

MALDON HOSPITAL FINANCE REPORT

Partnering with the Community

2016



MALDON HOSPITAL

Partnering with the Community

Finance Report 2016

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Report of Operations - Financial

The information contained on this page does not form part of the audited financial results for the year ended 30 June 2016 but is based on information contained within the audited statements.

Summary of Financial Results For the Financial Year ended 30 June 2016

	2016 \$	2015 \$	2014 \$	2013 \$	2012 \$
Total Revenue	4,568,865	4,613,971	4,367,844	3,810,005	3,973,473
Total Expenses	4,588,707	4,910,710	4,277,956	4,365,830	4,118,363
Net Result for the year (inc Capital & Specific Items)	(19,842)	(296,739)	89,888	(555,825)	(144,890)
Retained Surplus/Accumulated Deficit)	876	(78,969)	217,770	127,882	683,707
Total assets	16,209,160	16,014,851	16,750,179	11,683,384	10,862,443
Total Liabilities	4,242,065	4,027,914	4,466,503	3,069,631	2,319,943
Net Assets	11,967,095	11,986,937	12,283,676	8,613,753	8,542,500
Equity	11,966,219	12,065,906	12,065,906	8,485,871	7,858,793

Significant Changes in Financial Position

The Cash and Cash Equivalent/Investments balances held by Maldon Hospital increased during the year by \$513,939. This increase was as due to the receipt of a significant bequest and an increase in accommodation bonds from last.

Maldon Hospital is striving to achieve operating surpluses on an ongoing basis to ensure the organisation can generate the cash needed to meet operating and capital investment requirements into the future.

Operational and Budgetary Objectives and Factors Affecting Performance

Like all Health Services, Maldon Hospital is required to negotiate a Statement of Priorities with the Department of Health & Human Services each year. This document is a key accountability agreement between Maldon Hospital and the Minister for Health & Human Services. It recognises that resources are limited and that the allocation of these scarce resources needs to be prioritised. The Statement incorporates both system-wide priorities set by the Government and locally generated agency-specific priorities.

The Board aimed for a breakeven result before capital items and depreciation in the Statement of Priorities for the 2015/16 financial year. The financial result before capital items and depreciation for the 2015/16 year was a surplus of \$45,699, this is consistent with the previous year's surplus result of \$45,787. Both the organisation and the Department of Health & Human Services focus on the result before capital and depreciation, as depreciation is not a funded item. Funding for capital redevelopment and major equipment purchases are sourced from the Government; such funding is allocated according to need and after consideration of a supporting submission.

Financial sustainability performance

SOP Measure	Target	2015-16 actual
Finance		
Annual Operating Result (\$m)	\$0	\$0.046
Creditors	<60 days	37.35 days
Debtors	<60 days	9.30 days

Events Subsequent to Balance Date

There have been no events subsequent to balance date that will have a significant effect on the operations of the of the health service in subsequent years.

Details of Consultancies (under \$10,000)

In 2016/17, there were no consultancies where the total fees payable to the consultants were under \$10,000.

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

In 2016/17, there were no consultancies where the total fees payable to the consultants were \$10,000 or greater.

Details of Information and Communication Technology (ICT) Expenditure

The total ICT expenditure incurred during 2015-16 is \$147,228 (excluding GST) with the details shown below.

Business as Usual (BAU) ICT expenditure* \$	Non-Business As Usual (non-BAU) ICT expenditure* \$	Operational Expenditure* \$	Capital Expenditure* \$
\$147,228	0	\$115,655	\$31,573

*Figures exclude GST

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Maldon Hospital

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Maldon Hospital which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board member's, accountable officer's and chief finance & accounting officer's declaration.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Maldon Hospital as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
9 September 2016


f Dr Peter Frost
Acting Auditor-General

Maldon Hospital

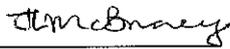
Board member's, accountable officer's and chief finance & accounting officer's declaration

The attached financial statements for Maldon Hospital have been prepared in accordance with Direction 4.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, and Australian Accounting Standards including Interpretations and other mandatory professional reporting requirements.

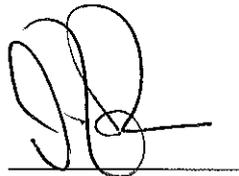
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transaction during the year ended 30 June 2016 and the financial position of Maldon Hospital at 30 June 2016

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.

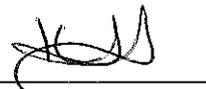
We authorise the attached financial statements for issue on this day.



Helen McBurney
Chairperson



Ian Fisher
Chief Executive Officer



Kerry Healy
Chief Finance & Accounting Officer

29th August 2016

29th August 2016

29th August 2016

Maldon Hospital
Comprehensive Operating Statement
For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue from operating activities	2	4,189,422	4,339,805
Revenue from non-operating activities	2	94,738	132,732
Employee expenses	3	(2,914,683)	(2,601,318)
Non salary labour costs	3	(121,848)	(160,756)
Supplies and consumables	3	(337,376)	(622,450)
Administration Expenses	3	(484,515)	(392,342)
Other expenses	3	(380,039)	(649,884)
Net result before capital and specific items		45,699	45,787
Capital purpose income	2	284,705	141,434
Depreciation	4	(328,133)	(421,017)
Expenditure for Capital Purpose	3	(22,113)	(62,943)
NET RESULT FOR THE YEAR		(19,842)	(296,739)

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

**Maldon Hospital
Balance Sheet
As at 30 June 2016**

	Note	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	5	1,526,571	4,605,272
Receivables	6	112,133	246,156
Investments and other financial assets	7	4,682,261	1,089,621
Inventory	8	305	0
Prepayments and Other assets	9	33,092	21,958
Total current assets		6,354,362	5,963,007
Non-current assets			
Receivables	6	233,471	282,050
Property, plant & equipment	10	9,621,327	9,769,794
Total non-current assets		9,854,798	10,051,844
TOTAL ASSETS		16,209,160	16,014,851
Current liabilities			
Payables	11	232,977	173,242
Provisions	12	664,617	715,686
Other current liabilities	14	3,261,964	3,035,821
Total current liabilities		4,159,558	3,924,749
Non-current liabilities			
Provisions	12	82,507	103,165
Total non-current liabilities		82,507	103,165
TOTAL LIABILITIES		4,242,065	4,027,914
NET ASSETS		11,967,095	11,986,937
EQUITY			
Property, plant & equipment revaluation surplus	15a	8,075,640	8,075,640
Restricted specific purpose surplus	15a	0	99,687
Contributed capital	15b	3,890,579	3,890,579
Accumulated surpluses/(deficits)	15c	876	(78,969)
TOTAL EQUITY		11,967,095	11,986,937

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

Maldon Hospital
Statement of Changes in Equity
For the Year Ended 30 June 2016

	Note	Property, Plant & Equipment Revaluation Surplus \$	Restricted Specific Purpose Surplus \$	Contributions Capital \$	Accumulated Surpluses/ (Deficits) \$	Total \$
Balance at 1 July 2014		8,075,640	99,687	3,890,579	217,770	12,283,676
Net result for the year	15 (c)	0	0	0	(296,739)	(296,739)
Balance at 30 June 2015		8,075,640	99,687	3,890,579	(78,969)	11,986,937
Net result for the year	15 (c)	0	0	0	(19,842)	(19,842)
Transfer specific purpose funds ⁽ⁱ⁾	15 (c)	0	(99,687)	0	99,687	0
Balance at 30 June 2016		8,075,640	0	3,890,579	876	11,967,095

This Statement should be read in conjunction with the accompanying notes

(i) An aged specific purpose fund in relation to a one-off residential aged care grant was transferred to Accumulated Surpluses/(Deficits), along with a small historic endowment fund balance.

