowledge
We create opportunities for education and health promotion.

Excellence
We are committed to achieving our goals and improving quality of care by delivering efficient, safe, person-centred, innovative, knowledge-based healthcare.

INTRODUCTION

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for the Nathalia District Hospital for the year ended 30 June 2018.

Susan Logie
Board Chair
30 August 2018

ANNUAL REPORTING

Nathalia District Hospital reports on its annual performance in one document. This Annual Financial and Performance Report fulfils the statutory reporting requirements to Government by way of an Annual Report and the Victorian Quality Account reports on quality, risk management and performance improvement matters. Both documents are presented to the Annual General Meeting and then distributed to the community. Nathalia District Hospital was established under the Health Service Act 1988.

RELEVANT MINISTER

The responsible Ministers during the reporting period were:

The Honourable Jill Hennessy MP, Minister for Health, Minister for Ambulance, 1 July 2017 to 30 June 2018.

The Honourable Martin Foley MP, Minister for Housing, Disability and Ageing, Minister for Mental Health, 1 July 2017 to 30 June 2018.

Contents

About Nathalia District Hospital 4

Board Chair Report 6

Director of Medical Services Report 8

Acknowledgement of Service 9

Board of Management 10

Leadership Team 11

Board and Board Committees 12

2017-18 Highlights 14

Workforce 18

Organisational Structure 19

Statutory Requirements 20

Part A - Statement of Priorities 24

Part B - Performance Priorities
Financial Performance 27

Part C - Activity and Funding 30

Disclosure Index 33

Financial Report 35

About Nathalia Hospital

Nathalia District Hospital is a Small Rural Health Service located in the north of the state. It services the residents of Nathalia and district, which encompasses the small townships and districts of Waaia, Barmah, Picola, Kotupna, Bearii and Yalca.

Nathalia District Hospital is governed by a Board of Management, appointed by the Governor in Council upon recommendation of the Victorian Minister for Health, the Hon. Jill Hennessey. Under the Health Services Act 1988, the hospital has flexibility to tailor services to meet the changing needs of our community.

Our Annual Report is best read in conjunction with the Quality of Care Report. These two documents detail our achievements across the clinical, community and operational departments of our health service.

The purpose, function, power and duties of Nathalia District Hospital are described in the operation practices and by-laws of the organisation. Established under the Health Services Act 1988, Nathalia District Hospital is the major health provider for Nathalia.

Acknowledgement of Country

Nathalia District Hospital acknowledges the traditional owners of this land and pays its respects to their Elders past and present. Nathalia District Hospital acknowledges their living culture and the unique role they play in the life of our region.

History

In response to an advertisement placed in the Nathalia Herald on 14 December 1888, on 21 December 1888 about 30 gentlemen gathered to consider a hospital in Nathalia. The opinion of this meeting was that 'the time has now arrived, when a hospital should be erected in Nathalia'. The meeting did not decide to build a hospital, but only affirmed that it was a necessity, and that if the promised support warranted, a further meeting would be called. Whilst it would be many years before a public hospital would be established in Nathalia, during the early 1900s a hospital service was represented by a succession of midwives who delivered babies in the home and several lying-in homes and private hospitals.

In 1892-93, Dr F. Keyes built a private residence known as 'Mayo' on the corner of Elizabeth and North Streets in Nathalia. In 1939 the then current owner of the house Dr N. Harbison closed the six bed private hospital he ran at 42 Fraser Street and converted 'Mayo' into a private hospital.

In 1951, the Hospital and Charities Commission and the Hospital Committee of Management purchased 'Mayo'. The Hospital became known as Nathalia District Hospital and was officially opened by the Hon. E. P. Cameron MLC Minister of Health in December 1955.

Today Nathalia District Hospital plays a key role in the provision of health care to Nathalia and district communities operating from a purpose built facility it relocated to in November 2009.

Our Services

- The Urgent Care Centre provides urgent medical care on a 24 hour basis, seven days a week.
- The Acute Care Unit of six beds offers general inpatient medical and palliative care.
- A 20 bed residential aged care home offers high level nursing care.
- Nathalia Medical Clinic.
- In addition, several community and primary care services are offered either by the health service or through private providers. These include: Radiology, Pathology Collection, Physiotherapy, Podiatry, Diabetes Education, Occupational Therapy, Women's Health Clinic, Dietetics and Generalist Counselling.

Nathalia District Hospital plays a key role in the provision of healthcare to Nathalia and district communities...

Board Chair Report

Year In Review

This year has been a year of achievement and partnerships, with work being undertaken to improve services and facilities for the benefit of the local community.

Building Works

Building works on the Banawah and Allied Health areas were completed during 2017/18. Funding from Moira Community Rehabilitation Centre has assisted with the redevelopment of the Allied health area, and will provide Nathalia District Hospital with an on site gym.

The Significant Facility Refurbishment Initiative has allowed Banawah to increase the number of common spaces and enhance our model of resident-centred care. The improvements increased the shared living space by adding a room to allow staff the ability to offer a variety of activities to different residents at the same time.

The planned extension allows the engagement of residents with reduced senses by providing clear sight and access to the garden area. It provides increased spaces for those residents who enjoy walking around the premises, whilst respecting residents' privacy and personal space.

Accreditation

In September 2017, Nathalia District Hospital achieved successful accreditation of EQuIP and National Standards, as well as Commonwealth Home Support Program Standards. We are committed to ensuring high quality services and excellence in patient care and safety.

Nathalia Cobram Numurkah Health Services Partnership

Nathalia, Cobram and Numurkah Health Services undertook staff and community consultation during the year in relation to improving access to care for local communities. Feedback was positive. The strengthening of partnerships across the three organisations is now commencing and this will take place progressively over the next 12 months.

In 2018, the three organisations will continue to operate as separate entities, and the boards of management will continue to govern each health service independently.

The partnerships will explore ways to provide better services for each location. The existing facilities will remain in place, in their current locations. Current services will be maintained and enhanced to improve access and deliver the best possible health care locally.

Joint Projects

Urgent Care Project

Nathalia District Hospital is a member of the 12 month Urgent Care Project. Working with Goulburn Valley Health, Numurkah District Health Service, Cobram District Health and Kyabram District Health service the aim of the project is to develop a quality framework for rural urgent care centres. The project provides marketing, data collection and a clinical review process for the participating health services.

Moira Respiratory Project

This project brings together the collaboration between health services across the Moira Shire to establish a comprehensive in-home and centre-based model of rehabilitation and maintenance for patients with Chronic Obstructive Pulmonary Disease (COPD). The model includes training and coordination with General Practice, District Nursing Services, Pharmacists and Allied Health services to support and improve identification, diagnosis and management of patients with, or at risk of COPD.

Mental Health

Numurkah District Health Service in partnership with Cobram District Health, Nathalia District Hospital and Yarrawonga Health have been able to provide two new mental health services: Psychological Therapy Services and Mental Health Clinical Care Coordination to residents of Moira Shire.

Strengthening Hospital Response to Family Violence

Together with Goulburn Valley Health, Numurkah District Health Service and Cobram District Health, Nathalia District Hospital is implementing the Strengthening Hospital Responses to Family Violence (SHRFV) initiative. The initiative is part of the government's response to the Royal Commission into Family Violence, and relates to recommendation 95 which requires a 'whole-of-hospital' model for responding to family violence in public hospitals within three to five years. Health services can have a significant and important role in primary prevention of family violence.

This year we welcomed new Director of Nursing, Greg Van Popering to the leadership role at Nathalia District Hospital. Greg joined us from Cobram District Health and has outstanding experience and qualifications in nursing and management.

We also acknowledge Leigh Giffard who retired from the Director of Nursing role after an incredible 32 years of service.

I would like to thank Board members, management and staff for your efforts during the year, to ensure we continue to provide excellent healthcare to people in our local community.

I wish to recognise retiring Board members David McKenzie and David Vaughan for their valuable contributions.

I would also like to acknowledge the donations and ongoing support of the Nathalia Lions New Year's Eve Committee to the hospital.

Susan Logie
Board Chair

This year has been a year of achievement and partnerships, with work being undertaken to improve services and facilities for the benefit of the local community.

Director Medical Services Report

I am delighted to have commenced with Nathalia District Hospital as the new Director of Medical Services, following the handover of the role from Dr Rick Lowen at the end of the financial year.

Dr Lowen has left some very large shoes to fill, having capably supported Nathalia District Hospital's credentialling, clinical governance and medical engagement functions following the retirement of the health service's long-standing Director of Medical Services Dr Jack Best. On behalf of Nathalia's hospital and medical community, we would like to thank Dr Lowen for his service and wish him well for the future.

During the year, the Nathalia Cobram Numurkah Health Services Partnership initiative (www.ncnhealthservices.org.au), was strengthened to promote closer collaboration among the three health services, including shared general and medical management services.

The 2017/18 year has seen Nathalia District Hospital participate in the Better Care Victoria project: "Lower complexity urgent care, a new paradigm for rural health services". Participants in this project also include Numurkah District Health Service, Cobram District Health, Kyabram District Health Service, Goulburn Valley Health, Ambulance Victoria and Murray Primary Health Network. In partnership with General Practitioners in the region, much progress has been achieved in improving the community's knowledge of what Urgent Care Centres do and how to use them effectively. The project also sponsors a regional clinical review process for Urgent Care Centre patients, which has led to the development of clinical pathways and improvements in clinical practice. Nathalia District Hospital has contributed sample clinical pathways to this process, which were originally introduced by Dr Lowen.

We also acknowledge the departures of Dr Mogeke Nyorora (General Practitioner), Ms Leigh Giffard (Director of Nursing) and Mr Trevor Saunders (Chief Executive Officer), and their service to the Nathalia community. Dr Gbola Adewoye (General Practitioner) joined our medical staff group, Mr Greg van Popering has taken up the role of Director of Nursing and Ms Jacque Phillips commences as Chief Executive Officer on 1 July 2018.

On a personal note, I look forward to relocating to the Moira Shire, and working with Nathalia's medical, hospital and broader communities to pursue positive public health outcomes for the people of Nathalia and district.

Dr Ka Chun Tse
Director of Medical Services

Nathalia District Hospital wishes to acknowledge the outstanding leadership, advocacy and dedication that Leigh demonstrated over three decades.

Acknowledgement of Service - *Leigh Giffard*

During the 2017/18 year, Nathalia District Hospital's Director of Nursing, Leigh Giffard retired after 32 years of service.

Nathalia District Hospital wishes to acknowledge the outstanding leadership, advocacy and dedication that Leigh demonstrated over three decades.

As a result of Leigh's leadership and expertise, Nathalia District Hospital and the community benefited from:

- The establishment of the Nathalia Medical Clinic;
- The subdivision and sale of the old hospital site;
- Successful Australian Council on Healthcare Standards and ACSSA accreditation; and
- The establishment of new services at the hospital including visiting geriatrician, audiology and optometry services.

Leigh has mentored and encouraged many nursing students over the years. She has also been instrumental in ensuring Nathalia District Hospital has x-ray services in rural areas and for the implementation of Advanced Practice Nurse roles in small rural health services.

Nathalia District Hospital thanks Leigh for her significant contribution to the organisation and community.

Board of Management

Ms Susan Logie (Board Chair)

Appointment: 1 November 2004
Term Expires: 30 June 2019
Committees:

- Audit and Risk Committee
- Patient Care Review Committee
- Medical Appointments Advisory Committee

Mr David Vaughan (Deputy Board Chair)

Appointment: 1 November 2000
Term Expires: 30 June 2018
Committees:

- Audit and Risk Committee
- Patient Care Review Committee
- Medical Appointments Advisory Committee

Kerry-anne Rappell

Appointment: 19 February 2013
Term Expires: 30 June 2019
Committees:

- Patient Care Review Committee (Chair)
- Medical Appointments Advisory Committee

David McKenzie

Appointment:10 September 2007
Term Expires: 30 June 2018
Committees:

- Audit and Risk Committee
- Patient Care Review Committee
- Medical Appointments Advisory Committee

Diana Baxter

Appointment: 1 July 2015
Term Expires: 30 June 2019
Committees:

- Patient Care Review Committee
- Medical Appointments Advisory Committee (Chair)

Chris McCallum

Appointment:1 July 2004
Term Expires 30 June 2019
Committees:

- Audit and Risk Committee
- Patient Care Review Committee

Peter Limbrick

Appointment:1 July 2016
Term Expires: 30 June 2019
Committees:

- Audit and Risk Committee (Chair)
- Patient Care Review Committee

Maxene Hughes

Appointment: 6 September 2016
Term Expires: 30 June 2019
Committees:

- Patient Care Review Committee

Dr Peter Poon

Appointment: 1 July 2017
Term Expires: 30 June 2020
Committees:

- Patient Care Review Committee
- Medical Appointments Advisory Committee

Leadership Team

INTERIM CHIEF EXECUTIVE OFFICER

Mr Matt Sharp

B. Nursing (Hons), Post Grad Dip (Critical Care Nursing), Masters of Business, GAICD, FACHSM

Mr Sharp joined Goulburn Valley Health in June 2018 from Eastern Health in Melbourne, where he held the position of Executive Director of Clinical Operations for over four years. Mr Sharp has a clinical background in nursing and has held various management and executive positions in rural, regional and metropolitan health services.

Trevor Saunders was Chief Executive Officer of GV Health from February 2017 to June 2018.

CHIEF FINANCE OFFICER

Mr Rick Garotti

CPA, Dip Chartered Accounting, B Commerce

Mr Garotti commenced as Chief Finance Officer of Goulburn Valley Health in March 2018. He previously held a range of senior finance roles across public and private sectors. Most recently he was the Director Corporate Finance at Northern Health with responsibility for financial management governance, budget control and financial and commercial analysis and reporting. Prior to this he was an Associate Director in global accounting firm KPMG. Mr Garotti has professional qualifications in accounting, finance and economics and brings a strong understanding of the workings of government through previous roles in the Department of the Prime Minister and Cabinet and the Office of the Victorian Government Whip.

EXECUTIVE DIRECTOR CLINICAL OPERATIONS

Ms Donna Sherringham

RN, Dip App Sci, B Nursing, MHA, FACSHM

The Executive Director Clinical Operations has responsibility for the financial management and reporting requirements to the Board of Management and external bodies including the Department of Health and Human Services.

Ms Sherringham is passionate about the delivery of healthcare in regional communities, having grown up in country New South Wales. She commenced her career as a Division 1 nurse at Westmead Hospital, Sydney, before holding several nursing positions at hospitals in Melbourne. She earned a Bachelor of Nursing from Monash University and later graduated with Diploma of Applied Science from Mitchell College of Advanced Education in Bathurst.

Ms Sherringham made the transition to work in rural health at Echuca Regional Health from 2004 to 2008. From 2008 to 2013, she served as Director of Nursing and Manager of Clinical Operations of Medicine and Critical Care at Bendigo Health. Ms Sherringham possesses a Master of Health Services Administration at Monash University and is a Fellow of the Australian College of Health Service Executives. Ms Sherringham joined GV Health in 2013 as Executive Director Clinical Operations. She is a representative on the Health Minister's State Trauma Committee.

DIRECTOR OF NURSING/MANAGER

Mr Greg van Popering

RN, BN, Dip Management, Post grad diploma in Advance Clinical Nursing.

The Director of Nursing/Manager is responsible for the management of all clinical and non-clinical services within the organisation. This includes Nursing, Hospitality, Maintenance, Allied Health Services and the Nathalia Medical Clinic.

