



**phn**  
HUNTER NEW ENGLAND  
AND CENTRAL COAST  

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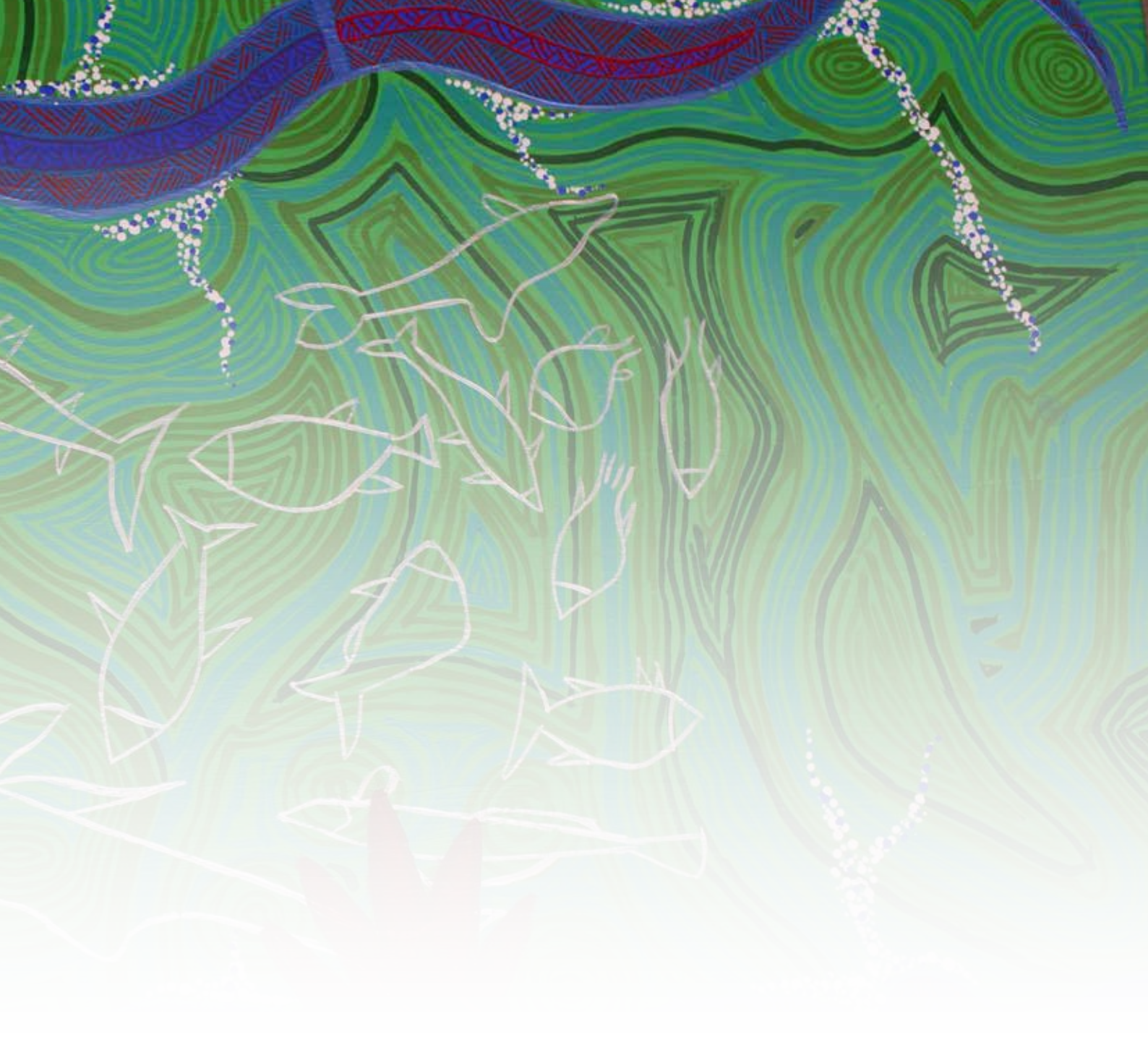
An Australian Government Initiative

# 2017 ANNUAL REPORT









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## ABOUT US

Hunter New England Central Coast Primary Health Network (HNECC PHN) is a not for profit organisation primarily funded by the Commonwealth government to improve the efficiency and effectiveness of the primary health care system by commissioning services.

The term “primary health care” generally covers all healthcare services provided outside of the hospital environment.





## WHAT WE DO

- We work to achieve **better access** to primary health care by identifying and addressing service gaps
- We **commission** (fund) providers to deliver and improve health services for patients identified as being most in need of primary health care
- We aim to **improve patient journeys** by supporting GPs and primary care clinicians to deliver services that help patients avoid hospital care and promote self care
- We support the development of **innovative models of care** to help clinicians attain the highest standards in performance, safety and quality
- We work with general practices to understand and make meaningful use of Digital Health systems



## CHAIRS REPORT

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### **It is with great pleasure that I present the second Annual Report of the Hunter New England and Central Coast Primary Health Network.**

Richard, our CEO has referred to our second year as one of significant growth. This rapid growth combined with a geographic footprint the size of England, but less than one-fiftieth the population, has created significant challenges for our PHN.