**Maldon Hospital
Cash Flow Statement
For the Year Ended 30 June 2016**

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating grants from government		3,299,079	3,429,205
Capital grants from government		20,501	36,814
Patient and resident fees received		926,301	863,573
Donations and bequests received		205,760	104,620
GST received from/(paid to) ATO		7,647	6,227
Other receipts		147,956	301,905
Total receipts		4,607,244	4,742,344
Employee expenses paid		(2,936,945)	(2,640,092)
Non salary labour costs		(82,660)	(87,512)
Payments for supplies & consumables		(341,098)	(883,306)
Other payments		(831,754)	(807,586)
Total payments		(4,192,457)	(4,418,496)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	16	414,787	323,848
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase / (Redemption) of Investments		(2,266,699)	1,757,106
Payments for non-financial assets		(179,171)	(155,758)
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		(2,445,870)	1,601,348
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		(2,031,083)	1,925,196
Cash and cash equivalents at beginning of financial year		2,569,179	643,983
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	5	538,096	2,569,179

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 Maldon Hospital for the period ending 30 June 2016. 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 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 Maldon Hospital on 29th August 2016.

(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 2016, and the comparative information presented in these financial statements for the year ended 30 June 2015.

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

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

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

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

- * 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.

(b) Basis of Accounting Preparation and Measurement (continued)

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, 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)).

Consistent with AASB 13 Fair Value Measurement, Maldon 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, Maldon 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, Maldon 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 Maldon Hospital's independent valuation agency.

Maldon 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.

(c) Reporting Entity

The financial statements include all the controlled activities of Maldon Hospital.

Its principal address is:
Chapel Street
Maldon VIC 3463

A description of the nature of Maldon 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

Maldon Hospital's overall objective is to be a thriving Health Service contributing to a happy and healthy community, as well as improve the quality of life to Victorians.

Maldon Hospital is predominately funded by accrual based grant funding for the provision of outputs.

(d) Principles of Consolidation

Intersegment Transactions

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

Jointly Controlled Assets or Operations

Interests in jointly controlled assets or operations are not consolidated by Maldon Hospital, but are accounted for in accordance with the policy outlined in Note 1(j) Assets.

The Loddon Mallee Health Alliance (the Alliance) has been accounted for using the Joint Operations method under AASB 11 Joint Arrangements.

(e) Scope and Presentation of Financial Statements

Fund Accounting

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

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

Activities classified as Services Supported by Health Services Agreement (HSA) are substantially funded by the Department of Health and Humans 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 Health Service's own activities or local initiatives and/or the Commonwealth.

Residential Aged Care Service

The Maldon Hospital Residential Aged Care Service operations are an integral part of Maldon Hospital and share its resources. An apportionment of buildings has been made based on the valuation dated 30th June 2014. The results of the two operations have been segregated based on actual revenue earned and expenditure incurred by each operation in Notes 2 and 3 to the financial statements.

(e) Scope and Presentation of Financial Statements (continued)

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 Maldon Hospital. 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 an unusual nature and amount such as specific income and expenses. The exclusion of these items is made to enhance matching of income and expenses so as to facilitate the comparability and consistency of results between years and Victorian Public Health Services. The 'Net Result Before Capital and Specific Items' is used by the management of Maldon Hospital, the Department of Health and Human Services and the Victorian Government to measure the ongoing operating performance of Health Services.

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, plant and equipment or intangible assets. It also includes donations of plant and equipment (refer note 1 (f)). Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided;
- 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 (j);
- Depreciation, as described in note 1 (g);
- Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalization threshold or doesn't meet asset recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

Balance sheet

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

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 dollar 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 Maldon Hospital and the income can be reliably measured. Unearned income at reporting date is reported as income received in advance.

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

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

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

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

Indirect Contributions from the Department of Health 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 05/2013.

Patient and Resident Fees

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

Donations and Other Bequests

Donations and bequests are recognised as revenue when received. If donations are for a special purpose, they may be appropriated to a surplus, such as 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 recognized when a fair value can be reliably determined and the services would have been purchased if not donated.

(g) Expense Recognition

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

Cost of goods sold

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

Employee expenses

Employee expenses include:

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

Defined contribution 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 Health Service to the superannuation plans in respect of the services of current Health Service staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

Employees of the Maldon Hospital are entitled to receive superannuation benefits and the Maldon 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 Maldon Hospital are disclosed in Note 13: 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 and 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)

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

	2016	2015
Buildings		
- Structure Shell Building Fabric	45 to 50 years	45 to 50 years
- Site Engineering Services and Central Plant	30 to 40 years	30 to 40 years
- Fit Out	20 to 25 years	20 to 25 years
- Trunk Reticulated Building Systems	20 to 25 years	20 to 25 years
Plant & Equipment	3 to 10 years	3 to 10 years
Motor Vehicles	8 years	8 years

Please note: the estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate. As part of the buildings valuation, building values were componentised and each component assessed for its useful life which is represented above.

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

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 1 (j) 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 its 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 comprehensive income

Other comprehensive income measure the change in 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:

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 determined after deducting from the proceeds the carrying value of the asset at that time.

Revaluation gains / (losses) of non-financial physical assets

Refer to Note 1(j) Revaluations of non-financial physical assets.

Net gain/ (loss) on financial instruments

Net gain/ (loss) on financial instruments includes:

- o realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- o impairment and reversal of impairment for financial instruments at amortised cost (refer to Note 1 (i)); and
- o 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 1 (j) Assets.

Other gains/ (losses) from other comprehensive income

Other gains/ (losses) include transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

(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 Maldon 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

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.

(i) Financial instruments (continued)

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.

Financial liabilities at amortised cost

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

Financial instrument liabilities measured at amortised cost include all of the Health Service's contractual payables, deposits held and advances received, and interest-bearing arrangements other than those designated at fair value through profit or loss.

(j) Assets

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the balance sheet.

Receivables

Receivables consist of:

- Contractual receivables, which includes 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 debts is recognised when there is objective evidence that the debts may not be collected and 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.

(j) Assets (continued)

Investments are classified in the following categories:

- Loans and receivables.

Maldon 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. Maldon 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.

Inventories

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

Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Inventories acquired for no cost or nominal considerations are measured at current replacement cost at the date of acquisition.

Property, plant and equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. 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 10 Property, plant and equipment.

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

Crown land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive 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.

(j) Assets (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 Maldon Hospital's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

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'.

Impairment of non-financial assets

All 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 reserve amount applicable to that same class of asset.

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

(j) 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 replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell.

Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Investments in joint operations

In respect of any interest in joint operations, Maldon 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.

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 Maldon Hospital assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit 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 debt 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.

(j) Assets (Continued)

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*.

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 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.

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.

(k) Liabilities (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 accrued days off 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

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.

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 related to employee expenses

Employee benefit on-costs, such as payroll tax, workers compensation, superannuation are recognised separately from provisions for employee benefits.

Superannuation liabilities

Maldon 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 contributions as they fall due.

(l) Equity

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.

(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 18) 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 the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the 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 for expenditure and contingent assets and liabilities are presented on a gross basis.

(p) AASBs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2016 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 2016, 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. Maldon Hospital has not and does not intend to adopt these standards early.

Standard/Interpretation ¹	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 <i>Financial Instruments</i>	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 Jan 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 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (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: <ul style="list-style-type: none"> • 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 Jan 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.

Standard/Interpretation ¹	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2014-1 <i>Amendments to Australian Accounting Standards [Part E Financial Instruments]</i>	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 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 15 <i>Revenue from Contracts with Customers</i>	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 Jan 2018	<p>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.</p> <p>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.</p>

Standard/Interpretation ¹	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	<p>Amends the measurement of trade receivables and the recognition of dividends.</p> <p>Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition.</p> <p>Dividends are recognised in the profit and loss only when:</p> <ul style="list-style-type: none"> • the entity's right to receive payment of the dividend is established; • it is probable that the economic benefits associated with the dividend will flow to the entity; and • the amount can be measured reliably. 	1 Jan 2017, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	<p>This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require:</p> <ul style="list-style-type: none"> • A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; • For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and • For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access). 	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified in AASB 15.

Standard/Interpretation ¹	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	1 Jan 2019	<p>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.</p> <p>Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>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.</p> <p>No change for lessors.</p>
AASB 2014-4 <i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation</i> [AASB 116 & AASB 138]	<p>Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to:</p> <ul style="list-style-type: none"> • 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; • prohibit the use of revenue-based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset. 	1 Jan 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.

Standard/Interpretation ¹	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> [AASB 10 & AASB 128]	<p>AASB 2014-10 amends AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates</i> 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:</p> <ul style="list-style-type: none"> • a full gain or loss to be recognised by the investor when a transaction involves a business (whether it is housed in a subsidiary or not); and • a partial gain or loss to be recognised by the parent when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. 	1 Jan 2016	The assessment has indicated that there is limited impact, as the revisions to AASB 10 and AASB 128 are guidance in nature.
AASB 2015-1 <i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle</i> [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]	<p>Amends the methods of disposal in AASB 5 <i>Non-current assets held for sale and discontinued operations</i>. Amends AASB 7 <i>Financial Instruments</i> by including further guidance on servicing contracts.</p>	1 Jan 2016	<p>The assessment has indicated that when an asset (or disposal group) is reclassified from ‘held to sale’ to ‘held for distribution’, or vice versa, the asset does not have to be reinstated in the financial statements.</p> <p>Entities will be required to disclose all types of continuing involvement the entity still has when transferring a financial asset to a third party under conditions which allow it to derecognise the asset.</p>
AASB 2015-6 <i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</i> [AASB 10, AASB 124 & AASB 1049]	The Amendments extend the scope of AASB 124 <i>Related Party Disclosures</i> to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 Jan 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.
AASB 2016-4 <i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i>	The standard amends AASB 136 <i>Impairment of Assets</i> to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities.	1 Jan 2017	The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 <i>Fair Value Measurement</i> is the same as the depreciated replacement cost concept under AASB 136.

(q) Category Groups

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

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

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

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

Other Services excluded from Australian Health Care Agreement (AHCA) (Other)

Comprises revenue/expenditure for services not separately classified above, including: Public Health Services including Laboratory testing, Blood Borne Viruses/ Sexually Transmitted Infections clinical services, Kooris liaison officers, immunisation and screening services, Drugs services including drug withdrawal, counselling and the needle and syringe program, Dental Health services, including general and specialist dental care, school dental services and clinical education. Disability services including aids and equipment and flexible support packages to people with a disability, Community Care programs including sexual assault support, early parenting services, parenting assessment and skills development, and various support services. Health and Community Initiatives also falls in this category group.

Note 2: Analysis of Revenue by Source

	Admitted Patients 2016 \$	RAC 2016 \$	Aged Care 2016 \$	Other 2016 \$	Total 2016 \$
Government Grant	1,157,953	1,762,513	246,394	0	3,166,860
Indirect contributions by Department of Health and Human Services	0	0	0	(44,489)	(44,489)
Patient & Resident Fees	70,655	813,403	42,242	0	926,300
Other Revenue from Operating Activities	4,438	10,710	3,006	122,597	140,751
Total Revenue from Operating Activities	1,233,046	2,586,626	291,642	78,108	4,189,422
Interest	0	0	0	94,738	94,738
Total Revenue from Non-Operating Activities	0	0	0	94,738	94,738
State Government Capital Grants	0	0	0	20,501	20,501
Capital Interest	0	58,444	0	0	58,444
Donations and Bequests	0	0	0	205,760	205,760
Total Capital Purpose Income	0	58,444	0	226,261	284,705
Total Revenue	1,233,046	2,645,070	291,642	399,107	4,568,865

	Admitted Patients 2015 \$	RAC 2015 \$	Aged Care 2015 \$	Other 2015 \$	Total 2015 \$
Government Grant	1,136,300	1,849,747	233,073	0	3,219,120
Indirect contributions by Department of Health and Human Services	0	0	0	121,857	121,857
Patient & Resident Fees	63,585	750,641	49,347	0	863,573
Loddon Mallee Rural Health Alliance	0	0	0	115,026	115,026
Other Revenue from Operating Activities	0	260	0	19,969	20,229
Total Revenue from Operating Activities	1,199,885	2,600,648	282,420	256,852	4,339,805
Interest	0	0	0	132,732	132,732
Total Revenue from Non-Operating Activities	0	0	0	132,732	132,732
State Government Capital Grants	0	0	0	36,814	36,814
Capital Interest	0	76,509	0	0	76,509
Donations and Bequests	0	0	0	28,111	28,111
Total Capital Purpose Income	0	76,509	0	64,925	141,434
Total Revenue	1,199,885	2,677,157	282,420	454,509	4,613,971

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.