Mr van Popering also oversees the operational management of Quality Improvement, Risk Management, Occupational Health and Safety and Complaints Management.

Mr van Popering maintains strong links with the community and its representatives to ensure the services provided by our Hospital meet community needs.

DIRECTOR OF MEDICAL SERVICES

Dr Ka Chun Tse

The Director of Medical Services provides clinical advice to the health service, contributes to Patient Care Review meetings and supports Nathalia's Visiting Medical Officers. He attends the Nathalia District Hospital monthly, during which time he attends Medical Staff Group meetings, reviews clinical policies of the Hospital, provides advice and support to the Director of Nursing/Manager and staff and responds to day to day operational issues of medical importance.

Board and Board Committees

BOARD

BOARD DIRECTOR	27 July 17	31 Aug 17	28 Sept 17	26 Oct 17	30 Nov 17	25 Jan 18	22 Feb 18	5 April 18	26 April 18	31 May 18	28 June 18	% Attendance
Susan Logie	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
David Vaughan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Kerry-anne Rappell	✓	✓	✓	✓	A	✓	✓	✓	✓	A	✓	82%
David McKenzie	A	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	82%
Chris McCallum	✓	✓	✓	✓	✓	✓	✓	A	✓	✓	✓	91%
Peter Limbrick	✓	✓	A	✓	✓	✓	✓	✓	A	✓	✓	82%
Maxene Hughes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Dr Peter Poon	✓	✓	✓	✓	✓	✓	✓	✓	A	A	A	73%
Diana Baxter	✓	✓	✓	✓	A	A	✓	A	✓	✓	A	73%

Audit and Risk Committee Meeting 2017/18

BOARD DIRECTOR	31 Aug 17	30 Nov 17	5 Apr 18	28 June 18	% Attendance
Peter Limbrick (Chair)	✓	✓	✓	A	75%
David McKenzie	✓	✓	✓	✓	100%
Chris McCallum	✓	✓	A	✓	75%
David Vaughan	A	✓	✓	✓	75%
Susan Logie	✓	✓	✓	✓	100%

Patient Care Review Committee 2017/18

BOARD DIRECTOR	27 July 17	28 Sept 17	26 Oct 17	25 Jan 18	5 April 18	31 May 18	% Attendance
Kerry-anne Rappell (Chair)	✓	✓	A	✓	✓	A	67%
Susan Logie	✓	✓	✓ Chair	✓	✓	✓	100%
Diana Baxter	✓	✓	✓	A	A	✓ Chair	67%
Peter Limbrick	✓	A	✓	✓	✓	✓	83%
Chris McCallum	✓	✓	✓	✓	A	✓	83%
David McKenzie	✓	✓	A	✓	✓	✓	83%
Maxene Hughes	✓	✓	✓	✓	✓	✓	100%
Dr Peter Poon	✓	✓	✓	✓	✓	A	83%
David Vaughan	✓	✓	✓	✓	✓	✓	100%

Medical Appointments Committee Meetings 2017/18

BOARD DIRECTOR	22 Feb 18	28 June 18	% Attendance
Diana Baxter	✓	A	50%
Susan Logie (Chair)	✓	✓	100%
David Vaughan	✓	✓	100%
David McKenzie	✓	✓	100%
Dr Peter Poon	✓	A	50%
Kerry-anne Rappell	✓	✓	100%

2017-18 Highlights

NATHALIA, COBRAM, NUMURKAH PARTNERSHIP

Partnerships between Nathalia, Cobram and Numurkah health services are being strengthened to improve access to health care for local communities.

Communication and consultation took place with staff and the community from November 2017 to end-March 2018 to gain feedback on the collaboration proposal including: 24 meetings with staff, volunteers/community advisory representatives, auxiliaries, community groups, the Shire and local Members of Parliament; a total of 1258 views and 408 visitors to the www.ncnhealthservices.org.au website, 12 written submissions/forms including a letter of support from the Shire; Eight community tents held in Nathalia, Cobram and Numurkah – with 125 people providing their views, asking questions and taking information; Facebook promotion, advertising and consultation; promotion through 15,000 postcards sent to households, flyers, letters to stakeholders and community groups and newsletter articles; plus television, radio and newspaper coverage. Feedback was overwhelmingly positive.

Alongside the consultation, a 'due diligence' analysis of financial, clinical, human resource and governance matters was undertaken.

The collaboration of services and strengthening of partnerships across the three organisations will take place progressively over the next 12 months. A number of partnerships now enable improved healthcare. Examples include new mental health services, the Urgent Care Centre 'Choose Well Feel Better' project and respiratory services.

The three organisations will continue to operate as separate entities in 2018, and the boards of management will continue to govern each health service independently. Current services will be maintained and enhanced to improve access and deliver the best possible health care locally.

MENTAL HEALTH

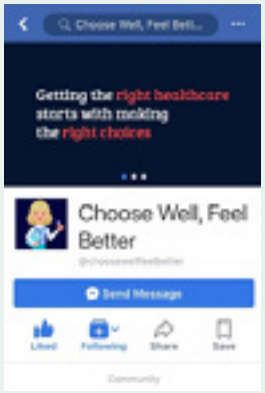
Nathalia District Hospital, Numurkah District Health Service, Cobram District Health and Yarrawonga Health were successful in obtaining the contract to provide two new mental health services - Psychological Therapy Services and Mental Health Clinical Care Coordination - to residents of Moira Shire, from April 2018. These services are being funded by Murray Primary Health Network (PHN).

Psychological Therapy Services are provided by a psychologist or social worker and are targeted at vulnerable people aged 12 years and older with a diagnosed mental illness. The service allows flexibility in delivery at different locations across the Moira Shire and via telehealth.

Mental Health Clinical Care Coordination is a central service for people with complex mental health needs who are at risk of being hospitalised for treatment of their mental illness. Services will be delivered by a mental health nurse over several months, with strategies such as: medication monitoring and management, daily living skills development, promoting social behaviours, psychological education and connecting with other service providers and family/carers.

Referrals will be received from General Practitioners and require a mental health treatment plan.

URGENT CARE PROJECT



Nathalia is participating in an 'Urgent Care Project' funded by Better Care Victoria, which aims to support people in their decision-making about where to go when they have urgent care needs. It also aims to raise awareness about the role of urgent care centres.

The project is is being undertaken in partnership with Numurkah District Health Service, GV Health, Nathalia District Hospital, Cobram District Health, Murray Primary Health Network, Kyabram District Health Service and Ambulance Victoria.

The project aims to raise awareness of regional Urgent Care Centres as an alternative to Emergency Departments.

An Urgent Care Centre (UCC) is a 24-hour healthcare service staffed by experienced nurses and on-call doctors/General Practitioners. At a UCC patients can receive treatment for a range of conditions including: fractures, abdominal pains, vomiting or diarrhoea. If a person has an urgent need for care with any of these conditions, or a doctor is not available, the nearest UCC can help.

The health services are working together to improve access to local healthcare through a range of options and to address the high number of people from outlying rural towns travelling to the regional Emergency Department for low complexity urgent care.

The project aims to relieve people from uncertainty, unnecessary travel and waiting times, while reducing the pressure on regional emergency departments and ambulance services.

The project also provides information on the role of Nurse on Call, Pharmacies, General Practitioners and Emergency Departments/Ambulance.

The project has invited members of the local community to get involved through a clever social media campaign and interactive website, providing helpful and engaging health tools.

A Facebook Page: 'Choose Well, Feel Better' has been established (www.facebook.com/Choose-Well-Feel-Better) as part of the project. It provides free tools to assess healthcare conditions and learn about healthcare options, as well as telling stories about local business and heroes (including local healthcare professionals). A website has also been developed. http://www.drchoosewell.com

The campaign has included profiles of local people and health professionals as well as education on specific health topics. Regular posts share the latest information and news, and provide useful resources/ tools/videos and online surveys. The website provides people with a step by step resource for assessing the healthcare option most appropriate for them. It has direct links with the Health Direct service directory and symptom checker.

2017-18 Highlights continued

RESPIRATORY PROJECT

Nathalia District Hospital is participating in a Moira Respiratory Project. The purpose of the project is to establish and develop pulmonary rehabilitation and spirometry services across Moira Shire, improving access to local health care.

In 2015, Chronic Obstruction Pulmonary Disease (COPD) was one of the top three avoidable hospital admissions for Moira (Source: Vic Health information surveillance system).

In 2017, COPD was one of the top three causes of avoidable death for people aged 30-69 years in Moira LGA (Source: Australian Health Tracker).

CULTURAL AWARENESS LUNCH

A Cultural Awareness Lunch was held at Nathalia District Hospital on 28 March. Guest speakers included Louisa Li, Nathalia District Hospital Dietitian, who spoke about her experience as a student coming from China to Australia, and Jenny Lia, a Refugee Health Nurse from Primary Care Connect. The event was well attended and people brought a plate to share to enjoy cuisine from different cultures. The event also celebrated Cultural Diversity Week.

PEOPLE MATTER SURVEY

Nathalia District Hospital values staff and is keen to maintain a positive organisational culture and ensure ongoing improvement across the organisation. Employee feedback is important in helping Nathalia District Hospital to achieve this. The 2018 People Matter Survey was completed with a response rate of 91%, this is an excellent result, reflecting a high level of staff engagement.

NEW GYM CONSTRUCTED

Building works for a new gym were completed during the year, which will enhance the health and wellbeing of allied health clients, particularly for rehabilitation. Gym equipment has been installed and clients have started using the new facilities. An event to celebrate the opening has been set for 24 July.

ACCREDITATION

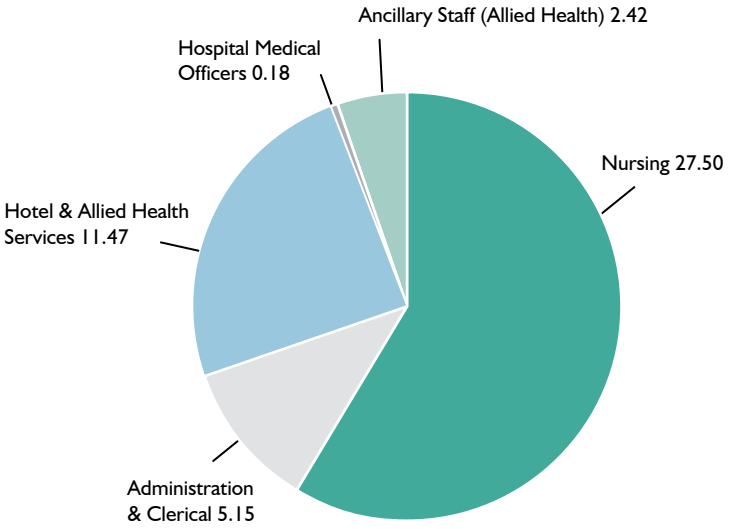
Nathalia District Hospital achieved successful outcomes during the periodic accreditation survey of EQuIP National (National standards, 1,2 and 3 and five additional standards suggested by Australian Council on Healthcare Standards, 11,12,13,14 and 15.) and the accreditation survey against the Commonwealth Home Support Program standards.

The results were very positive, with Nathalia achieving a 'met with merit' in a number of areas of the survey, reflecting the hard work staff had put in to make it a successful process and commitment to providing high quality and safe care.

BANAWAH REFURBISHMENT OPENS

The Banawah Refurbishment opening was held on 15 May, providing improved facilities for resident activities. The event was well attended with representatives from Nathalia District Hospital, GV Health, Department of Health and Human Services and James Seymour Architect.

Workforce Data



Labour Category	JUNE Current Month FTE		JUNE YTD FTE	
	2017	**2018**	**2017**	**2018**
Nursing	28.49	27.74	28.71	27.50
Administration and Clerical	4.71	4.82	5.46	5.15
Hotel and Allied Services	10.88	10.70	11.08	11.47
Hospital Medical Officers	0.00	0.50	0.68	0.18
Ancillary Staff (Allied Health)	2.30	2.41	2.46	2.42
Total	**41.22**	**46.17**	**48.39**	**46.72**

Nathalia District Hospital upholds and adheres to the Code of Conduct of Public Sector Employees, issued by the Public Sector Standard Commissioner, made under the *Public Administration Act 2004*. All employees have been correctly classified in the workforce data collections.

MERIT AND EQUITY PRINCIPLES

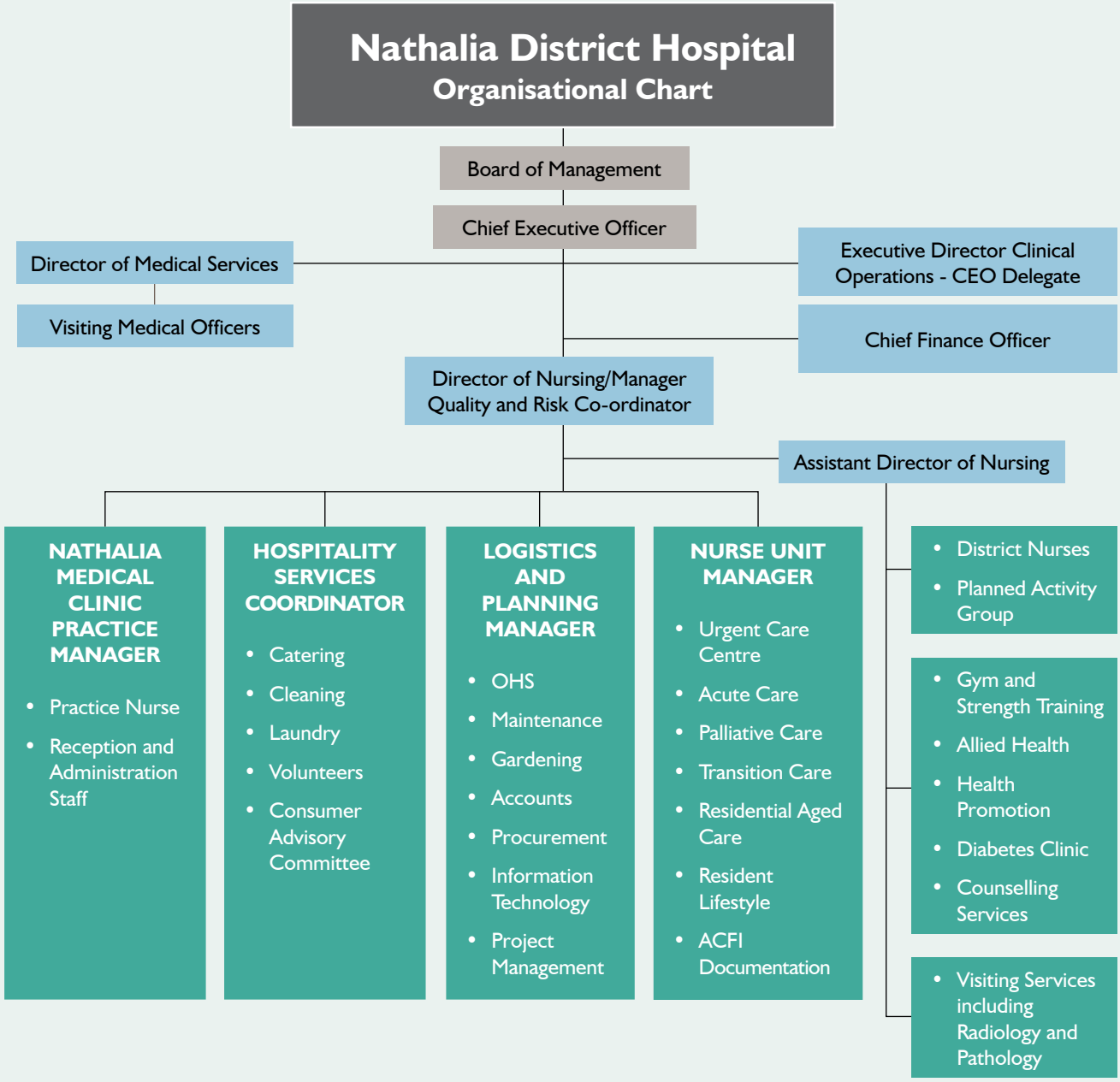
Nathalia District Hospital is committed to applying merit and processes to ensure that applicants are assessed and evaluated against criteria and other accountabilities without discrimination.

