



Tallangatta  
Health Service



# FINANCIAL REPORTS 2014 - 2015

*Celebrating  
100 Years*





## INDEPENDENT AUDITOR'S REPORT

### To the Board Members, Tallangatta Health Service

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2015 of the Tallangatta Health Service 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 has been audited.

#### *The Board Members' Responsibility for the Financial Report*

The Board Members of the Tallangatta Health Service 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, the Auditor-General, his 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 Tallangatta Health Service as at 30 June 2015 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  
28 August 2015



John Doyle  
Auditor-General

## TALLANGATTA HEALTH SERVICE

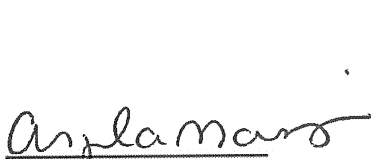
### Board Member's, Accountable Officer's and Chief Finance & Accounting Officer's Declaration

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

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to the financial statements, presents fairly the financial transactions during the year ended 30 June 2015 and the financial position of Tallangatta Health Service at 30 June 2015.

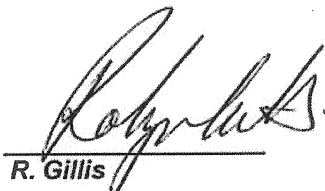
At the time of signing, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

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

  
A. Morrison


Board Member

Tallangatta  
26 August 2015

  
R. Gillis

Accountable Officer

Tallangatta  
26 August 2015

  
J. Polmear

Chief Finance & Accounting  
Officer

Tallangatta  
26 August 2015

**TALLANGATTA HEALTH SERVICE**

**COMPREHENSIVE OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
Revenue from Operating Activities	2	9,607,295	8,776,377
Revenue from Non-Operating Activities	2	136,928	183,660
Employee Expenses	3	(7,229,584)	(7,123,642)
Non Salary Labour Costs	3	(558,617)	(489,698)
Supplies and Consumables	3	(311,644)	(310,242)
Other Expenses	3	(1,358,744)	(1,328,976)
<b>Net Result Before Capital &amp; Specific Items</b>		<b>285,634</b>	<b>(292,521)</b>
Capital Purpose Income	2	583,264	767,509
Depreciation and Amortisation	4	(1,119,527)	(1,198,251)
Expenditure using Capital Purpose Income	3	-	(9,360)
		<b>(536,263)</b>	<b>(440,102)</b>
<b>NET RESULT FOR THE YEAR</b>		<b>(250,629)</b>	<b>(732,623)</b>
<b>Other Comprehensive Income</b>			
Changes in Physical Asset Revaluation Surplus	13	-	3,111,289
<b>COMPREHENSIVE RESULT FOR THE YEAR</b>		<b>(250,629)</b>	<b>2,378,666</b>

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

**TALLANGATTA HEALTH SERVICE**  
**BALANCE SHEET AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	1,426,154	702,773
Receivables	6	207,748	249,395
Investments and other Financial Assets	7	2,658,410	2,813,313
Prepayments		78,828	52,040
<b>Total Current Assets</b>		<b>4,371,140</b>	<b>3,817,521</b>
<b>Non-Current Assets</b>			
Receivables	6	218,585	169,052
Property, Plant & Equipment	9	11,290,398	11,416,745
<b>Total Non-Current Assets</b>		<b>11,508,983</b>	<b>11,585,797</b>
<b>TOTAL ASSETS</b>		<b>15,880,123</b>	<b>15,403,318</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	871,112	883,016
Provisions	11	1,731,902	1,698,485
Other Liabilities	12	2,382,752	1,653,101
<b>Total Current Liabilities</b>		<b>4,985,766</b>	<b>4,234,602</b>
<b>Non-Current Liabilities</b>			
Provisions	11	142,700	166,430
<b>Total Non-Current Liabilities</b>		<b>142,700</b>	<b>166,430</b>
<b>TOTAL LIABILITIES</b>		<b>5,128,466</b>	<b>4,401,032</b>
<b>NET ASSETS</b>		<b>10,751,657</b>	<b>11,002,286</b>
<b>EQUITY</b>			
Property, Plant & Equipment Revaluation Surplus	13a	9,536,238	9,536,238
Restricted Specific Purpose Surplus	13b	1,142,405	921,764
Contributed Capital	13c	7,420,722	7,420,722
Accumulated Deficits	13d	(7,347,708)	(6,876,438)
<b>TOTAL EQUITY</b>		<b>10,751,657</b>	<b>11,002,286</b>
Contingent Assets and Contingent Liabilities	18		
Commitments for Expenditure	17		