Note 3: Analysis of Expenses by Source

	Admitted Patients	RAC	Aged Care	Other	Total
	2016	2016	2016	2016	2016
	\$	\$	\$	\$	\$
Employee Expenses	728,845	1,879,577	306,261	0	2,914,683
Non Salary Labour Costs	88,639	31,928	1,281	0	121,848
Supplies & Consumables	52,765	277,593	6,829	189	337,376
Administration Expenses	138,764	310,194	28,857	6,700	484,515
Other Expenses	79,790	178,100	15,906	106,243	380,039
Total Expenditure from Operating Activities	1,088,803	2,677,392	359,134	113,132	4,238,461
Expenditure for Capital Purposes	0	0	0	22,113	22,113
Depreciation & Amortisation (refer note 4)	0	0	0	328,133	328,133
Total other expenses	0	0	0	350,246	350,246
Total Expenses	1,088,803	2,677,392	359,134	463,378	4,588,707

	Admitted Patients	RAC	Aged Care	Other	Total
	2015	2015	2015	2015	2015
	\$	\$	\$	\$	\$
Employee Expenses	975,813	1,100,384	231,747	293,374	2,601,318
Non Salary Labour Costs	48,942	55,190	0	56,624	160,756
Supplies & Consumables	46,828	571,622	0	4,000	622,450
Administration Expenses	79,534	176,742	20,620	115,446	392,342
Other Expenses	175,468	389,930	45,492	38,993	649,884
Total Expenditure from Operating Activities	1,326,585	2,293,868	297,859	508,437	4,426,750
Expenditure for Capital Purposes	0	0	0	62,943	62,943
Depreciation & Amortisation (refer note 4)	0	0	0	421,017	421,017
Total other expenses	0	0	0	483,960	483,960
Total Expenses	1,326,585	2,293,868	297,859	992,397	4,910,710

Note 4: Depreciation

	2016 \$	2015 \$
Depreciation		
Buildings	273,642	288,431
Plant & Equipment	43,569	113,167
Motor Vehicles	6,964	19,419
LMRHA Joint Operation Depreciation	3,958	0
Total Depreciation	328,133	421,017

Note 5: 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.

	2016 \$	2015 \$
Cash on hand	750	750
Cash at bank	1,525,821	4,604,522
Total Cash and Cash Equivalents	1,526,571	4,605,272
Represented by:		
Cash for Health Service Operations (as per Cash Flow Statement)	538,096	2,569,179
Share of Net Cash of Joint Operation (refer Note 21)	2,922	272
Cash for Monies Held in Trust		
- Patient Trust Monies	9,949	8,190
- Accommodation Bonds	975,604	2,027,631
Total Cash and Cash Equivalents	1,526,571	4,605,272

Note 6: Receivables

	2016 \$	2015 \$
CURRENT		
Contractual		
Trade Debtors	4,809	102,394
Patient Fees	6,399	22,245
Accrued Investment Income	56,587	27,227
Accrued Revenue - Other	2,190	46,553
LMRHA Joint Operation Receivables	2,489	431
	72,474	198,850
Statutory		
GST Receivable	38,104	46,517
LMRHA Joint Operation GST Receivable	1,555	789
	39,659	47,306
TOTAL CURRENT RECEIVABLES	112,133	246,156
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	233,471	282,050
	233,471	282,050
TOTAL NON-CURRENT RECEIVABLES	233,471	282,050
TOTAL RECEIVABLES	345,604	528,206

(a) Movement in the Allowance for doubtful debts

There are no movements or balances in the allowance for doubtful debts for the current reporting period.

(b) Ageing analysis of receivables

Please refer to note 17(b) for the ageing analysis of contractual receivables.

(c) Nature and extent of risk arising from receivables

Please refer to note 17(b) for the nature and extent of credit risk arising from contractual receivables.

Note 7: Investments and other Financial Assets

	Capital Fund		Total	
	2016 \$	2015 \$	2016 \$	2015 \$
CURRENT				
Loans and receivables				
Term Deposit				
Aust. Dollar Term Deposits > 3 months	4,682,261	1,089,621	4,682,261	1,089,621
Total Current	4,682,261	1,089,621	4,682,261	1,089,621
TOTAL	4,682,261	1,089,621	4,682,261	1,089,621
Represented by:				
Health Service Investments	2,329,102	0	2,329,102	0
LMRHA Joint Operation Investments	76,748	89,621	76,748	89,621
Monies Held in Trust				
- Accommodation Bonds (Refundable Entrance Fees)	2,276,411	1,000,000	2,276,411	1,000,000
TOTAL	4,682,261	1,089,621	4,682,261	1,089,621

(a) Ageing analysis of investments and other financial assets

Please refer to note 17(b) for the ageing analysis of investments and other financial assets

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

Please refer to note 17(b) for the nature and extent of credit risk arising from investments and other financial assets

Note 8: Inventories

	2016 \$	2015 \$
Inventory	305	0
TOTAL INVENTORIES	305	0

Note 9: Prepayments and Other Assets

	2016 \$	2015 \$
CURRENT		
Prepayments	25,088	20,432
LMRHA Joint Operation Prepayments	8,004	1,526
TOTAL OTHER ASSETS	33,092	21,958

Note 10: Property, plant & equipment

(a) Gross carrying amount and accumulated depreciation

	Total 2016 \$	Total 2015 \$
Land		
Land at Fair Value	326,000	326,000
Total Land	326,000	326,000
Buildings		
Buildings Under Construction at cost	4,177	0
Buildings at Fair Value	9,538,089	9,463,221
Less Acc'd Depreciation	(560,560)	(286,918)
Total Buildings	8,981,706	9,176,303
Plant and Equipment		
Plant and Equipment at Fair Value	852,260	752,135
Less Acc'd Depreciation	(565,044)	(521,476)
LMRHA Joint Operation Plant and Equipment	3,059	6,522
Total Plant and Equipment	290,275	237,181
Motor Vehicles		
Motor Vehicles at Fair Value	132,846	132,846
Less Acc'd Depreciation	(109,500)	(102,536)
Total Medical Equipment	23,346	30,310
TOTAL	9,621,327	9,769,794

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

	Land \$	Buildings \$	Plant & Equipment \$	Motor Vehicles \$	Assets Under Construction \$	Total \$
Balance at 1 July 2014	326,000	9,454,000	286,815	44,729	-	10,111,544
Additions	0	10,734	122,343	5,000	-	138,077
Disposals	0	0	(58,810)	0	-	(58,810)
Depreciation (note 4)	0	(288,431)	(113,167)	(19,419)	-	(421,017)
Balance at 1 July 2015	326,000	9,176,303	237,181	30,310	0	9,769,794
Additions	0	74,868	100,126	0	4,177	179,171
LMRHA Joint Operation Asset Movement	0	0	495	0	0	495
Depreciation (note 4)	0	(273,642)	(47,527)	(6,964)	-	(328,133)
Balance at 30 June 2016	326,000	8,977,529	290,275	23,346	0	9,621,327

Land and buildings carried at valuation

An independent valuation of the Health Service's land and buildings was performed by *the Valuer-General Victoria* to determine the fair value of the land and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The Effective date of the valuation is 30 June 2014.

Note 10: Property, plant & equipment (continued)

(c) Fair value measurement hierarchy for assets

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				
Total of land at fair value	326,000	0	0	326,000
Buildings at fair value				
Total of building at fair value	8,977,529	0	0	8,977,529
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Vehicles	23,346	0	0	23,346
- Plant and equipment	290,275	0	0	290,275
Total of plant, equipment and vehicles at fair value	313,621	0	0	313,621
	9,617,150	0	0	9,617,150

30 June 2015	Carrying amount as at 30 June 2015	Fair value measurement at end of reporting period using:		
		Level 1 ⁽¹⁾	Level 2 ⁽¹⁾	Level 3 ⁽¹⁾
Land at fair value				
Total of land at fair value	326,000	0	0	326,000
Buildings at fair value				
Total of building at fair value	9,176,303	0	0	9,176,303
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Vehicles	30,310	0	0	30,310
- Plant and equipment	237,181	0	0	237,181
Total of plant, equipment and vehicles at fair value	267,491	0	0	267,491
	9,769,794	0	0	9,769,794

Note

⁽¹⁾ Classified in accordance with the fair value hierarchy, see Note 1
There have been no transfers between levels during the period.