During the past year we have focussed on a number of key initiatives that respond to the challenges we face in serving a vast area that stretches from remote rural areas in New England to

dense urban areas in Newcastle.

We have worked hard at being innovative, seeking improved service models and systems to provide better primary health care across the PHN. Innovation is about creating opportunities to trial new and novel ways to tackle 'sticky' problems. This report highlights a range of examples where our staff have created opportunities to design and trial initiatives that will bring about better health outcomes for our people and communities.

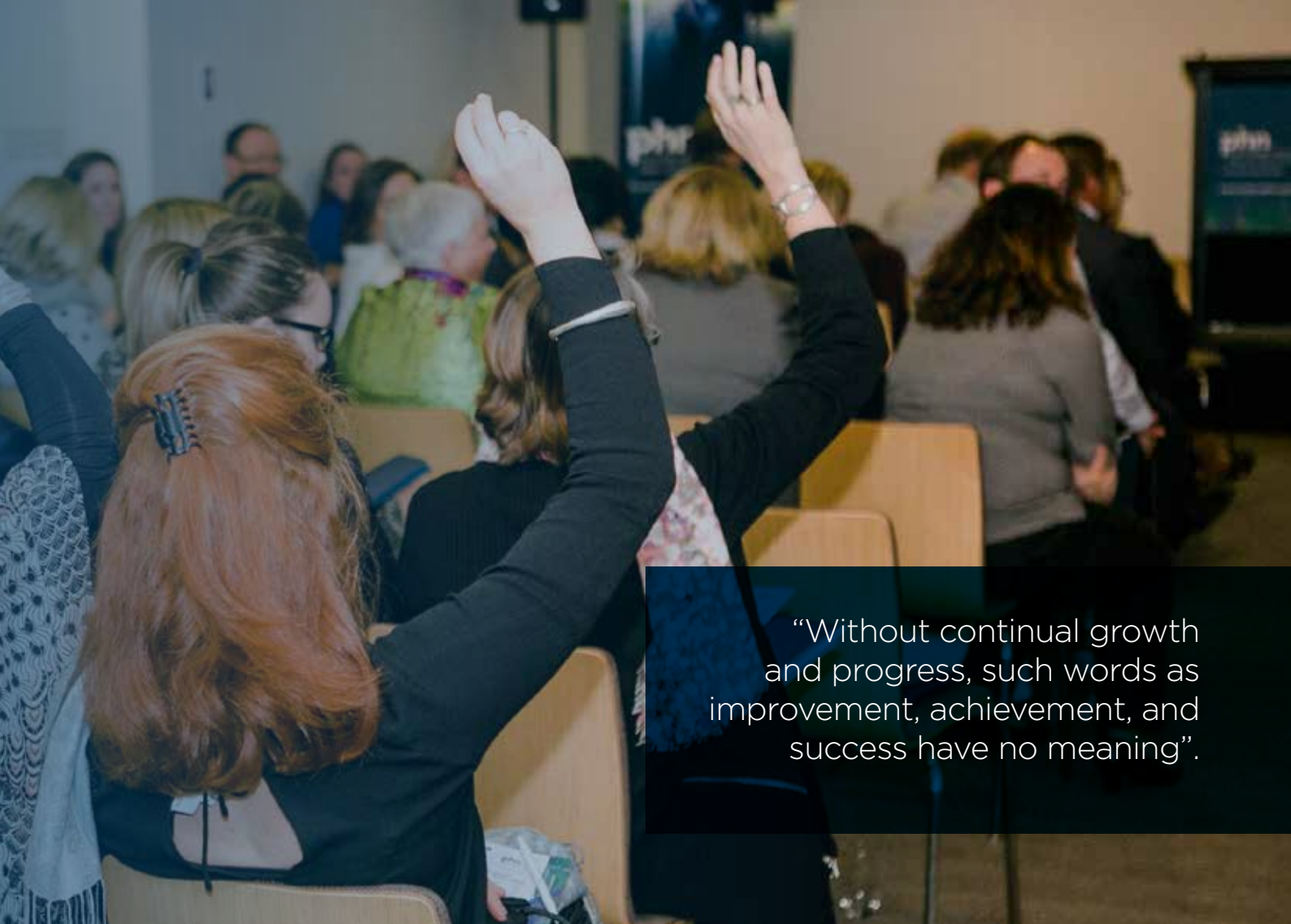
We have presented our report in a narrative or story format because stories can both enhance understanding and stimulate innovation by connecting more deeply with people. Stories can transform people's perceptions

about what is possible and changed perceptions can change behaviour.