Nathalia District Hospital is committed to ensuring that policies and procedures are in place to promote a high standard of employment and conduct principles.

CODE OF CONDUCT

All Nathalia District Hospital staff are required to abide by the Code of Conduct, which is based on the Code of Conduct for Victorian Public Sector Employees.

Organisation Chart



Statutory Requirements

Consultancies

In 2017/18 there was one consultancy where the fees payable were $10,000 or greater. There were no consultancies where the total fees payable was less than $10,000. The total expenditure incurred during 2017/18 was $20,000.

Consultant	Purpose of Consultancy	Start Date	End Date	Total approved project (excl GST)	Expenditure (excl GST)	Future expenditure (excl GST)
Cube Consulting	Business case for Numurkah, Cobram, Nathalia merger	09/03/18	09/03/18	$20,000	$20,000	0

Occupational Violence

The following statistics have been collated for Occupational Violence in the workplace at Nathalia District Hospital:

Occupational violence statistics	2017-18
1. Workcover accepted claims with an occupational violence cause per 100 FTE	Nil
2. Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	Nil
3. Number of occupational violence incidents reported	5
4. Number of occupational violence incidents reported per 100 FTE	10
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition	Nil

For the purposes of the above statistics the following definitions apply.

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

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

Accepted Workcover claims - Accepted Workcover claims that were lodged in 2017/18.

Lost time - is defined as greater than one day.

Details of Information and Communication Technology (ICT) Expenditure

The total ICT expenditure incurred during 2017/18 was $97,798 (excluding GST). This was all Business As Usual (BAU) ICT expenditure comprising:

- Operational Expenditure (excluding GST) $89,308
- Capital Expenditure (excluding GST) $8,490

Compliance with Building Act

Nathalia District Hospital remains compliant with the building and maintenance provisions of the *Building Act 1993 – Guidelines* issued by the Minister for publicly owned buildings.

Occupancy Permits and Certificate of Final Inspection

Nathalia District Hospital Occupancy Permits and Certificates of Final Inspection are all current.

Building Works

No new Occupancy Permits and Certificate of Finance Inspection were issued.

Essential Safety Measures

Nathalia District Hospital complies with building standards and regulations, with all works completed in 2017/18 according to the *Building Act 1993*, the *Building Code of Australia, Standard for Publicly Owned Buildings 1994* and relevant statutory regulations.

All essential safety measures have been maintained, so far as is practicable, in accordance with the *Building Regulations 2006* as is recorded in the Annual Essential Safety Measures Report.

Essential Safety Measures Reports are prepared annually for properties owned by Nathalia District Hospital to confirm that all of the essential safety services are operating as required.

We ensure works are inspected by independent building surveyors and maintain a register of building surveyors, as well as the jobs they have certified and for which occupancy certificates have been issued.

Freedom of Information

The *Victorian Freedom of Information Act 1982* provides individuals with the opportunity for consumers to access personal documents held by public hospitals and other government agencies. The designated Principal Officer who manages applications at Nathalia District Hospital is the Chief Executive Officer. In his or her absence, the Director of Nursing will assume this responsibility. Under the legislation, all public entities in Victoria must submit an annual return to the Department of Justice regarding Freedom of Information activity. Application fees and access charges applied in regard to Freedom of Information are done so in accordance with State Government regulations.

During 2017/18 there were three requests for access to documents under the *Victorian Freedom of Information Act 1982*. All of the requests related to medical records and were approved. Information on how to make an application can be found on the Nathalia District Hospital website.

Safe Patient Care Act

Nathalia District Hospital was not required to make any disclosures in relation to nurse to patient ratios during the reporting period under the *Safe Patient Care Act 2015*.

Carers Recognition Act

The *Carers Recognition Act 2012* formally acknowledges the important contribution that people in a care relationship make to our community and the unique knowledge that carers hold of the person in their care. The valued role of the carer has been actively integrated in the policies and procedures of Nathalia District Hospital.

Statutory Requirements continued

Protected Disclosure Act

Nathalia District Hospital complies with the requirements of the Victorian Government's *Protected Disclosure Act 2012*. Neither improper conduct nor the taking of reprisals against anyone who comes forward to disclose such conduct is acceptable to us. We distinguish protected disclosures from something that would be considered a grievance or internal organisational dispute. Zero disclosures as per the *Protected Disclosure Act 2012* were made in the year ended 30 June 2018.

Competitive Neutrality

Nathalia District Hospital is committed to ensuring that our services demonstrate both quality and efficiency. Competitive neutrality, which supports the Commonwealth Government's national competition policy, helps to ensure that net competitive advantages which accrue to a government business are offset. We understand the requirements of competitive neutrality and act accordingly. We support the principles of the Partnerships Victoria policy, which relates to responsible expenditure and infrastructure projects and the creation of effective partnerships between private enterprise and the public sector.

Victorian Industry Participation Policy

Nathalia District Hospital is committed to ensuring that our participation with Victorian industry is maximised and delivers the highest level of performance for each dollar expended. There were zero procurements or projects above $1 million for the 2017/18 year, in accordance with the *Victorian Industry Participation Policy Act 2003*.

Occupational Health and Safety

Nathalia District Hospital is committed to providing a safe environment for staff, patients, residents, visitors and contractors at all times. To achieve this, we engage in regular consultation with staff and consumers to identify all potential workplace hazards and eliminate them where reasonably practicable.

Nathalia District Hospital has excellent systems in place to manage occupational health and safety and is fully compliant with legislation. Occupational safety is monitored through our risk management framework, with all risks having key performance indicators in place to ensure the identified risks are effectively managed and monitored.

Environmental Performance

The environment is one of the most precious resources, and the Board and staff at Nathalia District Hospital are committed to improving and maximising our environmental sustainability whilst minimising any negative impact upon the environment. In 2017/18 Nathalia District Hospital progressed a business case to install solar panels on its car parking shelters and available roof space. A grant from the State Government has been secured to roll-out this project in the 2018/19 financial year. The project is expected to deliver substantial savings in electricity usage and cost.

Additional Information

Details in respect of the items listed below have been retained by Nathalia District Hospital and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

a. Declarations of pecuniary interests have been duly completed by all relevant officers;

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

c. Details of publications produced by the entity about itself, and how these can be obtained;

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

e. Details of any major external reviews carried out on the Health Service;

f. Details of major research and development activities undertaken by the health service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations;

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

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

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

j. A general statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations;

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

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

Part A
Statement of Priorities - Outcomes

Domain	Deliverable	Achieved
Better Health	1. Implement and embed the Health Literacy project with the health service to ensure it is provided for all services.	• Senior staff have attended education on how to develop and implement a Health Literacy and Communication Strategy. • The Consumer Advisory Committee reviews consumer information. • Aged Care Education sessions have been provided to the community.
	2. Deliver a pulmonary rehabilitation program with other local health care practitioners to assist people with Chronic Obstructive Pulmonary Disease (COPD) to better manage their health.	• The pulmonary rehabilitation program commenced. • Nathalia District Hospital is participating in a 12 month COPD Project with other Moira Shire health services.
	3. Increase training options for staff to better identify family violence and support appropriate effective interventions.	• Nathalia District Hospital has implemented a Strengthening Hospital Responses to Family Violence work plan. • Management staff have attended Strengthening Hospital Responses to Family Violence Implementation Workshop. • Contact Officers attended a Domestic Violence Alert General workshop.
	4. Develop a pathway for the recognition of febrile neutropenia and educate clinicians on the importance of early intervention and management.	• Education session on Febrile Neutropenia. • Management of Febrile Neutropenia policy developed.

Domain	Deliverable	Achieved
Better Access	5. Promote registration of My Health Record.	• Assisted registration of My Health Record offered by medical clinic staff.
	6. Action the recently developed Aboriginal Health Cultural Competency Plan to provide improved service access to Aboriginal and Torres Strait Islander patients.	• The Cultural Responsiveness Plan has been reviewed.
	7. Optimise alternatives to hospital admissions by review and expansion of the current physiotherapy services by the use of allied health assistants.	• Outreach services are currently being delivered at Nathalia District Hospital through Moira Community Rehabilitation Centre. • Building works to the allied health area were completed in January 2018. • Rehabilitation/health prevention programs have commenced.
	8. Grow the options available through telehealth to improve access to specialist services currently not available to local residents.	• All nursing and medical staff have undergone training in the role and function of Telehealth.

Part A
Statement of Priorities - Outcomes continued

Domain	Deliverable	Achieved
Better Care	9. In partnership with the Consumer Advisory Committee, improve the medication information provided to patients on discharge to better meet their needs.	• A medication reconciliation tool developed with the Consumer Advisory Committee. • New Post Discharge checklist has been approved by Consumer Advisory Committee.
	10. Work in partnership with Moira Palliative Care Services to ensure effective pain management to patients in our care with a terminal illness.	• End of Life Clinical Pathways have been implemented. • Education resources have been sourced and provided to families to assist their understanding end of life care and managing grief.
	11. Undertake staff education and training on quality and safety systems, including staff obligations to report patient safety concerns.	• Safety walkarounds for new staff and volunteers during induction. • The Occupational Health and Safety Committee communicates all issues of concern or achievement to staff through a regular item in the staff newsletter, and the sharing of all minutes to meetings.
	12. Establish an agreement to involve external specialists in clinical governance processes for: Mortality reviews, Morbidity reviews, Palliative care, and Urgent Care presentation.	• Nathalia District Hospital is participating in a Urgent Care Centre project with GV Health and other local health services. Clinical reviews of Urgent Care Centre transfers are held at each meeting. • Nathalia District Hospital has utilised the regional Palliative care specialist located at GV Health for review of the provision of palliative care to consumers. • Palliative care education has been provided.
	13. With the support of consumer feedback, review current bedside handover practices to provide greater opportunity for patients to have any questions or concerns addressed.	• Patient white boards have been installed to allow for questions to be asked and increased communication between care staff and the consumer. • Staff completed education on the clinical handover process.

Part B
Performance Priorities - 2017-18

Safety and Quality Performance (Accreditation)

Key Performance Indicator	Target	Actual
Accreditation against the National Safety and Quality Health Service Standards	Full compliance	Full compliance
Compliance with the Commonwealth's Aged Care Accreditation Standards	Full compliance	Full compliance

Patient Experience and Outcomes

Key Performance Indicator	Target	Actual
Victorian Healthcare Experience Survey – percentage of positive patient experience responses	95% positive experience	Insufficient number of surveys received
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care	75% very positive experience	Insufficient number of surveys received
Victorian Healthcare Experience Survey – patients perception of cleanliness	70% positive experience	Insufficient number of surveys received

Infection Prevention and Control

Key Performance Indicator	Target	Actual
Compliance with the Hand Hygiene Australia program	80%	93%
Percentage of healthcare workers immunised for influenza	75%	87%

Adverse Events

Key Performance Indicator	Target	Actual
Number of sentinel events	Nil	Nil
Mortality - number of deaths in low mortality DRGs	Nil	Nil

Part B
Performance Priorities - 2017-18 continued

Organisational Culture

Key Performance Indicator	Target	Actual
People matter survey - percentage of staff with an overall positive response to safety and culture questions	80%	86%
People matter survey – percentage of staff with a positive response to the question, "I am encouraged by my colleagues to report any patient safety concerns I may have"	80%	91%
People matter survey – percentage of staff with a positive response to the question, "Patient care errors are handled appropriately in my work area"	80%	91%
People matter survey – percentage of staff with a positive response to the question, "My suggestions about patient safety would be acted upon if I expressed them to my manager"	80%	91%
People matter survey – percentage of staff with a positive response to the question, "The culture in my work area makes it easy to learn from the errors of others"	80%	81%
People matter survey – percentage of staff with a positive response to the question, "Management is driving us to be a safety-centred organisation"	80%	93%
People matter survey – percentage of staff with a positive response to the question, "This health service does a good job of training new and existing staff"	80%	73%
People matter survey – percentage of staff with a positive response to the question, "Trainees in my discipline are adequately supervised"	80%	74%
People matter survey – percentage of staff with a positive response to the question, "I would recommend a friend or relative to be treated as a patient here"	80%	94%

Financial Sustainability Performance

Key Performance Indicator	Target	Actual
Finance		
Operating Result ($m)	0.000	(0.092)
Creditors average days	<60 days	32
Debtors average days	<60 days	29
Asset Management		
Asset Management Plan	Full Compliance	Full Compliance
Adjusted current asset ratio	0.7	1.17
Days of available cash	14 days	107.9 days

Funded Flexible Aged Care Places

Campus	Number
Flexible High Care	20

Utilisation of Flexible Aged Care Places

Campus	Number	Occupancy Level %
Flexible High Care	20	97.14%

Part C
Activity and Funding - 2017-18

Primary Health Care

Service	Actual Activity 2017-18 in hours
Community Health Nursing	1,490
District Nursing	3,289
Dietetics	90
Podiatry	192
Physio	732
Counselling	698
Optometry	64
Occupational Therapy	184

Acute Care

Service	Actual Activity 2017-18 in hours
Medical Inpatients	991 Bed Days
Urgent Care	313 Presentations
Nursing Home Type Patients	Nil Bed Days

Attestations

CONFLICT OF INTEREST

I, Matt Sharp, certify that Nathalia District Hospital has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and the minimum accountabilities required by the VPSC.

Declaration of private interest forms have been completed by all executive staff within Nathalia District Hospital and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.

Nathalia District Hospital will implement a 'Conflict of Interest' policy that is consistent with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and the minimum accountabilities required by the VPSC.

Matt Sharp
Interim Chief Executive Officer
16 August 2018

DATA INTEGRITY

I, Matt Sharp, certify that Nathalia District Hospital has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance. Nathalia District Hospital has critically reviewed these controls and processes during the year.

Matt Sharp
Interim Chief Executive Officer
16 August 2018

HEALTH PURCHASING VICTORIA POLICIES COMPLIANCE

I, Matt Sharp, certify that Nathalia District Hospital has put in place appropriate internal controls and processes to ensure that it has complied with the requirements as set out in the HPV Health Purchasing Policies including mandatory HPV collective agreements as required by the Health Services Act 1988 (Vic) and has critically reviewed these controls and processes during the year.

There are 4 HPV requirements that Nathalia District Hospital did not comply with as of 30 June 2018. The compliance deficiencies are considered immaterial and will be promptly addressed by Nathalia District Hospital.

Matt Sharp
Interim Chief Executive Officer
GV Health
16 August 2018

FINANCIAL MANAGEMENT COMPLIANCE

I, Susan Logie, on behalf of the Nathalia District Hospital Board, certify that Nathalia District Hospital has complied with the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions.