Note 10: Property, plant & equipment (continued)

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

Non-specialised land, non-specialised buildings and artwork

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

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

For artwork, valuation of the assets is determined by a comparison to similar examples of the artists work in existence throughout Australia and research on price paid for similar examples offered at auction or through art galleries in recent years.

To the extent that non-specialised land, non-specialised buildings and artworks do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

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

Maldon Health 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 Maldon Health 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 (depreciation cost).

Plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2016.

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

Note 10: Property, plant & equipment (continued)

(d) Reconciliation of Level 3 fair value

30 June 2016	Land	Buildings	Plant and equipment	Motor Vehicles	Total
Opening Balance	326,000	9,176,303	237,181	30,310	9,769,794
Purchases (sales)	0	74,868	100,126	0	174,994
Transfers in (out) of Level 3	0	0	0	0	0
Gains or losses recognised in net result					
- Depreciation	0	(273,642)	(47,527)	(6,964)	(328,133)
- Disposals and Written Off Assets	0	0	0	0	0
- LMRHA Joint Operation Asset Movements	0	0	495	0	495
Closing Balance	326,000	8,977,529	290,275	23,346	9,617,150

30 June 2015	Land	Buildings	Plant and equipment	Motor Vehicles	Total
Opening Balance	326,000	9,454,000	286,815	44,729	10,111,544
Purchases (sales)	0	10,734	122,343	5,000	138,077
Transfers in (out) of Level 3	0	0	0	0	0
Gains or losses recognised in net result					
- Depreciation	0	(288,431)	(113,167)	(19,419)	(421,017)
- Disposals and Written Off Assets	0	0	(58,810)	0	(58,810)
- LMRHA Joint Operation Asset Movements	0	0	0	0	0
Closing Balance	326,000	9,176,303	237,181	30,310	9,769,794

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

	Valuation technique	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
Vehicles	Depreciated replacement cost	Cost per unit Useful life of vehicles

Note 11: Payables

	2016 \$	2015 \$
CURRENT		
Contractual		
Trade Creditors	48,671	38,673
LMRHA Joint Operation Payables	15,122	8,700
Accrued Expenses	78,092	75,077
LMRHA Accrued Expenses	1,552	2,317
	143,437	124,767
Statutory		
GST Payable	712	354
FBT Payable	1,730	2,956
Group Tax	43,652	45,165
Department of Health and Human Services Grant Recall	43,446	0
	89,540	48,475
TOTAL PAYABLES	232,977	173,242

(a) Maturity analysis of payables

Please refer to Note 17 (c) for the ageing analysis of contractual payables

(b) Nature and extent of risk arising from payables

Please refer to note 17 (c) for the nature and extent of risks arising from contractual payables

Note 12: Provisions

Current Provisions

Employee Benefits (i)

Annual leave

- Unconditional and expected to be settled wholly within 12 months (ii)
- Unconditional and expected to be settled wholly after 12 months (iii)

Long service leave

- Unconditional and expected to be settled wholly within 12 months (ii)
- Unconditional and expected to be settled wholly after 12 months (iii)

Accrued Days Off

- Unconditional and expected to be settled within 12 months (ii)

Accrued Salaries and Wages

- Unconditional and expected to be settled within 12 months (ii)

Provisions related to Employee Benefit On-Costs

- Unconditional and expected to be settled within 12 months (ii)
- Unconditional and expected to be settled after 12 months (iii)

Total Current Provisions

Non-Current Provisions

Long Service Leave

Long Service Leave related to employee benefit on-costs

Total Non-Current Provisions

Total Provisions

(a) Employee Benefits and Related On-Costs

Current Employee Benefits and related on-costs

Unconditional LSL Entitlement

Annual Leave Entitlements

Accrued Wages and Salaries

Accrued Days Off

Non-Current Employee Benefits and related on-costs

Conditional Long Service Leave Entitlements

Total Employee Benefits and Related On-Costs

(b) Movements in provisions

Movement in Long Service Leave:

Balance at start of year

Provision made during the year

- Revaluations
- Expense recognising Employee Service

Settlement made during the year

Balance at end of year

Notes:

(i) Provisions for employee benefits consist of amounts for 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 disclosed are nominal amounts

(iii) The amounts disclosed are discounted to present values

	2016 \$	2015 \$
Current Provisions		
Employee Benefits (i)		
Annual leave		
- Unconditional and expected to be settled wholly within 12 months (ii)	212,948	202,225
- Unconditional and expected to be settled wholly after 12 months (iii)	34,666	33,011
Long service leave		
- Unconditional and expected to be settled wholly within 12 months (ii)	53,087	10,913
- Unconditional and expected to be settled wholly after 12 months (iii)	212,354	299,614
Accrued Days Off		
- Unconditional and expected to be settled within 12 months (ii)	1,682	1,277
Accrued Salaries and Wages		
- Unconditional and expected to be settled within 12 months (ii)	56,159	88,654
	570,896	635,694
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled within 12 months (ii)	50,165	31,330
- Unconditional and expected to be settled after 12 months (iii)	43,556	48,662
	93,721	79,992
Total Current Provisions	664,617	715,686
Non-Current Provisions		
Long Service Leave	69,911	99,027
Long Service Leave related to employee benefit on-costs	12,596	4,138
Total Non-Current Provisions	82,507	103,165
Total Provisions	747,124	818,851
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and related on-costs		
Unconditional LSL Entitlement	313,269	355,956
Annual Leave Entitlements	285,418	269,651
Accrued Wages and Salaries	64,013	88,654
Accrued Days Off	1,917	1,425
	664,617	715,686
Non-Current Employee Benefits and related on-costs		
Conditional Long Service Leave Entitlements	82,507	103,165
	82,507	103,165
Total Employee Benefits and Related On-Costs	747,124	818,851
(b) Movements in provisions		
Movement in Long Service Leave:		
Balance at start of year	459,121	330,078
Provision made during the year		
- Revaluations	0	94,696
- Expense recognising Employee Service	20,209	46,824
Settlement made during the year	(83,554)	(12,477)
Balance at end of year	395,776	459,121

Note 13: Superannuation

Employees of the Health Service are entitled to receive superannuation benefits and the Health Services 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 & Finance discloses the State's defined benefits liabilities in its disclosure for administered items.

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Health Service.