One example is led by Marilyn Reed, our eReferral Project Lead, who has been working with our partners at Hunter New England Local Health District to develop an innovative electronic referral process that will improve the communication and transfer of referral information between GPs and Specialists. This project is one example of how our PHN is helping clinicians attain the highest standards in performance, safety and quality.

Our Cancer Screening Project Officer tells how we partnered with Family Planning NSW to support Practice Nurses to undertake the Well Women's Cervical





“Without continual growth and progress, such words as improvement, achievement, and success have no meaning”.

Screening course. The course was conducted in response to low cervical screening rates within the New England and North West areas of our region. Ten Nurses participated in one off bespoke training designed to increase capacity within the general practice workforce. These nurses are now working out in our rural communities improving the rates of cervical screening. This project illustrates how we are improving patient journeys by supporting primary care clinicians to deliver services that help patients avoid hospital care and promote self-care.

Another impressive innovation from the past year has been Peoplebank, our new online consultation platform. Kevin Rigby,

our Strategic Relationships and Initiatives Manager describes how Peoplebank allows us to hear from many more community members across our region encouraging them to join in the conversation about better ways to improve local health. Peoplebank is an important part of our efforts to improve better access to primary health care by consulting with our community about what works, and also what needs to change.

The true benefits of Peoplebank were highlighted when more than 500 online responses were received during the development of our Regional Mental Health and Suicide Prevention Plan. This feedback was integral in helping us build a profile of the mental health and wellbeing of our community. It

has helped us to more accurately map current care pathways to determine where service gaps are. Our rapid growth has provided us with both challenges and opportunities. As Benjamin Franklin once said, “Without continual growth and progress, such words as improvement, achievement, and success have no meaning”.

As you read further stories from our staff on the following pages of this report it is clearly evident that the last year has been one of improvement, achievement and success. As Chair, I would like to express my thanks to my fellow Board Directors, our Executive and our staff for their hard work, professionalism and passion over the past year.



## CEO'S REPORT

**Over the past year we have worked hard to consolidate the foundations laid down in our inaugural year. We have learnt from our experience in successfully transitioning the services delivered by Medicare Locals and significantly increased the range of services offered across our region. We now contract more than fifty providers to deliver a diverse range of primary care services that include mental health, drug & alcohol, Aboriginal health, after hours care, rural allied health, health screening and immunisation.**

A key to our success in managing this large increase in providers and contracts has been a clear commitment to a planned and consultative approach. The commissioning framework we have adopted is based on the Quadruple Aim approach and this is helping us develop a culture of collaboration and partnership between the PHN and providers in our region.

While commissioning is a key function of the PHN it is not the only role we play and over the past year we have undertaken a range of other initiatives that are improving the primary care sector across our region.

A key initiative resulting from our commissioning work has been

an investment of resources to improve the capacity of our local health systems to deliver effective, evidence based treatment and support for patients, particularly in the areas of mental health and Aboriginal health.

We continue to support general practices and allied health providers with a dedicated team of Practice Support and Development Officers. In partnership with practices we are working on quality improvement processes and of the 427 general practices in our region over half have signed data sharing agreements. Over 4 000 clinicians attended one of our continuing education programs and the dedicated education section of our website was viewed over 20,000 times.

Our support for innovation in health care has seen the development of our Innov8 program which has been designed to foster health development initiatives to improve local health outcomes. In workforce development we have had significant success in addressing workforce shortages on the Central Coast Peninsula area.

Of course a key focus for us remains clinical engagement. This year we introduced a stakeholder engagement framework that has allowed us to effectively engage primary care clinicians to ensure their insight is included at all levels of our decision-making processes.

On the following pages we only have room to provide a snapshot of the great work our dedicated staff are undertaking. It is also important to acknowledge that none of these achievements would happen without the great support provided by our corporate services team. As CEO I am justifiably proud of the opportunities our whole team is creating across our region for people and communities to improve their health.





## OUR BOARD

### Ms Jane Schwager AO - Chair

Jane Schwager AO has led both government departments and national non-profit organizations in both the Health and Welfare areas. Jane currently serves as a member of the Defence Honours and Awards Appeals Tribunal (DHAAT) and the NSW Civil and Administrative Tribunal (NCAT) and is a nationally accredited mediator. In addition to her role as Chair of HNECC PHN she is a Director of Teachers TV, the National Foundation for Medical Research and Innovation, Campbell Page Ltd and Maji Zima, a charity working with poor communities in Kenya. From 2003-2007 she was a Director of the Taxation Board of Australia and Chair of the working party reviewing the draft legislation

on the definition of 'Charity'. She was also a member of the 2000 Commonwealth Government Social Welfare Reference Group responsible for the groundbreaking review of the Australian welfare system. She has previously served on the Boards of the Aboriginal and Torres Strait Islander Health Practice Board of Australia, Nonprofit Australia, Social Ventures Australia, Indigenous Festivals of Australia, The Croc Festival Foundation, The Benevolent Society, Home Hospice and the Sydney Children's Choir.