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

**TALLANGATTA HEALTH SERVICE**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015**

	Note	Property, Plant & Equipment Revaluation Surplus \$	Restricted Specific Purpose Reserve \$	Contributed Capital \$	Accumulated Deficits \$	Total \$
<b>Balance at 1 July 2013</b>		6,424,949	-	7,420,722	(5,222,051)	8,623,620
Net Result for the year		-	-	-	(732,623)	(732,623)
Transfer to Reserves		-	921,764	-	(921,764)	-
Other Comprehensive Income for the year		3,111,289	-	-	-	3,111,289
<b>Balance at 30 June 2014</b>		9,536,238	921,764	7,420,722	(6,876,438)	11,002,286
Net Result for the year		-	-	-	(250,629)	(250,629)
Transfer to Reserves		-	220,641	-	(220,641)	-
Other Comprehensive Income for the year		-	-	-	-	-
<b>Balance at 30 June 2015</b>		9,536,238	1,142,405	7,420,722	(7,347,708)	10,751,657

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



**TALLANGATTA HEALTH SERVICE  
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Grants from Government		7,692,892	6,911,501
Patient and Resident Fees Received		1,257,577	1,330,664
Interest Received		143,855	220,069
Donations and Bequests Received		8,936	3,915
Other Receipts		1,211,103	1,066,567
GST Received from/(Paid to) ATO		235,959	(69,598)
Employee Expenses Paid		(7,219,897)	(6,947,967)
Non Salary Labour Costs		(558,617)	(489,698)
Payments for Supplies & Consumables		(311,644)	(310,242)
Other Payments		(2,059,370)	(1,913,014)
<b>Cash Generated from Operations</b>		<b>400,794</b>	<b>(197,803)</b>
Capital Grants from Government		323,730	731,879
Capital Donations and Bequests Received		111,632	8,296
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>14</b>	<b>836,156</b>	<b>542,372</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for Non-Financial Assets		(1,003,693)	(227,527)
Proceeds from Sale of Non-Financial Assets		6,364	8,636
Purchase of Investments		-	(56,636)
Proceeds from Sale of Investments		884,554	-
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<b>(112,775)</b>	<b>(275,527)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD</b>		<b>723,381</b>	<b>266,845</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>		<b>702,773</b>	<b>435,928</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>5</b>	<b>1,426,154</b>	<b>702,773</b>

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

**TALLANGATTA HEALTH SERVICE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

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**TALLANGATTA HEALTH SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 1: Summary of Significant Accounting Policies**

These annual financial statements represent the audited general purpose financial statements for Tallangatta Health Service for the period ending 30 June 2015. 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 a general purpose financial report which have been prepared in accordance with the Financial Management Act 1994 and applicable Australian Accounting Standards (AASs) which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements*.

The financial statements also complies 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" entities under the AAS's.

The annual financial statements were authorised for issue by the Board of the Health Service on August 20, 2015

**(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 2015, and the comparative information presented in these financial statements for the year ended 30 June 2014.

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 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.

In the application of AAS's management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on 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.

## TALLANGATTA HEALTH SERVICE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

#### Note 1: Statement of Significant Accounting Policies (Continued)

##### (b) Basis of accounting preparation and measurement (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised 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(k));
- superannuation expense (refer to Note 1(l)); and
- 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(l)).