The name, details and amounts expense in relation to the major employee superannuation funds and contributions made by the Health Services are as follows:

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2016 \$	2015 \$	2016 \$	2015 \$
(i) Defined benefit plans:				
First State Super	0	784	0	0
Defined contribution plans:				
First State Super	195,473	155,433	0	0
HESTA	50,413	41,989	0	0
Other	1,067	7,864	0	0
Total	246,953	206,070	0	0

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

Note 14: Other Liabilities

	2016 \$	2015 \$
CURRENT		
Monies Held in Trust*		
- Patient Monies Held in Trust	9,949	8,190
- Accommodation Bonds (Refundable Entrance Fees)	3,252,015	3,027,631
Total Other Liabilities	3,261,964	3,035,821
* Total Monies Held in Trust		
Represented by the following assets:		
Cash Assets (refer to Note 5)	985,553	2,035,821
Investment and other Financial Assets (refer to Note 7)	2,276,411	1,000,000
TOTAL	3,261,964	3,035,821

Note 15: Equity

	2016 \$	2015 \$
(a) Surpluses		
Property, Plant & Equipment Revaluation Surplus¹		
Balance at the beginning of the reporting period		
- Land	202,000	202,000
- Buildings	7,873,640	7,873,640
Revaluation Increment/(Decrements)	0	0
Balance at the end of the reporting period*	8,075,640	8,075,640
Represented by:		
- Land	202,000	202,000
- Buildings	7,873,640	7,873,640
- Plant and Equipment	0	0
	8,075,640	8,075,640
 (1) The property, plant & equipment asset revaluation surplus arises on the revaluation of property, plant & equipment.		
- Endowment Fund		
Balance at the beginning of the reporting period	840	840
Transfer to and from Restricted Specific Purpose Surplus	(840)	0
Balance at end of the reporting period	0	840
- Commonwealth Aged Care Funding		
Balance at the beginning of the reporting period	98,847	98,847
Transfer to and from Restricted Specific Purpose Surplus	(98,847)	0
Balance at the end of the reporting period	0	98,847
Balance at the end of the reporting period	0	99,687
Total Surpluses	8,075,640	8,175,327
(b) Contributed Capital		
Balance at the beginning of the reporting period	3,890,579	3,890,579
Balance at the end of the reporting period	3,890,579	3,890,579
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	(78,969)	217,770
Transfer to and from Restricted Specific Purpose Surplus	99,687	0
Net Result for the Year	(19,842)	(296,739)
Balance at the end of the reporting period	876	(78,969)
Total Equity at end of financial year	11,967,095	11,986,937

Note 16: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities

	2016 \$	2015 \$
Net result for the period	(19,842)	(296,739)
Non-cash movements:		
Depreciation and amortisation	328,133	421,017
Provision for doubtful debts	0	0
Share of Joint Operation Assets	(4,096)	2,828
Asset Stocktake Net Disposals/Write-Off	0	58,110
Movements in assets and liabilities:		
Change in operating assets and liabilities		
(Increase)/decrease in receivables	134,023	146,790
(Increase)/decrease in prepayments	(11,439)	2,866
Increase/(decrease) in payables	59,735	(45,495)
Increase/(decrease) in provisions	(71,727)	34,471
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	414,787	323,848

Note 17: Financial Instruments

(a) Financial risk management objectives and policies

Maldon Hospital's principal financial instruments comprise of:

- term deposits
- receivables (excluding statutory receivables)
- payables (excluding statutory payables)
- accommodation bonds

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, interest rate risk. The Health Service manages these financial risks in accordance with its financial risk management policy.

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

Categorisation of financial instruments

Details of each categories in accordance with AASB 139, shall be disclosed either on the face of the balance sheet or in the notes.

Note 17: Financial Instruments Continued

(a) Financial risk management objectives and policies (continued)

	Contractual financial assets - loans and receivables	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$
2016			
Contractual Financial Assets			
Cash and cash equivalents	1,526,571	0	1,526,571
Receivables			
- Trade Debtors	4,809	0	4,809
- Other Receivables	67,665	0	67,665
Other Financial Assets			
- Term Deposit	4,605,513	0	4,605,513
- LMRHA Joint Operation Investments	76,748	0	76,748
Total Financial Assets ⁽ⁱ⁾	6,281,306	0	6,281,306
Financial Liabilities			
Payables	0	143,437	143,437
Other Financial Liabilities			
- Accomodation bonds	0	3,252,015	3,252,015
- Other	0	9,949	9,949
Total Financial Liabilities ⁽ⁱⁱ⁾	0	3,405,401	3,405,401

	Contractual financial assets - loans and receivables	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$
2015			
Contractual Financial Assets			
Cash and cash equivalents	4,605,272	0	4,605,272
Loans and Receivables	198,851	0	198,851
Other Financial Assets	1,089,621	0	1,089,621
Total Financial Assets ⁽ⁱ⁾	5,893,744	0	5,893,744
Financial Liabilities			
Payables	0	124,767	124,767
Other Financial Liabilities			
- Accomodation bonds	0	3,027,631	3,027,631
- Other	0	8,190	8,190
Total Financial Liabilities ⁽ⁱⁱ⁾	0	3,160,588	3,160,588

(i) The total amount of financial assets disclosed here excludes statutory receivables

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

Note 17: Financial Instruments (continued)

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

	Interest Income	Total
	\$	\$
2016		
Financial Assets		
Cash and Cash Equivalents ⁽ⁱ⁾	41,083	41,083
Loans and Receivables	112,099	112,099
Total Financial Assets	153,182	153,182
2015		
Financial Assets		
Cash and Cash Equivalents ⁽ⁱ⁾	181,241	181,241
Loans and Receivables	28,000	28,000
Total Financial Assets	209,241	209,241

(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 movement in the fair value of the asset, 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;

(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 Maldon Hospital's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Note 17: Financial Instruments (continued)

(c) Credit risk (continued)

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

	Financial institutions (AA credit rating)	Government agencies (AAA credit rating)	Other (min BBB credit rating)	Total
	\$	\$	\$	\$
2016				
Financial Assets				
Cash and Cash Equivalents	0	0	1,526,571	1,526,571
Receivables				
- Trade Debtors	0	0	4,809	4,809
- Other Receivables (i)	0	0	67,665	67,665
Other Financial Assets				
- Term Deposits	1,653,741	1,500,000	1,451,772	4,605,513
- LMRHA Joint Operation Investments	0	0	76,748	76,748
Total Financial Assets	1,653,741	1,500,000	3,127,565	6,281,306
2015				
Financial Assets				
Cash and Cash Equivalents	2,747,025	0	1,858,247	4,605,272
Receivables				
- Trade Debtors	0	0	124,639	124,639
- Other Receivables	0	0	74,212	74,212
Other Financial Assets				
- Term Deposit TCV	0	1,000,000	0	1,000,000
- LMRHA Joint Operation Investments	0	0	89,621	89,621
Total Financial Assets	2,747,025	1,000,000	2,146,719	5,893,744

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

Note 17: Financial Instruments (continued)

(c) Credit risk (continued)

Ageing analysis of Financial Assets as at 30 June

	Carrying Amount	Not Past Due and Not Impaired	Past Due But Not Impaired				Impaired Financial Assets
			Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	
	\$	\$	\$	\$	\$	\$	\$
2016							
Financial Assets							
Cash and Cash Equivalents	1,526,571	1,526,571	0	0	0	0	0
Receivables							
- Trade Debtors	4,809	1,992	1,111	1,706	0	0	0
- Other Receivables	67,665	11,077	19,585	12,598	24,405	0	0
Other Financial Assets							
- Term Deposits	4,605,513	4,605,513	0	0	0	0	0
- LMRHA Joint Operation Investments	76,748	76,748	0	0	0	0	0
Total Financial Assets	6,281,306	6,221,901	20,696	14,304	24,405	0	0
2015							
Financial Assets							
Cash and Cash Equivalents	4,605,272	4,605,272	0	0	0	0	0
Receivables							
- Trade Debtors	124,639	96,117	21,386	5,538	1,598	0	0
- Other Receivables	74,212	74,212	0	0	0	0	0
Other Financial Assets							
- Term Deposit TCV	1,000,000	1,000,000	0	0	0	0	0
- LMRHA Joint Operation Investments	89,621	89,621	0	0	0	0	0
Total Financial Assets	5,893,744	5,865,222	21,386	5,538	1,598	0	0

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

(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 Services operates under the Government's fair payments policy of settling 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:

- Maximising interest rates, and
- Having better collection and payment processes.