Susan Logie
Board Chair
16 August 2018

Five Year Financial Summary
For The Year Ended 30 June 2018

Financial Analysis of Operating Revenues and Expenses

	2018	2017	2016	2015	2014
Total Operating Revenue	6,253,282	5,956,000	5,782,723	6,103,012	5,743,668
Total Operating Expenses	6,344,800	6,380,925	5,910,339	6,228,618	5,820,951
Operating Results Surplus/ (Deficit)	**(91,518)**	**(424,925)**	**(127,616)**	**(125,606)**	**(77,283)**
Retained Surplus/ (Accumulated Deficit)	**(196,115)**	**607,486**	**1,645,931**	**2,042,263**	**2,889,928**
Total Assets	23,195,772	21,893,422	23,387,617	22,688,425	22,403,780
Total Liabilities	3,755,976	3,415,193	3,870,943	2,825,219	1,906,008
Net Assets	**19,439,796**	**18,478,229**	**19,516,674**	**19,863,206**	**20,497,772**
Total Equity	**19,439,796**	**18,478,229**	**19,516,674**	**19,863,206**	**20,497,772**

SUMMARY OF OPERATIONAL AND BUDGETARY OBJECTIVES AND FACTORS AFFECTING PERFORMANCE

As a public health service, Nathalia District Hospital is required to negotiate a Statement of Priorities (SoP) with the Department of Health and Human Services each year. The SoP is a key accountability agreement between Nathalia District Hospital and the Minister of Health. It recognises that resources are limited and that the allocation of these scarce resources needs to be prioritised. The SoP incorporates both system-wide priorities set by the Victorian Government and agency specific priorities. A break-even operating results (excluding capital, depreciation and specific items) was agreed in the 2017/18 SoP for Nathalia District Hospital. The final result for the year was an operating deficit of $92,000. The major factor contributing to the deficit for the year were over-runs in contract labour, particularly medical locums.

SUMMARY OF SIGNIFICANT CHANGES IN FINANCIAL POSITION

Total cash decreased by $170,000 reflecting the operating deficit of $92,000 and capital equipment purchases. Borrowings decreased from the previous year due as finance leases for Information, Communications and Technology (ICT) equipment expired and were not renewed. Equity increased by $0.97m over the year with the revaluation of property, plant and equipment of $1.77m offsetting the full year net deficit (including capital and depreciation) of $0.80m.

EVENTS SUBSEQUENT TO BALANCE DATE

There have been no events subsequent to balance date that will have a significant effect on the operations.

Disclosure Index

The annual report of Nathalia District Hospital 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.

Legislation	Requirement	Page Reference
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	3
FRD 22H	Purpose, functions, powers and duties	4
FRD 22H	Initiatives and key achievements	14
FRD 22H	Nature and range of services provided	4
Management and structure		
FRD 22H	Organisational structure	19
Financial and other information		
FRD 10A	Disclosure index	33
FRD 11A	Disclosure of ex-gratia expenses	81
FRD 21C	Responsible person and executive officer disclosures	79
FRD 22H	Application and operation of Protected Disclosure 2012	22
FRD 22H	Application and operation of Carers Recognition Act 2012	21
FRD 22H	Application and operation of Freedom of Information Act 1982	21
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993	21
FRD 22H	Details of consultancies over $10,000	20
FRD 22H	Details of consultancies under $10,000	20
FRD 22H	Employment and conduct principles	18
FRD 22H	Information and Communication Technology Expenditure	21
FRD 22H	Major changes or factors affecting performance	32
FRD 22H	Occupational violence	20
FRD 22H	Operational and budgetary objectives and performance against objectives	32
FRD 22H	Summary of the entity's environmental performance	22
FRD 22H	Significant changes in financial position during the year	32
FRD 22H	Statement on National Competition Policy	22
FRD 22H	Subsequent events	32
FRD 22H	Summary of the financial results for the year	32
FRD 22H	Additional information available on request	23
FRD 22H	Workforce Data Disclosures including a statement on the application of employment and conduct principles	18
FRD 25C	Victorian Industry Participation Policy disclosures	22
FRD 103F	Non-Financial Physical Assets	69
FRD 110A	Cash flow Statements	41
FRD 112D	Defined Benefit Superannuation Obligations	56
SD 5.2.3	Declaration in report of operations	3
SD 5.1.2.2	Financial Management Compliance Attestation	31
Other requirements under Standing Directions 5.2		
SD 5.2.2	Declaration in financial statements	37
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	37, 45
SD 5.2.1(a)	Compliance with Ministerial Directions	37, 45
Legislation		
Freedom of Information Act 1982		21
Protected Disclosure Act 2012		22
Carers Recognition Act 2012		21
Victorian Industry Participation Policy Act 2003		22
Building Act 1993		21
Financial Management Act 1994		31
Safe Patient Care Act 2015		21
Disability Act 2006		N/A

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Nathalia District Hospital

Providing Quality Care

financial REPORT

2017/18

Table of Contents

	Page
Board Member's, Accountable Officer's and Chief Finance & Accounting Officer's Declaration	37
Comprehensive Operating Statement	40
Balance Sheet	41
Statement of Changes in Equity	42
Cash Flow Statement	43
Table of Contents	36
Note to the Financial Statements	45
Basis of Preparation	44
Note 1: Summary of Significant Accounting Policies	45
Note 2: Funding Delivery of Our Services	46
Note 2.1: Analysis of Revenue by Source	47
Note 3: The Cost of Delivering Services	50
Note 3.1: Analysis of Expenses by Source	50
Note 3.2: Analysis of Expenses and Revenue by Internally Managed and Restricted Specific Purpose Funds	53
Note 3.3: Specific Expenses	53
Note 3.4: Finance Costs	53
Note 3.5: Employee Benefits in the Balance Sheet	54
Note 3.6: Superannuation	56
Note 4: Key Assets to Support Service Delivery	56
Note 4.1: Property, Plant and Equipment	57
Note 4.2: Depreciation and Amortisation	66
Note 4.3: Intangible Assets	67
Note 5: Other Assets and Liabilities	67
Note 5.1: Receivables	68
Note 5.2: Other Liabilities	69
Note 5.3: Prepayments and Other Non-Financial Assets	69
Note 5.4: Payables	70
Note 6: Financing of Operations71	
Note 6.1: Borrowings	72
Note 6.2: Cash and Cash Equivalents	73
Note 6.3: Commitments for Expenditure	74
Note 7: Risks, Contingencies and Valuation Uncertainties	74
Note 7.1: Financial Instruments	75
Note 7.2: Contingent Assets and Contingent Liabilities	78
Note 8: Other Disclosures	78
Note 8.1: Equity	79
Note 8.2: Reconciliation of Net Result for the Year to Net Cash from Operating Activities	80
Note 8.3: Responsible Persons Disclosures	81
Note 8.4: Remuneration of Executives	81
Note 8.5: Related Parties	82
Note 8.6: Remuneration of Auditors	83
Note 8.7: Ex-Gratia Payments	83
Note 8.8: Australia Accounting Standards Board (AASB's) Issued Not Yet Effective	83
Note 8.9: Events Occurring After the Balance Sheet Date	87
Note 8.10: Jointly Controlled Operations	88
Note 8.11: Going Concern	89
Note 8.12: Alternative Presentation of Comprehensive Operating Statement	90

Nathalia District Hospital Board Member's, Accountable Officer's and Chief Finance & Accounting Officer's Declaration

The attached financial statements for *Nathalia District Hospital* have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

In our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 201 and the financial position of *Nathalia District Hospital* at 30 June 2018.

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

We authorise the attached financial statements for issue on 30 August 2018.

Sue Logie
Board Chair

Nathalia
30 August 2018

Jacque Phillips
Chief Executive Officer

Nathalia
30 August 2018

Rick Garotti
Chief Finance Officer

Nathalia
30 August 2018

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Nathalia District Hospital

Opinion

I have audited the financial report of Nathalia District Hospital (the health service) which comprises the:

- balance sheet as at 30 June 2018
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- board member's, accountable officer's and chief finance and accounting officer's declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion

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

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

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

Other Information

The Board of the health service are responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2018, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.

Board's responsibilities for the financial report

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
5 September 2018

Ron Mak
as delegate for the Auditor-General of Victoria

Nathalia District Hospital

Comprehensive Operating Statement

For the Financial Year Ended 30 June 2018

	Note	Total 2018 $	Total 2017 $
Revenue from Operating Activities	**2.1**	6,174,134	5,872,336
Revenue from Non-Operating Activities	**2.1**	79,148	83,664
Employee Expenses	**3.1**	(4,229,343)	(4,353,206)
Non Salary Labour Costs	**3.1**	(675,292)	(602,964)
Supplies and Consumables	**3.1**	(296,989)	(303,676)
Other Expenses	**3.1**	(1,143,176)	(1,121,079)
Net Result Before Capital and Specific Items		**(91,518)**	**(424,925)**
Capital Purpose Income	**2.1**	231,271	122,870
Depreciation and Amortisation	**3.1, 4.2**	(760,402)	(773,982)
Specific Expenses	**3.1, 3.3**	-	(2,017)
Finance Costs	**3.1, 3.4**	(15,981)	(12,608)
Capital Purpose Expenditure	**3.1**	(167,955)	294
Net Result After Capital and Specific Items		**(804,585)**	**(1,090,368)**
Other Economic Flows Included in Net Result			
Net Gain/(Loss) on Non-Financial Assets		(3,289)	11,726
Net Gain/(Loss) of the Revaluation of Long Service Leave	**3.5**	4,273	40,197
Total Other Economic Flows Included in Net Result		**984**	**51,923**
NET RESULT FOR THE YEAR		**(803,601)**	**(1,038,446)**
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in Property, Plant and Equipment Revaluation Surplus	**8.1a**	1,765,168	-
Total Other Comprehensive Income		**1,765,168**	**-**
COMPREHENSIVE RESULT FOR THE YEAR		**961,567**	**(1,038,446)**

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

Nathalia District Hospital

Balance Sheet

For the Financial Year Ended 30 June 2018

	Note	Total 2018 $	Total 2017 $
Current Assets			
Cash and Cash Equivalents	**6.2**	3,793,891	3,963,748
Receivables	**5.1**	252,878	320,036
Prepayments and Other Assets	**5.3**	70,949	30,235
Total Current Assets		**4,117,718**	**4,314,019**
Non-Current Assets			
Receivables	**5.1**	277,875	209,460
Property, Plant and Equipment	**4.1**	18,787,188	17,328,818
Intangible Assets	**4.3**	12,991	41,125
Total Non-Current Assets		**19,078,054**	**17,579,403**
TOTAL ASSETS		**23,195,772**	**21,893,422**
Current Liabilities			
Payables	**5.4**	513,802	379,614
Borrowings	**6.1**	8,477	13,664
Provisions	**3.5**	1,039,058	1,056,193
Other Current Liabilities	**5.2**	1,949,592	1,731,646
Total Current Liabilities		**3,510,929**	**3,181,117**
Non-Current Liabilities			
Borrowings	**6.1**	8,490	15,487
Provisions	**3.5**	236,557	218,589
Total Non-Current Liabilities		**245,047**	**234,076**
TOTAL LIABILITIES		**3,755,976**	**3,415,193**
NET ASSETS		**19,439,796**	**18,478,229**
Equity			
Property, Plant and Equipment Revaluation Surplus	**8.1a**	6,887,681	5,122,513
General Purpose Surplus	**8.1a**	1,354,608	1,354,608
Restricted Specific Purpose Surplus	**8.1b**	162,466	162,466
Contributed Capital	**8.1b**	11,231,156	11,231,156
Accumulated Deficits	**8.1c**	(196,115)	607,486
TOTAL EQUITY		**19,439,796**	**18,478,229**
Contingent Assets and Contingent Liabilities	**7.2**		
Commitments	**6.3**		

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

Nathalia District Hospital

Statement of Changes in Equity

For the Financial Year Ended 30 June 2018

	Note	Property, Plant and Equipment Revaluation Surplus $	General Purpose Surplus $	Restricted Specific Purpose Surplus $	Contributions by Owners $	Accumulated Surpluses/ (Deficits) $	Total $
Balance at 1 July 2016		**5,122,513**	**1,354,608**	**162,466**	**11,231,156**	**1,645,931**	**19,516,674**
Net Result for the Year	**8.1c**	-	-	-	-	(1,038,445)	(1,038,445)
Balance at 30 June 2017		**5,122,513**	**1,354,608**	**162,466**	**11,231,156**	**607,486**	**18,478,229**
Revaluation of Buildings	**8.1a**	1,765,168	-	-	-	-	1,765,168
Net Result for the Year	**8.1c**	-	-	-	-	(803,601)	(803,601)
Balance at 30 June 2018		**6,887,681**	**1,354,608**	**162,466**	**11,231,156**	**(196,115)**	**19,439,796**

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

Nathalia District Hospital

Cash Flow Statement

For the Financial Year Ended 30 June 2018

	Note	Total 2018 $	Total 2017 $
Cash Flows from Operating Activities			
Operating Grants from Government		4,184,396	4,020,360
Capital Grants from Government		138,302	22,500
Patient and Resident Fees Received		630,750	512,232
Private Practice Fees Received		818,549	842,754
Donations and Bequests Received		12,478	2,282
Capital Donations and Bequests Received		-	6,000
GST Received from ATO		199,854	168,277
Interest and Investment Income Received		98,495	94,702
Other Receipts		618,646	420,304
Total Receipts		**6,701,471**	**6,089,411**
Employee Expenses Paid		(4,234,088)	(4,174,790)
Non Salary Labour Costs		(742,821)	(663,260)
Payments for Supplies and Consumables		(1,660,718)	(1,689,176)
Payments for Medical Indemnity Insurance		(9,976)	(10,609)
Payments for Finance Costs		(728)	(944)
Total Payments		**(6,648,331)**	**(6,538,779)**
Net Cash Flow From Operating Activities	**8.2**	**53,140**	**(449,368)**
Cash Flows from Investing Activities			
Purchase of Non-Financial Assets		(464,496)	(66,847)
Purchase of Intangible Assets		23,807	(20,140)
Proceeds from Disposal of Non-Financial Assets		11,930	259,910
Net Cash Flow From Investing Activities		**(428,759)**	**172,923**
Cash Flows from Financing Activities			
Repayment of Finance Leases		(12,184)	(6,485)
Net Cash Flows From Financing Activities		**(12,184)**	**(6,485)**
Net Increase/(Decrease) in Cash and Cash Equivalents Held		(387,803)	(282,930)
Cash and Cash Equivalents at Beginning of Year		2,232,102	2,515,032
Cash and Cash Equivalents at End of Year	**6.2**	**1,844,299**	**2,232,102**

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

Nathalia District Hospital

Basis of Preparation

For the Financial Year Ended 30 June 2018

The financial statements are prepared in accordance with the Australian Accounting Standards and relevant FRDs.

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

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

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

Additions to net assets, which have been designated as contributions by owners, are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements represent the audited general purpose financial statements for Nathalia District Hospital for the period ending 30 June 2018. The report provides users with information about Nathalia District Hospital' stewardship of resources entrusted to it.

(a) Statement of Compliance

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

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

Nathalia District Hospital is a not-for profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Services under the Australian Accounting Standards.

The annual financial statements were authorised for issue by the Board of Nathalia District Hospital on the 30 August 2018.

(b) Reporting Entity

The financial statements include all the controlled activities of Nathalia District Hospital.

Its principal address is:
34-44 McDonnell Street
Nathalia, Victoria 3638

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

(c) Basis of Accounting Preparation and Measurement

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

The accounting policies have been applied in preparing the financial statements for the year ended 30 June 2018, and the comparative information presented in these financial statements for the year ended 30 June 2017.