Consistent with AASB 13 *Fair Value Measurement*, Tallangatta Health Service 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, Tallangatta Health Service 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, Tallangatta Health Service 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 Tallangatta Health Service's independent valuation agency.

Tallangatta Health Service, 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.

##### (c) Reporting Entity

The financial statements include all the controlled activities of Tallangatta Health Service. Its principal address is:  
Barree Street  
Tallangatta, Victoria, 3700

A description of the nature of Health Service'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

Tallangatta Health Service's overall objective is to make the greatest possible positive impact on our community's health, as well as improve the quality of life to Victorians.

Tallangatta Health Service is predominantly funded by accrual based grant funding for the provision of outputs.

##### (d) Principles of Consolidation

###### Intersegment Transactions

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

###### Jointly controlled assets or operations

Interests in jointly controlled assets or operations are not consolidated by the Health Service, but are accounted for in accordance with the policy outlined in Note 1(k) Financial Assets.

## TALLANGATTA HEALTH SERVICE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

#### Note 1: Statement of Significant Accounting Policies (Continued)

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

###### Fund Accounting

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

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

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

###### Residential Aged Care Service

The Lakeview Nursing Home operations are an integral part of the Hospital and share its resources. An apportionment of land and buildings has been made based on floor space. The results of the two operations have been segregated based on actual revenue earned and expenditure incurred by each operation.

The Lakeview Nursing Home has the same Committee of Management and is substantially funded from Commonwealth bed-day subsidies.

###### Comprehensive Operating Statement

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

Capital and specific items, which are excluded from this 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 or plant and equipment. It also includes donations of plant and equipment. Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided.
- Specific income/expense, comprises the following items, where material:
  - Voluntary departure packages
  - Non-Current asset revaluation increments/decrements
- Impairment of financial and non-financial assets including all impairment losses (and reversal of previous impairment losses)
- Depreciation and amortisation
- Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold or doesn't meet asset recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

###### Balance sheet

Assets and liabilities are categorised either as current or non-current (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 equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income.

###### 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*.

**TALLANGATTA HEALTH SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 1: Statement of Significant Accounting Policies (Continued)**

**(f) Change in accounting policies**

**AASB 10 Consolidated financial statements**

AASB 10 provides a new approach to determine whether an entity has control over another entity, and therefore must present consolidated financial statements. The new approach requires the satisfaction of **all three** criteria for control to exist over an entity for financial reporting purposes:

- (a) The investor has power of the investee;
- (b) The investor has exposure, or rights to variable returns from its involvement with the investee; and
- (c) The investor has the ability to use its power over the investee to affect the amount of investor's returns.

Based on the new criteria prescribed in AASB 10, Tallangatta Health Service has reviewed the existing arrangements to determine if there are any additional entities that need to be consolidated into the group. The health service has concluded that there are no additional entities that have met the control criteria.

**AASB 11 Joint Arrangements**

In accordance with AASB 11, there are two types of joint arrangements, i.e. joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportionate consolidation of joint ventures is no longer permitted.

The health service has reviewed its existing contractual arrangements with other entities to ensure that they are aligned with the new classifications under AASB 11. The health service has concluded that there is no change required as a result of the change in AASB 11.

**AASB 12 Disclosures of Interests in Other Entities**

AASB 12 *Disclosure of Interests in Other Entities* prescribes the disclosure requirements for an entity's interests in subsidiaries, associates and joint arrangements; and extends to the entity's association with unconsolidated structured entities.

Tallangatta Health Service has disclosed information about its interests in associates and joint ventures, including any significant judgement and assumptions used in determining the type of joint arrangement in which it has an interest.

**(g) Income from transactions**

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent it is probable that the economic benefits will flow to the Health Service and the income can be reliably measured at fair value. Unearned income at reporting date is reported as income received in advance. Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

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

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

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

**Indirect Contributions from the Department of Health**

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 (update for 2013-14).

