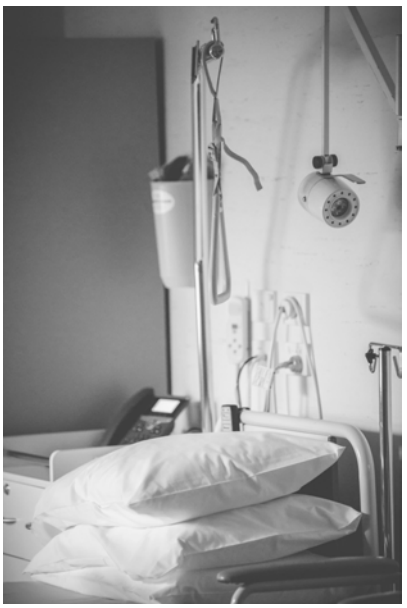

COHUNA DISTRICT HOSPITAL

INCORPORATING

THE COHUNA COMMUNITY NURSING HOME

Annual Report of Operations and Financial Statements 2016/2017

Cohuna District Hospital incorporating the Cohuna Community Nursing Home

65th Annual Report

2016-2017

Under the *Financial Management Act 1994*

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Legislative Background

The Constitution Act 1975 sets down that only Parliament can give approval to the executive government to spend public funds. The Government in turn is committed to sound financial management of the State's public services and infrastructure assets. All Victorian public sector bodies operate under a prudent financial management framework comprising elements from the Constitution Act 1975, Appropriation Acts (annual and standing), and the Financial Management Act 1994 (FMA), the Borrowing and Investment Powers Act 1987, the Public Administration Act 2004 and the Audit Act 1994. All of these Acts may contain sections that affect the requirements of the budget and financial reporting obligations to Parliament. In particular the FMA governs the use of public money, and the accountability processes and subordinate legislation with which the Government, departments and other public sector bodies are obliged to comply. Note that the terms 'department' and 'public body' are defined in the FMA. 'Public sector agencies' is a term used in the Standing Directions of the Minister for Finance which includes departments and public bodies.

Abbreviations in this report refer to Australian Accounting Standards (AASB), the *Financial Management Act* 1994 *(the Act)*, Financial Reporting Direction (FRD), Department of Treasury & Finance (DTF), and Victorian Auditor-General's Office (VAGO).

Operating Segments

Health services that provide Commonwealth funded residential aged care services (RACS) are required to comply with AASB 8 *Operating Segments* (Refer to s21.26F Para 3e *Residential Care Subsidy Amendment Principles 2006 (No. 1)*) as a condition of receiving the Commonwealth's Conditional Adjustment Payments.

Recent Relevant Professional Developments

Financial Reporting Directions (FRDs)

The following FRDs have been updated during 2016-17.

FRD	
FRD 15D	Executive officer disclosures in the Report of Operations
FRD 21C	Disclosures of responsible persons and executives in the financial report
FRD 22H	Standard disclosures in the Report of Operation
FRD 26B	Accounting for VicFleet motor vehicle lease arrangements on or after 1 February 2004
FRD 29B	Workforce data disclosures in the Report of Operations
FRD 30D	Standard requirements for the publication of annual reports
FRD 103F	Non-financial physical assets
FRD 107B	Investment properties
FRD 108C	Classification of entities as for-profit
FRD 109A	Intangible Assets
FRD 114B	Financial instruments – general government entities and public non-financial corporations

The following FRD has been implemented during 2016-17:

FRD	
FRD 102	Inventories

Looking forward, AASB 15 *Revenue from contracts with customers* was issued but not effective for 2016-17. AASB applies a different model of performance obligation and with an emphasis on customer contracts, instead of risks and rewards.

A copy of the FRDs can be obtained from the 'Budget and Financial Management – Financial Reporting Policy' section of DTF's website address of: http://www.dtf.vic.gov.au

Summary of New and Revised Accounting Pronouncements

AASB has issued a number of Exposure Drafts (ED) and Accounting Standards applicable for the current and future reporting periods.

Below is a list of standards/interpretations effective for 2016-17 reporting period onwards.

Topic	Key requirements	Effective date
AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]	Amends AASB 127 to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. In particular, dividends from a subsidiary, a joint venture or an associate are recognised in profit or loss in the separate financial statements of an entity when the entity's right to receive the dividend is established. The dividend is recognised in profit or loss unless the entity elects to use the equity method, in which case the dividend is recognised as a reduction from the carrying amount of the investment.	1 January 2016
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & AASB 128]	Amends AASB 10 and AASB 128 to ensure consistent treatment in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that: • a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and • a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	1 January 2016
AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140]	Amends the methods of disposal in AASB 5 Non-current assets held for sale and discontinued operations. Amends AASB 7 Financial Instruments by including further guidance on servicing contracts.	1 January 2016

AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	AASB 2015-6 extends the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. Guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 July 2016
AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]	Amends AASB 116 and AASB 138 to: • establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; • clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset; and • clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016

Current reporting period

The following accounting pronouncements effective from the 2016-17 reporting period are considered to have insignificant impacts on public sector reporting:

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

- AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*

- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]*

- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*

Report of Operations

The following guidelines supplement the minimum requirements for the report of operations under the *Financial Management Act 1994* and the *Standing Directions of the Minister for Finance and Financial Reporting Directions* , specifically FRD 22H *Standard Disclosures in the Report of Operations (November 2015)*.

Health Services (including Dental Health Services Victoria, Forensicare and Ambulance Victoria) are required to disclose this information in their annual reports and are to ensure consistency with the financial statements.

While most disclosure information is required under FRD 22H, other information is also required under FRD 11A (*Disclosure of Ex-Gratia Expenses),* FRD 21C *(Disclosure of responsible person and executive officer and other personnel in the in the financial report)* and FRD 25C *(Local Jobs First-Victorian Industry Participation Policy).*

The following are the items requiring disclosure in order to provide readers with background and general information about the Cohuna District Hospital incorporating the Cohuna Community Nursing Home and its organisational structure.

Responsible Bodies Declaration

Responsible Bodies Declaration as at 30 June 2017
In accordance with the *Financial Management Act 1994*, I am pleased to present the report of operations for Cohuna District Hospital incorporating the Cohuna Community Nursing Home for the year ending 30 June 2017.

V. J. Sutherland.

Jean Sutherland
Board Chair

Cohuna
30th June 2017

Board of Management - President Report

On behalf of the Board of Management for Cohuna District Hospital incorporating the Cohuna Community Nursing Home, it is my pleasure to present our 65th Annual report for the year ending June 30th 2017.

The most significant event to affect every health organisation in Victoria was the release of a thorough review of Hospital Safety and Quality Assurance called Targeting Zero. The panel was chaired by Dr Stephen Duckett, Director, Health Program, Grattan Institute.

Targeting Zero supports the Victorian Health System to eliminate avoidable harm and strengthen the quality of care to the users. As a result of this review Cohuna District Hospital Board has increased the focus on Clinical Governance by undertaking additional training in governance and risk management. This will ensure we monitor and respond to issues in a timely and appropriate manner.

An extensive review of our surgical procedures was conducted by Professor David Watters, Member of the Australasian College of Surgeons and a Member of Victorian Surgical Services Advisory Committee. This review was conducted in conjunction with the doctors, staff, visiting medical specialists and the Executive team. The review formulated a Five Year Surgical Plan which allows the hospital to provide services within the scope of the Victorian Surgical Services System.

The Management Agreement with Echuca Regional Health was extended and they have continued to provide high level operational management support to Cohuna District Hospital. This has given the Executive and Staff the opportunity to access additional resources and peer support. The Board retains the role of setting strategic direction and ensuring the quality of care being delivered, is of the highest standard.

During the year we established a Community Advisory Committee consisting of community members from a range of ages. This committee will provide a forum where they can obtain information about the strategic direction of the hospital and provide feedback to the community. Cohuna District Hospital, partners in the Loddon Campaspe Health Services Executive Network, contributed to the Health Needs Analysis for our local shires. This identified the areas of diabetes, heart, oral and mental health, which will become a key focus for us as part of our community services.

The Five Year Strategic Plan covers Services, Workforce, Infrastructure and Partnerships was integrated with our 2016-2017 Statement of Priorities. This identifies what actions are required and delivery timeframes. We must ensure the organization identifies opportunities and pathways to aid prevention and increase care outside the hospital. The improvement of governance and leadership must result with the implementation and improvement of Quality and Safety systems and ensure continued financial sustainability.

The Accreditation process occurred in October and we were again awarded full accreditation status for the maximum of four years. Thank you to all staff who view Accreditation as a continual ongoing process to ensure the patients receive the highest standard of care every day.

Cohuna District Hospital has worked closely with local governments and other health care providers, to provide all levels of health care to the community. Greater emphasis is being taken to increase health and wellness and ensuring our community has the opportunity to monitor and participate in decisions regarding their care.

The Board of Management of Cohuna District Hospital and the Cohuna Community Nursing Home Inc. would like to acknowledge the community groups such as the Murray to Moyne, Bridge to Bridge coordinated by the Lion's Club, Ladies Auxiliary and Bingo. We are truly grateful for the continued support and generous donation of time and money raised to ensure we continue to provide the highest level of care to the community.

The Board of Management would like to thank our staff for their contribution to providing a safe health service to all our residents. The level of commitment, and dedication is reflected by the positive feedback from the community. Additionally we would like to acknowledge the visiting medical officers, specialist services, and allied health services working together to improve the health and wellbeing of our community.

Thank you to the Board of Management who have embraced Targeting Zero as their main focus, now and into the future

V. J. Sutherland.

Jean Sutherland
Board Chair

Service Profile

Consistent with FRD 22H (Section 6.4, 6.5 and 6.7) the following general information about the Cohuna District Hospital incorporating the Cohuna Community Nursing Home is included as part of the report of operations:

Mission Statement
To deliver the best available health and wellbeing services to our community.

Vision Statement
We are recognised for Excellence in Rural Healthcare

Our Values
Respect
Integrity
Teamwork
Ethical behaviour

Service Profile
The Cohuna District Hospital (CDH) was established as a public hospital in 1952. The Health Service provides care through a variety of services including acute care and subacute care to Cohuna and the surrounding catchment area.

In 1983, a community appeal raised funds for a nursing home, which was built adjacent to the hospital and opened in 1985. It is known as the Cohuna Community Nursing Home.

Registered Beds
16 Acute
16 Residential Aged Care

Minister for Health in the State of Victoria
Cohuna District Hospital and Community Nursing Home were established under the Health Services Act 1988.

The responsible Ministers during the reporting period were;
Minister for Health: The Hon. Jill Hennessy MP
Minister for Housing, Disability and Ageing: The Hon. Martin Foley MP
Minister for Mental Health: The Hon. Martin Foley MP

Cohuna District Hospital
144 – 158 King George Street
PO Box 317
COHUNA VIC 3568

Cohuna Community Nursing Home
144 – 158 King George Street
PO Box 317
COHUNA VIC 3568

Email: info@cdh.vic.gov.au
Website: www.cdh.vic.gov.au
Phone: 03 5456 5300
Fax: 03 5456 2435

Planned Activity Group
Cohuna Memorial Hall
21 King Edward Street
COHUNA VIC 3568
Phone – 54 562 215
Range of Services

Acute	Acute care, Dialysis unit, Obstetrics, Domiciliary care, palliative care, minor general surgery
Aged Care	Permanent care, Respite care
Diagnostic	X-Ray, Ultrasound (Wednesday & Friday)
District Nursing	District Nursing, Transitional care, Post Acute care
Emergency	Urgent Care Centre

Accreditation Status:
Accredited with the Australian Council on Healthcare Standards (ACHS) until December 2019
Accredited with the Australian Aged Care Quality Agency until October 2018 (next Aged Care accreditation August 2018)

Auditors:

AFS & Associates, Bendigo	Internal Auditors
Crowe Horwath (Aust) Pty Ltd	External Auditors as appointed by Victorian Auditor General's Office

Accountants:
Accounting & Audit Solutions (AASB), Bendigo

Banks:
ANZ Bank
Bendigo Bank
Westpac Bank

Honorary Solicitor:
Embleton & Associates, Cohuna

Strategic Plan

The Cohuna District Hospital and Cohuna Community Nursing Home Strategic Plan 2016 – 2020 can be read at www.cdh.vic.gov.au and was adopted by the Board of Management 26th July 2016.

Our Community

One of the biggest challenges is to better respond to changing community need. We see increasing demand for Urgent Care and Primary Health services, more demand for community services and changing demand for Residential Aged Care. Our role is to make sure that the Cohuna community and surrounding catchment areas can continue to access acute care, residential aged care and core community and primary based health care.

Our plan provides future direction of the health services at Cohuna District Hospital (CDH) and reflects the current and future needs of our community, to ensure high quality health care for our patients, aged care residents and clients.

Our future services must be innovative and remain flexible as the health needs and the communities expectations are changing. We will endeavour to work with surrounding health organisations to compliment the range of services that are provided to our local community.

The forecast for population in the Gannawarra shire is to remain stable to 2021 with 11,479 person. It is expected the catchment will decline marginally, consistent with the broader decline of smaller townships in the shire. It is expected there will be an increase in 70-79 and 85+ age groups, which are forecast to increase by in excess of 30%. Our community has high levels of disadvantage, dependence, living alone and disability as measured by population health data.

Our Strategic Priorities

- Services
- Workforce
- Infrastructure
- Partnerships
- Role

OUR SERVICES	STRATEGY
Increase availability of Primary Health Care services	Determine priority Primary Care Services required by our community
Seek opportunities to strengthen obstetric and surgical services (procedural services) for Cohuna and district residents	Consult broadly with the community, stakeholders and neighbouring health services
Develop a strategy to ensure the preparedness of CDH for the NDIS and HACC transition and reform	Seek advice from providers and users of NDIS and HACC Services
OUR WORKFORCE	**STRATEGY**
Workforce Planning	Develop workforce plans that ensure the workforce is appropriately qualified and skilled to support delivery of quality safe care

	Ensure anti Bullying and Harassment Policy is understood
	Ensure that an OH&S Risk Management approach is in place with focus on prevention of occupational violence
	Create a workforce culture that includes staff in decision making, supports open communication and includes consumers
OUR INFRASTRUCTURE	**STRATEGY**
To have efficient and compliant infrastructure that will support service capability	(a) Review efficiency of essential infrastructure e.g. hot water system, heating & cooling, boilers, washing machines etc. (b) Refurbish/Remodel operating theatre to comply with standards (c) Refurbish Nursing home to better meet community expectations and to provide a safer environment for residents & staff
Develop ICT systems to support quality of care and expand services	(a) Electronic capture of medical in-patient progress notes and services provided in Urgent Care centre (UCC) (b) Maximise telemedicine capability from CDH to Echuca Regional Health and Bendigo Health Care Group
OUR PARTNERSHIPS	**STRATEGY**
Establish strategic partnerships to enhance services available to our community	Actively participate and contribute to joint service planning projects in Gannawarra and Loddon shires
OUR ROLE	**STRATEGY**
To have an efficient and sustainable health service	(a) Continued focus on Quality, Accreditation and Risk minimisation (b) Maintain financial viability (c) Maintain and seek every opportunity to enhance community engagement (d) Review carbon footprint

Organisational Structure

Governance
The volunteer members of the Board of Management are responsible for setting the strategic direction of Cohuna District Hospital and Cohuna Community Nursing Home within the framework of government policy.

Cohuna District Hospital is an incorporated entity under the Health Services Act 1988. The Board of Management is appointed by the Governor-in-Council on the recommendation of the Minister of Health.

There is a diverse mix of skills and experience within the Board of Management and this mix is under continual review.

Board of Management	**July 2016 – June 2017**
Jean Sutherland	President (Board chairperson)
Mandy Hutchinson	Vice President (Clinical Governance chairperson)
Deanne Van der Drift	Treasurer (Finance & Physical Resource chairperson)
Geoff Hall	
Lorraine Learmonth	
Lois Drummond	
Ron Stanton	
George Payne	
Graeme Smith	
Dr Peter Brennan	Appointed Delegate
Cameron Hodge	Resigned 25/01/2017
John Dickson	Resigned 28/06/2016

Audit & Risk Committee

Geoff Hall	Chairperson
Sue Woods	Community member
Sam Manduskar	Community member
Cameron Hodge	
Dr Peter Brennan	
Deanne Van der Drift	
Jean Sutherland	
Ron Stanton	

Chief Executive Officer - Michael Delahunty
The Chief Executive Officer (CEO) is responsible to the Board of Management for the efficient and effective management of Cohuna District Hospital and Cohuna Community Nursing Home. Key responsibilities include the development and implementation of operational and strategic planning, maximising service efficiency, quality improvement and minimisation of risk.

General Manager - Kathy Day Commenced 08/05/2017
The General Manager (Site Manager) is responsible to the Chief Executive Officer for the efficient and effective management of the non-clinical day-to-day operations of the Cohuna District Hospital and Cohuna Community Nursing Home. Key responsibilities include Support Services, Maintenance, Finance, Administration, Occupational Health & Safety, Quality and Risk, Emergency Management and Contracts.

Director of Medical Services

Dr Ka Chun Tse	01/07/2016 – 26/07/2016
Dr Ken Cheng	26/07/2016 – 28/03/2017
Dr Glenn Howlett	Commenced 01/05/2017

All medical staff (Visiting Medical Officers and Visiting Specialists) report professionally to the Director of Medical Services. The Director of Medical Services include Pharmacy, and has oversight of the contracted services of Pathology and Medical Imaging.

The role is also responsible for credentialing of medical staff in addition to working with other members of the Executive to provide clinical governance, planning and resource management for the health service.

Director of Clinical Services – Lynne Sinclair

The Director of Clinical Services has professional responsibility for nursing across clinical streams and executive responsibility for acute nursing services including, Urgent Care, Perioperative, Day Surgery, Renal Dialysis, General Medical and General Surgical, Maternity and Residential Aged Care Services. Major areas of responsibility include Clinical Leadership and Standards of Practice, Nursing credentialing and resource management, service and strategic planning and clinical risk management and quality improvement.

Quality & Risk – Jill Moore

The Quality Manager leads and manages the Quality Improvement program to ensure compliance with the Australian Council of Healthcare Standards (ACHS) and National Safety and Quality Health Service (NSQHS) Standards. The QR manager drives quality improvement and acts as a best practices coach to all staff, volunteers and members of the Board.

Finance & Administration – Cara van der Zande
Finance & Human Resources – Sarah McKinley

The Administration Manager leads and manages the Administration team to ensure a high level of customer service.

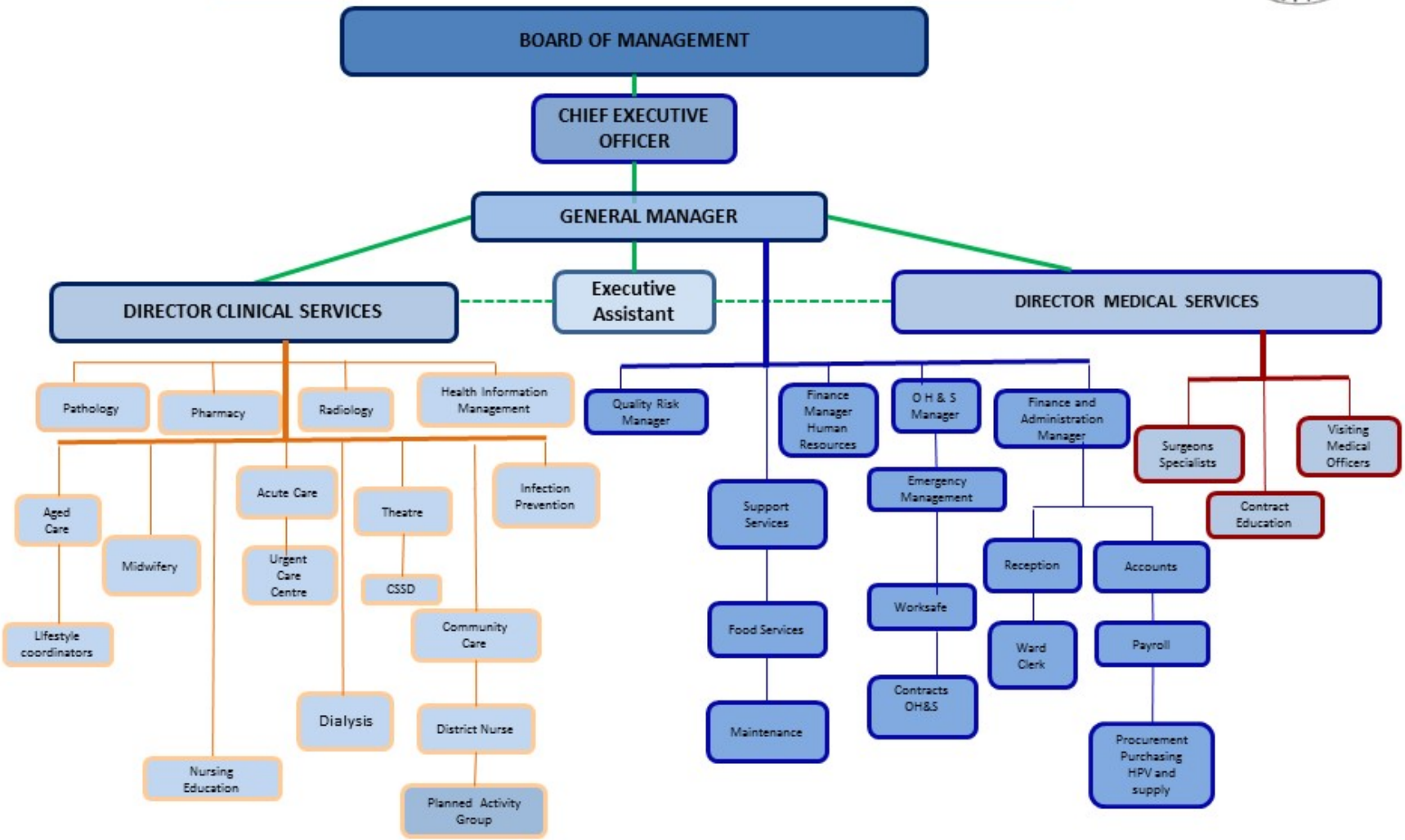
The Human Resources Manager provides an internal service supporting managers in workforce planning, recruitment and selection, employee engagement, performance development and industrial relations matters.