The financial statements are prepared on a going concern basis (refer to Note 8.11 Economic Financial Dependency).

These financial statements are presented in Australian dollars, the functional and presentation currency of Nathalia District Hospital.

All amounts shown in the financial statements have been rounded to the nearest dollar, unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

Nathalia District Hospital operates on a fund accounting basis and maintains three funds; Operating, Specific Purpose and Capital Funds.

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

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

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

- The fair value of land, buildings and plant and equipment (refer to Note 4.1 Property, Plant and Equipment);
- Superannuation expense (refer to Note 3.6 Superannuation); and
- Employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.5 Employee Benefits in the Balance Sheet);

Goods and Services Tax

Income, expenses and assets are recognised net of the amount of associated Good and Services Tax (GST) receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Balance Sheet.

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

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

(d) Jointly Controlled Operation

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

In respect of any interest in joint operations, Nathalia District Hospital recognises in the financial statements:

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

Nathalia District Hospital is a Member of the Hume Rural Health Alliance (HRHA) and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.10 Jointly Controlled Operations).

NOTE 2: FUNDING DELIVERY OF OUR SERVICES

Nathalia District Hospital's overall objective is to provided quality health services that promote healthy communities and improve the quality of life of Victorians. Nathalia District Hospital is predominantly funded by accrual based grant funding for the provision of agreed outputs. Nathalia District Hospital also receives income from the supply of services.

Structure

2.1 Analysis of Revenue by Source

NOTE 2.1: ANALYSIS OF REVENUE BY SOURCE

	Admitted Patients 2018 $	RAC 2018 $	Aged Care 2018 $	Primary Health 2018 $	Other 2018 $	Total 2018 $
Government Grants	1,917,361	1,931,771	271,267	-	68,414	4,188,813
Indirect contributions by Department of Health and Human Services	2,412	8,033	814	-	-	11,259
Patient and Resident Fees	92,428	471,161	21,373	19,035	-	603,997
Other Revenue from Operating Activities	192,907	1,824	118	46,467	193,982	435,298
Transfer Pricing	49,046	148,571	11,867	24,799	(234,283)	-
Commercial Activities and Special Purpose Funds	-	-	-	-	934,767	934,767
Total Revenue from Operating Activities	**2,254,154**	**2,561,360**	**305,439**	**90,301**	**962,880**	**6,174,134**
Interest	-	-	-	-	79,148	79,148
Total Revenue from Non-Operating Activities	-	-	-	-	**79,148**	**79,148**
Government Grants	-	-	-	-	138,302	138,302
Capital Purpose Income (excluding Interest)	-	-	-	-	73,330	73,330
Capital Interest	-	-	-	-	19,639	19,639
Total Capital Purpose Revenue	**-**	**-**	**-**	**-**	**231,271**	**231,271**
Total Revenue	**2,254,154**	**2,561,360**	**305,439**	**90,301**	**1,273,299**	**6,484,553**

NOTE 2.1: ANALYSIS OF REVENUE BY SOURCE (CONTINUED)

	Admitted Patients 2017 $	RAC 2017 $	Aged Care 2017 $	Primary Health 2017 $	Other 2017 $	Total 2017 $
Government Grants	1,736,042	1,924,559	268,376	-	54,742	3,983,718
Indirect contributions by Department of Health and Human Services	2,229	7,428	753	-	-	10,409
Patient and Resident Fees	67,530	450,407	28,136	16,340	206	562,619
Other Revenue from Operating Activities	102,509	370	5,044	31,469	202,536	341,927
Transfer Pricing	42,038	142,390	17,881	16,711	(219,021)	-
Commercial Activities and Special Purpose Funds	-	-	-	-	973,663	973,663
Total Revenue from Operating Activities	**1,950,347**	**2,525,154**	**320,189**	**64,520**	**1,012,125**	**5,872,336**
Interest	-	-	-	-	83,664	83,664
Total Revenue from Non-Operating Activities	**-**	**-**	**-**	**-**	**83,664**	**83,664**
Government Grants	-	-	-	-	22,500	22,500
Capital Purpose Income (excluding Interest)[i]	-	-	-	-	94,140	94,140
Capital Interest	-	-	-	-	6,230	6,230
Total Capital Purpose Revenue	**-**	**-**	**-**	**-**	**122,870**	**122,870**
Total Revenue	**1,950,347**	**2,525,154**	**320,189**	**64,520**	**1,218,659**	**6,078,870**

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

DDHS makes certain payments on behalf of the Nathalia District Hospital for insurance expenses. These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

NOTE 2.1: ANALYSIS OF REVENUE BY SOURCE (CONTINUED)

Revenue 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 Nathalia District Hospital and the income can be reliably measured at fair value. Unearned income at reporting date is reported as income received in advance.

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

Government Grants and Other Transfers of Income (Other than Contributions by Owners)

In accordance with AASB 1004 Contributions, government grants and other transfers of income (other than contributions by owners) are recognised as income when Nathalia District Hospital gains control of the underlying assets irrespective of whether conditions are imposed on the Nathalia District Hospital use of the contributions. Contributions are deferred as income in advance when Nathalia District Hospital has a present obligation to repay them and the present obligation can be reliably measured.

Indirect Contributions from DHHS

- Insurance is recognised as revenue following advice from DHHS.
- Long Service Leave (LSL) Debtor Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the DHHS Hospital Circular 04/2017.

Patient and Resident Fees

Patient fees are recognised as revenue on an accrual basis.

Private Practice Fees

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

Revenue from Commercial Activities

Revenue from commercial activities are recognised at the time invoices are raised.

Donations and Other Bequests

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

Interest Revenue

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

Other Income

Other income includes recoveries for salaries and wages and external services provided.

Fair value of Assets and Services Received Free of Charge or for Nominal Consideration

Resources received free of charge or for nominal consideration are recognised at their fair value when the 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 received as a donation.

Category Groups

Nathalia District Hospital has used the following category groups for reporting purposes for the current and previous financial years.

Admitted Patient Services (Admitted Patients)

Comprises all acute and subacute admitted patient services, where services are delivered in public hospitals.

Residential Aged Care (RAC)

Comprises those Commonwealth-licensed residential aged care services in receipt of supplementary funding from the department.

Aged Care

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

Primary and Community Health (Primary Health)

Comprises a range of home based, community based, community and primary health including health promotion and counselling, physiotherapy, speech therapy, podiatry and occupational therapy.

Other Services (Other)

Comprises of Health and Community Initiatives and other public health services not separately classified above including;

- Laboratory testing, blood borne viruses / sexually transmitted infections clinical services
- Kooris liaison officers
- Immunisation and screening services
- Drugs services including drug withdrawal, counselling and the needle and syringe program
- Disability services including aids and equipment and flexible support packages to people with a disability
- Community Care programs including sexual assault support, early parenting services, parenting assessment and skills development, and various support services.

NOTE 3: THE COST OF DELIVERING SERVICES

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

Structure

3.1 Analysis of Expenses by Source
3.2 Analysis of Expenses and Revenue by Internally Managed and Restricted Specific Purpose Funds
3.3 Specific Expenses
3.4 Finance Costs
3.5 Employee Benefits in the Balance Sheet
3.6 Superannuation

NOTE 3.1: ANALYSIS OF EXPENSES BY SOURCE

	Admitted Patients 2018 $	RAC 2018 $	Aged Care 2018 $	Primary Health 2018 $	Other 2018 $	Total 2018 $
Employee Expenses	680,824	1,912,045	138,534	260,783	1,237,157	4,229,343
Other Operating Expenses						
Non Salary Labour Costs	109,382	-	-	-	565,910	675,292
Supplies and Consumables	50,411	107,854	2,113	13,794	122,817	296,989
Medical Indemnity Insurance	9,976	-	-	-	-	9,976
Fuel, Light, Power and Water	-	-	-	-	163,649	163,649
Repairs and Maintenance	2,668	3,112	1,305	1,524	61,602	70,211
Other Expenses	36,819	21,275	17,901	8,265	815,080	899,340
Transfer Pricing	317,791	1,350,557	88,896	123,287	(1,880,531)	
Total Expenditure from Operating Activities	**1,207,871**	**3,394,843**	**248,749**	**407,653**	**1,085,684**	**6,344,800**
Finance Costs (refer note 3.4)	-	-	-	-	15,981	15,981
Other Non-Operating Expenses						
Expenditure for Capital Purposes[i]	-	-	-	-	167,955	167,955
Depreciation and Amortisation (refer note 4.2)	-	-	-	-	760,402	760,402
Total Other Expenses	**-**	**-**	**-**	**-**	**944,338**	**944,338**
Total Expenses	**1,207,871**	**3,394,843**	**248,749**	**407,653**	**2,030,022**	**7,289,138**

NOTE 3.1: ANALYSIS OF EXPENSES BY SOURCE (CONTINUED)

	Admitted Patients 2017 $	RAC 2017 $	Aged Care 2017 $	Primary Health 2017 $	Other 2017 $	Total 2017 $
Employee Expenses	641,261	1,872,675	146,544	277,475	1,415,253	4,353,206
Other Operating Expenses						
Non Salary Labour Costs	102,172	-	-	-	500,792	602,964
Supplies and Consumables	68,529	85,323	3,059	22,857	123,908	303,676
Medical Indemnity Insurance	10,609	-	-	-	-	10,609
Fuel, Light, Power and Water	-	-	-	-	141,227	141,227
Repairs and Maintenance	4,916	3,047	1,020	390	44,233	53,606
Other Expenses	54,444	21,840	17,659	10,237	811,457	915,637
Transfer Pricing	294,627	1,356,642	117,838	103,278	(1,872,384)	-
Total Expenditure from Operating Activities	**1,176,558**	**3,339,527**	**286,120**	**414,237**	**1,164,486**	**6,380,925**
Finance Costs (refer note 3.4)	-	-	-	-	12,608	12,608
Other Non-Operating Expenses						
Specific Expenses	-	-	-	-	2,017	2,017
Expenditure for Capital Purposes[(i)]	-	-	-	-	(294)	(294)
Depreciation and Amortisation (refer note 4.2)	-	-	-	-	773,982	773,982
Total Other Expenses	**-**	**-**	**-**	**-**	**788,313**	**788,313**
Total Expenses	**1,176,558**	**3,339,527**	**286,120**	**414,237**	**1,952,799**	**7,169,238**

[(i)] This includes the Hume Rural Health Alliance (HRHA) member percentage share adjustment)

*Other Programs include Commercial Activities, Special Purpose Funds and Capital.

NOTE 3.1: ANALYSIS OF EXPENSES BY SOURCE (CONTINUED)

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

Employee Expenses

Employee expenses include:

- Salaries and wages;
- Fringe benefits tax;
- Leave entitlements;
- Termination payments;
- Workcover premiums; and
- Superannuation expenses

Grants and Other Transfers

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

Other Operating Expenses

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

- Supplies and consumables - Supplies and services costs which are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.
- Fair value of assets, services and resources provided free of charge or for nominal consideration - Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them.

Net Gain/(Loss) on Non-Financial Assets

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

- Revaluation gains/ (losses) of non-financial physical assets (Refer to Note 4.1 Property, Plant and Equipment.)
- Net gain/ (loss) on disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net Gain/(Loss) on Financial Instruments

Net gain/ (loss) on financial instruments includes:

- Realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- Impairment and reversal of impairment for financial instruments at amortised cost; and
- Disposals of financial assets and derecognition of financial liabilities.

Amortisation of Non-Produced Intangible Assets

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a systematic 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.

Impairment of Non-Financial Assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired.

Other Gains/(Loss) from Other Economic Flows

Other gains/ (losses) include:

- The revaluation of the present value of the LSL liability due to changes in the bond rate movements, inflation rate movements and the impact of changes in probability factors; and
- transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

De-recognition of Financial Liabilities

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

Financial Guarantee

Payments that are contingent under financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is a material increase in the likelihood that the guarantee may have to be exercised, then it is measured at the higher of the amount determined in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

NOTE 3.2: ANALYSIS OF EXPENSES AND REVENUE BY INTERNALLY MANAGED AND RESTRICTED SPECIFIC PURPOSE FUNDS

	Total Expense 2018 $	Total Expense 2017 $	Total Revenue 2018 $	Total Revenue 2017 $
Catering Services	49,837	53,234	21,222	22,824
Medical Clinic	1,028,690	1,028,837	908,261	936,762
Rental Properties	7,676	14,554	5,284	14,077
Total	**1,086,203**	**1,096,625**	**934,767**	**973,663**

NOTE 3.3: SPECIFIC EXPENSES

	Total 2018 $	Total 2017 $
Voluntary Departure Packages	-	2,017
Total	**-**	**2,017**

NOTE 3.4: FINANCE COSTS

	Total 2018 $	Total 2017 $
Interest on Residential Aged Care (RAC) Accommodation Bond Deposits	15,253	11,664
Finance Costs - Finance Leases	728	944
Total Finance Costs	**15,981**	**12,608**

Finance costs include:

- Interest on RAC Accommodation Deposits
- Finance charges in respect of finance leases recognised in accordance with the AASB 117 Leases.

NOTE 3.5: EMPLOYEE BENEFITS IN THE BALANCE SHEET

	Total 2018 $	Total 2017 $
Current Provisions		
Employee Benefits [i]		
Accrued Days Off		
- Unconditional and expected to be settled wholly within 12 months [ii]	8,642	4,762
Annual Leave		
- Unconditional and expected to be settled wholly within 12 months [ii]	334,892	316,058
- Unconditional and expected to be settled wholly after 12 months [iii]	30,614	28,211
Long Service Leave		
- Unconditional and expected to be settled wholly within 12 months [ii]	62,301	72,520
- Unconditional and expected to be settled wholly after 12 months [iii]	383,291	422,014
	819,740	**843,565**
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled wholly within 12 months [ii]	42,691	42,081
- Unconditional and expected to be settled wholly after 12 months [iii]	46,145	50,241
	88,836	**92,322**
Accrued Salaries and Wages	130,482	120,306
Total Current Provisions	**1,039,058**	**1,056,193**
Non-Current Provisions		
Employee Benefits [i]	212,729	196,571
Provisions related to Employee Benefit On-Costs	23,828	22,018
Total Non-Current Provisions	**236,557**	**218,589**
Total Provisions	**1,275,615**	**1,274,782**

[i] Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.
[ii] The amounts disclosed are nominal amounts
[iii] The amounts disclosed are discounted to present values

	Total 2018 $	Total 2017 $
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and Related On-Costs		
Unconditional Long Service Leave entitlements	495,503	549,928
Annual Leave entitlements	403,851	380,512
Accrued Salaries and Wages	130,482	120,306
Accrued Days Off	9,222	5,447
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave entitlements (ii)	236,557	218,589
Total Employee Benefits and Related On-Costs	**1,275,615**	**1,274,782**
(b) Movements in Provisions		
Movement in Long Service Leave:		
Balance at beginning of year	768,517	681,117
Provision made during the year		
- Revaluations	(4,273)	(40,197)
- Expense recognising employee service	117,686	187,930
Settlement made during the year	(149,870)	(60,333)
Balance at end of year	**732,060**	**768,517**

NOTE 3.5: EMPLOYEE BENEFITS IN THE BALANCE SHEET (CONTINUED)

Employee Benefit Recognition

Provision is made for benefits accruing to employees in respect of Salaries and Wages, Annual Leave and Long Service Leave for services rendered to the reporting date as an expense during the period the services are delivered.