She was the CEO of The Benevolent Society from 1995 to 2003, a national innovative nonprofit where she led the

establishment of a number of new social initiatives including Sydney Leadership and Social Ventures Australia. Jane has previously worked in the NSW Departments of Health, Community Services, Ageing and Disability and Treasury. She was the Director General of the NSW Department of Ageing and Disability and Executive Director of the NSW Social Policy Directorate.

Jane has consulted widely with community groups and indigenous communities across Australia, particularly across Western and North western NSW.

# OUR BOARD

## Dr David Briggs

Dr David Briggs has a Bachelor of Health Administration, a Masters of Health Management, PhD (UNE) and an honorary Doctorate in Public Health (Naresuan University, Thailand). He is a Fellow of the Australasian College of Health Service Management, a Foundation Fellow of the Hong Kong College of Health Service Executives, Adjunct Associate Professor, Rural Medical School and the School of Health, University of New England and Editor, Asia Pacific Journal of Health Management.

David has extensive senior management experience in the public health sector, which includes Chair, New England Medicare Local, CEO of a large Area Health Service, General Manager of a District Health Service, and CEO of a 300 bed acute regional referral hospital, as well as extensive experience in both rural and community health services and in the accreditation of health and aged care services. His consultancy, research and publications include work in the health sector, most recently in primary health care, in the Asia Pacific as well as Australia.

## Dr Grahame Deane AM

Dr Grahame Deane is a rural procedural general practitioner with over 30 years' experience in rural general practice (MBBS, DACOG, FRACGP, FACRRM, DRANZCOG (Advanced)).

Grahame has had vast experience as a Board Director including over 15 years as a director on the Barwon Division of General practice (10 years as Chair), 10 years as a director on the NSW Rural Doctors Network (3 years as Chair), a past director of the Australian Rural Workforce Agency Group, and a past director of Gunnedah Rural Health. Grahame was the inaugural recipient of the Dr Aloizos Medal for Outstanding Individual Contribution to the Divisions Network (National), and was the recipient of the RDAA Australian Rural Doctor of the Year (2011).

## Mr Michael DiRienzo

Mr Michael DiRienzo is the Chief Executive of Hunter New England Health. He is responsible for all services across the district from small rural community health centres to major tertiary referral hospitals. With over 15,500 staff and an expenditure budget of \$1.8 billion per annum, Hunter New England Health provides services to a community of more than 850,000 people across an area of 130,000 square kilometres.

## Dr Belinda Guest

Dr Belinda Guest is a general practitioner (BMed, BMedSc (Hons), DCH, FRACGP, GAICD). Belinda is currently a director of General Practice Training Valley to Coast and a member of the RACGP National Standing Committee for GP Advocacy and Support.

As a GP in the Newcastle region, Belinda supervises Registrars, PGPPP doctors and medical students. She was previously Chairperson for General Practice Registrars Australia and understands the powerful role that primary health care can play in improving the health of communities.

## Mr Graham McGuinness OAM

Graham McGuinness has a Bachelor of Health Administration degree, Post Graduate Diploma in Personnel Management & Industrial Relations and is a past President and current Fellow of the Australian College of Health Service Executives.

Graham has had vast Board Director and consultancy experience at the executive level, over 50 years' experience in the healthcare industry and is passionate about the delivery of the Central Coast's healthcare/hospital system. Graham is currently on the Board of the Central Coast Local Health District, Chair of the Central Coast Community Care Association (an aged care organisation), Chair of Employment & Training Australia, (a Central Coast Training organisation) and a Director of the Central Coast Hospice, Palliative Care Foundation, Regional Development Australia, PACE Limited and Salvation Army Regional Advisory Board. He was a past CEO of the Central Coast Area Health Service.



## Mrs Elizabeth Ward

Mrs Elizabeth Ward is a Physiotherapist and Hand Therapist and is currently the Practice Principal of Coastal Physiotherapy Clinic/ Coastal Hand Clinic. She has previously been Deputy Physiotherapist in Charge Central Coast Area Health Service (1985-1995), Vice President of the Australian Hand Therapy Association (AHTA) (2006-2010), Chair of the AHTA Research Subcommittee and Scholarship Committee (2006-2010), Chair of the AHTA Governance Committee (2010-2014), and was Conferred Life Membership of the AHTA in 2014.

Elizabeth holds a Bachelor of Science (UNSW), Post Graduate Diploma of Physiotherapy (USyd), Master of Public Health (USyd) majoring in health care management and health promotion, Master of Health Science (USyd), and has satisfied the requirements for Graduate Membership of the Australian Institute of Company Directors.