The Finance Manager (shared role) is responsible for all internal and external reporting and analysis, together with day to day transaction processing. They are responsible for general accounting and provide financial information to staff and the Board to ensure fully informed decision making.

Occupational Health & Safety – Suzanne Gundry

The Occupational Health & Safety Manager oversees the processes that ensure we provide a safe workplace within the health service. The OH&S manager acts as a support resource and mentor to staff and management. Health and Safety is promoted throughout the health service with particular attention to on-going procedure development and implementation, staff education and training.

ORGANISATIONAL STRUCTURE
COHUNA DISTRICT HOSPITAL



Workforce Information

At present, Health Services are required to provide a monthly dataset of their current Full Time Equivalent (FTE) and other payroll information to the Department under the Minimum Employee Data Set (MDS). In addition, hospitals are also required to provide a Workforce dataset bi-annually. The latest specification of the MDS is available at http://www.health.vic.gov.au/accounts/payroll.htm#register.

Data from Minimum Employee Data Set is available to the Minister, to Divisions within the Department and to bodies such as the Australian Institute of Health & Welfare in Canberra and the Victorian Public Sector Commission. Further, data from MDS underpins Department of Health & Human Services (DHHS) submissions to the Department of Treasury and Finance (DTF) for funding of Enterprise Bargaining Agreement's (EBAs) and other industrial matters affecting hospital budgets.

To ensure consistency in annual reporting, Health Services are required, as a minimum, to report the following workforce statistics in their annual report in the following format:

Hospitals Labour Category	JUNE Current Month FTE*		JUNE YTD FTE**	
	2016	2017	2016	2017
Nursing/HACC	36.78	37.9	36.21	35.89
Administration/Quality	10.62	10.31	11.01	10.53
Hotel Services	18.95	16.58	17.90	16.03

The FTE figures required in the table above are those excluding overtime. These do not include contracted staff (e.g. Agency nurses, Fee-for-Service Visiting Medical Officers) who are not regarded as employees for this purpose. The above data should be consistent with the information provided in the Minimum Employee Data Set.

***June current month FTEs are calculated as follows:**
FTES are calculated for each employee per pay period as follows:

For a full time employee:	Actual Paid Hours / Employee's Base Hours	= Full Time FTE
For a part time or a casual employee:	Actual Paid Hours / Employee's Standard Award Hours	= Part Time & Casual FTE

June Current Month FTE for an employee = the aggregation of all individual FTEs for all pays ending during June divided by the number of pays in the month.

June Current Month FTE for an agency = the sum of all the current month FTEs for all its employees during the month.

****YTD FTE*** = the average FTE for the year, i.e. the sum of the monthly current months' FTEs divided by 12.

Financial results

	2017	2016	2015	2014	2013
	$	$	$	$	$
Total Revenue	9,011,354	8,592,826	8,028,409	8,204,429	8,781,684
Total Expenses	(9,151,716)	(9,145,595)	(8,731,306)	(8,821,420)	(8,647,610)
Other Operating Flows included in the Net Result	13,071	25,320	0	0	0
Net Result for the Year	(127,291)	(527,449)	(702,897)	(616,991)	134,074
*Operating Result	(95,972)	(4,678)	(266,669)	(455,469)	(47,279)
Total Assets	9,003,188	8,639,298	8,786,834	9,888,672	8,006,983
Total Liabilities	3,196,986	2,705,805	2,294,629	2,693,570	2,105,980
Net Assets	5,806,202	5,933,493	6,492,205	7,195,102	5,901,003
Total Equity	5,806,202	5,933,493	6,492,205	7,195,102	5,901,003

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

There were no significant changes in financial position during the year.

There were no events subsequent to balance date which may have a significant effect on the operations of the Health Service in subsequent years.

Consultancies information

Details of consultancies (under $10,000)

In 2016-17, there were 3 consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2016-17 in relation to these consultancies is $10,688 (excl. GST).

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

In 2016-17, there was one consultancy where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2016-17 in relation to these consultancies is $12600.00 (excl. GST).

Detailed disclosure

($ thousand)

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2016-17 (excluding GST)	Future expenditure (excluding GST)
Baade Harbour Australia	Architectural Fees	July 2016	July 2016	$12.6	$12.6	0.00

Contracts

Cohuna District Hospital and Community Nursing Home abides by the Victorian Industry Participation Policy (VIPP) Act 2003. In 2016/17 there were no contracts to which the VIPP applied.

Information and Communication Technology (ICT) Expenditure

The total ICT expenditure incurred during 2016-17 is $255,936 (excluding GST) with the details shown below.

($ million)

Business As Usual (BAU) ICT expenditure (Total) (excluding GST)	Non-Business As Usual (non-BAU) ICT expenditure (Total=Operational expenditure and Capital Expenditure) (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
$.255936	$0.00	$0.00	$0.00

Occupational Violence

Since 2015-16, Victorian public health services have been required to monitor and publicly report incidents of occupational violence. This follows the Victorian Government's commitment to address occupational violence in healthcare and the Victorian Auditor-General's audit report Occupational violence against healthcare workers released in 2015 that identified better awareness of the prevalence and reporting of occupational violence incidents is required.

Occupational violence statistics required to be reported to the community in the health service annual report. To ensure consistency in annual reporting, Health Services are required, as a minimum, to report the following occupational violence statistics in their annual report in the following format, including the definitions listed underneath the table (refer to table 1 for a worked example).

Occupational violence statistics	**2016-17**
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	8.006
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 – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.

Accepted Workcover claims – Accepted Workcover claims that were lodged in 2016-17.

Lost time – is defined as greater than one day.

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

FTE figures required in the above table should be calculated consistent with the Workforce information FTE calculation (refer to page 16 of the Health Service Model Annual Report guidelines). These do not include contracted staff (e.g. Agency nurses, Fee-for-Service Visiting Medical Officers) who are not regarded as employees for this purpose. The above data should be consistent with the information provided in the Minimum Employee Data Set.

Table 1.

***The occupational violence statistics are calculated as follows:**

$$\text{100 FTE employees} = \frac{\text{Total number of full time equivalent employees}}{100}$$

1.

$$\text{Number of accepted Workcover claims with an occupational violence cause per 100 FTE employees} = \frac{\text{Number of accepted Workcover claims with an occupational violence cause lodged in 2016-17}}{\text{100 FTE employees}}$$

2.

$$\text{Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked} = \frac{\text{Number of accepted Workcover claims with an occupational violence cause and lost time injury of more than 1 day lodged in 2016 - 17}}{\text{Total hours worked in 2016-17 (actual paid hours)}} \times 1{,}000{,}000$$

4.

$$\text{Number of occupational violence incidents reported per 100 FTE employees} = \frac{\text{Number of occupational violence incidents reported in 2016-17}}{\text{100 FTE employees}}$$

5.

$$\text{Percentage of occupational violence incidents resulting in employee injury, illness or condition} = \frac{\text{Number of occupational violence incidents that resulted in employee injury, illness or condition reported in 2016 - 17}}{\text{Number of occupational violence incidents reported in 2016-17}} \times 100$$

Additional information available on request

Details in respect of the items listed below have been retained by Cohuna 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) 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.

Key Financial and Service Performance Reporting

This section outlines reporting requirements for Health Services that have an agreed Statement of Priorities (including Dental Health Services Victoria, Forensicare and Ambulance Victoria) and Multipurpose Services with a tripartite agreement.

Statement of Priorities are annual accountability agreements between Victorian public healthcare services and the Minister for Health. They outline the key performance expectations, targets and funding for the year as well as government service priorities.

Statement of Priorities

In 2016-17 Cohuna District Hospital incorporating the Cohuna Community Nursing Home agreed to contribute to the achievement of the Government's commitments by;

Domain	Action	Deliverables	Outcome
Quality & Safety	Implement systems and processes to recognise and support person-centred end of life care in all settings, with a focus on providing support for people who chose to die at home.	Deliver training to clinical staff to support and document Advance Care Planning and End of Life discussions for patients and clients over 65 by June 2017.	Achieved. Policy and Procedure implemented. Staff member trained and clinical staff educated regarding discussions with patients and clients.
	Advance care planning is included as a parameter in an assessment of outcomes including: mortality and morbidity review reports, patient experience, and routine data collection.	Develop a process that ensures Advanced Care Planning status is identified on admission by December 2016	Achieved. General Medical Pathway developed with appropriate question on Admission of patient identifying Advance Care Plan. Advance Care Plan is recorded in IPM under the Alert system.
	Progress implementation of a whole-of-hospital model for responding to family violence	In partnership with Bendigo Health, implement the Strengthening Hospital Responses to Family Violence model by June 2017	Achieved. Initial meeting with Bendigo Health. Two staff members have attended training and education on Family Violence. A staff member has been allocated the Family Violence Portfolio at CDH. A Self-assessment has been completed and an Action Plan developed.

	Develop a regional leadership culture that fosters multidisciplinary and multi organisational collaboration to promote learning and the provision of safe, quality care across rural and regional Victoria.	Sign Memorandum of Understanding with other health services in Loddon Mallee Region by December 2016 to establish Regional Clinical Governance Committee.	In Progress. Commenced but not finalised for health services in Loddon Mallee region.
	Establish a foetal surveillance competency policy and associated procedures for all staff providing maternity care that includes the minimum training requirements, safe staffing arrangements and ongoing compliance monitoring arrangements.	Review Foetal Surveillance Education Program policy and procedures to ensure compliance with minimum training requirements by February 2017	In Progress. FSEP training was conducted in June 2017 with 2 GP Obstetricians and 15 midwives. Policy has been reviewed and includes required FSEP competency levels and support mechanisms for staff to achieve Level 3 requirement.
	Use patient feedback, including the Victorian Healthcare Experience Survey to drive improved health outcomes and experiences through a strong focus on person and family centred care in the planning, delivery and evaluation of services, and the development of new models for putting patients first.	Develop a strategy to increase patient response rate to Victorian Healthcare Experience Survey to at least 40% by November 2016.	In progress. Increased advertising with a brochure and posters aiming at patient awareness and support to achieve target.
	Develop a whole of hospital approach to reduce the use of restrictive practices for patients, including seclusion and restraint.	Review Restraint Policy to ensure the least restricted practices are identified by October 2016.	Achieved. The Restraint Policy has been reviewed to ensure that the least restricted practices are identified and implemented.
Access and timeliness	Identify opportunities and implement pathways to aid prevention and increase care outside hospital walls by optimising appropriate use of existing programs (i.e. the Health Independence Program or telemedicine	Telemedicine services are trialled in consultation with Bendigo Health Care Group and Echuca Regional Health by March 2017	Achieved. VICTUU consultations continue and discussions have occurred with Mental Health and Paediatricians about expanding telemedicine services.
	Develop and implement a strategy to ensure the preparedness of the organisation for the NDIS and HACC transition and reform, with particular consideration to service access, service expectations, workforce and financial	Plan developed and endorsed by Board for Cohuna District Hospital is prepared to meet the challenges and access the opportunities that HACC and NDIS reform	In Progress. HACC younger person program implemented. DHHS visit and self-assessment completed. NDIS is and agenda item at the Gannawarra

	management.	provide by June 2017	Local Agency Meeting. Director of Clinical Services in 11/2016 attended NDIS information session. Client and Data identification and information received in reports from Commonwealth Dept. Health. Finance Dept. have submitted DEX reports. CDH is Investigating new software as current program is inefficient.
Supporting healthy populations	Support shared population health and wellbeing planning at a local level - aligning with the Local Government Municipal Public Health and Wellbeing plan and working with other local agencies and Primary Health Networks.	Actively participate in development of local health needs analysis in partnership with Murray Primary Health Network; local government and other health care providers by February 2017	Achieved. District Nurse participated in the "Get Active" walk to school program and attended an education session at local primary schools. Health Promotion charter signed in conjunction with Gannawarra shire Council. Five Ways to Wellbeing promoted in joint venture with local council and health groups. Royal Flying Doctor Dental Clinic visit to Cohuna District Hospital.
	Focus on primary prevention, including suicide prevention, and aim to impact on large numbers of people in the places where they spend their time adopting a place based, whole of population approach to tackle the multiple risk factors of poor health.	In partnership with other service providers in Loddon and Gannawarra Shires, commence implementation of recommendations of health needs analysis by June 2017.	In Progress. Loddon Mallee and Gannawarra released “Needs Analysis” in conjunction with other stakeholders including Cohuna District Hospital.
	Develop and implement strategies that encourage a culturally diverse environment such as partnering with culturally diverse communities, reflecting the diversity of your community in the organisational governance, and	Develop a cultural diversity plan for maternity service by December 2016.	In Progress. A diversity plan is being developed to include Maternity Services.

	having culturally sensitive, safe and inclusive practices.		
	Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices which recognise and respect their cultural identities and safely meets their needs, expectations and rights.	Formally engage and maintain Board representation on the Elders Committee Meeting that will assist in identifying and improving health outcomes for Aboriginal and Torres Strait Islander by June 2017.	Achieved. Two Board members actively participated in the Elders Meetings at Kerang. Minutes are received at Cohuna District Hospital for perusal.
	Drive improvements to Victoria's mental health system through focus and engagement in activity delivering on the 10 Year Plan for Mental Health and active input into consultations on the Design, Service and infrastructure Plan for Victoria's Clinical mental health system.	Commence discussions with Bendigo Mental Health Service to formalise protocols with Bendigo Health Care Group by September 2016.	In Progress. Meeting occurred with Bendigo in December 2016 Case reviews are conducted on all Mental Health presentations and recommendations are discussed with Bendigo Health Care Group mental health team.
	Using the Government's Rainbow equality Guide, identify and adopt ‘actions for inclusive practices' and be more responsive to the health and wellbeing of lesbian, gay, bisexual, transgender and intersex (LGBTI) individuals and communities.	Develop and display an Inclusive Care Policy that references people who are LGBTI by February 2017.	In Progress. Policy is under development.
Governance and leadership	Demonstrate implementation of the Victorian Clinical Governance Policy Framework: Governance for the provision of safe, quality healthcare at each level of the organisation, with clearly documented and understood roles and responsibilities. Ensure effective integrated systems, processes, leadership are in place to support the provision of safe, quality, accountable and person centred healthcare. It is an expectation that health services implement to best meet their employees' and community's needs, and that clinical governance arrangements undergo frequent and formal review, evaluation and	Work with medical staff to implement recommendations of clinical service reviews to ensure safety and quality of services is consistent with the Victorian Clinical Governance Framework by June 2017. Sign Memorandum of Understanding with other health services in Loddon Mallee Region by December 2016 to establish Regional Clinical Governance Committee.	In Progress. Process has commenced but not finalised for all health services in Loddon Mallee Region.

	amendment to drive continuous improvement.		
	Contribute to the development and implementation of Local Region Action Plans under the series of Statewide design, service and infrastructure plans being progressively released from 2016-17. This will require partnerships and active collaboration across regions to ensure plans meet both regional and local service needs.	Participate in Regional Leadership Forum involving Chief Executives of each public health service in Loddon Mallee Region established by December 2016. Leadership Forum to develop Local Region Action Plans in response to Statewide clinical services stream and service development plans as plans are published by the Department of Health and Human Services.	In Progress. Design, service and infrastructure plan for Victoria's Rural and Regional Health system discussion paper. Cohuna District Hospital is currently in a management agreement until 31/12/2017 with Echuca Regional Health.
	Ensure that an anti-bullying and harassment policy exists and includes the identification of appropriate behaviour, internal and external support mechanisms for staff and a clear process for reporting, investigation, feedback, consequence and appeal and the policy specifies a regular review schedule.	Review existing Bullying, Harassment and Grievance Policies. Provide training to all staff on these policies by September 2016	Achieved. Grievance Policy Procedure and reporting forms have been developed and implemented in Sept 2016. Harassment, Bullying and Discrimination Policy & Procedure developed and implemented March 2017. Total of 80% staff have received training Bullying, Harassment and Discrimination Training.
	Board and senior management ensure that an organisational wide occupational health and safety risk management approach is in place which includes: A focus on prevention and the strategies used to manage risks, including the regular review of these controls; and Strategies to improve reporting of OHS incidents, risks and controls, with a particular focus on prevention of occupational violence and bullying and harassment, throughout all levels of the organisation,	Occupational Health & Safety program is reviewed to ensure compliance with the Risk Management Standards by March 2017	Achieved. A review was undertaken in March 2017 to ensure compliance with the Risk Management Standards. Three Contact Officers have been trained to assist staff at Cohuna District Hospital.

	including to the board; and Mechanisms for consulting with, debriefing and communicating with all staff regarding outcomes of investigations and controls following occupational violence and bullying and harassment incidents.		
	Implement and monitor workforce plans that: improve industrial relations; promote a learning culture; align with the Best Practice Clinical Learning Environment Framework; promote effective succession planning; increase employment opportunities for Aboriginal and Torres Strait Islander people; ensure the workforce is appropriately qualified and skilled; and support the delivery of high-quality and safe person centred care.	Develop a workforce plan with the priority being to finalise a Nursing workforce plan by November 2016	In Progress. A Change Impact Statement was released in December 2016 to Nursing Staff. Implementation of 8-8-10 roster was in March 2017. A Nursing workforce plan is in progress.
	Create a workforce culture that: includes staff in decision making; promotes and supports open communication, raising concerns and respectful behaviour across all levels of the organisation; and includes consumers and the community.	Finalise action plan as result of 2016 People Matters Survey by September 2016	Achieved. The People Matters Survey Action plan was presented to Board of Management in January 2017. A Community Advisory Committee was re-established in Oct 2016.
	Ensure that the Victorian Child Safe Standards are embedded in everyday thinking and practice to better protect children from abuse, which includes the implementation of: strategies to embed an organisational culture of child safety; a child safe policy or statement of commitment to child safety; a code of conduct that establishes clear expectations for appropriate behaviour with children; screening, supervision, training and other human resources practices that reduce the risk of child abuse; processes for responding to and reporting suspected abuse to children;	Progress the draft Policy and Procedure in addressing the Child safe Standards to meet compliance requirements by April 2017	Achieved. Policy and Procedure implemented and communicated to all Cohuna District Hospital staff. Two Midwives attended "Team around the Child" education in February 2017.

	strategies to identify and reduce or remove the risk of abuse and strategies to promote the participation and empowerment of children.		
	Implement policies and procedures to ensure clinical staff have access to vaccination programs and are appropriately vaccinated and/or immunised to protect staff and prevent the transmission of infection to susceptible patients or people in their care.	Review staff immunisation Policy and process to ensure immunisation rates are maintained at >90% by May 2017.	Achieved. Policy and Procedure reviewed. Immunisation commenced in March 2017.
Financial sustainability	Further enhance cash management strategies to improve cash sustainability and meet financial obligations as they are due.	Develop a cash management plan to improve cash sustainability by March 2017	Achieved. Financial Management Improvement Plan developed and presented to Board of Management for ongoing monitoring.
	Actively contribute to the development of the Victorian Government's policy to be net zero carbon by 2050 and improve environmental sustainability by identifying and implementing projects, including workforce education, to reduce material environmental impacts with particular consideration of procurement and waste management, and publicly reporting environmental performance data, including measureable targets related to reduction of clinical, sharps and landfill waste, water and energy use and improved recycling.	Review carbon footprint and set reduction targets by April 2017	Achieved. A review was conducted and possible reductions identified and implemented. Carbon footprint Data is collected and collated monthly. A review was conducted on environmental waste management with new targets being set.

Quality and Safety performance

- Health Care Worker Influenza Immunisation rates achieved for the period 18 April 2016 to 19 August 2016.

- Cleaning standards are to be reported as per the table below, including the overall result (as per the SoP) as well as the individual results against each of the Acceptable Quality Level (AQL) risk categories A, B & C. All four results should be reported as either achieved or not achieved (no actual result figures included).