**Patient and Resident Fees**

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

**Donations and Bequests**

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

**Interest Revenue**

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

**TALLANGATTA HEALTH SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 1: Statement of Significant Accounting Policies (Continued)**

**(g) Income from Transactions (Continued)**

**Sale of investments**

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

**Resources Provided and Received Free of Charge or for Nominal Consideration**

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

**Other income**

Other income includes non-property rental, dividends, forgiveness of liabilities, and bad debt reversals.

**(h) Expense Recognition**

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

**Employee expenses**

Employee expenses include:

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

**Defined contribution plans**

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

**Depreciation**

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

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

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

	2015	2014
Buildings		
- Structure Shell Building Fabric	Up to 60 years	Up to 60 years
- Site Engineering Services and Central Plant	Up to 30 years	Up to 30 years
Central Plant		
- Fit Out	Up to 30 years	Up to 30 years
- Trunk Reticulated Building Systems	Up to 40 years	Up to 40 years
Plant & Equipment	Up to 15 years	Up to 15 years
Medical Equipment	Up to 15 years	Up to 15 years
Computers & Communications	Up to 15 years	Up to 15 years
Furniture & Fittings	Up to 15 years	Up to 15 years
Motor Vehicles	Up to 7 years	Up to 7 years
Leasehold Improvements	Up to 10 years	Up to 10 years

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

**TALLANGATTA HEALTH SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 1: Statement of Significant Accounting Policies (Continued)**

**(h) Expense Recognition (continued)**

**Other operating expenses**

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

***Supplies and consumables***

Supplies and services costs which are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

***Bad and doubtful debts***

Refer to Note 1 (k) Impairment of financial assets.

**(i) Other Comprehensive Income**

Other comprehensive income measures 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:

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

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

**Net gain/ (loss) on disposal of non-financial assets**

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

**Share of net profits/ (losses) of associates and joint entities, excluding dividends.**

Refer to Note 1 (d) Basis of consolidation.

**Other gains/ (losses) from other comprehensive income**

Other gains/ (losses) include:

- a. the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- b. transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

**(j) 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 the Health Service'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. 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.

Loans and receivables category includes cash and deposits, term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables



**TALLANGATTA HEALTH SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 1: Statement of Significant Accounting Policies (Continued)**

**(j) Financial instruments (continued)**

**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 value 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.

**(k) Assets**

**Cash and Cash Equivalents**

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

**Receivables**

Receivables consist of:

- Contractual receivables, which includes of mainly debtors in relation to goods and services and accrued investment income.
- Statutory receivables, which includes predominantly amounts owing from the Victorian Government and 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 an impairment loss has occurred. Bad debts are written off when identified.

**Investment and Other Financial Assets**

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

Investments are classified in the following categories:

- Financial assets at fair value through profit or loss; and
- Loans and receivables.

The Health Service 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.

The Health Service 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**

The value of supplies held at balance date is not considered to be material. The cost of supplies is charged to operating expenses when incurred.

**TALLANGATTA HEALTH SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 1: Statement of Significant Accounting Policies (Continued)**

**(k) Assets (continued)**

**Property, Plant and Equipment**

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 9 Property, plant and equipment.

**Crown Land** is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the land, public announcements or commitments made in relation to the intended use of the land. Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply.

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

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

**Revaluations of Non-Current Physical Assets**

Non-current physical assets measured at fair value are revalued in accordance with FRD103F 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 class of asset previously recognised as an expense in net result, the increment is recognised as income in the net result.

Revaluation decrements are recognised in 'other comprehensive income' to the extent that a credit balance exists in the property, plant & equipment revaluation surplus in respect of the same class of assets.

Revaluation increases and revaluation decreases relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes. Revaluation surplus are normally not transferred to accumulated funds on derecognition of the relevant asset.

In accordance with FRD 103F the Health Service'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 at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

**TALLANGATTA HEALTH SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 1: Statement of Significant Accounting Policies (Continued)**

**(k) Assets (continued)**

**Impairment of Non-Financial Assets**

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

- non-current physical assets held for sale.