## Dr Trent Watson

Dr Trent Watson is a dietitian with doctoral qualifications (BHSC (N&D), PhD, APD, GAICD). He is the CEO of Ethos Health, a multidisciplinary allied health business based in Newcastle and the Hunter region.

Trent brings 20 years' experience in finding new ways to integrate the knowledge, skills and resources of allied health professionals and smart technology into medical practice to improve access, efficiencies and equity in health care, and improve quality, safety, performance and accountability of health care services.

## Dr Andrew Montague

Dr Andrew Montague is Chief Executive of Central Coast Local Health District. Dr Montague has extensive clinical and senior management experience within the health sector in both QLD and NSW. He was previously the Executive Director Operations for Northern Sydney Local Health District, where he also acted as the Chief Executive for an extended period.

Dr Montague studied medicine at the University of New South Wales and has a Masters in Health Administration from the University of NSW. He is a fellow of both the Royal Australian College of General Practitioners and the Royal Australasian College of Medical Administrators. He has held the roles of Director of Medical Services, Mercy Health and Aged Care Central Queensland; Deputy Director of Medical Services, Royal North Shore Hospital and Director of Medical Services Northern Beaches Health Service.'

## Mr Anthony Ashby

Mr Anthony Ashby is a Chartered Accountant, Registered Company Auditor and has over 20 years domestic and international experience in public accounting (CA, RCA, B.Comm), with industry specialisation within the NFP and NGO sectors.

Anthony's accounting business provides a mix of assurance, taxation, accounting and consulting services to his diverse client base which includes those within the health sector.

Anthony is an experienced Board Director, serving on numerous Boards including; Indigenous Business Australia, Indigenous Land Corporation and National Centre of Indigenous Excellence.

## Mr Bradley Twynham

Mr Bradley Twynham is a Technology Entrepreneur and Innovator, Strategy Consultant and Investor/Board Director with over 25 years working and consulting in the areas of enterprise technology adoption and enterprise operating model transformation. Integrated Patient Care, Health Data Analytics and Patient Engagement have been a major area of focus over the last 3 years.

Bradley has successfully started and built technology companies and has also acted in roles ranging from CEO to Corporate Development to Technology Strategy Consulting. Currently an investor in a number of companies focused on preventative health care, he resides on a number of Boards and acts as a Board Advisor.

Bradley is also a member of the Central Coast Medical Precinct Task Force which is a Federal Government Initiative focused on the Economic Development of the Central Coast Region, and is a Board Member of the Central Coast Montessori Primary School. Brad is a member of The Institute of Company Directors and Director Institute and also holds a number of International Memberships with Information Technology and Health Care Technology working groups and think tanks.

# OUR YEAR OUR NUMBERS



**\$36 Million** commissioned to service providers 86 service contracts



**454 general practices** engaged with 55% providing health data



**17 Innovated primary care initiatives funded** –eg Mayfield Medical Connection has established GP services for homeless people in Newcastle with a weekly service at the Matthew Talbot homeless facility



**312 Continuing Professional courses delivered to over 4000 clinicians** across the region



**50 training Scholarships provided to local Aboriginal people** in primary health and drug & alcohol



**Over 500 completed online surveys** for the Mental Health and Suicide Prevention Needs Assessment via our online community engagement portal Peoplebank



**Over 600 clinicians accessing HealthPathways** to view more than 320 localised clinical pathways



# OUR YEAR - OUR STORIES



## Marilyn Reed

eHealth Project Officer HNE  
eReferral Solution

With our partners at the Hunter New England Local Health District we are working to develop an electronic referral process that will improve the communication and transfer of referral information between GPs and Specialists.

Currently in our region 28 practices are trialling an eReferral process that will:

- reduce time waiting from referral to appropriate care
- address appropriateness of referrals by alignment with HealthPathways agreed referral criteria
- improve the communication of standard demographic and clinical information;
- be embedded into existing clinical workflows in both general practice and speciality services for ease of use

The e-Referral solution is being phased in over a three year period using an iterative approach to allow ongoing improvement.

A key achievement of the project has been reducing rejection rate of referrals for the LHD's Referral Information Management System (RIMS) from 15% to less than 1%. With RIMS receiving around 150 000 documents in 2016 it is very easy to see that the potential savings eReferral offers our local health system is enormous.



## John Manton

Aboriginal Health Manager  
- Aboriginal Health and  
Wellbeing Needs Assessment

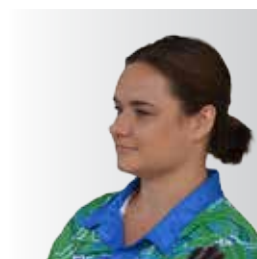
There are many factors that contribute to the disproportionate burden of disease experienced by Aboriginal people.