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

Performance Priorities

Quality and safety	
Key performance indicator	**Outcome**
Health Service Accreditation	Full compliance
Compliance with cleaning standards	Full compliance
Compliance with the Hand Hygiene Australia program	90%
Percentage of healthcare workers immunised for influenza	75%

Governance and leadership	
Key performance indicator	**Outcome**
People Matter Survey - percentage of staff with a positive response to safety culture questions	80%

SOP Part B- Victorian Healthcare Experience Survey reporting

Key performance indicator	Target	2016-17 Result
Victorian Healthcare Experience Survey - data submission	Full compliance	Achieved
Victorian Healthcare Experience Survey – patient experience Quarter 1	95% positive experience	No result (Jul to Sep Result - Taken from Q2 Monitor)
Victorian Healthcare Experience Survey – patient experience Quarter 2	95% positive experience	98.7% Achieved (Oct to Dec Result -Taken from Q3 Monitor)
Victorian Healthcare Experience Survey – patient experience Quarter 3	95% positive experience	96.9% Achieved (Jan to March Result - Taken from Q4 Monitor)
Victorian Healthcare Experience Survey – discharge care Quarter 1	75% very positive response	No result (Jul to Sep Result - Taken from Q2 Monitor)
Victorian Healthcare Experience Survey – discharge care Quarter 2	75% very positive response	98.7% Achieved (Oct to Dec Result -Taken from Q3 Monitor)
Victorian Healthcare Experience Survey – discharge care Quarter 3	75% very positive response	99.7% Achieved (Jan to March Result - Taken from Q4 Monitor)

In the event VHES data was submitted, but a result was not provided as there was insufficient responses in the Quarter; the following should be indicated for the relevant Quarter

Key performance indicator	Target	2016-17 Result
Victorian Healthcare Experience Survey – patient experience Quarter 1 2016-17	95% positive experience	Full Compliance*

*Less than 42 responses were received for the period due to relative size of the Health Service

Admitted patient data is to be sourced from the Victorian Admitted Episode Dataset (VAED), and definitions are in accordance with the standards in the VAED Manual. The final VAED consolidation is scheduled to occur on **24 August 2017 at 5pm**. It is acknowledged that preparation of the data for the above table will be occurring before then, therefore the data published in this Report of Operations is based on the previous month's consolidation.

Acute care

Service	Type of activity	Actual Activity 2016-17
Medical inpatients	Number of admissions (excl. Dialysis and Unqualified Newborns)	1056
Medical inpatients	Total Bed Days	2839
Urgent care	Presentations	2201
District Nursing	Occasions of service	1718
Births	Number of births	42
Renal dialysis	Number of sessions	468

Statement of Compliance

Freedom of Information, Information Privacy & Health Records Acts
Cohuna District Hospital and Cohuna Community Nursing Home has a Freedom of Information Officer and a process in place for the public to access their medical records. The Freedom of Information Act 1982, Information Privacy Act 2000 and Health Records Act 2001 provide for members of the public to access their medical record for the purpose of viewing, amending incorrect notations or copying parts of the record. During the year there were 14 requests under the Act. All were completed within the required 45 days.

Protected Disclosure Act 2012
Cohuna District Hospital and Cohuna Community Nursing Home are committed to the aims and objectives of the Protected Disclosures Act 2012 and does not tolerate improper conduct by its employees, officers or directors, nor the taking of reprisals against those who come forward to disclose such conduct.

Cohuna District Hospital and Cohuna Community Nursing Home recognises the value of transparency and accountability in our administrative and management practices, and supports the making of disclosures that reveal corrupt conduct or conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

Cohuna District Hospital and Cohuna Community Nursing Home will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure.

Carers Recognition Act 2012
Cohuna District Hospital and Cohuna Community Nursing Home take all practicable measures to ensure that its employees, agents and persons who are in care relationships receiving services have an awareness and understanding of the care relationship principles. We reflect the care relationship principles in developing, providing or evaluating support and assistance for persons in care relationships.

Safe Patient Care Act 2015
Cohuna District Hospital and Cohuna Community Nursing Home has no matters to report in relation to its obligations under section 40 of the Safe Patient Care Act 2015.

Contracts
Cohuna District Hospital and Cohuna Community Nursing Home abides by the Victorian Industry Participation Policy (VIPP) Act 2003. In 2016/17 there were no contracts to which the VIPP applied.

Compliance with the Victorian Building Act 1993
Cohuna District Hospital and Cohuna Community Nursing Home complies with the provisions of the Building Act 1993 in accordance with the Department of Health and Human Services Capital Development Guidelines (Minister for Finance Guideline Building Act 1993/ Standards for Publicly Owned Buildings 1994/ Building Regulations 2005 and Building Code of Australia 2004).

Financial Management Act 1994
the information provided in this report has been prepared in accordance with the Directions of the Minister for Finance Part 9.1.3 (IV) and is available to relevant Ministers, Members of Parliament and the public on request.

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

Audit Act 1994
Cohuna District Hospital and Cohuna Community Nursing Home Audit Committee provides independent and objective appraisal on the organisations operation.

National Competition Policy
Cohuna District Hospital and Cohuna Community Nursing Home applies competitive neutral costing and pricing arrangements to significant business units within its operations. These arrangements are in line with Government policy and the model principles applicable to the health sector.

Statement on Environmental Performance
Cohuna District Hospital (CDH) and Cohuna Community Nursing Home sustainability report is completed for the Department of Health and Human Services, Victorian Public Healthcare Services Waste Reporting Tool, quarterly. CDH has achieved the sustainability goals as set out in the program, along with the progression of additional energy initiatives.

Attestations

Attestation for compliance with the Ministerial Standing Direction 3.7.1– Risk Management Framework and Processes

We certify that the Cohuna District Hospital incorporating the Cohuna Community Nursing Home has complied with Ministerial Direction 3.7.1 – Risk Management Framework and Processes. The Cohuna District Hospital Audit and Risk Committee has verified this.

Steve Jackel
Accountable Officer

Cohuna
30/06/2017

Michael Delahunty
Chief Executive Officer

Cohuna
30/06/2017

Commentary – Attestation for compliance with the Ministerial Standing Direction 3.7.1 Risk Management Framework and Processes

Legislative and documented references

Ministerial Standing Direction 3.7.1 – Risk management framework and processes requires that the responsible body ensures the agency complies applies the mandatory requirements set out in the Victorian Government Risk Management Framework (VGRMF).

To comply with Ministerial Standing Direction 3.7.1 agencies need to meet the mandatory requirements in the VGRMF. The responsibility for the agency's risk management performance rests primarily with the responsible body.

The updated VGRMF, which now incorporates both the risk management and insurance requirements, was approved by the Minister for Finance and with the relevant Ministerial Standing Directions revised in May 2015.

Entities are strongly encouraged to read the VGRMF published by the Department of Treasury and Finance for more information. An electronic copy of the publication is accessible from: www.dtf.vic.gov.au/Publications/Victoria-Economy-publications/Victorian-risk-management-framework-and-insurance-management-policy

Guidance

The responsible body of a department or agency is responsible for the accuracy and completeness of attestation and should utilise audit committees or other internal governance bodies, where available, to support the view expressed. For a department, the accountable officer is the responsible body. For other agencies, it is the board or the person with ultimate decision making authority.

For the risk management and insurance requirements the agency must::

- conduct an annual review of its compliance with both the risk management and insurance requirements;
- attest in the agency's annual report that it has complied with Ministerial Standing Direction 3.7.1

or, if it is partially in compliance, identify areas of non-compliance and remedial actions taken in the attestation; and

- ensure the Audit Committee reviews and monitors compliance with Ministerial Standing Direction 3.7.1, and makes a recommendation to the Responsible Body on the level of compliance attained.

Attestation of compliance should be made annually in the report of operations and the person making the attestation, usually the chief Executive Officer or accountable officer, should not make the attestation unless the audit committee or responsible body (for instance the board of a statutory authority) agrees that such an assurance can be given.

Note: Refer to Instruction 5.1 (supporting the Standing Directions the Minister for Finance 2016) for attestation requirements for future years. From 2017-18, a public attestation against all Standing Directions will be required in each agency's annual report

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

Compliant

We certify that Cohuna District Hospital incorporating Cohuna Community Nursing Home has put in place appropriate internal controls and processes to ensure that it has complied with all requirements set out in the *HPV Health Purchasing Policies* including mandatory HPV collective agreements as required by the *Health Services Act 1988* (Vic) and has critically reviewed these controls and processes during the year.

Steve Jackel
Chief Finance & Accounting Officer

Cohuna
30/06/2017

Michael Delahunty
Chief Executive Officer

Cohuna
30/06/2017

Disclosure Index

The annual report of the Cohuna District Hospital incorporating Cohuna Community Nursing Home 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.

Note: This Disclosure Index consists of 2 pages, and is not required to be completed by denominational hospitals.

Legislation	Requirement	Page Reference
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	9
FRD 22H	Purpose, functions, powers and duties	9,11
FRD 22H	Initiatives and key achievements	19
FRD 22H	Nature and range of services provided	10
Management and structure		
FRD 22H	Organisational structure	13,15
Financial and other information		
FRD 10A	Disclosure index	36
FRD 11A	Disclosure of ex-gratia expenses	*
FRD 21C	Responsible person and executive officer disclosures	6
FRD 22H	Application and operation of *Protected Disclosure 2012*	32
FRD 22H	Application and operation of *Carers Recognition Act 2012*	32
FRD 22H	Application and operation of *Freedom of Information Act 1982*	32
FRD 22H	Compliance with building and maintenance provisions of *Building Act 1993*	32
FRD 22H	Details of consultancies over $10,000	18
FRD 22H	Details of consultancies under $10,000	18
FRD 22H	Employment and conduct principles	16
FRD 22H	Information and Communication Technology Expenditure	18
FRD 22H	Major changes or factors affecting performance	17
FRD 22H	Occupational violence	19
FRD 22H	Operational and budgetary objectives and performance against objectives	*

Legislation	Requirement	Page Reference
FRD 24C	Reporting of office-based environmental impacts	18
FRD 22H	Significant changes in financial position during the year	17
FRD 22H	Statement on National Competition Policy	33
FRD 22H	Subsequent events	17
FRD 22H	Summary of the financial results for the year	17
FRD 22H	Additional information available on request	20
FRD 22H	Workforce Data Disclosures including a statement on the application of employment and conduct principles	16
FRD 25C	Victorian Industry Participation Policy disclosures	18
FRD 29B	Workforce Data disclosures	
FRD 103F	Non-Financial Physical Assets	*
FRD 110A	Cash flow Statements	*
FRD 112D	Defined Benefit Superannuation Obligations	*
SD 5.2.3	Declaration in report of operations	6
SD 3.7.1	Risk management framework and processes	34

Other requirements under Standing Directions 5.2

SD 5.2.2	Declaration in financial statements	*
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	*
SD 5.2.1(a)	Compliance with Ministerial Directions	*

Legislation

Freedom of Information Act 1982	32
Protected Disclosure Act 2012	32
Carers Recognition Act 2012	32
Victorian Industry Participation Policy Act *2003*	32
Building Act 1993	32
Financial Management Act 1994	33
Safe Patient Care Act 2015	32

**see in Financial Statements attached*

Financial Statements and Explanatory Notes

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Cohuna District Hospital

Opinion

I have audited the consolidated financial report of Cohuna District Hospital (the health service) and its controlled entity (together the consolidated entity), which comprises the:

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

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

Basis for Opinion

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

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

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

Board's responsibilities for the financial report

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

In preparing the financial report, the Board is responsible for assessing the health service and the consolidated entity'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.

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the health service and the consolidated entity'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 and the consolidated entity'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 and the consolidated entity 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
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the health service and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the health service and the consolidated entity. I remain solely responsible for my audit opinion.

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
31 August 2017

Ron Mak
as delegate for the Auditor-General of Victoria

COHUNA DISTRICT HOSPITAL

BOARD MEMBER'S, ACCOUNTABLE OFFICER'S AND CHIEF FINANCE & ACCOUNTING OFFICER'S DECLARATION

We certify that the attached financial statements for Cohuna District Hospital and the Consolidated Entity have been prepared in accordance with Standing Direction 5.2 of the Financial Management *Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards, including* Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and accompanying notes forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2017 and financial position of Cohuna District Hospital and the Consolidated Entity at 30 June 2017.

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

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

J. Sutherland		
.....	.....	.....
Jean Sutherland Board Member	Michael Delahunty Chief Executive Officer	Steven Jackel Chief Finance & Accounting Officer
Cohuna	Cohuna	Cohuna
31st August 2017	31st August 2017	31st August 2017

COHUNA DISTRICT HOSPITAL
COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	Parent Entity 2017 $	Parent Entity 2016 $	Consolidated 2017 $	Consolidated 2016 $
Revenue from Operating Activities	2.1	6,355,297	6,330,870	8,354,477	8,368,249
Revenue from Non-Operating Activities	2.1	22,149	11,827	36,915	19,640
Employee Expenses	3.1	(3,571,700)	(3,537,113)	(5,833,336)	(5,726,246)
Non Salary Labour Costs	3.1	(542,227)	(426,372)	(634,481)	(426,412)
Supplies and Consumables	3.1	(531,471)	(527,979)	(612,173)	(613,619)
Other Expenses	3.1	(948,839)	(1,087,271)	(1,407,374)	(1,626,290)
Net Result Before Capital and Specific Items		783,209	763,962	(95,972)	(4,678)
Capital Purpose Income	2.1	619,531	180,404	619,962	204,937
Depreciation	4.4	(519,145)	(519,018)	(660,020)	(658,507)
Specific Expense		(790,073)	(678,283)	-	-
Expenditure for capital purposes	3.1	(4,332)	(79,923)	(4,332)	(94,521)
Net Result after Capital and Specific Items		89,190	(332,858)	(140,362)	(552,769)
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	7.2	15,000	-	15,000	-
Net gain/(loss) on financial instruments		(6,108)	26,407	(6,108)	26,407
Revaluation of Long Service Leave	3.3	4,179	(1,087)	4,179	(1,087)
Total other economic flows included in net result		13,071	25,320	13,071	25,320
NET RESULT FOR THE YEAR		102,261	(307,538)	(127,291)	(527,449)
Other Comprehensive Income					
Net fair value revaluation on Non Financial Assets		-	-	-	-
COMPREHENSIVE RESULT		102,261	(307,538)	(127,291)	(527,449)

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

COHUNA DISTRICT HOSPITAL
BALANCE SHEET
AS AT 30 JUNE 2017

	Note	Parent Entity 2017 $	Parent Entity 2016 $	Consolidated 2017 $	Consolidated 2016 $
Current Assets					
Cash and Cash Equivalents	6.2	775,626	753,086	1,157,107	951,715
Receivables	5.1	161,770	370,623	161,770	370,623
Investments and Other Financial Assets	4.1	1,015,912	307,908	1,015,912	432,908
Inventories	5.2	108,911	126,410	108,911	126,410
Prepayments and Other Assets	5.4	169,413	34,017	169,540	34,144
Total Current Assets		2,231,632	1,592,044	2,613,240	1,915,800
Non-Current Assets					
Receivables	5.1	136,446	49,612	180,233	93,399
Property, Plant and Equipment	4.3	4,893,156	5,192,507	6,209,715	6,630,099
Total Non-Current Assets		5,029,602	5,242,119	6,389,948	6,723,498
TOTAL ASSETS		7,261,234	6,834,163	9,003,188	8,639,298
Current Liabilities					
Payables	5.5	576,281	389,505	592,313	397,135
Borrowings	6.1	100,000	-	100,000	-
Provisions	3.3	1,188,194	1,091,108	1,646,206	1,515,852
Other Liabilities	5.3	6,740	5,585	374,849	200,837
Total Current Liabilities		1,871,215	1,486,198	2,713,368	2,113,824
Non-Current Liabilities					
Borrowings	6.1	359,701	453,593	359,701	453,593
Provisions	3.3	102,144	68,459	123,917	138,388
Total Non-Current Liabilities		461,845	522,052	483,618	591,981
TOTAL LIABILITIES		2,333,060	2,008,250	3,196,986	2,705,805
NET ASSETS		4,928,174	4,825,913	5,806,202	5,933,493
EQUITY					
Property, Plant and Equipment Revaluation Surplus	8.1a	4,384,863	4,384,863	5,790,669	5,790,669
Contributed Capital	8.1b	2,688,390	2,688,390	2,688,390	2,688,390
Accumulated Surpluses/(Deficits)	8.1c	(2,145,079)	(2,247,340)	(2,672,857)	(2,545,566)
TOTAL EQUITY		4,928,174	4,825,913	5,806,202	5,933,493
Commitments	6.3				
Contingent Assets and Contingent Liabilities	7.3				

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

COHUNA DISTRICT HOSPITAL
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

Consolidated	Note	Property, Plant and Equipment Revaluation Surplus $	Contributions by Owners $	Accumulated Surpluses/ (Deficits) $	Total $
Balance at 1 July 2015		5,790,669	2,688,390	(2,018,117)	6,460,942
Net result for the year		-	-	(527,449)	(527,449)
Other comprehensive income for the year		-	-	-	-
Balance at 30 June 2016		**5,790,669**	**2,688,390**	**(2,545,566)**	**5,933,493**
Net result for the year		-	-	(127,291)	(127,291)
Other comprehensive income for the year		-	-	-	-
Balance at 30 June 2017		**5,790,669**	**2,688,390**	**(2,672,857)**	**5,806,202**

Parent	Note	Property, Plant & Equipment Revaluation Surplus $	Contributions by Owners $	Accumulated Surpluses/ (Deficits) $	Total $
Balance at 1 July 2015		4,384,863	2,688,390	(1,939,802)	5,133,451
Net result for the year		-	-	(307,538)	(307,538)
Other comprehensive income for the year		-	-	-	-
Balance at 30 June 2016		**4,384,863**	**2,688,390**	**(2,247,340)**	**4,825,913**
Net result for the year		-	-	102,261	102,261
Other comprehensive income for the year		-	-	-	-
Balance at 30 June 2017		**4,384,863**	**2,688,390**	**(2,145,079)**	**4,928,174**

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

COHUNA DISTRICT HOSPITAL
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	Parent Entity 2017 $	Parent Entity 2016 $	Consolidated 2017 $	Consolidated 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES		Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)
Operating Grants from Government		5,797,764	5,390,339	7,326,627	7,090,819
Capital Grants from Government		62,302	68,987	62,302	68,987
Capital Donations and Bequests Received		557,229	132,849	557,660	135,950
Patient and Resident Fees Received		397,211	331,318	812,461	800,515
GST (Paid to)/received from ATO		47,497	(4,926)	47,497	(4,926)
Interest Received		14,423	11,711	29,189	19,524
Other Receipts		378,469	444,015	398,911	462,184
Total Receipts		***7,254,895***	***6,374,293***	***9,234,647***	***8,573,053***
Employee Expenses Paid		(3,601,384)	(3,552,907)	(5,781,562)	(5,747,970)
Non Salary Labour Costs		(542,227)	(426,372)	(634,481)	(426,412)
Payments for Supplies and Consumables		(513,972)	(542,570)	(594,674)	(628,210)
Other Payments		(969,402)	(1,212,479)	(1,384,910)	(1,797,169)
Total Payments		***(5,626,985)***	***(5,734,328)***	***(8,395,627)***	***(8,599,761)***
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	8.2	1,627,910	639,965	839,020	(26,708)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for Non-Financial Assets		(219,795)	(85,003)	(239,636)	(96,613)
Proceeds from Sale of Non-Financial Assets		15,000	-	15,000	-
(Purchase of)/Proceeds from Investments		(708,004)	32,801	(583,004)	32,801
Recognition of Cash from LMRHA		-	174,144	-	174,144
Cash (Provided to)/Received from Related Entities		(693,727)	(678,283)	-	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(1,606,526)	(556,341)	(807,640)	110,332
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from Borrowings		-	480,000	-	480,000
NET CASH INFLOW FROM FINANCING ACTIVITIES		-	480,000	-	480,000
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		21,384	563,624	31,380	563,624
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		747,501	187,254	750,878	187,254
CASH AND CASH EQUIVALENTS AT END OF YEAR	6.2	768,885	750,878	782,258	750,878

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

BASIS OF PRESENTATION

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 the preparation of 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 (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 hospital.

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 contribution by owners. Transfer of net liabilities arising from administrative restructurings are treated as distribution to owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. 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 future periods that are affected by the revision. Judgements and assumptions made by management in applying the application of AASB that have significant effect 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 annual financial statements represent the audited general purpose financial statements for Cohuna District Hospital (ABN 44 332 472 725) for the period ending 30 June 2017. The purpose of the report is to provide users with information about the Health Services' 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 (AASs), which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation* of Financial Statements.

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

The Health Service is a not-for profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Services under the AAS's.

The annual financial statements were authorised for issue by the Board of Cohuna District Hospital on 31st August, 2017.

(b) Reporting Entity

The financial statements includes all the controlled activities of Cohuna District Hospital.