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

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

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be 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, the health service 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.

**Impairment of Financial Assets**

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

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

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

Where the fair value of an investment in an equity instrument at balance date has reduced by 20 per cent 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 instrument 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.

**TALLANGATTA HEALTH SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 1: Statement of Significant Accounting Policies (Continued)**

**(1) 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.
- statutory payables, such as goods and services tax and fringe benefits tax payables.

The normal credit terms are usually Net 30 days.

Contractual payables 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 cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows, 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.

**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 expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employees' services up to the reporting date, classified as current liabilities and measured at nominal values.

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

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

***Long Service Leave***

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

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

The components of this current LSL liability are measured at:

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

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

Any gain or loss followed revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flow.

**TALLANGATTA HEALTH SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 1: Statement of Significant Accounting Policies (Continued)**

**(l) Liabilities (continued)**

**Termination Benefits**

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits.

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**

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

**Superannuation Liabilities**

The Health Service 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. The Department of Treasury and Finance administers and discloses the State's defined benefit liabilities in its financial statements.

**(m) Leases**

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**Operating Leases**

**Entity as Lessee**

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

The leased asset is not recognised in the balance sheet.

**Leasehold Improvements**

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

**(n) 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.

**Property, Plant & Equipment Revaluation Surplus**

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

**Specific Restricted Purpose Reserve**

A specific restricted purpose reserve 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.

**(o) Commitments**

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note at their nominal value and are inclusive of the 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.

**TALLANGATTA HEALTH SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 1: Statement of Significant Accounting Policies (Continued)**

**(p) 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.

**(q) Goods and Services Tax ("GST")**

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

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

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

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

**(r) Rounding**

All amounts shown in the Financial Statements are expressed to the nearest dollar.

**(s) Category Groups**

The Health Service 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.

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

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

**Residential Aged Care (RAC)** referred to in the past as psychogeriatric residential services, comprises those Commonwealth-licensed residential aged care services in receipt of supplementary funding from DH under the mental health program.

**Other Services excluded from Australian Health Care Agreement (AHCA) (Other)** comprises revenue/expenditure for services not separately classified above. Health and Community Initiatives also falls in this category group.

**TALLANGATTA HEALTH SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 1: Statement of Significant Accounting Policies (Continued)**

**(t) New Accounting Standards and Interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting period. DTF assesses the impact of all these new standards and advises the Health Service of their applicability and early adoption where applicable.

The Health Service has elected to early adopt *AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities*, which has been released by the Australian Accounting Standards Board on 13 July 2015, and has received the ministerial approval for early adoption in the 2014-15 reporting period. The adoption of this amending standard has resulted in reduced disclosures at notes 9 (d) and 9 (e) with respect to reporting on fair value. There are no other impacts arising from the early adoption of the standard.

As at 30 June 2015, 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. The Health Service has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Date Applicable	Impact on Entities Annual 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.	Beginning 1 Jan 2018	The preliminary 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 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 2017 (Exposure Draft 263 – potential deferral to 1 Jan 2018)	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.
AASB 2014 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 4 <i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 &amp; AASB 138]</i>	Amends AASB 116 <i>Property, Plant and Equipment</i> and AASB 138 <i>Intangible Assets</i> to: • establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; • 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.

**TALLANGATTA HEALTH SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 1: Statement of Significant Accounting Policies (Continued)**

**(t) New Accounting Standards and Interpretations**

<b>Standard / Interpretation</b>	<b>Summary</b>	<b>Date Applicable</b>	<b>Impact on Entities Annual Statements</b>
AASB 2014 9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]	Amends AASB 127 Separate Financial Statements to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1 Jan 2016	The assessment indicates that there is no expected impact as the entity will continue to account for the investments in subsidiaries, joint ventures and associates using the cost method as mandated if separate financial statements are presented in accordance with FRD 113A.
AASB 2015 6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	The Amendments extend the scope of AASB 124 Related Party Disclosures 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 2014 10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & AASB 128]	AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates 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: <ul style="list-style-type: none"> <li>• 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</li> <li>• 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.</li> </ul>	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.