Provisions

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

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Employee Benefits

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

Salaries and Wages, Annual Leave and Accrued Days Off

Liabilities for salaries and wages, annual leave and accrued days off are all recognised in the provision for employee benefits as 'current liabilities', because Nathalia District Hospital does not have an unconditional right to defer settlements of these liabilities.

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

- Undiscounted value – if Nathalia District Hospital expects to wholly settle within 12 months; or
- Present value – if Nathalia District Hospital does not expect to wholly settle within 12 months.

Long Service Leave

The liability for Long Service Leave (LSL) is recognised in the provision for employee benefits.

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

The components of this current LSL liability are measured at:

- Undiscounted value – if Nathalia District Hospital expects to wholly settle within 12 months; and
- Present value – if Nathalia District Hospital does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. Any gain or loss followed revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in estimations e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

Termination Benefits

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

On-costs Related to Employee Expense

Provision for on-costs such as workers compensation and superannuation are recognised together with provisions for employee benefits.

NOTE 3.6: SUPERANNUATION

	Paid Contribution for the Year	
	Total 2018 $	**Total 2017 $**
Defined Benefit Plans: [i]	5,847	5,955
Defined Contribution Plans	334,660	342,865
Total	**340,507**	**348,820**

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

Employees of Nathalia District Hospital are entitled to receive superannuation benefits. Nathalia District Hospital contributes to both defined benefit and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

Defined Contribution Superannuation Plans

The associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred.

Defined Benefit Superannuation Plans

The costs represent the contributions made by Nathalia District Hospital to the superannuation plans in respect of the services of current Nathalia District Hospital's 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.

Nathalia District Hospital does not recognise any unfunded defined benefit liability in respect of the plans because the hospital has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered items.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of Nathalia District Hospital.

NOTE 4: KEY ASSETS TO SUPPORT SERVICE DELIVERY

Nathalia District Hospital controls assets, infrastructure and other investments that are utilised in meeting its objectives and delivering its activities. They represent the key resources that have been entrusted to Nathalia District Hospital to be utilised for delivery of its outputs and services.

Structure

4.1 Property, Plant and Equipment
4.2 Depreciation and Amortisation
4.3 Intangible Assets

NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT

(a) Gross carrying amount and accumulated depreciation

	Total 2018 $	Total 2017 $
Land		
Land at Fair Value	323,336	323,336
Total Land	**323,336**	**323,336**
Buildings		
Buildings at Fair Value	20,665,248	18,900,080
Less Accumulated Depreciation	(2,766,232)	(2,069,447)
Work in Progress at Cost	452,450	13,573
Total Buildings	**18,351,466**	**16,844,206**
Plant and Equipment		
Plant and Equipment at Fair Value	57,548	70,598
Less Accumulated Depreciation	(53,013)	(63,424)
Total Plant and Equipment at Fair Value	**4,535**	**7,174**
Non-Medical Equipment at Fair Value	237,817	240,067
Less Accumulated Depreciation	(218,549)	(222,020)
Total Non-Medical Equipment at Fair Value	**19,268**	**18,047**
Vehicles at Fair Value	123,171	156,565
Less Accumulated Depreciation	(99,922)	(103,743)
Total Vehicles at Fair Value	**23,249**	**52,822**
Computers and Communication at Fair Value	226,459	222,062
Less Accumulated Depreciation	(212,482)	(203,994)
Total Computers and Communication at Fair Value	**13,977**	**18,068**
Furniture and Fittings at Fair Value	53,610	59,303
Less Accumulated Depreciation	(46,266)	(46,632)
Total Furniture and Fittings at Fair Value	**7,344**	**12,671**
Total Plant and Equipment	**68,373**	**108,782**
Medical Equipment		
Medical Equipment at Fair Value	500,782	520,170
Less Accumulated Depreciation	(483,952)	(497,114)
Total Medical Equipment at Fair Value	**16,830**	**23,056**
HRHA Plant and Equipment		
Plant and Non Medical Equipment at Fair Value	13,366	2,972
Less Accumulated Depreciation	(3,204)	(2,685)
Total HRHA Plant and Equipment at Fair Value	**10,162**	**287**
Leased Assets at Fair Value	43,833	60,905
Less Accumulated Depreciation	(26,812)	(31,754)
Total HRHA Leased Assets at Fair Value	**17,021**	**29,151**
Total HRHA Plant and Equipment	**27,183**	**29,438**
Total Property, Plant and Equipment	**18,787,188**	**17,328,818**

NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Reconciliations of the carrying amounts of each class of asset

	Land $	Buildings $	Work In Progress $	Plant and Equipment $	Medical Equipment $	HRHA $	Total $
Balance at 1 July 2016	**406,800**	**17,675,183**	**-**	**122,201**	**36,218**	**36,042**	**18,276,444**
Additions	-	-	33,988	20,656	-	11,975	66,619
Disposals	(83,464)	(164,720)	-	-	-	-	(248,184)
Hume Rural Health Alliance % Share Adjustment	-	-	-	-	-	(837)	(837)
Net Transfers between Classes	-	20,415	(20,415)	-	-	-	-
Depreciation (Note 4.2)	-	(700,245)	-	(34,075)	(13,162)	(17,742)	(765,224)
Balance at 1 July 2017	**323,336**	**16,830,633**	**13,573**	**108,782**	**23,056**	**29,438**	**17,328,818**
Additions	-	-	438,877	12,262	-	-	451,139
Disposals	-	-	-	(17,469)	2,250	-	(15,219)
Hume Rural Health Alliance % Share Adjustment	-	-	-	-	-	(2,255)	(2,255)
Net Transfers between Classes	-	-	-	-	-	-	-
Revaluation increments/(decrements)	-	1,765,168	-	-	-	-	1,765,168
Depreciation (Note 4.2)	-	(696,785)	-	(35,202)	(8,476)	-	(740,463)
Balance at 30 June 2018	**323,336**	**17,899,016**	**452,450**	**68,373**	**16,830**	**27,183**	**18,787,188**

Land and Buildings and Leased Assets Carried at Valuation

The Valuer-General Victoria has re-valued all of Nathalia District Hospital's owned and leased land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation is 30 June 2014.

In compliance with FRD 103F, in the year ended 30 June 2018, Nathalia District Hospital's management conducted an annual assessment of the fair value of land and buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General Victoria indices for the financial year ended 30 June 2018.

The latest indices required a managerial revaluation of buildings in 2018. The indexed value was then compared to individual assets written down book value as at 30 June 2018 to determine the change in their fair values. DHHS approved a managerial revaluation of the buildings asset class of $1.76m.

There was no material financial impact or change in fair value of land.

NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) Fair Value measurement hierarchy for assets

		Fair Value measurement at end of reporting period using:		
	Carrying Amount $	**Level 1[i] $**	**Level 2[i] $**	**Level 3[i] $**
Balance at 30 June 2018				
Land at Fair Value				
Non-Specialised Land	125,061	-	125,061	-
Specialised Land				
Nathalia District Health - McDonnell Street, Nathalia	198,275	-	-	198,275
Total of Land at Fair Value	**323,336**	**-**	**125,061**	**198,275**
Buildings at Fair Value				
Non-Specialised Buildings	210,497	-	210,497	-
Specialised Buildings	17,688,519	-	-	17,688,519
Total of Buildings at Fair Value	**17,899,016**	**-**	**210,497**	**17,688,519**
Work in Progress at Fair Value				
Buildings	452,450	-	-	452,450
Total Work in Progress at Fair Value	**452,450**	**-**	**-**	**452,450**
Plant and Equipment at Fair Value				
Plant and Equipment	4,535	-	-	4,535
Non-Medical Equipment	19,268	-	-	19,268
Vehicles	23,249	-	-	23,249
Computers and Communications	13,977	-	-	13,977
Furniture and Fittings	7,344	-	-	7,344
Total Plant and Equipment at Fair Value	**68,373**	**-**	**-**	**68,373**
Medical Equipment at Fair Value				
Medical Equipment	16,830	-	-	16,830
Total Medical Equipment at Fair Value	**16,830**	**-**	**-**	**16,830**
HRHA Plant and Equipment				
Plant and Non-Medical Equipment at Fair Value	10,162	-	-	10,162
Leased Assets at Fair Value	17,021	-	-	17,021
Total HRHA Plant and Equipment	**27,183**	**-**	**-**	**27,183**
	18,787,188	**-**	**335,558**	**18,451,630**

[i] Classified in accordance with the Fair Value hierarchy.

There have been no transfers between levels during the period.

NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) Fair Value measurement hierarchy for assets (continued)

	Carrying Amount $	Fair Value measurement at end of reporting period using: Level 1[i] $	Level 2[i] $	Level 3[i] $
Balance at 30 June 2017				
Land at Fair Value				
Non-Specialised Land	125,061	-	125,061	-
Specialised Land				
Nathalia District Health - McDonnell Street, Nathalia	198,275	-	-	198,275
Total of Land at Fair Value	**323,336**	**-**	**125,061**	**198,275**
Buildings at Fair Value				
Non-Specialised Buildings	204,125	-	204,125	-
Specialised Buildings	16,626,508	-	-	16,626,508
Total of Buildings at Fair Value	**16,830,633**	**-**	**204,125**	**16,626,508**
Work in Progress at Fair Value				
Buildings	13,573	-	-	13,573
Total Work in Progress at Fair Value	**13,573**	**-**	**-**	**13,573**
Plant and Equipment at Fair Value				
Plant and Equipment	7,174	-	-	7,174
Non-Medical Equipment	18,047	-	-	18,047
Vehicles	52,822	-	-	52,822
Computers and Communications	18,068	-	-	18,069
Furniture and Fittings	12,671	-	-	12,671
Total Plant and Equipment at Fair Value	**108,782**	**-**	**-**	**108,782**
Medical Equipment at Fair Value				
Medical Equipment	23,056	-	-	23,056
Total Medical Equipment at Fair Value	**23,056**	**-**	**-**	**23,056**
HRHA Plant and Equipment				
Plant and Non-Medical Equipment at Fair Value	29,438	-	-	29,438
Total HRHA Plant and Equipment	**29,438**	**-**	**-**	**29,438**
	17,328,818	**-**	**329,186**	**16,999,632**

[i] Classified in accordance with the Fair Value hierarchy.

There have been no transfers between levels during the period.

NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(d) Reconciliation of Level 3 fair value

	Land $	Buildings $	Work In Progress $	Plant and Equipment $	Medical Equipment $	HRHA $
Balance at 1 July 2017	**198,275**	**16,626,508**	**13,573**	**108,782**	**23,056**	**29,438**
Additions/(Disposals)	-	-	438,877	(5,208)	2,252	-
Assets provided free of charge	-	-	-	-	-	-
Gains/(Losses) recognised in Net Result						
Depreciation and Amortisation	-	(688,160)	-	(35,202)	(8,476)	-
HRHA % Share Adjustment	-	-	-	-	-	(2,255)
Items recognised in Other Compensable Income						
Revaluation	-	1,750,171	-	-	-	-
Balance at 30 June 2018	**198,275**	**17,688,519**	**452,450**	**68,372**	**16,831**	**27,183**

	Land $	Buildings $	Work In Progress $	Plant and Equipment $	Medical Equipment $	HRHA $
Balance at 1 July 2016	**198,275**	**17,293,233**	**-**	**122,202**	**36,218**	**36,042**
Additions/(Disposals)	-	20,415	13,573	20,655	-	11,975
Assets provided free of charge						
Gains/(Losses) recognised in Net Result						
Depreciation and Amortisation	-	(687,140)	-	(34,075)	(13,162)	(17,741)
HRHA % Share Adjustment	-	-	-	-	-	(838)
Items recognised in Other Compensable Income						
- Revaluation	-	-	-	-	-	-
Balance at 30 June 2017	**198,275**	**16,626,508**	**13,573**	**108,782**	**23,056**	**29,438**

NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(e) Fair Value determination

Asset Class	Example of types of assets	Expected fair value level	Likely valuation approach	Significant inputs (Level 3 Only)
Non-specialised land	In areas where there is an active market: • Vacant land • Land not subject to restrictions as to use or sale	Level 2	Market approach	N/A
Specialised land (Crown / Freehold)	• Land subject to restrictions as to use and/or sale • Land in areas where there is not an active market	Level 3	Market approach	Community Service Obligations (CSO) adjustments[a]
Non-specialised buildings	For general/commercial buildings that are just built	Level 2	Market approach	N/A
Specialised buildings	Specialised buildings with limited alternative uses and/or substantial customisation e.g. hospitals, prisons and schools	Level 3	Depreciated replacement cost approach	- Cost per square metre - Useful life
Dwellings	Social/public housing, employee housing	Level 2, where there is an active market in the area	Market approach	N/A
		Level 3, where there is no active market in the area	Depreciated replacement cost approach	- Cost per square metre - Useful life
Vehicles	If there is no active resale market available	Level 3	Depreciated replacement cost approach	- Cost per unit - Useful life
Plant and Equipment	Specialised items with limited alternative uses and/or substantial customisation	Level 3	Depreciated replacement cost approach	- Cost per square metre - Useful life
Medical Equipment		Level 3	Depreciated replacement cost approach	- Cost per unit - Useful life

a. CSO adjustment of 20% was applied to reduce the market approach value for the Nathalia District Hospital's specialised land.

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

NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(e) Fair Value determination (continued)

Initial Recognition

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment loss. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The initial cost for non-financial physical assets under finance lease (refer to Note 6.1) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Crown land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset.

Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

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

Subsequent Measurement

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

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

For the purpose of fair value disclosures, Nathalia District Hospital has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

In addition, Nathalia District Hospitals determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

The Valuer-General Victoria is Nathalia District Hospital's independent valuation agency.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Fair Value Measurement

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

Consideration of Highest and Best Use (HBU) for Non-Financial Physical Assets

Judgements about highest and best use must take into account the characteristics of the assets concerned, including restrictions on the use and disposal of assets arising from the asset's physical nature and any applicable legislative/contractual arrangements.

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

Therefore, an assessment of the HBU will be required when the indicators are triggered within a reporting period, which suggest the market participants would have perceived an alternative use of an asset that can generate maximum value. Once identified, Health Services are required to engage with Valuer-General Victoria or other independent values for formal HBU assessment.

These indicators, as a minimum, include:

External factors:

- Changed acts, regulations, local law or such instrument which affects or may affect the use or development of the asset;
- Changes in planning scheme, including zones, reservations, overlays that would affect or remove the restrictions imposed on the asset's use from its past use;
- Evidence that suggest the current use of an asset is no longer core to requirements to deliver a Health Service's service obligation;
- Evidence that suggests that the asset might be sold or demolished at reaching the late stage of an asset's life cycle.

Valuation hierarchy

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Assumptions about risk include the inherent risk in a particular valuation technique used to measure fair value (such as a pricing risk model) and the risk inherent in the inputs to the valuation technique. A measurement that does not include an adjustment for risk would not represent a fair value measurement if market participants would include one when pricing the asset or liability i.e., it might be necessary to include a risk adjustment when there is significant measurement uncertainty. For example, when there has been a significant decrease in the volume or level of activity when compared with normal market activity for the asset or liability or similar assets or liabilities, and the Health Service has determined that the transaction price or quoted price does not represent fair value.