Its principal address is:
King George Street
Cohuna, Victoria 3568

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

Objectives and funding

Cohuna District Hospital's overall objective is to provide quality health care and support services that meets the needs of their community in a safe and friendly environment for all clients and staff, as well as improve the quality of life for all Victorians.

Cohuna District Hospital is predominately funded by accrual based grant funding for the provision of outputs

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Basis of accounting preparation and measurement

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2017 and the comparative information presented in these financial statements for the year ended 30 June 2016

Going Concern

The going concern basis was used to prepare the financial statements. This is on the basis of a letter of comfort being received from the Department of Health and Human Services which provides confirmation of financial support being provided to the Hospital for a period up to and including 30 September 2018.

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

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

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

- Non-current physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made and are re-assessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values

- The fair value of assets other than land is generally based on their depreciated replacement value

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

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 AASs that have significant effects on the financial statements and estimates relate to:

- The fair value of land, buildings, plant and equipment, (refer to Note 4.3);
- Superannuation expense (refer to Note 3.5);
- Employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.4).

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

(d) Principles of Consolidation

These statements are presented on a consolidated basis in accordance with AASB 10 *Consolidated Financial Statements:*

- The consolidated financial statements of Cohuna District Hospital include all reporting entities controlled by Cohuna District Hospital as at 30 June 2017; and
- The consolidated financial statements exclude bodies of Cohuna District Hospital that are not controlled by Cohuna District Hospital, and therefore are not consolidated.
- Control exists when Cohuna District Hospital has the power to govern the financial and operating policies of a Health Service so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The consolidated financial statements include the audited financial statements of the controlled entities listed in note 8.13
- The parent entity is not shown separately in the notes.

Where control of an entity is obtained during the financial period, its results are included in the comprehensive operating statemen from the date on which control commenced. Where control ceases during a financial period, the entity's results are included for tha part of the period in which control existed. Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements

Entities consolidated into Cohuna District Hospital reporting entity include;
- Cohuna Community Nursing Home Inc.

Intersegment Transactions

Transactions between segments within Cohuna District Hospital have been eliminated to reflect the extent of Cohuna District Hospital's operations as a group.

NOTE 2: FUNDING DELIVERY OF OUR SERVICES

The hospital's overall objective is to deliver programs and services that support and enhance the wellbeing of all Victorians.

To enable the hospital to fulfil its objective it receives income based on parliamentary appropriations. The hospital also receives income from the supply of services.

Structure
2.1 Analysis of revenue by source

NOTE 2.1: ANALYSIS OF REVENUE BY SOURCE	Admitted Patients 2017 $	Residential Aged Care 2017 $	Aged Care 2017 $	Other 2017 $	TOTAL 2017 $
Government Grants	5,398,409	1,528,863	241,333	-	7,168,605
Indirect Contributions by Department of Health and Human Services	52,654	34,625	3,463	-	90,742
Patient and Resident Fees	257,613	415,250	49,334	-	722,197
Loddon Mallee Rural Health Alliance	-	-	-	207,762	207,762
Catering	105	75	8	70,349	70,537
Property Income	8,190	5,850	585	-	14,625
Other Revenue from Operating Activities	45,824	14,517	3,802	15,866	80,009
Total Revenue from Operating Activities	**5,762,795**	**1,999,180**	**298,525**	**293,977**	**8,354,477**
Interest and Dividends	20,673	14,766	1,476	-	36,915
Total Revenue from Non-Operating Activities	**20,673**	**14,766**	**1,476**	**-**	**36,915**
Capital Grants	-	-	-	62,302	62,302
Donations	603	431	43	556,583	557,660
Total Capital Purpose Income	**603**	**431**	**43**	**618,885**	**619,962**
Net gain/(loss) on non-financial assets	-	-	-	15,000	15,000
TOTAL REVENUE	**5,784,071**	**2,014,377**	**300,044**	**927,862**	**9,026,354**

NOTE 2.1: ANALYSIS OF REVENUE BY SOURCE (CONTINUED)

	Admitted Patients 2016 $	Residential Aged Care 2016 $	Aged Care 2016 $	Other 2016 $	TOTAL 2016 $
Government Grants	5,169,969	1,553,548	266,491	-	6,990,008
Indirect Contributions by Department of Health and Human Services	14,125	10,089	1,009	-	25,223
Patient and Resident Fees	422,916	447,765	38,981	-	909,662
Loddon Mallee Rural Health Alliance	-	-	-	227,653	227,653
Catering	2,330	3,495	155	88,056	94,036
Property Income	6,509	4,313	432	-	11,254
Other Revenue from Operating Activities	74,683	18,169	4,365	13,196	110,413
Total Revenue from Operating Activities	**5,690,532**	**2,037,379**	**311,433**	**328,905**	**8,368,249**
Interest and Dividends	10,938	7,813	781	108	19,640
Total Revenue from Non-Operating Activities	**10,938**	**7,813**	**781**	**108**	**19,640**
Capital Grants	-	21,432	-	47,555	68,987
Donations	4,341	3,101	311	128,197	135,950
Total Capital Purpose Income	**4,341**	**24,533**	**311**	**175,752**	**204,937**
TOTAL REVENUE	**5,705,811**	**2,069,725**	**312,525**	**504,765**	**8,592,826**

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

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 Cohuna 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 the Health Service gains control of the underlying assets irrespective of whether conditions are imposed on the Health Service's use of the contributions.

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

Indirect Contributions from the Department of Health and Human Services

- Insurance is recognised as revenue following advice from the Department of Health and Human Services.
- Long Service Leave (LSL) - Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 04/2017.

NOTE 2.1: ANALYSIS OF REVENUE BY SOURCE (CONTINUED)

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

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

Revenue from commercial activities
Revenue from commercial activities such as provision of meals to external users is recognised at the time the 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 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.

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

Other Income
Other income includes recoveries, sundry sales and minor facility charges.

Category Groups
Cohuna 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 patients services, where services are delivered in public hospitals.

- **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.

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

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

NOTE 3: THE COST OF DELIVERING SERVICES

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

Structure

3.1 Analysis of expenses by source
3.2 Analysis of expense and revenue by internally managed and restricted specific purpose funds
3.3 Provisions
3.4 Superannuation

NOTE 3.1: ANALYSIS OF EXPENSE BY SOURCE	Admitted Patients 2017	Residential Aged Care 2017	Aged Care 2017	Other 2017	TOTAL 2017
Employee Expenses	3,161,470	2,261,636	269,977	140,253	5,833,336
Other Operating Expenses					
Non Salary Labour Costs	532,199	92,254	10,028	-	634,481
Supplies and Consumables	491,754	80,702	3,368	36,349	612,173
Other Expenses	891,461	458,535	50,545	6,833	1,407,374
Total Expenditure from Operating Activities	**5,076,884**	**2,893,127**	**333,918**	**183,435**	**8,487,364**
Depreciation (refer note 4.4)	-	140,875	-	519,145	660,020
Expenditure for Capital Purposes	-	-	-	4,332	4,332
Total Other Expenses	**-**	**140,875**	**-**	**523,477**	**664,352**
TOTAL EXPENSES	**5,076,884**	**3,034,002**	**333,918**	**706,912**	**9,151,716**

	Admitted Patients 2016	Residential Aged Care 2016	Aged Care 2016	Other 2016	TOTAL 2016
Employee Expenses	3,149,532	2,189,133	265,720	121,861	5,726,246
Other Operating Expenses					
Non Salary Labour Costs	426,368	40	4	-	426,412
Supplies and Consumables	488,113	85,640	3,154	36,712	613,619
Other Expenses	1,019,917	539,019	61,045	6,309	1,626,290
Total Expenditure from Operating Activities	**5,083,930**	**2,813,832**	**329,923**	**164,882**	**8,392,567**
Depreciation (refer note 4.4)	-	139,489	-	519,018	658,507
Expenditure for Capital Purposes	-	14,598	-	79,923	94,521
Total Other Expenses	**-**	**154,087**	**-**	**598,941**	**753,028**
TOTAL EXPENSES	**5,083,930**	**2,967,919**	**329,923**	**763,823**	**9,145,595**

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

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

Employee expenses
Employee expenses include:

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

NOTE 3.1: ANALYSIS OF EXPENSE BY SOURCE (CONTINUED)

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

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

Supplies and Consumables
Supplies and service 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 expenses when distributed.

Bad and Doubtful Debts
Refer to Note 4.1 *Investments and other financial assets.*

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

Other economic flows included in net result
Other economic flows are changes in the volume or value of assets or liabilities that do not result from transactions.

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

Revaluation gains/(losses) of non-financial physical assets.
Refer to Note 4.3 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 and is the difference between proceeds and the carrying value of the asset at the time.

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

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost refer to Note 4.1 Investments and other financial assets; and
- disposals of financial assets and derecognition of financial liabilities

Impairment of Non-Financial Assets
Goodwill and intangible assets with indefinite useful lives (and intangible assets not available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Refer to Note 4.1 *Investments and other* financial assets.

Revaluations of financial instrument at fair value
Refer to Note 7.1 Financial instruments.

Other gains/(losses) from other economic flows
Other gains/(losses) include:

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

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

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

NOTE 3.1: ANALYSIS OF EXPENSE BY SOURCE (CONTINUED)

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.

In the determination of fair value, consideration is given to factors including the overall capital management/prudential supervision framework in operation, the protection provided by the State Government by way of funding should the probability of default increase, probability of default by the guaranteed party and the likely loss to the Health Service in the event of default.

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

	Expense		Revenue	
	Consol'd 2017 $	Consol'd 2016 $	Consol'd 2017 $	Consol'd 2016 $
Provision of Meals	183,435	164,882	70,349	88,056
TOTAL	183,435	164,882	70,349	88,056

NOTE 3.3: EMPLOYEE BENEFITS IN THE BALANCE SHEET	Consol'd 2017 $	Consol'd 2016 $
Current Provisions		
Employee Benefits (i)		
Annual Leave		
- unconditional and expected to be settled wholly within 12 months (ii)	448,363	399,921
- unconditional and expected to be settled wholly after 12 months (iii)	70,000	70,000
Long Service Leave		
- unconditional and expected to be settled wholly within 12 months (ii)	150,000	150,000
- unconditional and expected to be settled wholly after 12 months (iii)	634,870	564,383
Accrued Days Off		
- unconditional and expected to be settled wholly within 12 months (ii)	12,468	13,531
- unconditional and expected to be settled wholly after 12 months (iii)	-	-
Accrued Wages & Salaries		
- unconditional and expected to be settled wholly within 12 months (ii)	180,840	162,685
- unconditional and expected to be settled wholly after 12 months (iii)	-	-
	1,496,541	1,360,520
Provisions related to employee benefit on-costs		
- unconditional and expected to be settled wholly within 12 months (ii)	78,096	94,258
- unconditional and expected to be settled wholly after 12 months (iii)	71,569	61,074
	149,665	155,332
Total Current Provisions	**1,646,206**	**1,515,852**
Non-Current Provisions		
Employee Benefits (i)	112,193	125,177
Provisions related to employee benefit on-costs	11,724	13,211
Total Non-Current Provisions	**123,917**	**138,388**
Total Provisions	**1,770,123**	**1,654,240**
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and Related On-Costs		
Annual Leave Entitlements	586,009	531,263
Accrued Salaries and Wages	180,840	179,854
Accrued Days Off	12,468	14,959
Unconditional Long Service Leave Entitlements	866,889	789,776
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements (ii)	123,917	138,388
Total Employee Benefits and Related On-Costs	**1,770,123**	**1,654,240**
Movements in provisions		
Movement in Long Service Leave:		
Balance at start of year	928,164	1,006,363
Provision made during the year		
- Revaluations	(4,179)	1,087
- Expense Recognising Employee Service	211,375	132,545
Settlement made during the year	(144,554)	(211,831)
Balance at end of year	990,806	928,164

Notes:
(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

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

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

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

NOTE 3.3: EMPLOYEE BENEFITS IN THE BALANCE SHEET (CONTINUED)

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

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

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and sick leave are measured at:
- Undiscounted value – if the health service expects to wholly settle within 12 months; or
- Present value – if the health service does not expect to wholly settle within 12 months.

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

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

The components of this current LSL liability are measured at:
- Undiscounted value – if the health service expects to wholly settle within 12 months; or
- Present value – where the entity does not expect to settle a component of this current liability within 12 months.

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

Any gain or loss 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 flow.

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

The health service recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

On-Costs related to employee expense
Provision for on-costs, such as payroll tax, workers compensation and superannuation are recognised together with provisions for employee benefits.

NOTE 3.4: SUPERANNUATION

Fund		Paid Contributions for the year		Outstanding Contributions at Year End	
		2017 $	**2016 $**	**2017 $**	**2016 $**
Defined Benefit Plans:	Health Super	6,483	6,033	-	-
Defined Contribution Plans:	Health Super / HESTA / Other	466,356	479,385	-	-
Total		472,839	485,418	-	-

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

The Health service does not recognise any defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future 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 terms.

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

NOTE 3.4: SUPERANNUATION (CONTINUED)

Defined contribution superannuation plans

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

Defined benefit superannuation plans

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

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

The name and details of the major employee superannuation funds and contributions made by Cohuna District Hospital are disclosed in Note 3.4: Superannuation.

Superannuation Liabilities

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

NOTE 4: KEY ASSETS TO SUPPORT SERVICE DELIVERY

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

Structure

4.1 Investments and other financial assets
4.2 Jointly Controlled Operations and Assets
4.3 Property, plant & equipment
4.4 Depreciation and amortisation

NOTE 4.1: INVESTMENTS AND OTHER FINANCIAL ASSETS

	Operating Fund		Capital Fund		Consol'd	Consol'd
	2017	2016	2017	2016	2017	2016
CURRENT	$	$	$	$	$	$
Term Deposit						
Aust. Dollar Term Deposits > 3 Months	495,715	259,143	520,197	173,765	1,015,912	432,908
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	495,715	259,143	520,197	173,765	1,015,912	432,908
Represented by:						
Health Service Investments	495,715	259,143	520,197	173,765	1,015,912	432,908
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	495,715	259,143	520,197	173,765	1,015,912	432,908

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

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

Hospital investments must be in accordance in Standing Direction 3.7.2 – Treasury and Investment Risk Management. Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Investments are classified in the following categories:
- Loans and receivables.

The Cohuna District Hospital classifies its other financial assets between current and non-current assets based on the purpose for which the assets were acquired. Management determines the classification of its other financial assets at initial recognition.

Cohuna District Hospital assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

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

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:
- the rights to receive cash flows from the asset have expired; or
- the Health Service retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Health Service has transferred its rights to receive cash flows from the asset and either:
  (a) has transferred substantially all the risks and rewards of the asset; or
  (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets
At the end of each reporting period, the Department 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* .

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

NOTE 4.2: JOINTLY CONTROLLED OPERATIONS AND ASSETS

Name of Entity	Principal Activity	Ownership Interest 2017 %	Ownership Interest 2016 %
Loddon Mallee Rural Health Alliance	Information Systems	2.68	2.68

Summarised balance sheet:	Consol'd 2017 $	Consol'd 2016 $
Current assets		
Cash and Cash Equivalents	48,363	155,137
Receivables	8,503	7,511
Inventory	1,192	566
Prepayments	17,573	14,865
Total current assets	75,631	178,079
Non-Current Assets		
Property Plant and Equipment	4,114	5,679
Total Assets	**79,745**	**183,758**
Current Liabilities		
Payables	30,173	28,083
Accrued Expenses	3,992	2,882
Total current liabilities	34,165	30,965
Total Liabilities	**34,165**	**30,965**

Cohuna District Hospital's interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

Revenue from Operating Activities	207,762	227,653
Expenditure	187,563	197,315
Surplus/(Deficit) before Capital and Depreciation	**20,199**	**30,338**
Depreciation	3,456	7,351
Capital Purpose Expenditure	4,332	41,067
Total	7,788	48,418
Current Year Surplus/(Deficit)	**12,411**	**(18,080)**

Contingent Liabilities and Capital Commitments
There are no contingent liabilities or capital commitments arising from Loddon Mallee Rural Health Alliance

Jointly controlled assets or operations
Interests in jointly controlled assets or operations are not consolidated by Cohuna District Hospital, but are accounted for in accordance with the policy outlined in Section 4.

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. Joint ventures are joint arrangements whereby Cohuna District Hospital, via its joint control of the arrangement, has rights to the net assets of the arrangements.

Interests in joint ventures are accounted for in the financial statements using the equity method, as applied to investments in associates and are disclosed as required by AASB 12.

Investments in joint operations
In respect of any interest in joint operations, Cohuna 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.

NOTE 4.3: PROPERTY, PLANT AND EQUIPMENT

	Consol'd	Consol'd
(a) Gross carrying amount and accumulated depreciation		
	2017	2016
Land	$	$
- Land at Fair Value	439,000	439,000
Total Land	439,000	439,000
Buildings		
- Buildings Under Construction at cost	12,600	-
- Buildings at Valuation	6,616,302	6,571,133
Less Accumulated Depreciation	1,445,053	959,619
Total Buildings	5,183,849	5,611,514
Plant and Equipment		
- Loddon Mallee Rural Health Alliance at Fair Value	4,114	5,679
- Plant and Equipment at Fair Value	566,438	543,071
Less Accumulated Depreciation	381,512	315,767
Total Plant and Equipment	189,040	232,983
Medical Equipment		
- Medical Equipment at Fair Value	849,560	726,588
Less Accumulated Depreciation	537,253	466,145
Total Medical Equipment	312,307	260,443
Furniture and Fittings		
- Furniture and Fittings at Fair Value	280,428	270,533
Less Accumulated Depreciation	221,817	200,495
Total Furniture and Fittings	58,611	70,038
Motor Vehicles		
- Motor Vehicles at Fair Value	68,717	71,338
Less Accumulated Depreciation	41,809	55,217
Total Motor Vehicles	26,908	16,121
TOTAL PROPERTY, PLANT AND EQUIPMENT	6,209,715	6,630,099

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

	Land	Under Construction	Buildings	Plant and Equipment	Medical Equipment	Furniture and Fittings	Motor Vehicles	Consol'd
	$	$	$	$	$	$	$	$
Balance at 1 July 2015	439,000	-	6,081,162	279,780	281,432	81,122	29,497	7,191,993
Additions	-	-	14,501	26,875	50,745	3,655	-	95,776
Loddon Mallee Rural Health Alliance	-	-	-	837	-	-	-	837
Revaluation	-	-	-	-	-	-	-	-
Depreciation	-	-	(484,149)	(74,509)	(71,734)	(14,739)	(13,376)	(658,507)
Balance at 1 July 2016	439,000	-	5,611,514	232,983	260,443	70,038	16,121	6,630,099
Additions	-	12,600	45,169	23,367	122,972	9,895	23,742	237,745
Loddon Mallee Rural Health Alliance	-	-	-	1,891	-	-	-	1,891
Revaluation	-	-	-	-	-	-	-	-
Depreciation	-	-	(485,434)	(69,201)	(71,108)	(21,322)	(12,955)	(660,020)
Balance at 30 June 2017	439,000	12,600	5,171,249	189,040	312,307	58,611	26,908	6,209,715

Land and buildings carried at valuation

An independent valuation of the Hospital's property was performed by the Valuer-General Victoria to determine the fair value of the land and buildings. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of the valuation. The effective date of the valuation was 30 June 2014.

NOTE 4.3: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)
(c) Fair value measurement hierarchy for assets

	Carrying amount as at 30 June 2017	Fair value measurement at end of reporting period using: Level 1 (i)	Level 2 (i)	Level 3 (i)
Land at fair value				
Specialised land	439,000	-	-	439,000
Total of land at fair value	439,000	-	-	439,000
Buildings at fair value				
Specialised buildings	5,171,249	-	-	5,171,249
Total of building at fair value	5,171,249	-	-	5,171,249
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	189,040	-	-	189,040
- Medical equipment	312,307	-	-	312,307
- Furniture and fittings	58,611	-	-	58,611
- Motor Vehicles	26,908	-	26,908	-
Total of plant, equipment and vehicles at fair value	586,866	-	-	559,958
	6,197,115	-	-	6,170,207

Note
(i) Classified in accordance with the fair value hierarchy, see Note 1

There have been no transfers between levels during the period.

	Carrying amount as at 30 June 2016	Fair value measurement at end of reporting period using: Level 1 (i)	Level 2 (i)	Level 3 (i)
Land at fair value				
Specialised land	439,000	-	-	439,000
Total of land at fair value	439,000	-	-	439,000
Buildings at fair value				
Specialised buildings	5,611,514	-	-	5,611,514
Total of building at fair value	5,611,514	-	-	5,611,514
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	232,983	-	-	232,983
- Medical equipment	260,443	-	-	260,443
- Furniture and fittings	70,038	-	-	70,038
- Motor Vehicles	16,121	-	16,121	-
Total of plant, equipment and vehicles at fair value	579,585	-	16,121	563,464
	6,630,099	-	16,121	6,613,978

Note
(i) Classified in accordance with the fair value hierarchy, see Note 1

There have been no transfers between levels during the period.