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2014-15 reporting period. In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.



**TALLANGATTA HEALTH SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 2: Analysis of Revenue by Source**

	Admitted Patients 2015 \$	RAC 2015 \$	Aged Care 2015 \$	Primary Health 2015 \$	Other 2015 \$	Total 2015 \$
Government Grant	3,088,019	3,061,108	653,327	251,600	648	7,054,702
Indirect Contributions by Department of Health and Human Services	10,487	34,317	9,263	6,600	-	60,667
Patient and Resident Fees	191,001	1,063,459	-	-	-	1,254,460
Donations and Bequests (non-capital)	6,296	-	-	2,640	-	8,936
Medical Centre Income	-	-	-	-	573,930	573,930
Other Revenue from Operating Activities	277,750	36,675	231,818	25,146	83,211	654,600
<b>Total revenue from Operating Activities</b>	<b>3,573,553</b>	<b>4,195,559</b>	<b>894,408</b>	<b>285,986</b>	<b>657,789</b>	<b>9,607,295</b>
Interest	4,072	121,866	5,859	2,856	2,275	136,928
<b>Total revenue from Non-Operating Activities</b>	<b>4,072</b>	<b>121,866</b>	<b>5,859</b>	<b>2,856</b>	<b>2,275</b>	<b>136,928</b>
Capital Purpose Income (excluding interest)	583,264	-	-	-	-	583,264
<b>Total Capital Purpose Income</b>	<b>583,264</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>583,264</b>
<b>Total Revenue</b>	<b>4,160,889</b>	<b>4,317,425</b>	<b>900,267</b>	<b>288,842</b>	<b>660,064</b>	<b>10,327,487</b>

	Admitted Patients 2014 \$	RAC 2014 \$	Aged Care 2014 \$	Primary Health 2014 \$	Other 2014 \$	Total 2014 \$
Government Grants	2,965,917	2,559,352	618,501	206,472	-	6,350,242
Indirect Contributions by Department of Health and Human Services	14,251	21,429	6,260	4,597	-	46,537
Patient and Resident Fees	214,248	1,023,077	-	-	-	1,237,325
Donations and Bequests (non-capital)	15	44	16	3,835	5	3,915
Medical Centre Income	-	-	-	-	561,848	561,848
Other Revenue from Operating Activities	203,222	41,231	235,591	87,000	9,466	576,510
<b>Total revenue from Operating Activities</b>	<b>3,397,653</b>	<b>3,645,133</b>	<b>860,368</b>	<b>301,904</b>	<b>571,319</b>	<b>8,776,377</b>
Interest	5,435	168,883	5,435	2,104	1,803	183,660
<b>Total revenue from Non-Operating Activities</b>	<b>5,435</b>	<b>168,883</b>	<b>5,435</b>	<b>2,104</b>	<b>1,803</b>	<b>183,660</b>
Capital Purpose Income (excluding interest)	751,909	-	15,600	-	-	767,509
<b>Total Capital Purpose Income</b>	<b>751,909</b>	<b>-</b>	<b>15,600</b>	<b>-</b>	<b>-</b>	<b>767,509</b>
<b>Total Revenue</b>	<b>4,154,997</b>	<b>3,814,016</b>	<b>881,403</b>	<b>304,008</b>	<b>573,122</b>	<b>9,727,546</b>

Indirect contributions by Department of Health (1 July 2014 - 31 Dec 2014) / Department of Health and Human Services (1 Jan 2015 - 30 June 2015)  
 Department of Health / 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 2a: Net Gain/(Loss) on Disposal of Non-Financial Assets**