A Health Service shall develop unobservable inputs using the best information available in the circumstances, which might include the Health Service's own data. In developing unobservable inputs, a Health Service may begin with its own data, but it shall adjust this data if reasonably available information indicates that other market participants would use different data or there is something particular to the Health Service that is not available to other market participants. A Health Service need not undertake exhaustive efforts to obtain information about other market participant assumptions. However, a Health Service shall take into account all information about market participant assumptions that is reasonably available. Unobservable inputs developed in the manner described above are considered market participant assumptions and meet the object of a fair value measurement.

Non-Specialised Land, Non-Specialised Buildings and Cultural Assets

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2014.

In June 2018 a managerial valuation was carried out in accordance with FRD 103F to revalue the land to its fair value.

Specialised Land and Specialised Buildings

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

During the reporting period, Nathalia District Hospital held Crown Land. The nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value

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

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

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

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

In June 2018 a managerial valuation was carried out in accordance with FRD 103F to revalue the land to its fair value.

Vehicles

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

Plant and Equipment

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

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

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

Revaluations of Non-Current Physical Assets

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

Revaluation increments are recognised in 'Other Comprehensive Income' and 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 in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment.

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

Revaluation surplus is not transferred to accumulated funds on de-recognition of the relevant asset, except where an asset is transferr

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

NOTE 4.2: DEPRECIATION AND AMORTISATION

	Total 2018 $	Total 2017 $
Depreciation		
Buildings	696,785	700,245
Plant and Equipment	2,639	2,809
Non-Medical Equipment	6,152	7,430
Vehicles	12,871	14,544
Computers and Communications	8,490	4,201
Furniture and Fittings	5,050	5,091
Medical Equipment	8,476	13,162
HRHA - Depreciation	13,866	17,742
	754,329	**765,224**
Amortisation		
Software	4,327	7,694
HRHA - Amortisation	1,746	1,064
Total	**6,073**	**8,758**
Total Depreciation and Amortisation	**760,402**	**773,982**

Depreciation and Amortisation recognition

Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases, assets held for sale, land and investment properties) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value over its estimated useful life.

This depreciation charge is not funded by the DHHS. 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.

Amortisation

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

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

	2018	2017
Buildings	30 to 40 years	30 to 40 years
Plant and Equipment	3 to 7 years	10 years
Medical Equipment	7 to 10 years	5 to 8 years
Computers and Communication	3 years	3 years
Furniture and Fittings	13 years	5 years
Motor Vehicles	10 years	7 years
Intangible Assets	3 to 4 years	3 to 4 years

NOTE 4.3: INTANGIBLE ASSETS

	Total 2018 $	Total 2017 $
Software	22,853	22,854
Less Accumulated Amortisation	(19,480)	(15,154)
Total Software	**3,373**	**7,700**
HRHA - Software	13,627	36,440
Less Accumulated Amortisation	(4,009)	(3,015)
Total HRHA Software	**9,618**	**33,425**
Total Intangible Assets	**12,991**	**41,125**

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

	Software $	HRHA $	Total $
Balance at 1 July 2016	**9,874**	**18,804**	**28,678**
Additions	5,520	15,685	21,205
Deprecation and Amortisation (refer Note 4.2)	(7,694)	(1,064)	(8,758)
Balance at 1 July 2017	**7,700**	**33,425**	**41,125**
Additions	-	-	-
HRHA % Share Adjustment	-	(22,061)	(22,061)
Depreciation and Amortisation (refer Note 4.2)	(4,327)	(1,746)	(6,073)
Balance at 30 June 2018	**3,373**	**9,618**	**12,991**

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

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 Nathalia District Hospital.

NOTE 5: OTHER ASSETS AND LIABILITIES

This section sets out the assets and liabilities that arose from Nathalia District Hospital operations.

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

NOTE 5.1: RECEIVABLES

	Total 2018 $	Total 2017 $
Current		
Contractual		
Trade Debtors	46,682	69,647
Patient and Resident Fees	96,812	131,005
Accrued Investment Income	900	608
Other Accrued Revenue	12,153	31,876
HRHA - Receivables	76,363	54,761
Total Contractual Receivables	**232,910**	**287,897**
Statutory		
Goods and Services Tax (GST)	19,968	32,139
Total Statutory Receivables	**19,968**	**32,139**
Total Current Receivables	**252,878**	**320,036**
Non Current		
Statutory		
Long Service Leave Debtor - DHHS	277,875	209,460
Total Non Current Receivables	**277,875**	**209,460**
Total Receivables	**530,753**	**529,496**

Receivables recognition

Receivables consist of:

- Contractual receivables, which consists of debtors in relation to goods and services and accrued investment income; and
- Statutory receivables, which predominantly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable.

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

Receivables are recognised initially at fair value and subsequently measured at amortised cost less any accumulated impairment.

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

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

NOTE 5.2: OTHER LIABILITIES

	Total 2018 $	Total 2017 $
Current		
Monies Held in Trust*		
Patient Monies Held in Trust	1,945,534	1,722,681
Employee Trust Funds - Paid Parental Leave	3,692	4,820
Government Grants - Hume Region Funded Programs	366	4,145
Total Other Liabilities	**1,949,592**	**1,731,646**
***Total Monies Held in Trust**		
Represented by the following assets:		
Cash Assets (Refer Note 6.2)	1,949,592	1,731,646
Total	**1,949,592**	**1,731,646**

NOTE 5.3: PREPAYMENTS AND OTHER NON-FINANCIAL ASSETS

	Total 2018 $	Total 2017 $
Current		
Prepayments	68,111	27,353
HRHA - Prepayments	2,838	2,882
Total Other Assets	**70,949**	**30,235**

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

NOTE 5.4: PAYABLES

	Total 2018 $	Total 2017 $
Current		
Contractual		
Trade Creditors[i]	259,283	214,356
Accrued Expenses	81,623	55,936
HRHA - Payables	98,315	10,357
Total Contractual Payables	**439,221**	**280,648**
Statutory		
Goods and Services Tax (GST) Payable	4,181	13,417
Revenue in Advance - Department of Health and Human Services(ii)	70,400	84,169
Revenue in Advance - Commonwealth	-	1,380
Total Statutory Payables	**74,581**	**98,966**
Total Current Payables	**513,802**	**379,614**

[i] The average credit period is 30 days

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

Payables consist of:

- Contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to DHHS prior to the end of the financial year that are unpaid; and
- Statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

NOTE 5.4: PAYABLES (CONTINUED)

(a) Maturity analysis of Financial Liabilities as at 30 June

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

			Maturity Dates			
2018	**Carrying Amount $**	**Nominal Amount $**	**Less than 1 Month**	**1 - 3 Months $**	**3 Months 1 Year $**	**1 - 5 Years $**
Financial Liabilities						
At amortised cost						
Payables	439,221	439,221	439,221	-	-	-
Borrowings						
- Finance Leases	16,967	16,967	706	1,413	6,358	8,490
Other Financial Liabilities[(i)]						
- Accommodation Bonds	1,945,534	1,945,534	1,945,534	-	-	-
- Other Funds Held in Trust	4,058	4,058	4,058	-	-	-
Total Financial Liabilities	**2,405,780**	**2,405,780**	**2,389,519**	**1,413**	**6,358**	**8,490**
2017						
Financial Liabilities						
At amortised cost						
Payables	280,648	280,648	280,648	-	-	-
Borrowings						
- Finance Leases	29,151	29,151	1,139	2,277	10,248	15,487
Other Financial Liabilities[(i)]						
- Accommodation Bonds	1,722,681	1,722,681	1,722,681	-	-	-
- Other Funds Held in Trust	8,965	8,965	8,965	-	-	-
Total Financial Liabilities	**2,041,445**	**2,041,445**	**2,013,433**	**2,277**	**10,248**	**15,487**

[(i)] Ageing analysis of financial liabilities excludes the types of statutory financial liabilities (ie GST payable).

NOTE 6: FINANCING OF OPERATIONS

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

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

Structure

6.1 Borrowings
6.2 Cash and Cash Equivalents
6.3 Commitments for Expenditure

NOTE 6.1: BORROWINGS

	Total 2018 $	Total 2017 $
Current		
HRHA - Finance Leases [i]	8,477	13,664
Total Current	**8,477**	**13,664**
Non Current		
HRHA - Finance Leases [i]	8,490	15,487
Total Non-Current	**8,490**	**15,487**
Total Borrowings	**16,967**	**29,151**

[i] Nathalia District Hospital's share of finance lease liabilities undertaken by the Hume Rural Health Alliance joint arrangement. These liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Finance costs of the Health Service incurred during the year are accounted for as follows:		
Amount of finance costs recognised as expenses	15,981	12,608

(a) Maturity analysis of borrowings

Please refer to Note 5.5(a) for the ageing analysis of borrowings.

(b) Defaults and breaches

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

Borrowing Recognition

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

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases, in the manner described in Note 6.3 Commitments.

Finance Leases

Entity as Lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. Minimum lease payments are apportioned between reduction of the outstanding lease liability, and the periodic finance expense which is calculated using the interest rate implicit in the lease, and charged directly to the Comprehensive Operating Statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

NOTE 6.2: CASH AND CASH EQUIVALENTS

	Total 2018 $	Total 2017 $
Cash on Hand	500	500
Cash at Bank	1,539,254	1,789,629
Short Term Deposits	2,145,776	2,097,579
Hume Rural Health Alliance	108,361	76,040
Total Cash and Cash Equivalents	**3,793,891**	**3,963,748**
Represented by:		
Cash for Health Service Operations	1,735,938	2,156,062
Hume Rural Health Alliance	108,361	76,040
Total Cash (as per Cash Flow Statement)	**1,844,299**	**2,232,102**
Cash for Monies Held in Trust (Note 5.2)	1,949,592	1,731,646
Total Cash and Cash Equivalents	**3,793,891**	**3,963,748**

Cash and cash equivalents recognised on the Balance Sheet comprise cash on hand and in banks, deposits at call and highly liquid investments (with an original maturity date 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 liabilities on the balance sheet.

NOTE 6.3: COMMITMENTS FOR EXPENDITURE

	Total 2018 $	Total 2017 $
(a) Commitments		
Lease Commitments		
Payable:		
Finance Leases	18,664	32,066
Total Lease Commitments	**18,664**	**32,066**
Total Commitments (inclusive of GST)	**18,664**	**32,066**

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

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note 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 sated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

	Total 2018 $	Total 2017 $
(b) Commitments Payable		
Lease Commitments		
Less than 1 year	9,325	15,030
Longer than 1 year and not later than 5 years	9,339	17,036
Total Lease Commitments	**18,664**	**32,066**
Total Commitments (inclusive of GST)	**18,664**	**32,066**
Less GST Recoverable from the Australian Taxation Office	1,697	2,915
Total Commitments (exclusive of GST)	**16,967**	**29,151**

NOTE 7: RISKS, CONTINGENCIES AND VALUATION UNCERTAINTIES

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

Structure

7.1 Financial Instruments

7.2 Contingent Assets and Contingent Liabilities

NOTE 7.1: FINANCIAL INSTRUMENTS

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Nathalia District Hospital's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation

(a) Financial Instruments: Categorisation

2018	Contractual Financial Assets - Loans and Receivables $	Contractual Financial Liabilities at Amortised Cost $	Total $
Contractual Financial Assets			
Cash and Cash Equivalents	3,793,891	-	3,793,891
Receivables			
- Trade Debtors and Patient Fees	219,857	-	219,857
- Other Receivables	13,053	-	13,053
Total Financial Assets [i]	**4,026,801**	**-**	**4,026,801**
Financial Liabilities			
Payables	-	439,222	439,222
Borrowings			
- Finance Leases	-	16,967	16,967
Other Financial Liabilities			
- Accommodation Bonds	-	1,945,534	1,945,534
- Other Funds Held in Trust	-	4,058	4,058
Total Financial Liabilities [i]	**-**	**2,405,781**	**2,405,781**

2017	Contractual Financial Assets - Loans and Receivables $	Contractual Financial Liabilities at Amortised Cost $	Total $
Contractual Financial Assets			
Cash and Cash Equivalents	3,963,748	-	3,963,748
Receivables			
- Trade Debtors and Patient Fees	255,413	-	255,413
- Other Receivables	32,484	-	32,484
Total Financial Assets [i]	**4,251,645**	**-**	**4,251,645**
Financial Liabilities			
Payables	-	280,648	280,648
Borrowings			
- Finance Leases	-	29,151	29,151
Other Financial Liabilities			
- Accommodation Bonds	-	1,722,681	1,722,681
- Other Funds Held in Trust	-	8,966	8,966
Total Financial Liabilities [i]	**-**	**2,041,446**	**2,041,446**

[i] The carrying amount excludes statutory receivables (i.e. GST receivable and DHHS receivable) and statutory payables (i.e. Revenue in Advance and DHHS payable).

NOTE 7.1: FINANCIAL INSTRUMENTS(CONTINUED)

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

2018	Net Holding Gain / Loss $	Total Interest Income / (Expense) $	Fee Income / (Expense) $	Total $
Financial Assets				
Cash and Cash Equivalents [i]	-	79,148	-	79,148
Total Financial Assets	**-**	**79,148**	**-**	**79,148**
Financial Liabilities				
Financial Liabilities at Amortised Cost [ii]	-	15,981	-	15,981
Total Financial Liabilities	**-**	**15,981**	**-**	**15,981**
2017				
Financial Assets				
Cash and Cash Equivalents [i]	-	83,664	-	83,664
Total Financial Assets	**-**	**83,664**	**-**	**83,664**
Financial Liabilities				
Financial Liabilities at Amortised Cost [ii]	-	12,608	-	12,608
Total Financial Liabilities	**-**	**12,608**	**-**	**12,608**

[i] For cash and cash equivalents, loans or receivables and financial assets available-for-sale, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest revenue, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result.

[ii] For financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense measured at amortised cost.

Categories of financial instruments

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). Nathalia District Hospital recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables);
- term deposits; and
- certain debt securities.

Financial liabilities at amortised cost

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

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

Derivative financial instruments

Are classified as held for trading financial assets and liabilities. They are initially recognised at fair value on the date on which a derivative contract is entered into. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives after initial recognition are recognised in the consolidated comprehensive operating statement as an 'other economic flow' included in the net result.

Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, Nathalia District Hospital concerned has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where Nathalia District Hospital does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- Nathalia District Hospital retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- Nathalia District Hospital has transferred its rights to receive cash flows from the asset and either:
    - has transferred substantially all the risks and rewards of the asset; or
    - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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

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

Reclassification of financial instruments

Subsequent to initial recognition and under rare circumstances, non-derivative financial instruments assets that have not been designated at fair value through profit or loss upon recognition, may be reclassified out of the fair value through profit or loss category, if they are no longer held for the purpose of selling or repurchasing in the near term.

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

Available-for-sale financial instrument assets that meet the definition of loans and receivables may be reclassified into the loans and receivables category if there is the intention and ability to hold them for the foreseeable future or until maturity.

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 'other economic flow' in the comprehensive operating statement.

NOTE 7.2: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Nathalia District Hospital does not have any contingent assets or liabilities as at 30 June 2018 (2017 $Nil).

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

NOTE 8: OTHER DISCLOSURES

This section includes additional material disclosures required by the Australian Accounting Standards or otherwise, for the understanding of this annual report.