There has been no significant change in Health Service's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from previous reporting periods.

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 17: Financial Instruments (continued)

(d) Liquidity risk (continued)

Maturity analysis of Financial Liabilities as at 30 June

	Carrying Amount \$'000	Nominal Amount \$'000	Maturity Dates			
			Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000
2016						
Financial Liabilities						
Payables	143,437	143,437	143,437	0	0	0
Borrowings	0	0	0	0	0	0
Other Financial Liabilities (i)						
- Accommodation Bonds	3,252,015	3,252,015	0	0	650,403	2,601,612
- Other	9,949	9,949	9,949	0	0	0
Total Financial Liabilities	3,405,401	3,405,401	153,386	0	650,403	2,601,612
2015						
Financial Liabilities						
Payables	124,767	124,767	124,767	0	0	0
Other Financial Liabilities (i)						
- Accommodation Bonds	3,027,631	3,027,631	0	0	3,027,631	0
- Other	8,190	8,190	8,190	0	0	0
Total Financial Liabilities	3,160,588	3,160,588	132,957	0	3,027,631	0

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

(e) Market risk

The Maldon 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 paragraph below.

Currency risk

Maldon 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 risk might arise primarily through the *Maldon Hospital's* interest bearing liabilities. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments. For financial liabilities, the health service mainly undertake financial liabilities 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 movement in interest rates on a daily basis.

Note 17: Financial Instruments (continued)

(e) Market risk (Continued)

Other price risk

The Health Service is exposed to price risk in respect of fee for service and contract services which are open to market competition. There has been no significant change in the Health Service's exposure, or its objectives, policies and processes for managing risk or the methods used to measure the risk from the previous reporting period.

Interest rate exposure of financial assets and liabilities as at 30 June

	Weighted Average Effective Interest Rate (%)	Carrying Amount \$'000	Interest Rate Exposure		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- Interest Bearing \$'000
2016					
Financial Assets					
Cash and Cash Equivalents	1.34	1,526,571	258,957	896,849	370,765
Receivables ⁽ⁱ⁾					
- Trade Debtors		4,809	0	0	4,809
- Other Receivables		67,665	0	0	67,665
Other Financial Assets					
- Term Deposits	2.47	4,605,513	4,605,513	0	0
- LMRHA Joint Operation Investments		76,748	76,748	0	0
		6,281,306	4,941,218	896,849	443,239
Financial Liabilities					
<i>At amortised cost</i>					
Payables ⁽ⁱ⁾		143,437	0	0	143,437
Borrowings		0	0	0	0
Other Financial Liabilities					
- Accommodation Bonds		3,252,015	0	0	3,252,015
- Other		9,949	0	0	9,949
		3,405,401	0	0	3,405,401
2015					
Financial Assets					
Cash and Cash Equivalents	1.90	4,605,272	3,554,630	510,642	0
Receivables ⁽ⁱ⁾					
- Trade Debtors		124,639	0	0	124,639
- Other Receivables		74,212	0	0	74,212
Other Financial Assets					
- Term Deposits	2.70	1,089,621	1,089,621	0	0
		5,893,744	4,644,251	510,642	198,851
Financial Liabilities					
<i>At amortised cost</i>					
Payables ⁽ⁱ⁾		124,767	0	0	124,767
Other Financial Liabilities					
- Accommodation Bonds		3,027,631	0	0	3,027,631
- Other		8,190	0	0	8,190
		3,160,588	0	0	3,160,588

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

Note 17: Financial Instruments (continued)

(e) 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, the Maldon Hospital believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from the Reserve Bank of Australia)

- A shift of +1% and -1% in market interest rates (AUD) from year-end rates of 6%
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2%
- A movement of 15% up and down (2015: 15 %) for the top ASX 200 index.

The following table discloses the impact on net operating result and equity for each category of financial instrument held by Maldon Hospital 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
	\$	\$	\$	\$	\$
2016					
Financial Assets					
Cash and Cash Equivalents	1,526,571	(15,266)	(15,266)	15,266	15,266
Receivables					
- Trade Debtors	4,809	0	0	0	0
- Other Receivables	67,665	0	0	0	0
Other Financial Assets					
- Term Deposits	4,605,513	(46,055)	(46,055)	46,055	46,055
- LMRHA Joint Operation Investments	76,748	(767)	(767)	767	767
Financial Liabilities					
Payables	143,437	0	0	0	0
Other Financial Liabilities					
- Accommodation bonds	3,252,015	0	0	0	0
- Other	9,949	0	0	0	0
		(62,088)	(62,088)	62,088	62,088
2015					
Financial Assets					
Cash and Cash Equivalents	4,605,272	(46,053)	(46,053)	46,053	46,053
Receivables ⁽ⁱ⁾					
- Trade Debtors	124,639	0	0	0	0
- Other Receivables	74,212	0	0	0	0
Other Financial Assets					
- Term Deposits	1,089,621	(10,896)	(10,896)	10,896	10,896
- LMRHA Joint Operation Investments	89,621	(896)	(896)	896	896
Financial Liabilities					
<i>At amortised cost</i>					
Payables	124,767	0	0	0	0
Borrowings	0	0	0	0	0
Other Financial Liabilities					
- Accommodation Bonds	3,027,631	0	0	0	0
- Other	8,190	(82)	(82)	82	82
		(57,927)	(57,927)	57,927	57,927

Note 17: Financial Instruments (continued)

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

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

Comparison between carrying amount and fair value

	Carrying Amount	Fair value	Carrying Amount	Fair value
	2016	2016	2015	2015
	\$	\$	\$	\$
Financial Assets				
Cash and Cash Equivalents	1,526,571	1,526,571	4,605,272	4,605,272
Receivables ⁽ⁱ⁾				
- Trade Debtors	4,809	4,809	124,639	124,639
- Other Receivables	67,665	67,665	74,212	74,212
Other Financial Assets				
- Term Deposits	4,605,513	4,605,513	1,000,000	1,000,000
- LMRHA Joint Operation Investments	76,748	76,748	89,621	89,621
Total Financial Assets	6,281,306	6,281,306	5,893,744	5,893,744
Financial Liabilities				
<i>At amortised cost</i>				
Payables	143,437	143,437	124,767	124,767
Other Financial Liabilities ⁽ⁱ⁾				
- Accommodation Bonds	3,252,015	3,252,015	3,027,631	3,027,631
- Other	9,949	9,949	8,190	8,190
Total Financial Liabilities	3,405,401	3,405,401	3,160,588	3,160,588

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

Note 18: Commitments for Expenditure

There are no known capital commitments for the Maldon Hospital as at 30 June 2016.