NOTE 4.3: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)
(c) Fair value measurement hierarchy for assets (continued)

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

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Cohuna 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, Cohuna 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 (VGV) is Cohuna District Hospital's independent valuation agency.

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

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

- The fair value of land, buildings, infrastructure, plant and equipment (refer to Note 7.1);
- Superannuation expense (refer to Note 3.4); and
- Actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.3).
- Equities and management investment schemes classified at level 3 of the fair value hierarchy.

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. The fair value measurement is based on the following assumptions:

- that the transaction to sell the asset or transfer the liability takes place either in the principal market (or the most advantageous market, in the absence of the principal market), either of which must be accessible to the Health Service at the measurement date;
- that the Health Service uses the same valuation assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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 considering the HBU for non-financial physical assets, valuers are probably best placed to determine highest and best use (HBU) in consultation with Health Services. Health Services and their valuers therefore need to have a shared understanding of the circumstances of the assets. A Health Service has to form its own view about a valuer's determination, as it is ultimately responsible for what is presented in its audited financial statements.

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 VGV or other independent valuers for formal HBU assessment.

NOTE 4.3: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Consideration of highest and best use (HBU) for non-financial physical assets (continued)

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.

In addition, Health Services need to assess the HBU as part of the 5-year review of fair value of non-financial physical assets. This is consistent with the current requirements on FRD 103F Non-financial physical assets and FRD 107B *Investment properties* .

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. It is based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(d) Reconciliation of Level 3 fair value

30 June 2017	Land	Buildings	Plant and equipment	Medical equipment	Furniture and Fittings
Opening Balance	439,000	5,611,514	232,983	260,443	70,038
Purchases (sales)	-	45,169	25,258	122,972	9,895
Gains or losses recognised in net result					
- Depreciation	-	(485,434)	(69,201)	(71,108)	(21,322)
Subtotal	439,000	5,171,249	189,040	312,307	58,611
Items recognised in other comprehensive income					
- Revaluation	-	-	-	-	-
Subtotal	-	-	-	-	-
Closing Balance	439,000	5,171,249	189,040	312,307	58,611
Unrealised gains/(losses) on non-financial assets	-	-	-	-	-
	439,000	5,171,249	189,040	312,307	58,611

30 June 2016	Land	Buildings	Plant and equipment	Medical equipment	Furniture and Fittings
Opening Balance	439,000	6,081,162	279,780	281,432	81,122
Purchases (sales)	-	14,501	27,712	50,745	3,655
Gains or losses recognised in net result					
- Depreciation	-	(484,149)	(74,509)	(71,734)	(14,739)
Subtotal	439,000	5,611,514	232,983	260,443	70,038
Items recognised in other comprehensive income					
- Revaluation	-	-	-	-	-
Subtotal	-	-	-	-	-
Closing Balance	439,000	5,611,514	232,983	260,443	70,038
Unrealised gains/(losses) on non-financial assets	-	-	-	-	-
	439,000	5,611,514	232,983	260,443	70,038

There have been no transfers between levels during the period.

NOTE 4.3: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)
(d) Reconciliation of Level 3 fair value (continued)

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

Specialised land and specialised buildings
The market approach is also used for specialised land and specialised buildings although 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 the health services, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

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

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

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

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

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

NOTE 4.3: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(e) Description of significant unobservable inputs to Level 3 valuations:

	Valuation technique [(i)]	Significant unobservable inputs
Specialised land	Market Approach	Community Service Obligation (CSO) adjustment
Specialised buildings	Depreciated replacement cost	Direct cost per square metre
		Useful life of specialised buildings
Plant and equipment at fair value	Depreciated replacement cost	Cost per unit
		Useful life of PPE
Medical equipment at fair value	Depreciated replacement cost	Cost per unit
		Useful life of PPE
Furniture and fittings at fair value	Depreciated replacement cost	Cost per unit
		Useful life of PPE

Refer to Note 7.4 for guidance on fair value measurement indicative expectations.

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

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 4.3 *Property, plant and equipment* .

Crown Land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restriction 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 impairment.

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

NOTE 4.3: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

In accordance with FRD 103F Cohuna District Hospital's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required. This assessment did not identify any significant movements that would require a revaluation.

NOTE 4.4: DEPRECIATION

	Consol'd 2017 $	Consol'd 2016 $
Depreciation		
Buildings	485,434	484,149
Plant and Equipment		
- Plant	65,745	67,158
- Medical Equipment	71,108	71,734
- Motor Vehicles	12,955	13,376
- Furniture and Fittings	21,322	14,739
Loddon Mallee Rural Health Alliance	3,456	7,351
TOTAL DEPRECIATION	660,020	658,507

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated (i.e. excludes land assets held for sale, and investment properties). Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

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

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

	2017	2016
Buildings		
- Structure Shell Building Fabric	45 to 60 years	45 to 60 years
- Site Engineering Services and Central Plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit Out	20 to 30 years	20 to 30 years
- Trunk Reticulated Building Systems	30 to 40 years	30 to 40 years
Plant and Equipment	3 to 7 years	3 to 7 years
Medical Equipment	7 to 10 years	7 to 10 years
Computers and Communication	3 years	3 years
Furniture and Fittings	13 years	13 years
Motor Vehicles	5 to 6 years	5 to 6 years

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

Intangible produced assets with finite lives are depreciated as an expense on a systematic basis over the asset's useful life.

NOTE 5: OTHER ASSETS AND LIABILITIES

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

Structure
5.1 Receivables
5.2 Inventories
5.3 Other liabilities
5.4 Prepayments and other assets
5.5 Payables

NOTE 5.1: RECEIVABLES	Consol'd 2017 $	Consol'd 2016 $
CURRENT		
Contractual		
Trade Debtors	86,064	83,620
Patient Fees	65,993	156,257
Accrued Investment Income	9,911	2,185
Accrued Revenue - Other	-	28,912
Loddon Mallee Rural Health Alliance Receivables	5,113	4,623
Less Allowance for Doubtful Debts - Trade Debtors	(7,525)	(7,525)
	159,556	268,072
Statutory		
GST Receivable - Health Service	(1,176)	46,823
GST Receivable - Loddon Mallee Rural Health Alliance	3,390	2,888
Accrued Revenue - Department of Health and Human Services	-	52,840
	2,214	102,551
TOTAL CURRENT RECEIVABLES	161,770	370,623
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	180,233	93,399
TOTAL NON-CURRENT RECEIVABLES	180,233	93,399
TOTAL RECEIVABLES	342,003	464,022
(a) Movement in the allowance for doubtful debts		
Balance at beginning of year	7,525	5,209
Increase/(Decrease) in allowance recognised in net result	0	2,316
Balance at end of year	7,525	7,525

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

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

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

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

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

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

NOTE 5.2: INVENTORIES	Consol'd 2017 $	Consol'd 2016 $
Pharmaceuticals - at cost	20,784	16,334
Catering Supplies - at cost	3,426	7,022
Housekeeping Supplies - at cost	19,915	10,799
Medical and Surgical Lines - at cost	55,950	82,814
Administration - at cost	8,836	9,441
TOTAL INVENTORIES	108,911	126,410

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

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

Inventories acquired for no cost or nominal considerations are measured at current replacement cost at the date of acquisition.

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

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

NOTE 5.3: OTHER LIABILITIES	Consol'd 2017 $	Consol'd 2016 $
CURRENT		
Monies Held in Trust*		
- Patient Monies Held in Trust	15,228	15,252
- Accommodation Bonds (Refundable Entrance Fees)	358,653	180,000
Other Monies Held in Trust	968	5,585
TOTAL CURRENT	374,849	200,837
*** Total Monies Held in Trust**		
Represented by the following assets:		
Cash Assets (refer to Note 6.2)	374,849	200,837
TOTAL OTHER LIABILITIES	374,849	200,837

NOTE 5.4: PREPAYMENTS AND OTHER NON-FINANCIAL ASSETS	Consol'd 2017 $	Consol'd 2016 $
Health Service Prepayments	150,775	18,713
Loddon Mallee Rural Health Alliance Prepayments	18,765	15,431
TOTAL OTHER ASSETS	169,540	34,144

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

NOTE 5.5: PAYABLES	Consol'd 2017 $	Consol'd 2016 $
CURRENT		
Contractual		
Trade Creditors	360,188	194,294
Accrued Audit Fees	19,680	18,700
Loddon Mallee Rural Health Alliance Payables	34,165	30,965
Accrued Expenses - Other	73,098	84,888
	487,131	328,847
Statutory		
Department of Health and Human Services	100,980	-
Australian Taxation Office - PAYG	-	68,288
Department of Health & Ageing	4,202	-
	105,182	68,288
TOTAL CURRENT	592,313	397,135
TOTAL PAYABLES	592,313	397,135

(a) Maturity analysis of payables
Please refer to Note 7.1 for the ageing analysis of contractual payables.
(b) Nature and extent of risk arising from payables
Please refer to Note 7.1 for the nature and extent of risks arising from contractual payables.

Payables consist of:

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

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

NOTE 6: HOW WE FINANCE OUR OPERATIONS

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

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

Structure

NOTE 6.1: BORROWINGS	2017 $	2016 $
CURRENT		
Department of Health and Human Services - Loan	100,000	0
TOTAL CURRENT BORROWINGS	100,000	0
NON CURRENT		
Department of Health and Human Services - Loan	359,701	453,593
TOTAL NON CURRENT BORROWINGS	359,701	453,593
TOTAL BORROWINGS	459,701	453,593

A loan has been provided by the Department of Health and Human Services in order to provide cash flow to meet ongoing financial obligations. The loan is provided on an interest free basis and is repayable over a term of 5 years, commencing in October 2017.

(a) Maturity analysis of borrowings
Please refer to Note 7.1 for the ageing analysis of contractual payables.

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

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

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the Health Service has categorised its borrowings as either financial liabilities designated at fair value through the profit or loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowings using the effective interest method.

The classification depends on the nature and purpose of the borrowing. The Health Service determines the classification of it's borrowing at initial recognition.

NOTE 6.2: CASH AND CASH EQUIVALENTS

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

	Consol'd 2017 $	Consol'd 2016 $
Cash on Hand	460	460
Cash at Bank	988,660	796,118
Cash at Loddon Mallee Rural Health Alliance	167,987	155,137
TOTAL CASH AND CASH EQUIVALENTS	1,157,107	951,715
Represented by:		
Cash for Health Service Operations (as per cash flow statement)	782,258	750,878
Cash for Monies Held in Trust		
- Cash at Bank	374,849	200,837
TOTAL CASH AND CASH EQUIVALENTS	1,157,107	951,715

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

	Consol'd 2017 $	Consol'd 2016 $
Capital Expenditure Commitments		
Payable		
Land and Buildings	-	-
Total Capital Expenditure Commitments	**-**	**-**
Land and Buildings*		
Not later than one year	-	-
Total Capital Expenditure Commitments	**-**	**-**
Lease commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating Leases	1,096	2,739
Total lease commitments	**1,096**	**2,739**
Operating lease - plant and equipment		
Cancellable operating lease for a colour multi-function printer/copier/fax/scanner payable as follows:		
Not later than one year	1,096	1,643
Later than 1 year and not later than 5 years	-	1,096
	1,096	**2,739**

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.

NOTE 7: RISKS, CONTINGENCIES & VALUATION UNCERTAINTIES

The hospital is exposed to risk 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 the hospital is related mainly to fair value determination.

Structure

7.1 Financial instruments
7.2 Net gain/ (loss) on disposal of non-financial assets
7.3 Contingent assets and contingent liabilities
7.4 Fair value determination

NOTE 7.1: FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies
The Cohuna District Hospital's principal financial instruments comprise of:
- Cash Assets
- Term Deposits
- Receivables (excluding statutory receivables)
- Payables (excluding statutory receivables)

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

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

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

The main purpose in holding financial instruments is to prudentially manage Cohuna District Hospital financial risks within the government policy parameters.

Categorisation of financial instruments

2017	Contractual financial assets/liabilities designated at fair value through profit/loss $	Contractual financial assets/liabilities held-for-trading at fair value through profit/loss $	Contractual financial assets - loans and receivables $	Contractual financial assets - available for sale $	Contractual financial liabilities at amortised cost $	Total $
Contractual Financial Assets						
Cash and cash equivalents	-	-	1,157,107	-	-	1,157,107
Receivables	-	-	159,556	-	-	159,556
Other Financial Assets	-	-	1,015,912	-	-	1,015,912
Total Financial Assets (i)	-	-	2,332,575	-	-	2,332,575
Financial Liabilities						
Payables	-	-	-	-	487,131	487,131
Borrowings	-	-	-	-	459,701	459,701
Other Financial Liabilities	-	-	-	-	374,849	374,849
Total Financial Liabilities(ii)	-	-	-	-	1,321,681	1,321,681

2016	Contractual financial assets/liabilities designated at fair value through profit/loss $	Contractual financial assets/liabilities held-for-trading at fair value through profit/loss $	Contractual financial assets - loans and receivables $	Contractual financial assets - available for sale $	Contractual financial liabilities at amortised cost $	Total $
Contractual Financial Assets						
Cash and cash equivalents	-	-	951,715	-	-	951,715
Receivables	-	-	268,072	-	-	268,072
Other Financial Assets	-	-	432,908	-	-	432,908
Total Financial Assets (i)	-	-	1,652,695	-	-	1,652,695
Financial Liabilities						
Payables	-	-	-	-	328,847	328,847
Borrowings	-	-	-	-	453,593	453,593
Other Financial Liabilities	-	-	-	-	200,837	200,837
Total Financial Liabilities(ii)	-	-	-	-	983,277	983,277

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. GST input tax credit receivable).

(ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes payable).

NOTE 7.1: FINANCIAL INSTRUMENTS (Continued)

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

	Net holding gain/(loss) $	Total interest income/ (expense)	Fee income / (expense) $	Impairment loss $	Total $
2017					
Financial Assets					
Loans and Receivables (i)	-	36,915	-	-	36,915
Total Financial Assets	-	36,915	-	-	36,915
Financial Liabilities					
At amortised cost (ii)	6,108	-	-	-	6,108
Total Financial Liabilities	6,108	-	-	-	6,108
2016					
Financial Assets					
Loans and Receivables (i)	-	19,640	-	-	19,640
Total Financial Assets	-	19,640	-	-	19,640
Financial Liabilities					
At amortised cost (ii)	(26,407)	-	-	-	(26,407)
Total Financial Liabilities	(26,407)	-	-	-	(26,407)

(i) For cash and cash equivalents, loans or receivables and available-for-sale financial assets, the net gain or loss is calculated by taking 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 measure at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost.

(c) Credit Risk

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

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

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

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

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Cohuna District Hospital maximum exposure to credit risk without taking account of the value of any collateral obtained.

NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)
(b) Credit Risk (Continued)

Credit quality of contractual financial assets that are neither past due nor impaired

2017	Financial Institutions (AA2 credit rating) $	Government agencies (AAA credit rating) $	Government agencies (BBB credit rating) $	Other $	Total $
Financial Assets					
Cash and Cash Equivalents	1,157,107	-	-	-	1,157,107
Trade Debtors	-	-	-	159,556	159,556
Term Deposits	1,015,912	-	-	-	1,015,912
Total Financial Assets	2,173,019	-	-	159,556	2,332,575
2016					
Financial Assets					
Cash and Cash Equivalents	951,715	-	-	-	951,715
Trade Debtors	-	-	-	268,072	268,072
Term Deposits	432,908	-	-	-	432,908
Total Financial Assets	1,384,623	-	-	268,072	1,652,695

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

Ageing analysis of financial assets as at 30 June

			Past Due But Not Impaired				
2017	Consol'd Carrying Amount $	Not Past due and not impaired $	Less than 1 Month $	1 - 3 Months $	3 Months - 1 Year $	1 - 5 Years $	Impaired Financial Assets $
Financial Assets							
Cash and Cash Equivalents	1,157,107	1,157,107	-	-	-	-	-
Trade Debtors	159,556	135,768	1,453	11,678	666	2,466	7,525
Term Deposits	1,015,912	1,015,912	-	-	-	-	-
Total Financial Assets	2,332,575	2,308,787	1,453	11,678	666	2,466	7,525
2016							
Financial Assets							
Cash and Cash Equivalents	951,715	951,715	-	-	-	-	-
Trade Debtors	268,072	174,523	22,685	28,902	26,912	7,525	7,525
Term Deposits	432,908	432,908	-	-	-	-	-
Total Financial Assets	1,652,695	1,559,146	22,685	28,902	26,912	7,525	7,525

(i) Ageing analysis of financial assets excludes statutory financial assets (i.e. GST input tax credit)

Contractual financial assets that are neither past due or impaired
There are no material financial assets which a re individually determined to be impaired. Currently Cohuna District Hospital does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

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

NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)
(d) Liquidity Risk

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

The Health Service's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Health Service manages its liquidity risk as follows:

- Term Deposits and cash held at financial institutions are managed with variable maturity dates and take into consideration cash flow requirements of the Health Service from month to month.

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

Maturity analysis of financial liabilities as at 30 June

	Consol'd Carrying Amount	Nominal Amount	Maturity Dates: Less than 1 Month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years
2017	$	$	$	$	$	$
Financial Liabilities						
At amortised cost						
Payables	487,131	487,131	487,131	-	-	-
Borrowings	459,701	459,701	-	-	100,000	359,701
Other Financial Liabilities (i)	374,849	374,849	-	-	374,849	-
Total Financial Liabilities	1,321,681	1,321,681	487,131	-	474,849	359,701
2016						
Financial Liabilities						
At amortised cost						
Payables	328,847	328,847	328,847	-	-	-
Borrowings	453,593	453,593	-	-	-	453,593
Other Financial Liabilities (i)	200,837	200,837	-	-	200,837	-
Total Financial Liabilities	983,277	983,277	328,847	-	200,837	453,593

(i) Ageing analysis of financial liabilities excludes statutory financial liabilities (i.e. GST input tax credit)

(e) Market Risk
Cohuna District Hospital's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

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

Interest Rate Risk
Exposure to interest rate risks arise primarily through the Cohuna District Hospital's other financial assets. Minimisation of risk is achieved by mainly holding fixed rate or non-interest bearing financial instruments. For financial assets the Health Service mainly holds financial assets with relatively even maturity profiles.

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

The Health Service has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits and bank overdrafts that are at floating rate.

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

NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)
(e) Market Risk (Continued)

Other Price Risk
The Health Service is exposed to normal price fluctuations from time to time through market forces. Where adequate notice is provided by suppliers, additional purchases are made for long term goods. Supplier contracts are also in place for major product lines purchased by the Health Service on a monthly basis. These contracts have set price arrangements and are reviewed on a regular basis.

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

	Weighted Average Effective Interest Rate (%)	Carrying Amount	Interest Rate Exposure		
2017			Fixed Interest Rate $'000	Variable Interest Rate $'000	Non - Interest Bearing $'000
Financial Assets					
Cash and Cash Equivalents	1.65	1,157,107	-	1,156,647	460
Trade Debtors	-	159,556	-	-	159,556
Term Deposits	2.59	1,015,912	1,015,912	-	-
Total Financial Assets		2,332,575	1,015,912	1,156,647	160,016
Financial Liabilities					
At amortised cost					
Payables (i)	-	487,131	-	-	487,131
Borrowings	-	459,701	-	-	459,701
Other Financial Liabilities	-	374,849	-	-	374,849
Total Financial Liabilities		1,321,681	-	-	1,321,681
2016					
Financial Assets					
Cash and Cash Equivalents	1.30	951,715	-	951,255	460
Trade Debtors	-	268,072	-	-	268,072
Term Deposits	3.00	432,908	432,908	-	-
Total Financial Assets		1,652,695	432,908	951,255	268,532
Financial Liabilities					
At amortised cost					
Payables (i)	-	328,847	-	-	328,847
Borrowings	-	453,593	-	-	453,593
Other Financial Liabilities	-	200,837	-	-	200,837
Total Financial Liabilities		983,277	-	-	983,277

(i) The carrying amount must exclude types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)

Sensitivity Disclosure Analysis
Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Cohuna District Hospital believes the following movements are 'reasonably possible' over the next 12 months (base rates are sourced from the Australia and New Zealand Banking Group Ltd).
- A shift of 100 basis points up and down in market interest rates (AUD) from year-end rates of 3.0%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2%

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

NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)
Sensitivity Disclosure Analysis (continued)

	Carrying Amount	Interest Rate Risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
2017	$	$	$	$	$
Financial Assets					
Cash and Cash Equivalents	1,157,107	(11,571)	(11,571)	11,571	11,571
Trade Debtors	159,556	-	-	-	-
Term Deposits	1,015,912	(10,159)	(10,159)	10,159	10,159
Financial Liabilities					
At amortised cost					
Payables	487,131	-	-	-	-
Borrowings	459,701	-	-	-	-
Other Financial Liabilities (i)	374,849	-	-	-	-
		(21,730)	(21,730)	21,730	21,730
2016					
Financial Assets					
Cash and Cash Equivalents	951,715	(9,517)	(9,517)	9,517	9,517
Trade Debtors	268,072	-	-	-	-
Term Deposits	432,908	(4,329)	(4,329)	4,329	4,329
Financial Liabilities					
At amortised cost					
Payables	328,847	-	-	-	-
Borrowings	453,593	-	-	-	-
Other Financial Liabilities (i)	200,837	-	-	-	-
		(13,846)	(13,846)	13,846	13,846

(i) The carrying amount excludes types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)

(f) Fair Value

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

- Level 1 - the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Health Service considers that the carrying amount of financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

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

Comparison between carrying amount and fair value

	Total Carrying Amount 2017 $	Fair Value 2017 $	Total Carrying Amount 2016 $	Fair Value 2016 $
Financial Assets				
Cash and Cash Equivalents	1,157,107	1,157,107	951,715	951,715
Loans and Receivables (i)				
- Trade Debtors	159,556	159,556	268,072	268,072
- Term Deposits	1,015,912	1,015,912	432,908	432,908
Total Financial Assets	**2,332,575**	**2,332,575**	**1,652,695**	**1,652,695**
Financial Liabilities				
At amortised cost				
Payables	487,131	487,131	328,847	328,847
Borrowings	459,701	459,701	453,593	453,593
Other Financial Liabilities (i)	374,849	374,849	200,837	200,837
Total Financial Liabilities	**1,321,681**	**1,321,681**	**983,277**	**983,277**

(i) The carrying amount excludes types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)
All financial assets held by Cohuna District Hospital are classified as Level 1.

NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)

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 Cohuna 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* . For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

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

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Reclassification of financial instruments at fair value through profit or loss
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.

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

Loans and receivables category includes cash and deposits (refer to Note 6.2), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

NOTE 7.2: NET GAIN/(LOSS) ON DISPOSAL OF NON-FINANCIAL ASSETS

	Consol'd 2017 $	Consol'd 2016 $
Proceeds from Disposal of Non Current Assets		
- Motor Vehicles	15,000	-
Total Proceeds from Disposal of Non-Current Assets	15,000	-
Less: Written Down Value of Non-Current Assets Disposed		
- Motor Vehicles	-	-
Total Written Down Value of Non-Current Assets Disposed	-	-
NET GAINS/(LOSSES) ON DISPOSAL OF NON-FINANCIAL ASSETS	15,000	-

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

Impairment of Non-Financial Assets
Goodwill and intangible assets with indefinite lives (and intangible assets not yet available for use) are tested annually for impairment (as described below) and whenever there is an indication that the asset may be impaired.

All other non-financial assets are assessed annually for indications of impairment, except for:
- inventories;
- financial assets;
- investment properties that are measured at fair value;
- non-current physical assets held for sale; and
- assets arising from construction contracts.

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

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

NOTE 7.2: NET GAIN/(LOSS) ON DISPOSAL OF NON-FINANCIAL ASSETS (CONTINUED)
Impairment of Non-Financial Assets (continued)

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

NOTE 7.3: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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.

Cohuna District Hospital has provided a letter of comfort to the Cohuna Community Nursing Home, which details that they will provide adequate cash support to enable the Nursing Home to meet its current and future obligations when they fall due for a period up to 30 September 2018, should it be required.

NOTE 7.4: FAIR VALUE DETERMINATION

Asset Class	Examples 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	Land subject to restrictions as to use and/or sale Land in areas where there is not an active market	Level 3	Market approach	CSO adjustments
Non-specialised buildings	For general/commercial buildings that are just built	Level 2	Market approach	N/A
Specialised buildings (i)	Specialised buildings with limited alternative uses and/or substantial customisation e.g. prisons, hospitals, and schools	Level 3	Depreciated replacement cost approach	Cost per square metre Useful life
Plant and equipment (i)	Specialised items with limited alternative uses and/or substantial customisation	Level 3	Depreciated replacement cost approach	Cost per square metre Useful life
Vehicles	If there is an active resale market available;	Level 2	Market approach	N/A

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

NOTE 8: OTHER DISCLOSURES

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

Structure

8.1 Equity
8.2 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities
8.3 Operating segments
8.4 Responsible persons disclosures
8.5 Executive officer disclosures
8.6 Related parties
8.7 Remuneration of auditors
8.8 AASBs issued that are not yet effective
8.9 Controlled Entities
8.10 Economic Dependency
8.11 Alternative presentation of comprehensive operating statement

NOTE 8.1: EQUITY	Consol'd 2017	Consol'd 2016
(a) Surpluses	$	$
Property, Plant and Equipment Revaluation Surplus (1)		
Balance at beginning of the reporting period		
- Land	194,994	194,994
- Buildings	5,595,675	5,595,675
Revaluation Increment/Decrement		
- Land	-	-
- Buildings	-	-
Balance at the end of the reporting period	5,790,669	5,790,669
Represented by:		
- Land	194,994	194,994
- Buildings	5,595,675	5,595,675
(1) The property, plant and equipment asset revaluation reserve arises on the revaluation of property, plant and equipment		
Total Reserves	5,790,669	5,790,669
(b) Contributed Capital		
Balance at the beginning of the reporting period	2,688,390	2,688,390
Balance at the end of the reporting period	2,688,390	2,688,390
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	(2,545,566)	(2,018,117)
Net Result for the Year	(127,291)	(527,449)
Balance at the end of the reporting period	(2,672,857)	(2,545,566)
Total Equity at end of financial year	5,806,202	5,933,493

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, 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
A specific restricted purpose surplus is established where the Health Service 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 FLOWS FROM OPERATING ACTIVITIES

	Consol'd 2017 $	Consol'd 2016 $
NET RESULT FOR THE YEAR	(127,291)	(527,449)
Depreciation	660,020	658,507
Provision for Doubtful Debts	-	2,316
Net (Gain)/Loss from Sale of Plant and Equipment	(15,000)	-
Net (Gain)/Loss on Financial Instruments	6,108	(26,407)
Share of Net Result from Joint Operations	-	-
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	122,019	200,996
(Increase)/Decrease in Prepayments	(135,396)	(28,195)
Increase/(Decrease) in Payables	263,466	(261,697)
Increase/(Decrease) in Provisions	47,595	(30,188)
Change in Inventories	17,499	(14,591)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	839,020	(26,708)

NOTE 8.3: OPERATING SEGMENTS

	ACUTE CARE		RACS		OTHER SERVICES		CONSOLIDATED	
	2017 $	2016 $	2017 $	2016 $	2017 $	2016 $	2017 $	2016 $
REVENUE								
External Segment Revenue	5,742,290	5,721,280	1,999,611	2,061,912	1,245,609	816,401	8,987,510	8,599,593
Total Revenue	5,742,290	5,721,280	1,999,611	2,061,912	1,245,609	816,401	8,987,510	8,599,593
EXPENSES								
External Segment Expenses	5,076,884	5,085,017	3,034,002	2,967,919	1,040,830	1,093,746	9,151,716	9,146,682
Total Expenses	5,076,884	5,085,017	3,034,002	2,967,919	1,040,830	1,093,746	9,151,716	9,146,682
Net Result from ordinary activities	665,406	636,263	(1,034,391)	(906,007)	204,779	(277,345)	(164,206)	(547,089)
Interest Income	20,673	10,938	14,766	7,813	1,476	889	36,915	19,640
Net Result for Year	686,079	647,201	(1,019,625)	(898,194)	206,255	(276,456)	(127,291)	(527,449)
OTHER INFORMATION								
Segment Assets	7,261,234	6,834,163	1,741,954	1,805,135	-	-	9,003,188	8,639,298
Unallocated Assets	-	-	-	-	-	-	-	-
Total Assets	7,261,234	6,834,163	1,741,954	1,805,135	-	-	9,003,188	8,639,298
Segment Liabilities	2,333,060	2,008,250	863,926	697,555	-	-	3,196,986	2,705,805
Unallocated Liabilities	-	-	-	-	-	-	-	-
Total Liabilities	2,333,060	2,008,250	863,926	697,555	-	-	3,196,986	2,705,805
Acquisition of property, plant and equipment	217,904	84,166	19,841	11,610	-	-	237,745	95,776
Depreciation expense	519,145	519,018	140,875	139,489	-	-	660,020	658,507
Non cash expenses other than depreciation	3,907	6,688	-	-	-	-	3,907	6,688

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

Business Segments	**Services**
Health Services	Acute Hospital services Aged Care services
Residential Aged Care	Nursing Home facilities

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

NOTE 8.4: RESPONSIBLE PERSON DISCLOSURES

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

	Period
Responsible Ministers:	
The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services	01/07/2016 - 30/06/2017
The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Mental Health	01/07/2016 - 30/06/2017
Governing Boards	
Mrs L Learmonth	01/07/2016 - 30/06/2017
Mrs L.M. Drummond	01/07/2016 - 30/06/2017
Mr R. J. Stanton	01/07/2016 - 30/06/2017
Mr G. J. Hall	01/07/2016 - 30/06/2017
Mr G. A. Payne	01/07/2016 - 30/06/2017
Mr G. L. Smith	01/07/2016 - 30/06/2017
Mrs V. Sutherland	01/07/2016 - 30/06/2017
Mrs D Van der Drift	01/07/2016 - 30/06/2017
Mr C. P. Hodge	01/07/2016 - 01/10/2016
Mr P. Brennan (Delegate)	01/07/2016 - 30/06/2017
Ms A.Hutchinson	01/07/2016 - 30/06/2017
Accountable Officers	
Mr M. Delahunty	01/07/2016 - 30/06/2017

Remuneration of Responsible Persons

Remuneration received or receivable by responsible persons was in the range: $Nil (i) ($160,000 - 169,999 in 2015-16)

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

(i) Mr M. Delahunty is engaged as the accountable officer in a contract arrangement with Echuca Regional Health (ERH). Payments for his services were made directly to ERH and are not reported in the total remuneration above. The total amount paid to Echuca Regional Health for Accountable Officer services in 2016-17 was $82,450

Refer to Note 8.6 for further analysis of remuneration and transactions with Key Management Personnel.

Other Transactions of Responsible Persons and their Related Parties

During the year, there were no other transactions with responsible persons or their related parties.

NOTE 8.5: EXECUTIVE OFFICER DISCLOSURES

Remuneration of executive officers	**Total Remuneration**	
	2017	**2016(a)**
	$	**$**
Short-term employee benefits	144,293	
Post-employment benefits	12,450	
Other long-term benefits	0	
Termination benefits	0	
Share-based payments	0	
Total Remuneration (b)	156,743	
Total Number of executives (c)	1	1
Total annualised employee equivalent (AEE) (d)	1	1

Notes:

(a) No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21B. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction. Refer to the prior year's financial statements for executive remuneration for the 2015-16 reporting period.

(b) Remuneration represents the expenses incurred by the entity in the current reporting period for the employee, in accordance with AASB 119 Employee benefits

(c) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.6).

(d) Annualised employee equivalent is based on the time fraction worked over the reporting period. This is calculated as the total number of days the employee is engaged to work during the week by the total number of full-time working days per week (this is generally five full working days per week).

NOTE 8.6: RELATED PARTIES

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

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

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

Key management personnel (KMP) of the hospital include the Portfolio Ministers and Cabinet Ministers and KMP as determined by the hospital. 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.

Key management personnel consist of Ministers, the board of management and accountable officers as detailed in Note 8.4

COMPENSATION	2017 $'000
Short term employee benefits	0
Post-employment benefits	0
Other long-term benefits	0
Termination benefits	0
Share based payments	0
Total	**0**

Transactions with key management personnel and other related parties
Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the Public Administration Act 2004 and Codes of Conduct and Standards issued by the Victorian Public Sector Commission.

Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements. Outside of normal citizen type transactions with the department, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

Significant transactions with government-related entities
Cohuna District Hospital received funding from the Department of Health and Human Services of $5,948,769 (2016: $5,962,717).

Other Transactions of Responsible Persons and their Related Parties	**2017**	**2016**
	$	**$**
Board Member Mrs V. Sutherland occupied a hospital owned residential property and paid rent on normal terms and conditions	5,986	0

NOTE 8.7: REMUNERATION OF AUDITORS

	Consol'd 2017	Consol'd 2016
Victorian Auditor-General's Office	$	$
Audit or review of financial statement	19,680	18,700
Other auditor remuneration	14,306	42,686
TOTAL REMUNERATION OF AUDITORS	33,986	61,386

NOTE 8.8: AASBs ISSUED THAT ARE NOT YET EFFECTIVE

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2017 reporting period DTF assesses the impact of all these new standards and advises the Health Service of their applicability and early adoption where applicable.

As at 30 June 2017, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Cohuna District Hospital has not and does not intend to adopt these standards early.

Standard / Interpretation	**Summary**	**Applicable for reporting periods beginning on**	**Impact on Health Service's Annual Statements**
AASB 9 *Financial Instruments*	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018	While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: - The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and - Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 January 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals.
Standard / Interpretation	**Summary**	**Applicable for reporting periods beginning on**	**Impact on Health Service's Annual 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.	1 January 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. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.

NOTE 8.8: AASBs ISSUED THAT ARE NOT YET EFFECTIVE (Continued)

Standard / Interpretation	**Summary**	**Applicable for reporting periods beginning on**	**Impact on Health Service's Annual Statements**
AASB 2014‑1 *Amendments to* Australian Accounting Standards *[Part E Financial Instruments]*	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 January 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9*	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 January 2018	The assessment has indicated there will be no significant impact for the public sector.
AASB 2016-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15	This standards defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 January 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 16 *Leases*	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 January 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. No change for lessors.
AASB 2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15	This standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 January 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period.
AASB 2016-7 Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities	This standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019	1 January 2019	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period.
AASB 1058 Income of Not-for-Profit Entities	This Standard will replace AASB 1004 *Contributions* and 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 objectives	1 January 2019	The impact of this Standard is yet to be fully assessed.

NOTE 8.9: CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Equity Holding
Cohuna Community Nursing Home Inc.	Australia	100%

NOTE 8.10: ECONOMIC DEPENDENCY

Cohuna District Hospital is wholly dependent on the continued financial support of the State Government and in particular, the Department of Human Services. The Department of Human Services has provided confirmation that it will continue to provide Cohuna District Hospital adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to September 2018. A letter was also obtained for the previous financial year. On that basis, the financial statements have been prepared on a going concern basis.

NOTE 8.11: ALTERNATIVE PRESENTATION OF COMPREHENSIVE OPERATING STATEMENT

	2017 $	2016 $
Grants		
Operating	7,259,347	7,015,231
Capital	-	-
Interest	36,915	19,640
Sales of goods and services	792,734	1,003,698
Other	922,358	554,257
Revenue from Transactions	**9,011,354**	**8,592,826**
Employee expenses	5,833,336	5,726,246
Depreciation	660,020	658,507
Other operating expenses	2,658,360	2,760,842
Expenses from Transactions	**9,151,716**	**9,145,595**
Net result from transactions - Net Operating Balance	**(140,362)**	**(552,769)**
Other economic flows included in net result		
Net gain/ (loss) on sale of non-financial assets	15,000	-
Other gains/ (losses) from other economic flows included in net result	(1,929)	25,320
Total Other Economic flows included in Net Result	**13,071**	**25,320**
NET RESULT FOR THE YEAR	**(127,291)**	**(527,449)**

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Cohuna Community Nursing Home Inc

Opinion

I have audited the financial report of Cohuna Community Nursing Home Inc (the nursing home) which comprises the:

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

In my opinion the financial report is in accordance with of the Associations Incorporation Reform Act 2012 and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012,* including:

- presenting fairly, in all material respects, the financial position of the nursing home as at 30 June 2017 and of its financial performance and its cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013.*

Basis for Opinion

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

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the nursing home in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Board's responsibilities for the financial report

The Board of the nursing home is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*, 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 nursing home'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.

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the nursing home'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 nursing home'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 nursing home 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.

I also provide the Board with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
31 August 2017

Ron Mak
as delegate for the Auditor-General of Victoria

VAGO
Victorian Auditor-General's Office

Auditor-General's Independence Declaration

To the Board, Cohuna Community Nursing Home Inc.

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Cohuna Community Nursing Home Inc. for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
31 August 2017

Ron Mak
as delegate for the Auditor-General of Victoria

Level 31 / 35 Collins Street, Melbourne Vic 3000
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COHUNA COMMUNITY NURSING HOME INC

BOARD MEMBER'S, ACCOUNTABLE OFFICER'S AND CHIEF FINANCE & ACCOUNTING OFFICER'S DECLARATION

We certify that the attached financial statements for Cohuna Community Nursing Home Inc have been prepared in accordance with the Associations Incorporation Reform Act 2012, the Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards, including Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2017 and financial position of Cohuna Community Nursing Home Inc at 30 June 2017.

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

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

V J. Sutherland		
.....	.....	.....
Jean Sutherland Board President	Michael Delahunty Chief Executive Officer	Steven Jackel Chief Finance & Accounting Officer
Cohuna	Cohuna	Cohuna
31st August 2017	31st August 2017	31st August 2017

COHUNA COMMUNITY NURSING HOME INC
COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
Revenue from Operating Activities	2	1,999,180	2,037,379
Revenue from Non-Operating Activities	2	14,766	7,813
Employee Expenses	3	(2,261,636)	(2,189,133)
Non Salary Labour Costs	3	(92,254)	(40)
Supplies and Consumables	3	(80,702)	(85,640)
Other Expenses	3	(458,535)	(539,019)
Net Result From Before Capital and Specific Items		(879,181)	(768,640)
Capital Purpose Income	2	431	24,533
Specific Income		790,073	678,283
Depreciation	3	(140,875)	(139,489)
Expenditure for Capital Purposes	3	-	(14,598)
NET RESULT FOR THE YEAR		(229,552)	(219,911)
Other Comprehensive Income			
Net fair value revaluation on Non Financial Assets		-	-
COMPREHENSIVE RESULT FOR THE YEAR		(229,552)	(219,911)

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

COHUNA COMMUNITY NURSING HOME INC
BALANCE SHEET
AS AT 30 JUNE 2017

	Note	2017 $	2016 $
Current Assets			
Cash and Cash Equivalents	5	381,481	198,629
Receivables	6	-	-
Other Financial Assets	7	-	125,000
Prepayments		127	127
Total Current Assets		381,608	323,756
Non-Current Assets			
Receivables	6	43,787	43,787
Property, Plant and Equipment	8	1,316,559	1,437,593
Total Non-Current Assets		1,360,346	1,481,380
TOTAL ASSETS		1,741,954	1,805,136
Current Liabilities			
Payables	9	16,032	7,630
Provisions	10	458,012	424,744
Other Liabilities	12	368,108	195,252
Total Current Liabilities		842,152	627,626
Non Current Liabilities			
Provisions	10	21,773	69,929
Total Non Current Liabilities		21,773	69,929
TOTAL LIABILITIES		863,925	697,555
NET ASSETS		878,029	1,107,581
EQUITY			
Property, Plant and Equipment Revaluation Surplus	13	1,405,806	1,405,806
Accumulated Surpluses / (Deficits)	13	(527,777)	(298,225)
TOTAL EQUITY		878,029	1,107,581
Commitments for Expenditure	16		
Contingent Assets and Contingent Liabilities	17		

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

COHUNA COMMUNITY NURSING HOME INC
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Property, Plant and Equipment Revaluation Surplus	Accumulated Surpluses/ (Deficits)	Total
	$	$	$
Balance at 1 July 2016	1,405,806	(78,314)	1,327,492
Net result for the year	-	(219,911)	(219,911)
Other comprehensive income for the year	-	-	-
Balance at 30 June 2016	1,405,806	(298,225)	1,107,581
Net result for the year	-	(229,552)	(229,552)
Other comprehensive income for the year	-	-	-
Balance at 30 June 2017	1,405,806	(527,777)	878,029

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

COHUNA COMMUNITY NURSING HOME INC
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		1,528,863	1,651,780
Capital Donations and Bequests Received		431	24,533
Patient and Resident Fees Received		415,250	447,765
Interest Received		14,766	7,813
Other Receipts		20,442	25,977
Total Receipts		***1,979,752***	***2,157,868***
Employee Expenses Paid		(2,180,178)	(2,183,204)
Non Salary Labour Costs		(92,254)	(40)
Payments for Supplies and Consumables		(80,702)	(85,640)
Other payments		(415,508)	(552,280)
Total Payments		***(2,768,642)***	***(2,821,164)***
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	14	(788,890)	(663,296)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Non-Financial Assets		(19,841)	(11,610)
Net Sale/(Purchase) of Investments		125,000	-
Cash (Provided to) / Received from Related Entities		693,727	678,283
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		798,886	666,673
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT HELD		9,996	3,377
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		3,377	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5	13,373	3,377

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

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These annual financial statements represent the audited general purpose financial statements for Cohuna Community Nursing Home Inc for the period ending 30 June 2017. The purpose of the report is to provide users with information about the Nursing Home's stewardship of resources entrusted to it.

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Associations Incorporation Reform Act 2012* , and applicable Australian Accounting Standards (AASs), 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 the *Australian Charities and Not-for-profits Commission Act 2012* .

The Nursing Home is a not-for profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Entities under the AAS's.