Structure

8.1 Equity

8.2 Reconciliation of Net Result for the Year to Net Cash from Operating Activities

8.3 Responsible Persons Disclosures

8.4 Remuneration of Executives

8.5 Related Parties

8.6 Remuneration of Auditors

8.7 Ex-Gratia Payments

8.8 Australia Accounting Standards Board (AASB's) Issued Not Yet Effective

8.9 Events Occurring After the Balance Sheet Date

8.10 Jointly Controlled Operations

8.11 Going Concern

8.12 Alternative Presentation of Comprehensive Operating Statement

NOTE 8.1: EQUITY

	Total 2018 $	Total 2017 $
(a) Surpluses		
Property, Plant and Equipment Revaluation Surplus		
Balance at the beginning of the reporting period	5,122,513	5,122,513
Increase in the Value of Land	1,765,168	-
Balance at the end of the reporting period*	**6,887,681**	**5,122,513**
***Represented by:**		
Land	237,837	237,837
Buildings	6,644,354	4,879,186
Plant and Equipment	5,490	5,490
Total	**6,887,681**	**5,122,513**
General Purpose Surplus		
Balance at the beginning of the reporting period	1,354,608	1,354,608
Balance at the end of the reporting period	**1,354,608**	**1,354,608**
Restricted Specific Purpose Surplus		
Balance at the beginning of the reporting period	162,466	162,466
Balance at the end of the reporting period	**162,466**	**162,466**
Total Surpluses	**8,404,755**	**6,639,587**
(b) Contributed Capital		
Balance at the beginning of the reporting period	11,231,156	11,231,156
Balance at the end of the reporting period	**11,231,156**	**11,231,156**
(c) Accumulated (Deficits)		
Balance at the beginning of the reporting period	607,486	1,645,931
Net Result for the Year	(803,601)	(1,038,445)
Balance at the end of the reporting period	**(196,115)**	**607,486**
(d) Total Equity at end of financial year	**19,439,796**	**18,478,229**

Contributed Capital

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

Transfers of net assets arising from administrative restructurings are treated as contributions by owners. Transfers of net liabilities arising from administrative restructures are to go through the Comprehensive Operating Statement.

Property, Plant and Equipment Revaluation Surplus

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

Specific Restricted Purpose Surplus

The Specific Restricted Purpose Surplus is established where Nathalia District Hospital has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

NOTE 8.2: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FROM OPERATING ACTIVITIES

	Total 2018 $	Total 2017 $
Net Result for the Year	(803,601)	(1,038,445)
Non-Cash Movements:		
Depreciation	760,402	773,982
Movements Included in Investing and Financing Activities		
Net (Gain)/Loss from Disposal of Non-Financial Physical Assets	3,289	(11,727)
Movements in Asset and Liabilities;		
Change in Operating Assets and Liabilities		
Increase/(Decrease) in Receivables	(1,257)	(210,399)
Increase/(Decrease) in Prepayments	(40,714)	6,640
Increase/(Decrease) in Payables	134,188	(112,433)
Increase/(Decrease) in Provisions	833	143,014
Net Cash Inflow/Outflow from Operating Activities	**53,140**	**(449,368)**

NOTE 8.3: RESPONSIBLE PERSONS DISCLOSURES

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

Responsible Ministers:	Period	
The Honourable Jill Hennessy, Minister for Health and Minister for Ambulance Services	01-07-17	30-06-17
The Honourable Martin Foley, Minister for Housing, Disability and Ageing and Minister for Mental Health	01-07-17	30-06-17
Sue Logie	01-07-17	30-06-18
David McKenzie	01-07-17	30-06-18
David Vaughan	01-07-17	30-06-18
Diana Baxter	01-07-17	30-06-18
Kerry-anne Rappell	01-07-17	30-06-18
Chris McCallum	01-07-17	30-06-18
Peter Limbrick	01-07-17	30-06-18
Maxene Hughes	01-07-17	30-06-18
Peter Poon	01-07-17	30-06-18
Accountable Officer		
Trevor Saunders (Chief Executive Officer - resigned 21 June 2018)	01-07-17	21-06-18
Matt Sharp (Interim Chief Executive Officer - appointed 21 June 2018)	21-06-18	30-06-18

Remuneration of Responsible Persons

No Governing Board members received remuneration in the 2018 financial year (2017 $Nil)

Refer to Note 8.4: Remuneration of Executives and Note 8.5: for Related Party Transactions

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report as disclosed in Note 8.5 Related Parties.

NOTE 8.4: REMUNERATION OF EXECUTIVES

The Accountable Officer and other key management personnel are employed by Goulburn Valley Health (GV Health) and information to remuneration is disclosed in the financial statements of GV Health.

During the year Nathalia District Hospital paid $180,000 (2017: $180,000) to GV Health in relation to service provided by the CEO and other key management personnel Administrative staff.

NOTE 8.5: RELATED PARTIES

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

- All key management personnel (KMP) and their close family members;
- Cabinet ministers (where applicable) and their close family members;
- Jointly Controlled Operation - A member of the Hume Rural Health Alliance; and
- All hospitals and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of Nathalia District Hospital and its controlled entities, directly or indirectly.

The Board of Directors and the Executive Directors of Nathalia District Hospital are deemed to be KMPs.

Entity	KMP's	Position Title
Nathalia District Hospital	Sue Logie	Chair of the Board
Nathalia District Hospital	David McKenzie	Director
Nathalia District Hospital	David Vaughan	Director
Nathalia District Hospital	Diana Baxter	Director
Nathalia District Hospital	Kerry-anne Rappell	Director
Nathalia District Hospital	Chris McCallum	Director
Nathalia District Hospital	Peter Limbrick	Director
Nathalia District Hospital	Maxene Hughes	Director
Nathalia District Hospital	Peter Poon	Director
Nathalia District Hospital	Matt Sharp	Interim Chief Executive Officer
Nathalia District Hospital	Rick Garotti	Chief Finance Officer
Nathalia District Hospital	Donna Sherringham	Executive Director Clinical Operations
Nathalia District Hospital	Trevor Saunders	Former Chief Executive Officer
Nathalia District Hospital	Salvatore Costanzo	Former Executive Director Finance and Business Services

The compensation detailed below excludes the salaries and benefits the Portfolio Ministers receive. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968*, and is reported within the Department of Parliamentary Services' Financial Report.

No Key Management Personnel received remuneration in the 2018 financial year (2017 $Nil)

Significant Transactions with Government Related Entities

Nathalia District Hospital received funding from Department of Health and Human Services of $2,814,449 (2017 $2,487,427) and indirect contributions of $11,259.

Expenses incurred by Nathalia District Hospital in delivering services and outputs are in accordance with Health Purchasing Victoria requirements. Goods and services including procurement, diagnostics, patient meals and multi-site operational support are provided by other Victorian Health Service Providers on commercial terms.

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

Cash funds are invested in accordance with the 2016 Standing Directions issued by the Minister for Finance under the *Financial Management Act 1994*.

As explained in Note 8.4, Nathalia District Hospital contract management and other services to GV Health, including the CEO.

During the year, the net transactions between Nathalia District Hospital and GV Health totalled 2018 $236,296 (2017 $416,879), relating to the executive services provided by GV Health and the purchase of goods and services.

All transaction are on an arms length basis under normal terms and conditions as per the agreement between Nathalia District Hospital and GV Health.

NOTE 8.6: REMUNERATION OF AUDITORS

	Total 2018 $	Total 2017 $
Victorian Auditor-General's Office		
Audit and Review of Financial Statements	17,350	17,590
Other Providers		
Internal Audit Services	10,215	834
Total Remuneration of Auditors	**27,565**	**18,424**

NOTE 8.7: EX-GRATIA PAYMENTS

In accordance with FRD 11A Nathalia District Hospital has made no Ex-Gratia payments in the 2017/2018 financial year.

NOTE 8.8: AUSTRALIA ACCOUNTING STANDARDS BOARD (AASB'S) ISSUED NOT YET EFFECTIVE

Certain new Australian Accounting Standards have been published that are not mandatory for the 30 June 2018 reporting period. Department of Treasury and Finance assesses the impact of all these new standards and advises Nathalia District Hospital of their applicability and early adoption where applicable.

As at 30 June 2018, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Nathalia District Hospital has not and does not intend to adopt these standards early.

Standard/ Interpretation	Summary	Effective Date	Impact on financial statements
AASB 9 *Financial Instruments*	The key changes introduced by AASB 9 include simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	01 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. The initial application of AASB 9 is not expected to significantly impact the financial positon however there will be a change to the way financial instruments are classified and new disclosure requirements.
AASB 2014-1 *Amendments to Australian Accounting Standards [Part E Financial Instruments]*	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018, and to amend Reduced Disclosure requirements.	01 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9*	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	01 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.

Standard/ Interpretation	Summary	Effective Date	Impact on financial statements
AASB 15 *Revenue from Contracts with Customers*	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	01 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.

AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*	Amends the measurement of trade receivables and the recognition of dividends as follow:
	• Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition.
	• Dividends are recognised in the profit and loss only when:
	  • the entity's right to receive payment of the dividend is established;
	  • it is probable that the economic benefits associated with the dividend will flow to the entity; and
	  • the amount can be measured reliably.
		1 January 2018, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply 1 January 2018.	The assessment has indicated that there will be no significant impact for the public sector.

AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*	This standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	01 Jan 2018	This amending standard will defer the application period of AASB 15 for for-profit entities to the 2018-19 reporting period in accordance with the transition requirements.

Standard/ Interpretation	Summary	Effective Date	Impact on financial statements
AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*	This Standard amends AASB 15 to clarify requirements for identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require: • a promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; • for items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and • for licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access).	01 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified for AASB 15 above.
AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities*	This standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	01 Jan 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.
AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15. This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.	01 Jan 2019	This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include: AASB 9 • Statutory receivables are recognised and measured similarly to financial assets AASB 15 • The "customer" does not need to be the recipient of goods and/or services; • The "contract" could include an arrangement entered into under the direction of another party; • Contracts are enforceable if they are enforceable by legal or "equivalent means"; • Contracts do not have to have commercial substance, only economic substance; and • Performance obligations need to be "sufficiently specific" to be able to apply AASB 15 to these transactions.

Standard/ Interpretation	Summary	Effective Date	Impact on financial statements
AASB 16 *Leases*	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet which has an impact on net debt.	01 Jan 2019	The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability. In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge. There will be no change for lessors as the classification of operating and finance leases remains unchanged.
AASB 1058 *Income of Not-for-Profit Entities*	AASB 1058 standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions. The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context, AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.	01 Jan 2019	The current revenue recognition for grants is to recognise revenue up front upon receipt of the funds. This may change under AASB 1058, as capital grants for the construction of assets will need to be deferred. Income will be recognised over time, upon completion and satisfaction of performance obligations for assets being constructed, or income will be recognised at a point in time for acquisition of assets. The revenue recognition for operating grants will need to be analysed to establish whether the requirements under other applicable standards need to be considered for recognition of liabilities (which will have the effect of deferring the income associated with these grants). Only after that analysis would it be possible to conclude whether there are any changes to operating grants. The impact on current revenue recognition of the changes is the phasing and timing of revenue recorded in the profit and loss statement.

The following accounting pronouncements are also issued but not effective for the 2017-18 reporting period. At this stage, the preliminary assessment suggests they may have insignificant impacts on public sector reporting.

- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions
- AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts
- AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- AASB 2017-3 Amendments to Australian Accounting Standards – Clarifications to AASB 4
- AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments
- AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015 – 2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendments, Curtailment or Settlement

NOTE 8.9: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the Nathalia District Hospital the results of its operations or its state of affairs in future years.

NOTE 8.10: JOINTLY CONTROLLED OPERATIONS

Name of Entity	Principle Activity	Ownership Interest 2018	Ownership Interest 2017
Hume Rural Health Alliance	Information System - including ICT investment facilitation, project delivery, workplace services, business application services, collaboration services and vendor management.	1.97%	2.10%

Nathalia District Hospital interest in the above jointly controlled operations is detailed below. The amounts are included in the financial statements under their respective asset categories:

	Total 2018 $	Total 2017 $
Current Assets		
Cash and Cash Equivalents	108,361	76,040
Receivables	76,363	54,761
Prepayments	2,838	2,882
Total Current Assets	**187,562**	**133,683**
Non-Current Assets		
Property Plant and Equipment	27,183	29,438
Intangible Assets	9,618	33,425
Total Non-Current Assets	**36,801**	**62,863**
TOTAL ASSETS	**224,363**	**196,546**
Current Liabilities		
Payables	98,315	10,357
Borrowings	8,477	13,664
Total Current Liabilities	**106,792**	**24,021**
Non-Current Liabilities		
Borrowings	8,490	15,487
Total Non-Current Liabilities	**8,490**	**15,487**
TOTAL LIABILITIES	**115,282**	**39,508**
NET ASSETS	**109,081**	**157,038**

Nathalia District Hospital's interest in revenues and expenses resulting from jointly controlled operations are detailed below:

	Total 2018 $	Total 2017 $
Operating Revenue	157,952	179,576
Operating Expenses	136,450	155,721
Net Result Before Capital and Specific Items	**21,502**	**23,855**
Capital Purpose Income	80,770	84,000
Finance Costs	728	944
Specific Expense	-	2,017
Capital Purpose Expenditure	125,737	-
Depreciation and Amortisation	15,612	18,805
Net Result After Capital and Specific Items	**61,307**	**62,234**
Net Result for the Year	**39,805**	**86,089**

*Figures obtained from the unaudited Hume Rural Health Alliance annual report.

Contingent Liabilities and Capital Commitments

There are no known contingent liabilities or capital commitments held by Hume Rural Health Alliance at balance date.

NOTE 8.11: GOING CONCERN

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

The Department of Health and Human Services has provided confirmation that it will continue to provide Nathalia District Hospital with adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to September 2019.

A letter confirming adequate cash flow was also provided in the previous financial year.

The financial statements have been prepared on a going concern basis. The State Government and the Department of Health and Human Services have confirmed financial support to settle Nathalia District Hospital's financial obligations when they fall due.

Nathalia District Hospital is committed to the continued review of its financial and operating performance with a view to identifying further efficiencies and revenue generating opportunities and providing the most effective and efficient service delivery model without compromising patient care and quality of service delivery. Nathalia District Hospital management will continue to identify and implement a number of business initiatives to better manage available financial resources.

NOTE 8.12: ALTERNATIVE PRESENTATION OF COMPREHENSIVE OPERATING STATEMENT

	Total 2018 $	Total 2017 $
Interest	98,787	89,894
Sales of Goods and Services	1,415,106	1,409,513
Grants	4,327,116	4,006,218
Other Current Revenue	643,545	573,245
Total Revenue	**6,484,554**	**6,078,870**
Employee Expenses	(4,263,409)	(4,353,207)
Depreciation	(760,402)	(773,982)
Interest Expense	(15,981)	(12,608)
Other Operating Expenses	(2,249,347)	(2,029,442)
Total Expenses	**(7,289,139)**	**(7,169,239)**
Net Result from Transactions - Net Operating Balance	**(804,585)**	**(1,090,369)**
Net Gain/(Loss) on Sale of Non-Financial Assets	(3,289)	11,726
Other Gain/(Loss) from Other Economic Flows	4,273	40,197
Total Other Economic Flows Included in Net Result	**984**	**51,923**
Items that Will Not Be Reclassified to Net Result		
Changes in Property, Plant and Equipment Revaluation Surplus	1,765,168	-
NET RESULT	**961,567**	**(1,038,446)**

This alternative presentation reflects the format required for reporting to the Department of Treasury and Finance, which differs to the disclosures of certain transactions, in particular revenue and expenses, in the hospital's annual report.

Nathalia District Hospital

Providing Quality Care

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