In the past year we completed an Aboriginal Health Needs Assessment to identify local health priorities and guide the activities of the PHN to achieve better health outcomes for Aboriginal communities across our region.

A key finding from our assessment was a call from our local Aboriginal workforce to improve the capacity of primary care providers to deliver evidence based treatment and support that is culturally safe.

In response our Aboriginal health team has been working with stakeholders and providers to improve their understanding of the role culture and social context plays in improving the of health Aboriginal people.

As a result we are confident that service integration across our region will improve and better coordination will lead to more effective primary care services that will help close the gap in health disadvantage.



## Miranda Halliday

Drug and Alcohol Policy  
and Planning Officer, Drug &  
Alcohol Treatment Services

PHNs have been tasked to plan and commission drug and alcohol treatment services in the primary care sector.

In the past year we have undertaken a regional needs-based assessment that has allowed us to identify priorities for drug and alcohol treatment in our region.

Key issues identified were:

- increasing service delivery capacity for vulnerable populations
- Increased pre & post residential drug and alcohol treatment support services
- Increased treatment and support for people identified as experiencing co-occurring harmful substance use and mental illness
- Increased service delivery capacity of the ACCHOs

As a result of our priority identification we've commissioned the following services

- 1260 new treatment places
- 6 new Drug and Alcohol Services
- 20 additional residential beds
- New Aboriginal Withdrawal Management Services
- More Supported Aftercare Programs



**Kevin Rigby**  
Strategic Initiatives &  
Relationship Manager,  
Peoplebank

Our community advisory committees play an important role in helping us understand the health issues affecting people across our large and diverse region. Committee members give us suggestions on how health and wellness might be improved; what they think is working and what is not.

Of course it is not possible for us to have a community advisory committee in every town across our region. This is where Peoplebank plays an important role. Peoplebank is an online consultation platform we introduced during the year to allow us to hear from many more community members across our region and let them join in the conversation about improving local health. Peoplebank is an important part of our efforts to improve local health outcomes and to consult about what works, and also what needs to change.

The true benefits of Peoplebank were highlighted when more than 500 online responses were received during the development of our Regional Mental Health and Suicide Prevention Plan. This feedback was integral in helping us build a profile of the mental health and wellbeing of our community. It has helped us to more accurately map current care pathways to determine where service gaps are and to identify barriers that are preventing access to care.

We encourage anyone living in our region to register with Peoplebank by visiting <http://peoplebank.hnecphn.com.au>



**Evan Morris**  
HealthPathways Officer,  
HealthPathways

HealthPathways is an online health information portal for GPs and other primary health clinicians, that is used at the point of care. It provides information on how to assess and manage medical conditions, and how to refer patients to local specialists and services in the most timely way.

As HealthPathways is a dynamic collaboration between local primary health care clinicians and the Local Health District there are separate portals for both the Hunter New England and Central Coast regions.

Our region was the first area in Australia to introduce HealthPathways and we continue to lead the country in implementing the program into clinical practice. There are currently 262 localised pathways in the HNE region and 206 on the Central Coast.

In the past year we have successfully expanded the reach of HealthPathways into the rural areas of our region. HealthPathways utilisation in the New England area has increased significantly with HealthPathways site traffic increasing by more than 50% and a 10% increase in new users.



**Kath Duggan**  
Cancer Screening Project  
Officer, Improving Cervical  
Cancer Screening

In the past year we partnered with Family Planning NSW to support Practice Nurses to undertake the Well Women's Cervical Screening course. The partnership was instigated in response to low cervical screening rates within the New England and North West areas of our region.

Ten Nurses participated in one off bespoke training to increase capacity within the general practice workforce. Following the completion of the training, the nurses became qualified to undertake cervical screening and work towards addressing low rates of cervical screening.

Population-based cancer screening programs lead to early detection of cancer in asymptomatic individuals and enables treatment at earlier stages of disease and results in a subsequent reduction in illness and mortality. By increasing workforce skill and capacity we are hopeful we will see an increase in cervical screening participation rates.

Removing barriers to cancer screening by improved access to quality health services will help us to achieve our vision of healthier people and healthier communities.





### **Catherine Turner**

Executive Manager Quality  
Commissioning & Improvement  
- Hunter New England Central  
Coast Mid North Coast  
Research Hub

This year our region's strength in innovative research was rewarded when we were chosen by the National Health and Medical Research Council (NHMRC) to become a Centre for Innovation in Regional Health (CIRH). One of only two such centres in the country.

The healthcare research and innovation hub will align clinicians with health and medical researchers and support the translation of research so it drives clinical innovation across regional and rural communities in NSW.