	2015 \$	2014 \$
<b>Proceeds from Disposal of Non Current Assets</b>		
Motor Vehicles	6,364	8,636
<b>Total Proceeds from Disposal of Non Current Assets</b>	<b>6,364</b>	<b>8,636</b>
<b>Less: Written Down Value of Non Current Assets Sold</b>		
Motor Vehicles	10,513	4,702
<b>Total Written Down Value of Non Current Assets Sold</b>	<b>10,513</b>	<b>4,702</b>
<b>Net gains/(losses) on disposal of Non Current Assets</b>	<b>(4,149)</b>	<b>3,934</b>

**TALLANGATTA HEALTH SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 3: Analysis of Expenses by Source**

	Admitted Patients 2015 \$	RAC 2015 \$	Aged Care 2015 \$	Primary Health 2015 \$	Other 2015 \$	Total 2015 \$
Employee Expenses	980,783	4,376,648	880,800	593,741	397,612	7,229,584
Non Salary Labour Costs	27,842	36,050	2,390	23,240	469,095	558,617
Supplies & Consumables	39,258	225,535	36,091	2,441	8,319	311,644
Other Expenses	475,027	534,041	142,569	80,631	126,476	1,358,744
<b>Total Expenditure from Operating Activities</b>	<b>1,522,910</b>	<b>5,172,274</b>	<b>1,061,850</b>	<b>700,053</b>	<b>1,001,502</b>	<b>9,458,589</b>
Expenditure for Capital Purposes	-	-	-	-	-	-
Depreciation and Amortisation (refer note 4)	645,114	474,413	-	-	-	1,119,527
<b>Total other expenses</b>	<b>645,114</b>	<b>474,413</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,119,527</b>
<b>Total Expenses</b>	<b>2,168,024</b>	<b>5,646,687</b>	<b>1,061,850</b>	<b>700,053</b>	<b>1,001,502</b>	<b>10,578,116</b>

	Admitted Patients 2014 \$	RAC 2014 \$	Aged Care 2014 \$	Primary Health 2014 \$	Other 2014 \$	Total 2014 \$
Employee Expenses	1,236,556	3,991,350	999,834	520,383	375,519	7,123,642
Non Salary Labour Costs	46,474	15,829	4,873	8,879	413,643	489,698
Supplies & Consumables	93,506	113,391	95,739	3,566	4,040	310,242
Other Expenses	407,873	631,059	144,507	66,650	78,887	1,328,976
<b>Total Expenditure from Operating Activities</b>	<b>1,784,409</b>	<b>4,751,629</b>	<b>1,244,953</b>	<b>599,478</b>	<b>872,089</b>	<b>9,252,558</b>
Expenditure for Capital Purposes	9,360	-	-	-	-	9,360
Depreciation and Amortisation (refer note 4)	715,479	482,772	-	-	-	1,198,251
<b>Total other expenses</b>	<b>724,839</b>	<b>482,772</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,207,611</b>
<b>Total Expenses</b>	<b>2,509,248</b>	<b>5,234,401</b>	<b>1,244,953</b>	<b>599,478</b>	<b>872,089</b>	<b>10,460,169</b>

**Note 4: Depreciation and Amortisation**

	2015 \$	2014 \$
<b>Depreciation</b>		
Buildings	864,780	916,089
Plant & Equipment	216,730	235,288
Medical Equipment	26,926	27,557
Land Improvements	11,091	19,317
	<b>1,119,527</b>	<b>1,198,251</b>

**Note 5: Cash and Cash Equivalents**

For the purposes of the Statement of Cash Flows, 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

	2015 \$	2014 \$
Cash on Hand	500	500
Cash at Bank	1,056,073	247,465
Short Term Money Market	369,581	454,808
<b>Total</b>	<b>1,426,154</b>	<b>702,773</b>
Represented by:		
Cash for Health Service Operations (as per Cash Flow Statement)	1,426,154	702,773
	<b>1,426,154</b>	<b>702,773</b>