The annual financial statements were authorised for issue by the Board of Cohuna Community Nursing Home Inc on:
31st August, 2017

(b) Basis of accounting preparation and measurement

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2017, and the comparative information presented in these financial statements for the year ended 30 June 2016.

The financial statements have been prepared on a going concern basis. The Nursing Home has secured a letter of comfort from the Cohuna District Hospital dated 29/08/2017, which details that they will provide adequate cash flow support to enable the Nursing Home to meet its current and future obligations as and when they fall due for a period up to 30 September 2018, should it be required.

These financial statements are presented in Australian Dollars, the functional and presentation currency of the Nursing Home.

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

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

- Non-current physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made and are reassessed when new indices are published by the Valuer General to ensure that the carrying amounts do not materially differ from their fair values;

- Available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised (i.e. other comprehensive income - items that may be reclassified subsequent to net result); and

- The fair value of assets other than land is generally based on their depreciated replacement value.

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

Consistent with *AASB 13 Fair Value Measurement* , Cohuna Community Nursing Home Inc determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, investment properties and financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13.

(b) Basis of accounting preparation and measurement (Continued)

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Cohuna Community Nursing Home Inc 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, Cohuna Community Nursing Home Inc determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is Cohuna Community Nursing Home Inc's independent valuation agency.

Cohuna Community Nursing Home Inc, in conjunction with VGV Cosgraves Property advisers monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

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

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

(c) Reporting Entity

The financial statements includes all the controlled activities of Cohuna Community Nursing Home Inc.

Its principal address is:
King George Street
Cohuna, Victoria 3568

A description of the nature of Cohuna Community Nursing Home Inc's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Objectives and funding

Cohuna Community Nursing Home Inc's overall objective is to provide quality health care and support services that meets the needs of their community in a safe and friendly environment for all clients and staff, as well as improve the quality of life for all Victorians.

Cohuna Community Nursing Home Inc is predominately funded by accrual based grant funding for the provision of outputs.

(d) Principles of Consolidation

Intersegment Transactions

Cohuna Community Nursing Home shares services with Cohuna District Hospital, the Parent Entity. All transactions between the two entities are recorded at cost.

(e) Scope and presentation of financial statements

Fund Accounting

The Cohuna Community Nursing Home Inc operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. Cohuna Community Nursing Home Inc's Capital and Specific Purpose Funds include unspent capital donations and receipts from fundraising activities conducted solely in respect of these funds.

(e) Scope and presentation of financial statements (Continued)

Services Supported by Health Services Agreement and Services Supported by Hospital and Community Initiatives.

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

Comprehensive operating statement

The comprehensive operating statement includes the subtotal entitled 'Net Result Before Capital and Specific Items' to enhance the understanding of the financial performance of Cohuna Community Nursing Home Inc. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, expenditure using capital purpose income and items of a unusual nature and amount such as specific income and expenses. The exclusion of these items is made to enhance matching of income and expenses so as to facilitate the comparability and consistency of results between years and Victorian Public Health Services. The 'Net Result Before Capital and Specific Items' is used by the management of Cohuna Community Nursing Home Inc, the Department of Health & Human Services and the Victorian Government to measure the ongoing operating performance of Nursing Hom

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

* Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works and plant and equipment.
  It also includes donations of plant and equipment (refer note 1 (f)). Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided;

Comprehensive operating statement

* Specific income/expense, comprises the following items, where material:
  * Voluntary departure packages
  * Write-down of inventories
  * Non-current asset revaluation increments/decrements
  * Non-current assets lost or found
  * Forgiveness of loans
  * Reversals of provisions
  * Voluntary changes in accounting policies (which are not required by an accounting standard
  * or other authoritative pronouncement of the Australian Accounting Standards Board);

* Impairment of financial and non-financial assets, includes all impairment losses (and reversal of previous impairment losses), which have been recognised in accordance with note 1 (i);

* Depreciation as described in note 1 (g);

* Assets provided or received free of charge, as described in note 1 (f); and

* Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold, or doesn't meet asset recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

Other economic flows; are changes arising from market remeasurements. They include:

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

Balance sheet

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

Statement of changes in equity

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

(e) Scope and presentation of financial statements (Continued)

Cash flow statement

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

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

Rounding

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

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

Comparative Information

There have been no changes to comparative information which require additional disclosure.

(f) Income from transactions

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 Cohuna Community Nursing Home Inc and the income can be reliably measured at fair value. Unearned income at reporting date is reported as income received in advance.

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

Government Grants and other transfers of income (other than contributions by owners)

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

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

Indirect Contributions from the Department of Health & Human Services

- Insurance is recognised as revenue following advice from the Department of Health & Human Services.
- Long Service Leave (LSL) - Revenue is recognised upon finalisation of movements in LSL Liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 04/2017.

Resident Fees

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

Private Practice Fees

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

Revenue from commercial activities

Revenue from commercial activities such as provision of meals to external users is recognised at the time the 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 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.

Sale of investments

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

Fair value of assets and services received free of charge or for nominal consideration

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

(g) Expense recognition

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

Cost of goods sold

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

Employee expenses

Employee expenses include:

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

Defined contribution superannuation plans

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

Defined benefit superannuation plans

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

Employees of the Cohuna Community Nursing Home Inc are entitled to receive superannuation benefits and Cohuna Community Nursing Home Inc contributes to both the defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years based on years of service and final average salary.

The name and details of the major employee superannuation funds and contributions made by Cohuna Community Nursing Home Inc are disclosed in Note 11: Superannuation.

Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated (i.e. excludes land assets held for sale, and investment properties). Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

Intangible produced assets with finite lives are depreciated as an expense from transactions on a systematic basis over the asset's useful life. Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate. This depreciation charge is not funded by the Department of Health & Human Services.

Assets with a cost in excess of $1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.

(g) Expense recognition (Continued)

Depreciation (Continued)

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

	2017	2016
Buildings		
- Structure Shell Building Fabric	45 to 60 years	45 to 60 years
- Site Engineering Services and Central Plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit Out	20 to 30 years	20 to 30 years
- Trunk Reticulated Building Systems	30 to 40 years	30 to 40 years
Plant and Equipment	3 to 7 years	3 to 7 years
Medical Equipment	7 to 10 years	7 to 10 years
Computers and Communication	3 years	3 years
Furniture and Fittings	13 years	13 years
Motor Vehicles	10 years	10 years

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

Intangible produced assets with finite lives are depreciated as an expense on a systematic basis over the asset's useful life.

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 service 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 expenses when distributed.

Bad and Doubtful Debts

Refer to note 1 (k) *Impairment of financial assets.*

Fair value of assets, services and resources provided free of charge or for nominal consideration

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer will be recognised at it's carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

(h) Other economic flows included in net result

Other economic flows are changes in the volume or value of assets or liabilities that do not result from transactions.

Net Gain / (Loss) on Non-Financial Assets

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

Net gain/(loss) on disposal of Non-Financial Assets

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

Impairment of Non-Financial Assets

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

(i) Financial Instruments

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

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

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Reclassification of financial instruments at fair value through profit or loss

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.

Loans and receivables

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

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

Available-for-sale financial assets

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition, gains and losses arising from changes in fair value are recognised in 'other comprehensive income' until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net result for the period.
Fair value is determined in the manner described in Note 15.

Reclassification of available-for-sale financial assets

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

(j) Assets

Cash and Cash Equivalents

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

(j) Assets (Continued)

Receivables

Receivables consist of:

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

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

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

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

Investments and other financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Investments are classified in the following categories:

- Loans and receivables; and
- Available-for-sale financial assets.

The Cohuna Community Nursing Home Inc classifies its other financial assets between current and non-current assets based on the purpose or which the assets were acquired. Management determines the classification of its other financial assets at initial recognition.

Cohuna Community Nursing Home Inc assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

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

Inventories

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

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

Inventories acquired for no cost or nominal considerations are measured at current replacement cost at the date of acquisition.

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

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

(j) Assets (Continued)

Property, Plant and Equipment

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

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 8 *Property, plant and equipment* .

Crown Land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restriction 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 impairment.

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

Revaluations of Non-current Physical Assets

Non-Current physical assets are measured at fair value and are revalued in accordance with AASB 13 *Fair Value Measurement.* This revaluation process normally occurs at least every five years, based upon the asset's 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 standards. 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 the 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 derecognition of the relevant asset.

In accordance with AASB 13 Cohuna Community Nursing Home Inc's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required. This assessment did not identify any significant movements that would require a revaluation.

Prepayments

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

Disposal of Non-Financial Assets

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

(j) Assets (Continued)

Impairment of Non-Financial Assets

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

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

- inventories;
- investment properties that are measured at fair value;
- non-current physical assets held for sale; and
- assets arising from construction contracts.

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

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

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

Derecognition of financial assets

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

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

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

Impairment of financial assets

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

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

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

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

In 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.

(j) Assets (Continued)

Net Gain/(Loss) on Financial Instruments

Net Gain/(Loss) on financial instruments includes:

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

Revaluations of Financial Instruments at Fair Value

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

(k) Liabilities

Payables

Payables consist of:

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

- statutory payables, such as goods and services tax and fringe benefits tax payables.

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

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision. When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(k) Liabilities (Conintued)

Employee Benefits

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

Wages and Salaries, Annual Leave and Accrued Days Off

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

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

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

Long Service Leave (LSL)

Liability for LSL is recognised in the provision for employee benefits.

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

The components of this current LSL liability are measured at:

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

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

Any gain or loss 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 bond interest rates for which it is then recognised as an other economic flow.

Termination Benefits

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

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

On-Costs

Provisions for on-costs, such as payroll tax, workers compensation, superannuation are recognised separately from the provision for employee benefits.

Superannuation Liabilities

Cohuna Community Nursing Home Inc does not recognise any unfunded defined benefit liability in respect of the superannuation plans because the Nursing Home has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation obligations as they fall due.

(l) Equity

Contributed Capital

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

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.

(m) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to note 16) at their nominal value and are inclusive of the goods and services tax ("GST") payable.
In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

(n) Contingent assets and contingent liabilities

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

(o) Goods and Services Tax ("GST")

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

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

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

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

(p) AASs issued that are not yet effective

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

As at 30 June 2017, the following standards and interpretations had been issued by the AASB but were not yet effective.
They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Cohuna Community Nursing Home Inc has not and does not intend to adopt these standards early.

(p) AASs issued that are not yet effective (Continued)

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 9 *Financial Instruments*	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: - The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and - Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 January 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI). Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge. For entities with significant lending activities, an overhaul of related systems and processes may be needed.

(p) AASs issued that are not yet effective (Continued)

Standard / Interpretation	**Summary**	**Applicable for reporting periods beginning on**	**Impact on Health Service's Annual 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.	1 January 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. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.
AASB 2014‑1 *Amendments to* Australian Accounting Standards *[Part E Financial Instruments]*	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 January 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9*	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 January 2018	The assessment has indicated there will be no significant impact for the public sector.
AASB 2016-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15	This standards defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 January 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 16 *Leases*	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 January 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. No change for lessors.

(q) Category Groups

Cohuna Community Nursing Home Inc has used the following category groups for reporting purposes for the current and previous financial years.

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.

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

NOTE 2a: ANALYSIS OF REVENUE BY SOURCE

	2017 $	2016 $
Government Grants		
- Department of Health & Human Services	492,958	580,887
- Commonwealth Government		
- Residential Aged Care Subsidy	1,035,905	972,661
Indirect Contributions by Department of Health	34,625	10,089
Resident Fees (refer note 2b)	415,250	447,765
Other Revenue	20,442	25,977
Total Revenue from Operating Activities	1,999,180	2,037,379
Interest and Dividends	14,766	7,813
Total Revenue from Non-Operating Activities	14,766	7,813
Capital Purpose Grant Funding	-	21,432
Donations and Bequests	431	3,101
Total Capital Purpose Income	431	24,533
TOTAL REVENUE	2,014,377	2,069,725

Indirect Contributions by Department of Health and Human Services
Department of Health and Human Services makes certain payments on behalf of the Nursing Home. These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

NOTE 2b: RESIDENT FEES RAISED

	2017 $	2016 $
Recurrent		
Residential Aged Care		
- Nursing Home	415,250	447,765
Total Recurrent	415,250	447,765
Capital Purpose		
Residential Accommodation Payments	-	-
Total Capital	-	-

Commonwealth Nursing Home Inpatient benefits are included in resident fee revenue.
The Nursing Home charges fees in accordance with the Department of Health & Human Services directives.

NOTE 3a: ANALYSIS OF EXPENDITURE BY SOURCE

	Note	2017	2016
		$	$
Services Supported by Health Services Agreement			
Employee Expenses		2,261,636	2,189,133
Non Salary Labour Costs		92,254	40
Supplies and Consumables		80,702	85,640
Other Expenses from Continuing Operations		458,535	539,019
Total Expenses Supported by Health Services Agreement		2,893,127	2,813,832
Depreciation	4	140,875	139,489
Expenditure for Capital Purposes		-	14,598
TOTAL EXPENSES		3,034,002	2,967,919

NOTE 4: DEPRECIATION	2017 $	2016 $
Depreciation		
Buildings	122,925	122,914
Plant and Equipment		
- Plant	6,357	5,976
- Major Medical	3,968	2,289
- Furniture and Fittings	7,625	8,310
TOTAL DEPRECIATION	140,875	139,489

NOTE 5: CASH AND CASH EQUIVALENTS

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

	2017 $	2016 $
Cash at Bank	381,481	198,629
TOTAL CASH AND CASH EQUIVALENTS	381,481	198,629
Represented by:		
Cash for Nursing Home Operations (as per Cash Flow Statement)	13,373	3,377
Cash at Bank for Monies Held in Trust	368,108	195,252
TOTAL	381,481	198,629

NOTE 6: RECEIVABLES

	2017 $	2016 $
CURRENT		
Contractual		
Accrued Revenue - Other	-	-
TOTAL CURRENT RECEIVABLES	-	-
NON-CURRENT		
Statutory		
DHHS - Long Service Leave	43,787	43,787
TOTAL NON-CURRENT RECEIVABLES	43,787	43,787
TOTAL RECEIVABLES	43,787	43,787

(a) Ageing analysis of receivables
Please refer to note 15(b) for the ageing analysis of contractual receivables.

(b) Nature and extent of risk arising from receivables
Please refer to note 15(b) for the nature and extent of credit risk arising from contractual receivables.

NOTE 7: INVESTMENTS AND OTHER FINANCIAL ASSETS	2017 $	2016 $
CURRENT		
Loans and Receivables		
Term Deposit		
- Aust. Dollar Term Deposits	-	125,000
Total Current	-	125,000
Represented by:		
Nursing Home Investments	-	125,000
TOTAL OTHER FINANCIAL ASSETS	-	125,000

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

(a) Gross carrying amount and accumulated depreciation

	2017 $	2016 $
Land		
Land at Fair value	40,000	40,000
Total Land	40,000	40,000
Buildings		
Buildings at Fair Value	1,580,000	1,580,000
Less Accumulated Depreciation	(368,217)	(245,478)
Buildings at Cost	2,665	2,665
Less Accumulated Depreciation	(361)	(175)
Total Buildings	1,214,087	1,337,012
Plant and Equipment		
Plant and Equipment at Fair Value	67,154	61,074
Less Accumulated Depreciation	(50,540)	(44,183)
Total Plant and Equipment	16,614	16,891
Medical Equipment		
Medical Equipment at Fair Value	42,090	28,329
Less Accumulated Depreciation	(12,379)	(8,411)
Total Medical Equipment	29,711	19,918
Furniture and Fittings		
Furniture and Fittings at Fair Value	87,856	87,856
Less Accumulated Depreciation	(71,709)	(64,084)
Total Furniture and Fittings	16,147	23,772
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,316,559	1,437,593

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)
(b) Reconciliations of the carrying amounts of each class of asset

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

	Land	Buildings	Plant and Equipment	Furniture and Fittings	Medical Equipment	Total
	$	$	$	$	$	$
Balance at 1 July 2014	40,000	1,458,311	22,867	32,082	12,212	1,565,472
Additions	-	1,615	-	-	9,995	11,610
Revaluation Increments/(Decrements)	-	-	-	-	-	-
Depreciation (note 4)	-	(122,914)	(5,976)	(8,310)	(2,289)	(139,489)
Balance at 1 July 2016	40,000	1,337,012	16,891	23,772	19,918	1,437,593
Additions	-	-	6,080	-	13,761	19,841
Revaluation Increments/(Decrements)	-	-	-	-	-	-
Depreciation (note 4)	-	(122,925)	(6,357)	(7,625)	(3,968)	(140,875)
Balance at 30 June 2017	40,000	1,214,087	16,614	16,147	29,711	1,316,559

Land and Buildings Carried at Valuation
An independent valuation of Cohuna Community Nursing Home Inc property was performed by the *Valuer-General Victoria* to determine the fair value of the land and buildings. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

The effective date of the valuation is 30 June 2014.

Plant and Equipment Carried at Fair Value
A valuation of Cohuna Community Nursing Home Inc plant and equipment was undertaken by management to determine the fair value of the Plant and Equipment. The effective date of the valuation is 30 June 2017.

(c) Fair value measurement hierarchy for assets as at 30 June 2017

	Carrying amount as at 30 June 2017	**Fair value measurement at end of reporting period using:** Level 1 (1)	Level 2 (1)	Level 3 (1)
Land at fair value	$	$	$	$
Specialised land	40,000	-	-	40,000
Total of land at fair value	40,000	-	-	40,000
Buildings at fair value				
Specialised buildings	1,214,087	-	-	1,214,087
Total of building at fair value	1,214,087	-	-	1,214,087
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	16,614	-	-	16,614
- Medical equipment	29,711	-	-	29,711
- Furniture and fittings	16,147	-	-	16,147
Total of plant, equipment and vehicles at fair value	62,472	-	-	62,472

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)
(c) Fair value measurement hierarchy for assets as at 30 June 2016

	Carrying amount as at 30 June 2016	Fair value measurement at end of reporting period using: Level 1 (1)	Level 2 (1)	Level 3 (1)
Land at fair value	$	$	$	$
Specialised land	40,000	-	-	40,000
Total of land at fair value	40,000	-	-	40,000
Buildings at fair value				
Specialised buildings	1,337,012	-	-	1,337,012
Total of building at fair value	1,337,012	-	-	1,337,012
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Plant and equipment	16,891	-	-	16,891
- Medical equipment	19,918	-	-	19,918
- Furniture and fittings	23,772	-	-	23,772
Total of plant, equipment and vehicles at fair value	60,581	-	-	60,581

Note
(i) Classified in accordance with the fair value hierarchy, see Note 1

There have been no transfers between levels during the period.

Specialised land and specialised buildings

The market approach is also used for specialised land and specialised buildings although 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 the health services, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

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

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

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

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

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)
(d) Reconciliation of Level 3 fair value

2017	Land	Buildings	Plant and equipment	Furniture and Fittings	Medical equipment
	$	$	$	$	$
Opening Balance	40,000	1,337,012	16,891	23,772	19,918
Purchases (sales)	-	-	6,080	-	13,761
Transfers in (out) of Level 3	-	-	-	-	-
Gains or losses recognised in net result					
- Depreciation	-	(122,925)	(6,357)	(7,625)	(3,968)
Subtotal	40,000	1,214,087	16,614	16,147	29,711
Items recognised in other comprehensive income					
- Revaluation	-	-	-	-	-
Subtotal	-	-	-	-	-
Closing Balance	40,000	1,214,087	16,614	16,147	29,711
Unrealised gains/(losses) on non-financial assets	-	-	-	-	-
	40,000	1,214,087	16,614	16,147	29,711

2016	Land	Buildings	Plant and equipment	Furniture and Fittings	Medical equipment
	$	$	$	$	$
Opening Balance	40,000	1,458,311	22,867	32,082	12,212
Purchases (sales)	-	1,615	-	-	9,995
Transfers in (out) of Level 3	-	-	-	-	-
Gains or losses recognised in net result					
- Depreciation	-	(122,914)	(5,976)	(8,310)	(2,289)
Subtotal	40,000	1,337,012	16,891	23,772	19,918
Items recognised in other comprehensive income					
- Revaluation	-	-	-	-	-
Subtotal	-	-	-	-	-
Closing Balance	40,000	1,337,012	16,891	23,772	19,918
Unrealised gains/(losses) on non-financial assets	-	-	-	-	-
	40,000	1,337,012	16,891	23,772	19,918

There have been no transfers between levels during the period.