Joining the PHN as members of the research hub are; the Hunter New England, Central Coast and Mid North Coast Local Health Districts, the Universities of Newcastle and New England, Hunter Medical Research Institute and the Calvary Mater Newcastle Hospital. The Hub's footprint comprises six per cent of the Australian population and ten per cent of Australia's Aboriginal and Torres Strait Islander population.

The Hub is an exciting opportunity for us to develop innovative solutions to improve health care equity in our region by bringing together and integrating biomedical research, population health prevention strategies and healthcare provision.



### **Leah Eddy**

Mental Health Stepped Care  
& Services Integration Officer,  
Mental Health programs

Over the past year we have been working with GPs, psychologists, nurses, allied health providers, mental health services, those with lived experience and local communities to deliver a broad range of mental health programs that focus on safe, effective, quality mental health care service delivery.

In 2016-17 more than 30 000 occasions of service were delivered across a variety of programs including:

- Primary Health Network Mental Health Service (PHNMHS)
- Mental Health Nurse Incentive Program (MHNIP)
- headspace
- Aboriginal specific programs
  - o Peer Navigation
  - o Care Coordination
  - o Counselling
  - o Group program
- Suicide prevention
  - o Comprehensive Suicide Prevention Service (CSPS)
  - o Farmlink
  - o Lifespan
- Aboriginal Suicide Prevention
  - o Family Wellbeing Program
  - o Identity with Integrity
  - o We Yarn
  - o Suicide Preparedness and Postvention



# FINANCIAL REPORTS

STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME

STATEMENT OF FINANCIAL POSITION

DIRECTORS' DECLARATION

INDEPENDENT AUDIT REPORT



## Statement of Profit or Loss and Other Comprehensive Income

### For the Year Ended 30 June 2017

		2017	2016
	Note	\$	\$
Grant revenue		42,431,021	29,160,616
Other income	4	140,973	528,177
Interest income		379,630	182,154
Program services expense		(32,945,908)	(21,975,220)
Employee benefits expense		(7,248,795)	(5,525,975)
Other operating expenses		(972,513)	(483,466)
Software expenses		(400,407)	(340,692)
Occupancy costs		(319,038)	(295,261)
Board expenses		(253,277)	(235,566)
Depreciation and amortisation expense		(175,167)	(222,774)
Motor vehicle expenses		(177,834)	(166,290)
Capital expenditure		(176,119)	(134,064)
Sponsorship expenses		(126,000)	(62,500)
Travel and accommodation expenses		(218,430)	(113,477)
<b>(Deficit)/surplus before income tax</b>		<b>(61,864)</b>	315,662
Income tax expense	2(e)	-	-
<b>(Deficit)/surplus for the year</b>		<b>(61,864)</b>	315,662
Other comprehensive income		-	-
<b>Total comprehensive (loss)/income for the year</b>		<b>(61,864)</b>	315,662

The accompanying notes form part of these financial statements.

## Statement of Financial Position

As At 30 June 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	17,958,391	9,286,453
Trade and other receivables	7	160,887	722,797
Other assets	9	315,718	136,333
<b>TOTAL CURRENT ASSETS</b>		<b>18,434,996</b>	<b>10,145,583</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	91,198	353,586
<b>TOTAL NON-CURRENT ASSETS</b>		<b>91,198</b>	<b>353,586</b>
<b>TOTAL ASSETS</b>		<b>18,526,194</b>	<b>10,499,169</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	3,567,134	1,373,224
Borrowings	11	54,986	76,976
Employee benefits	12	401,227	235,562
Other financial liabilities	13	14,131,857	8,364,026
<b>TOTAL CURRENT LIABILITIES</b>		<b>18,155,204</b>	<b>10,049,788</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	11	-	54,986
Employee benefits	12	117,192	78,733
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>117,192</b>	<b>133,719</b>
<b>TOTAL LIABILITIES</b>		<b>18,272,396</b>	<b>10,183,507</b>
<b>NET ASSETS</b>		<b>253,798</b>	<b>315,662</b>
<b>EQUITY</b>			
Accumulated surplus		253,798	315,662
<b>TOTAL EQUITY</b>		<b>253,798</b>	<b>315,662</b>

The accompanying notes form part of these financial statements.



## Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 to 24, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Australian Accounting Standards; and the *Australian Charities and Not-for-Profits Commission Act 2012*; and
  - (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the entity.
2. In the Directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .....



Mr Michael DiRienzo

Director .....