Note 19: Contingent Assets and Contingent Liabilities

There are no known contingent assets and contingent liabilities for the Maldon Hospital as at the date of this report.

Note 20: Operating Segments

	RAC		Acute		Other		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
REVENUE								
External Segment Revenue	2,586,626	2,600,648	1,233,046	1,199,885	291,642	282,420	4,111,314	4,082,953
Unallocated Revenues	0	0	0	0	304,369	321,777	304,369	321,777
Total Revenue	2,586,626	2,600,648	1,233,046	1,199,885	596,011	604,197	4,415,683	4,404,730
EXPENSES								
External Segment Expenses	(2,677,392)	(2,293,868)	(1,088,803)	(1,326,586)	(359,134)	(806,296)	(4,125,329)	(4,426,750)
Unallocated Expense	0	0	0	0	(463,378)	(483,960)	(463,378)	(483,960)
Total Expenses	(2,677,392)	(2,293,868)	(1,088,803)	(1,326,586)	(822,512)	(1,290,256)	(4,588,707)	(4,910,710)
Net Result from ordinary activities	(90,766)	306,780	144,243	(126,701)	(226,501)	(686,059)	(173,024)	(505,980)
Interest Income	58,444	76,509	0	0	94,738	132,732	153,182	209,241
Net Result for Year	(32,322)	383,289	144,243	(126,701)	(131,763)	(553,327)	(19,842)	(296,739)
OTHER INFORMATION								
Segment Assets	4,663,325	4,607,423	0	0	0	0	4,663,325	4,607,423
Unallocated Assets	0	0	0	0	11,545,835	11,407,428	11,545,835	11,407,428
Total Assets	4,663,325	4,607,423	0	0	11,545,835	11,407,428	16,209,160	16,014,851
Segment Liabilities	3,261,964	3,035,821	0	0	0	0	3,261,964	3,035,821
Unallocated Liabilities	0	0	0	0	980,101	992,093	980,101	992,093
Total Liabilities	3,261,964	3,035,821	0	0	980,101	992,093	4,242,065	4,027,914
Acquisition of Property, Plant and Equipment and Intangible Assets	0	0	0	0	179,171	158,762	179,171	158,762
Depreciation & Amortisation Expense	0	0	0	0	328,133	421,017	328,133	421,017

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

Business Segments	Services
Residential Aged Care Services (RACS)	Provider of residential aged care beds

Geographical Segment

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

During the year ending 30th June 2016, Maldon Hospital has refined its basis of allocations between its programs/segments.

Note 21: Jointly Controlled Operations and Assets

Name of Entity	Principal Activity	Country of Incorporation	Ownership Interest	
			2016 %	2015 %
Joint Operations				
<i>Loddon Mallee Rural Health Alliance</i>	Information Systems	Australia	1.44	1.39

Maldon Hospital's interest in assets employed in the above jointly controlled operations and assets is detailed below.
The amounts are included in the financial statements under their respective asset categories:

	2016 \$	2015 \$
Summarised balance sheet:		
Current Assets		
Cash and Cash Equivalents	2,922	272
Receivables	4,044	1,220
Other	85,057	91,147
Total Current Assets	92,023	92,639
Non-Current Assets		
Property Plant and Equipment	3,058	6,522
Total Non-Current Assets	3,058	6,522
Total Assets	95,081	99,161
Current Liabilities		
Payables	16,674	11,017
Total Current Liabilities	16,674	11,017
Total Liabilities	16,674	11,017
Share of Joint Operation's Net Assets	78,407	88,144
Summarised operating statement		
Revenues		
Operating Activities	122,579	115,026
Non-Operating Activities	0	0
Total Revenue	122,579	115,026
Expenses		
Information Technology and Administration Expenses	(106,243)	(97,772)
Non-Operating Activities	(26,071)	(4,132)
Total Expenses	(132,314)	(101,904)
Net Result	(9,735)	13,122

Contingent Liabilities and Capital Commitments

There are no contingent liabilities or capital commitments arising from the interest in joint operations.

Note 22a: Responsible Persons Disclosures

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

Responsible Ministers:

The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services

The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Mental Health

Governing Boards

Mr Gordon Carter

Mrs Vanessa Healy

Dr Helen McBurney

Mr Garry Johnstone

Mrs Julie Green

Mrs Pam Millwood

Mr Ian Slattery

Accountable Officers

Mr Ian Fisher

	Period
The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services	1/7/2015 - 30/6/2016
The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Mental Health	1/7/2015 - 30/6/2016
Mr Gordon Carter	1/7/2015 - 31/12/2015
Mrs Vanessa Healy	1/7/2015 - 30/6/2016
Dr Helen McBurney	1/7/2015 - 30/6/2016
Mr Garry Johnstone	1/7/2015 - 30/6/2016
Mrs Julie Green	1/7/2015 - 30/6/2016
Mrs Pam Millwood	1/7/2015 - 30/6/2016
Mr Ian Slattery	1/7/2015 - 30/6/2016
Mr Ian Fisher	1/7/2015 - 30/6/2016

Remuneration of Responsible Persons

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

Income Band

\$0 - \$9,999

Total Numbers

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

	2016 No.	2015 No.
\$0 - \$9,999	8	9
Total Numbers	8	9
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	\$0.00	\$0.00

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 are no other transactions between the Health Service and responsible persons and their related parties to be reported.

Note 22b: Executive Officer Disclosures

Executive Officers' Remuneration

There are no executive officers whose total remuneration exceeds \$100,000. The Accountable Officer is remunerated by Castlemaine Health and details are reported in Note 22 (c)

Note 22c: Payments to Other Personnel

Payments to other personnel (i.e. contractors with significant management responsibilities)

Expense Band	2016	2015
	No.	No.
\$140,000 - 149,999	1	1
\$150,000 plus	0	0
Total expenses (exclusive of GST)	\$155,299.96	\$148,602.00

In accordance with FRD 21B the following disclosures are made in relation to other personnel of Madon Hospital i.e. Contractors charged with significant management responsibilities. Payments have been made to Castlemaine Health who have significant management responsibilities, which are disclosed within the \$140,000-\$149,999 expenses band. Castlemaine Health are responsible for planing, directing or controlling, directly or indirectly, the Health Service Activities.

Note 23. Remuneration of auditors

	2016	2015
	\$	\$
Victorian Auditor-General's Office		
Audit or review of financial statement	11,800	17,000
	11,800	17,000

Note 24: Events Occurring after the Balance Sheet Date

There have been no events subsequent to the reporting date which require further disclosure.

Note 25. Ex Gratia Payments

	2016	2015
	\$	\$
Maldon Hospital has made the following ex gratia expenses:		
Ex Gratia Payments	0	0
Total ex-gratia expenses	0	0