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)
(e) Description of significant unobservable inputs to Level 3 valuations:

	Valuation technique [(i)]	Significant unobservable inputs [(i)]	Range (weighted average) [(i)]	Sensitivity of fair value measurement to changes in significant unobservable
Specialised land	Market Approach	Community Service Obligation (CSO) adjustment	20% (20%)	A Significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value
Specialised buildings	Depreciated replacement cost	Direct cost per square metre	$816 - $1,986/m² ($1,550)	A significant increase or decrease in direct cost per square meter adjustment would result in a significantly higher or lower fair value
		Useful life of specialised buildings	25 - 50 years (36 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation
Plant and equipment at fair value	Depreciated replacement cost	Cost per unit	$1,000 - $15,300 ($2,349)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of PPE	3 - 13 years (7 years)	A significant increase or decrease in estimated useful life of the asset would result in a significantly higher or lower valuation
Medical equipment at fair value	Depreciated replacement cost	Cost per unit	$1,000 - $2,678 ($1,100)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of PPE	6 - 10 years (9 years)	A significant increase or decrease in estimated useful life of the asset would result in a significantly higher or lower valuation

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)
(e) Description of significant unobservable inputs to Level 3 valuations: (Continued)

Furniture and fittings at fair value	Depreciated replacement cost	Cost per unit	$1,000 - $11,850 ($3,138)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of PPE	4 - 20 years (9 years)	A significant increase or decrease in estimated useful life of the asset would result in a significantly higher or lower valuation

(i) Illustrations on the valuation techniques, significant unobservable inputs and the related quantitative range of those inputs are indicative and should not be directly used without consultation with entities' independent valuer.

NOTE 9: PAYABLES	2017 $	2016 $
Contractual		
Accrued Audit Fees	3,800	3,800
Other Accrued Expenses	8,030	3,830
	11,830	7,630
Statutory		
Department of Health and Ageing	4,202	-
TOTAL PAYABLES	16,032	7,630

(a) Maturity analysis of payables
Please refer to Note 15(c) for the ageing analysis of contractual payables.

(b) Nature and extent of risk arising from payables
Please refer to note 15(c) for the nature and extent of risks arising from contractual payables.

NOTE 10: PROVISIONS	2017 $	2016 $
Current Provisions		
Employee Benefits (i)		
Annual Leave (Note 10(a))		
- unconditional and expected to be settled within 12 months (ii)	103,270	100,610
- unconditional and expected to be settled after 12 months (ii)	15,000	15,000
Long Service Leave (Note 10(a))		
- unconditional and expected to be settled within 12 months (ii)	30,000	30,000
- unconditional and expected to be settled after 12 months (ii)	223,619	205,164
Accrued Days Off (Note 10(a))		
- unconditional and expected to be settled within 12 months (ii)	1,209	1,548
- unconditional and expected to be settled after 12 months (ii)	-	-
Accrued Wages & Salaries (Note 10(a))		
- unconditional and expected to be settled within 12 months (ii)	41,205	31,888
- unconditional and expected to be settled after 12 months (ii)	-	-
	414,303	384,210
Provisions related to employee benefit on-costs		
- unconditional and expected to be settled within 12 months (ii)	9,898	17,925
- unconditional and expected to be settled after 12 months (iii)	33,811	22,609
	43,709	40,534
Total Current Provisions	**458,012**	**424,744**

NOTE 10: PROVISIONS (Continued)	2017 $	2016 $
Non-Current Provisions		
Employee Benefits (i) (Note 10(a))	19,695	63,256
Provisions related to employee benefit on-costs (Note 10(a))	2,078	6,673
Total Non-Current Provisions	**21,773**	**69,929**
Total Provisions	**479,785**	**494,673**
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and related on-costs		
Annual Leave Entitlements	130,747	127,807
Accrued Salaries and Wages	45,552	35,252
Accrued Days Off	1,337	1,711
Unconditional Long Service Leave Entitlements	280,376	259,974
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements (ii)	21,773	69,929
Total Employee Benefits and Related On-Costs	479,785	494,673
(b) Movements in provisions	$	$
Movement in Long Service Leave:		
Balance 1 July, 2016	329,903	329,929
Provision made during year		
- Revaluations	-	-
- Expense Recognising Employee Service	112,049	45,421
Settlement made during the year	(139,803)	(45,447)
Balance June 30, 2017	302,149	329,903

Notes:
(i) Employee benefits consist of annual leave and long service leave accrued by employees. On-costs such as payroll tax and worker's compensation insurance are not employee benefits and are reflected as a separate provision.
(ii) The amounts are disclosed are at present values

NOTE 11: SUPERANNUATION

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

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

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Nursing Home. The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the Nursing Home are as follows:

Fund		Paid Contributions for the year		Outstanding Contributions at Year End	
		2017 $	**2016 $**	**2017 $**	**2016 $**
Defined Benefit Plans:	Health Super	-	-	-	-
Defined Contribution Plans:	Health Super / HESTA / Other	181,167	176,304	-	-
Total		181,167	176,304	-	-

NOTE 12: OTHER LIABILITIES	2017 $	2016 $
Current		
Monies Held in Trust *	9,455	15,252
Accommodation Bonds (Refundable Entrance Fees)	358,653	180,000
TOTAL OTHER LIABILITIES	368,108	195,252
*** Monies Held in Trust**		
Represented by:		
Cash Assets (refer note 4)	368,108	195,252
TOTAL OTHER LIABILITIES	368,108	195,252

NOTE 13: EQUITY

(a) Surpluses

Property, Plant and Equipment Revaluation Surplus		
Balance at beginning of the reporting period		
- Land	1,552	1,552
- Buildings	1,404,254	1,404,254
Revaluation Increment/(Decrement) during the Year		
- Land	-	-
- Buildings	-	-
Property, Plant and Equipment Revaluation Surplus at end of the Reporting Period	1,405,806	1,405,806
Represented by:		
- Land	1,552	1,552
- Buildings	1,404,254	1,404,254
Total Surpluses	1,405,806	1,405,806

(b) Accumulated Surpluses/(Deficits)

Balance at the Beginning of the Reporting Period	(298,225)	(78,314)
Net Result for the Year	(229,552)	(219,911)
Balance at the end of the reporting period	(527,777)	(298,225)
Total Equity at the end of financial year	878,029	1,107,581

NOTE 14: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2017 $	2016 $
NET RESULT FOR THE YEAR	(229,552)	(219,911)
Less Non Cash Debt forgiveness	(790,073)	(678,283)
Depreciation	140,875	139,489
(Increase)/Decrease in Receivables	-	98,232
(Increase)/Decrease in Prepayments	-	-
Increase/(Decrease) in Provisions	81,458	5,929
Increase/(Decrease) in Payables	8,402	(8,752)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(788,890)	(663,296)

NOTE 15: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Cohuna Community Nursing Home Inc's principal financial instruments comprise of:
- Cash Assets
- Term Deposits
- Receivables (excluding statutory receivables)
- Payables (excluding statutory payables)

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

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

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

The main purpose in holding financial instruments is to prudentially manage Cohuna Community Nursing Home Inc financial risks within the government policy parameters.

NOTE 15: FINANCIAL INSTRUMENTS (Continued)
(a) Financial Risk Management Objectives and Policies (Continued)

Categorisation of financial instruments

2017	Contractual financial assets/liabilities designated at fair value through profit/loss $	Contractual financial assets/liabilities held-for-trading at fair value through profit/loss $	Contractual financial assets - loans and receivables $	Contractual financial assets - available for sale $	Contractual financial liabilities at amortised cost $	Total $
Contractual Financial Assets						
Cash and cash equivalents	-	-	381,481	-	-	381,481
Receivables	-	-	-	-	-	-
Other Financial Assets	-	-	-	-	-	-
Total Financial Assets (i)	-	-	381,481	-	-	381,481
Financial Liabilities						
At amortised cost	-	-	-	-	379,938	379,938
Total Financial Liabilities(ii)	-	-	-	-	-	379,938

2016	Contractual financial assets/liabilities designated at fair value through profit/loss $	Contractual financial assets/liabilities held-for-trading at fair value through profit/loss $	Contractual financial assets - loans and receivables $	Contractual financial assets - available for sale $	Contractual financial liabilities at amortised cost $	Total $
Contractual Financial Assets						
Cash and cash equivalents	-	-	198,629	-	-	198,629
Receivables	-	-	-	-	-	-
Other Financial Assets	-	-	125,000	-	-	125,000
Total Financial Assets (i)	-	-	323,629	-	-	323,629
Financial Liabilities						
At amortised cost	-	-	-	-	202,882	202,882
Total Financial Liabilities(ii)	-	-	-	-	-	202,882

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. GST input tax credit receivable).

(ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes payable).

NOTE 15: FINANCIAL INSTRUMENTS (Continued)
(a) Financial Risk Management Objectives and Policies (Continued)

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

	Net holding gain/(loss)	Total interest income/ (expense)	Fee income / (expense)	Impairment loss	Total
	$	$	$	$	$
2017					
Financial Assets					
Cash and cash equivalents(i)	-	-	-	-	-
Loans and Receivables(i)	-	-	-	-	-
Other Financial Assets	-	14,766	-	-	14,766
Total Financial Assets	-	14,766	-	-	14,766
Financial Liabilities					
At amortised cost (ii)	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-
2016					
Financial Assets					
Cash and cash equivalents(i)	-	-	-	-	-
Loans and Receivables(i)	-	-	-	-	-
Other Financial Assets	-	7,813	-	-	7,813
Total Financial Assets	-	7,813	-	-	7,813
Financial Liabilities					
At amortised cost (ii)	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-

(i) For cash and cash equivalents, loans or receivables and available-for-sale financial assets, the net gain or loss is calculated by taking 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 measure at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost.

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

Credit risk associated with the Nursing Home's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the Nursing Home's policy to only deal with entities with high credit ratings of a minimum Triple-B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

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

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

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Cohuna Community Nursing Home Inc maximum exposure to credit risk without taking account of the value of any collateral obtained.

NOTE 15: FINANCIAL INSTRUMENTS (Continued)
(b) Credit Risk (Continued)

Credit quality of contractual financial assets that are neither past due nor impaired

	Financial Institutions (AA2 credit rating)	Government agencies (AAA credit rating)	Government agencies (BBB credit rating)	Other (min BBB credit rating	Total
2017	$	$	$	$	$
Financial Assets					
Cash and Cash Equivalents	381,481	-	-	-	381,481
Loans and Receivables (i)	-	-	-	-	-
Other Financial Assets	-	-	-	-	-
Total Financial Assets	381,481	-	-	-	381,481
2016					
Financial Assets					
Cash and Cash Equivalents	198,629	-	-	-	198,629
Loans and Receivables (i)	-	-	-	-	-
Other Financial Assets	125,000	-	-	-	125,000
Total Financial Assets	323,629	-	-	-	323,629

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

Ageing analysis of financial asset as at 30 June

			Past Due But Not Impaired				
2017	Carrying Amount $	Not Past due and not impaired $	Less than 1 Month $	1 - 3 Months $	3 Months - 1 Year $	1 - 5 Years $	Impaired Financial Assets $
Financial Assets							
Cash and Cash Equivalents	381,481	381,481	-	-	-	-	-
Loans and Receivables	-	-	-	-	-	-	-
Other Financial Assets	-	-	-	-	-	-	-
Total Financial Assets	381,481	381,481	-	-	-	-	-
2016							
Financial Assets							
Cash and Cash Equivalents	198,629	198,629	-	-	-	-	-
Loans and Receivables	-	-	-	-	-	-	-
Other Financial Assets	125,000	125,000	-	-	-	-	-
Total Financial Assets	323,629	323,629	-	-	-	-	-

(i) Ageing analysis of financial assets excludes the types of statutory financial assets (i.e. GST input tax credit)

Contractual financial assets that are either past due or impaired
There are no material financial assets which are individually determined to be impaired. Currently Cohuna Community Nursing Home Inc does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

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

NOTE 15: FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity Risk

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

The Nursing Home's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Nursing Home manages its liquidity risk as follows:

- Term Deposits and cash held at financial institutions are managed with variable maturity dates and take into consideration cash flow requirements of the Nursing Home from month to month.

Cohuna Community Nursing Home has secured a letter of comfort from the Cohuna District Hospital, which details that they will provide adequate cash flow support to enable the Nursing Home to meet its current and future obligations as and when they fall due for a period up to September 2018, should it be required.

The following table discloses the contractual maturity analysis for Cohuna Community Nursing Home Inc financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

Maturity analysis of financial liabilities as at 30 June

			Maturity Dates			
	Carrying Amount	Nominal Amount	Less than 1 Month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years
2017	$	$	$	$	$	$
Financial Liabilities						
At amortised cost						
Payables	16,032	16,032	16,032	-	-	-
Other Financial Liabilities (i)	368,108	368,108	9,455	-	358,653	-
Total Financial Liabilities	384,140	384,140	25,487	-	358,653	-
2016						
Financial Liabilities						
At amortised cost						
Payables	7,630	7,630	7,630	-	-	-
Other Financial Liabilities (i)	195,252	195,252	195,252	-	180,000	-
Total Financial Liabilities	202,882	202,882	202,882	-	180,000	-

(i) Ageing analysis of financial liabilities excludes the types of statutory financial liabilities (i.e. GST payable)

(d) Market Risk

Cohuna Community Nursing Home Inc's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

Currency Risk

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

NOTE 15: FINANCIAL INSTRUMENTS (Continued)
(d) Market Risk (Continued)

Interest Rate Risk
Exposure to interest rate risks arise primarily through the Cohuna Community Nursing Home Inc's other financial assets. Minimisation of risk is achieved by mainly holding fixed rate or non-interest bearing financial instruments. For financial assets the Nursing Home mainly holds financial assets with relatively even maturity profiles.

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

The Nursing Home has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits and bank overdrafts that are at floating rate.

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

Other Price Risk
The Nursing Home is exposed to normal price fluctuations from time to time through market forces. Where adequate notice is provided by suppliers, additional purchases are made for long term goods. Supplier contracts are also in place for major product lines purchased by the Nursing Home on a monthly basis. These contracts have set price arrangements and are reviewed on a regular basis.

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

	Weighted Average Effective Interest Rate %	Carrying Amount	Interest Rate Exposure		
2017			Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
Financial Assets					
Cash and Cash Equivalents	1.65	381,481	-	381,481	-
Loans and Receivables (i)		-	-	-	-
Other Financial Assets		-	-	-	-
Total Financial Assets		381,481	-	381,481	-
Financial Liabilities					
At amortised cost					
Payables (i)		16,032	-	-	16,032
Other Financial Liabilities		368,108	-	-	368,108
Total Financial Liabilities		384,140	-	-	384,140
2016					
Financial Assets					
Cash and Cash Equivalents	1.30	198,629	-	198,629	-
Loans and Receivables (i)		-	-	-	-
Other Financial Assets	2.90	125,000	125,000	-	-
Total Financial Assets		323,629	125,000	198,629	-
Financial Liabilities					
At amortised cost					
Payables (i)		7,630	-	-	7,630
Other Financial Liabilities		195,252	-	-	195,252
Total Financial Liabilities		202,882	-	-	202,882

(i) The carrying amount excludes types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)

NOTE 15: FINANCIAL INSTRUMENTS (Continued)
(d) Market Risk (Continued)

Sensitivity Disclosure Analysis
Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Cohuna Community Nursing Home Inc believes the following movements are 'reasonably possible' over the next 12 months (base rates are sourced from the Australia and New Zealand Banking Group Ltd.)
- A shift of 100 basis points up and down in market interest rates (AUD) from year-end rates of 3.73%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2%

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

	Carrying Amount	Interest Rate Risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
2017	$	$	$	$	$
Financial Assets					
Cash and Cash Equivalents	381,481	(3,815)	(3,815)	3,815	3,815
Loans and Receivables	-	-	-	-	-
Other Financial Assets	-	-	-	-	-
Financial Liabilities					
At amortised cost					
Payables	16,032	-	-	-	-
Other Financial Liabilities (i)	368,108	-	-	-	-
		(3,815)	(3,815)	3,815	3,815
2016					
Financial Assets					
Cash and Cash Equivalents	198,629	(1,986)	(1,986)	1,986	1,986
Loans and Receivables	-	-	-	-	-
Other Financial Assets	125,000	(1,250)	(1,250)	1,250	1,250
Financial Liabilities					
At amortised cost					
Payables	7,630	-	-	-	-
Other Financial Liabilities (i)	195,252	-	-	-	-
		(3,236)	(3,236)	3,236	3,236

(i) The carrying amount excludes types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)

(e) Fair Value
The fair values and net fair values of financial instrument assets and liabilities are determined as follows:
• Level 1 - the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
• Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
• Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Nursing Home considers that the carrying amount of financial instrument assets to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

NOTE 15: FINANCIAL INSTRUMENTS (Continued)
(e) Fair Value (Continued)

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

Comparison between carrying amount and fair value

	Carrying Amount 2017 $	Fair Value 2017 $	Carrying Amount 2016 $	Fair Value 2016 $
Financial Assets				
Cash and Cash Equivalents	381,481	381,481	198,629	198,629
Loans and Receivables (i)	-	-	-	-
Other Financial Assets	-	-	125,000	125,000
Total Financial Assets	381,481	381,481	323,629	323,629
Financial Liabilities				
At amortised cost				
Payables	16,032	16,032	7,630	7,630
Other Financial Liabilities (i)	368,108	368,108	195,252	195,252
Total Financial Liabilities	384,140	384,140	202,882	202,882

(i) The carrying amount excludes types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable)

All financial assets held by Cohuna District Hospital are classified as Level 1.

NOTE 16: COMMITMENTS FOR EXPENDITURE

There are no known commitments for expenditure for Cohuna Nursing Home Inc at the date of this report.

NOTE 17: CONTINGENT LIABILITIES AND CONTINGENT ASSETS
There are no known contingent assets or liabilities for the Cohuna Community Nursing Home Inc as at the date of this report.
30 June 2016 - Nil.

NOTE 18: SEGMENT REPORTING
Cohuna Community Nursing Home Inc provides residential aged care services to residents of the community.
There are no other segments operating within the Cohuna Community Nursing Home Inc.

Geographical Segment
Cohuna Community Nursing Home Inc operates predominantly in Cohuna, Victoria. More than 90% of revenue, net surplus from ordinary activities and segment assets relate to operations in Cohuna, Victoria.

NOTE 19a: RESPONSIBLE PERSON DISCLOSURES

The following disclosures are made regarding responsible persons for the reporting period.

	Period
Responsible Ministers:	
The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Mental Health, Minister for Equality and Minister for Creative Industries.	01/07/2016 - 30/06/2017
Governing Boards	
Mrs. L. Learmonth	01/07/2016 - 30/06/2017
Mrs L.M. Drummond	01/07/2016 - 30/06/2017
Mr R. J. Stanton	01/07/2016 - 30/06/2017
Mr G. J. Hall	01/07/2016 - 30/06/2017
Mr G. A. Payne	01/07/2016 - 30/06/2017
Mr G. L. Smith	01/07/2016 - 30/06/2017
Mrs V. Sutherland	01/07/2016 - 30/06/2017
Mrs D. Van der Drift	01/07/2016 - 30/06/2017
Mr C. P. Hodge	01/07/2016 - 01/10/2016
Mr P. Brennan (Delegate)	01/07/2016 - 30/06/2017
Ms A. Hutchinson	01/07/2016 - 30/06/2017
Accountable Officer	
Mr M. Delahunty	01/07/2016 - 30/06/2017

Remuneration of Responsible Persons

The Chief Executive Officer (Accountable Officer) is employed by Cohuna District Hospital (CDH), and information relating to remuneration is disclosed in the financial statements of CDH.

The Cohuna Community Nursing Home Inc (CCNH) is governed by the Board of Management Members of CDH, and information relating to their remuneration is disclosed in the financial statements of CDH.

There were no direct payments made by CCNH to the Accountable Officer or Board of Management Members.

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

Other transactions of Responsible Persons and their Related Parties.

There were no transactions with Responsible Persons and their related parties during the year.

NOTE 19b: EXECUTIVE OFFICER DISCLOSURES

The Cohuna Community Nursing Home Inc (CCNH) does not employ any Executive Officers in a direct capacity. Services of an executive nature are provided by Cohuna District Hospital (CDH) on a shared basis and the remuneration level of those executives is disclosed in the financial statements of CDH.

NOTE 19c: RELATED PARTIES

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

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

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

Key management personnel (KMP) of the nursing home include the Portfolio Ministers and Cabinet Ministers and KMP as determined by the nursing home. 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.

Key management personnel consist of Ministers, the board of management and accountable officers as detailed in Note 19a.

COMPENSATION	2017 $'000
Short term employee benefits	0
Post-employment benefits	0
Other long-term benefits	0
Termination benefits	0
Share based payments	0
Total	**0**

Transactions with key management personnel and other related parties
Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the Public Administration Act 2004 and Codes of Conduct and Standards issued by the Victorian Public Sector Commission.

Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements. Outside of normal citizen type transactions with the department, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

Significant transactions with government-related entities
Cohuna Nursing Home Inc received funding from the Department of Health and Human Services of $492,958 (2016: $580,887).

NOTE 20: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no known events that have occurred after the balance sheet date.

NOTE 21: REMUNERATION OF AUDITORS

	2017 $	2016 $
Victorian Auditor-General's Office		
Audit or review of financial statements	4,200	3,500
	4,200	3,500

NOTE 22: ECONOMIC DEPENDENCY

Cohuna Community Nursing Home Inc is wholly dependent on the continued financial support of the Cohuna District Hospital. Cohuna District Hospital has provided confirmation that it will continue to provide Cohuna Community Nursing Home Inc adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to September 2018.