Ms Jane Louise Schwager AO

Dated: 16/10/17

## INDEPENDENT AUDIT REPORT

### TO THE MEMBERS OF HNECC LIMITED

#### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report, being a general purpose financial report, of HNECC Limited, which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration

In our opinion, the accompanying financial report of HNECC Limited is in accordance with the Corporations Act 2001 and the Australian Charities and Not-for-Profits Commission Act 2012, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended on that date in accordance with the accounting policies described in Note 2; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 2 and comply with the Corporations Regulations 2001.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of Division 60 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

PKF(NS) Audit & Assurance Limited  
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Standards Legislation

Sydney  
Level 8, 1 O'Connell Street  
Sydney NSW 2000 Australia  
GPO Box 5446 Sydney NSW 2001

p +61 2 8346 6000  
f +61 2 8346 6099

Newcastle  
755 Hunter Street  
Newcastle West NSW 2302 Australia  
PO Box 2368 Dangar NSW 2309

p +61 2 4962 2688  
f +61 2 4962 3245

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## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PKF



MARTIN MATTHEWS

PARTNER

16 OCTOBER 2017

NEWCASTLE, NSW

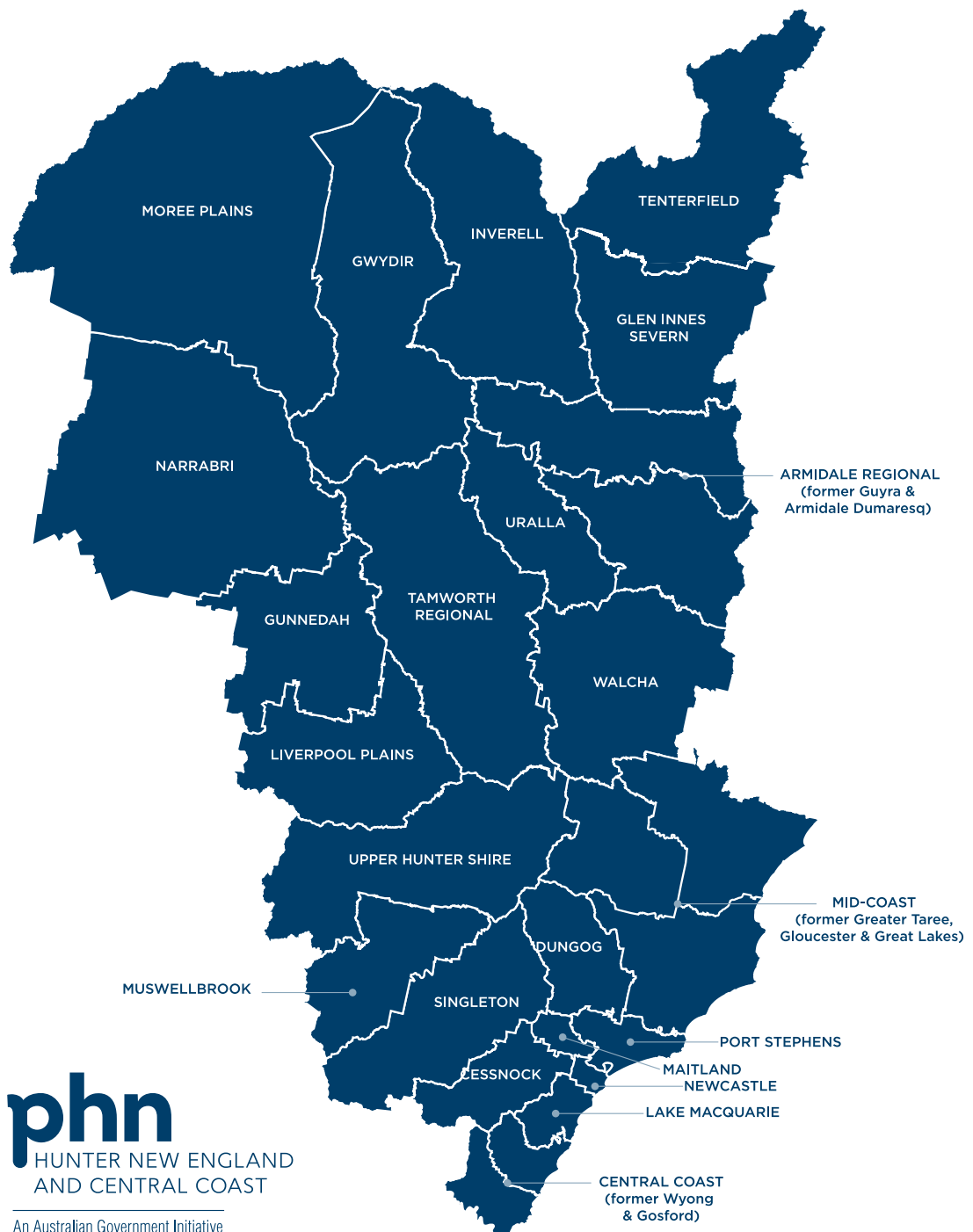












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AND CENTRAL COAST  
An Australian Government Initiative

PO Box 2288 Dangar NSW 2309

**P** 1300 859 028  
**E** [info@hneccphn.com.au](mailto:info@hneccphn.com.au)

[hneccphn.com.au](http://hneccphn.com.au)

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