**TALLANGATTA HEALTH SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

<b>Note 6: Receivables</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Contractual		
Trade Debtors	87,493	114,294
Patient Fees	77,811	80,928
Accrued Investment Income	27,578	34,505
<b>LESS Allowance for Doubtful Debts</b>		
Patient Fees	(4,600)	(4,600)
	<u>188,282</u>	<u>225,127</u>
<b>Statutory</b>		
GST Receivable	19,466	24,268
	<u>19,466</u>	<u>24,268</u>
<b>TOTAL CURRENT RECEIVABLES</b>	<u>207,748</u>	<u>249,395</u>
<b>NON CURRENT</b>		
Statutory		
Long Service Leave - Department of Health/Department of Health & Human Services	218,585	169,052
<b>TOTAL NON-CURRENT RECEIVABLES</b>	<u>218,585</u>	<u>169,052</u>
<b>TOTAL RECEIVABLES</b>	<u>426,333</u>	<u>418,447</u>

**(a) Movement in the Allowance for Doubtful Debts**

Balance at beginning of year	4,600	-
Increase/(decrease) in Allowance recognised in net result	-	4,600
Balance at end of year	<u>4,600</u>	<u>4,600</u>

**(b) Ageing of Receivables**

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

**(c) Nature and extent of risk arising from Receivables**

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

**Note 7: Investments and Other Financial Assets**

<b>Current</b>		
Australian Dollar Term Deposits	2,658,410	2,813,313
<b>TOTAL</b>	<u>2,658,410</u>	<u>2,813,313</u>
<b>Represented by:</b>		
Health Service Investments	275,658	1,160,212
Accommodation Bonds	2,382,752	1,653,101
<b>TOTAL</b>	<u>2,658,410</u>	<u>2,813,313</u>

**(a) Ageing of Other Financial Assets**

Please refer to note 15 (b) for the ageing analysis of Investments and Other Financial Assets

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

Please refer to note 15 (b) for the nature and extent of credit risk arising from Investments and Other Financial Assets

**Note 8: Investments in Joint Operations**

Name of Entity	Principal Activity	Ownership Interest	
		2015	2014
		%	%
Hume Rural Health Alliance (HRHA)	Information Technology	3.14%	3.10%

The Health Service 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:

	2015	2014
	\$	\$
<b>Current Assets</b>		
Cash and Cash Equivalents	12,929	7,975
Receivables	61,673	58,255
Prepayments	1,991	848
<b>Total Current Assets</b>	<u>76,593</u>	<u>67,078</u>
<b>Non-Current Assets</b>		
Property, Plant & Equipment	20,517	12,066
<b>Total Assets</b>	<u>97,110</u>	<u>79,144</u>
<b>Current Liabilities</b>		
Payables	28,084	17,256
<b>Share of Total Liabilities</b>	<u>28,084</u>	<u>17,256</u>
<b>Net Share of Joint Operation Assets</b>	69,026	61,888

The Health Service interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

	2015	2014
<b>Revenues</b>		
Revenue from Operating Activities	274,894	190,570
Revenue from Non-Operating Activities	340	667
Capital Purpose Income	6,296	7,800
<b>Total Revenue</b>	<u>281,530</u>	<u>199,037</u>
<b>Expenses</b>		
Employee Benefits	61,874	59,161
Other Administration Expenses	210,816	119,971
Depreciation	1,534	176
Expenditure using capital Funds	-	9,360
<b>Total Expenses</b>	<u>274,224</u>	<u>188,668</u>
<b>Net Result</b>	<u>7,306</u>	<u>10,369</u>

The 2015 amounts disclosed above are based on the unaudited financial statements of the Hume Rural Health Alliance.

**TALLANGATTA HEALTH SERVICE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 9: Property, Plant & Equipment**

	2015	2014
	\$	\$
<b>(a) Gross carrying amount and accumulated depreciation</b>		
<b>Land</b>		
Land at Fair Value	299,000	299,000
Land Improvements at Fair Value	231,909	220,000
Less Accumulated Depreciation	<u>11,091</u>	<u>-</u>
	<u>220,818</u>	<u>220,000</u>
<b>Total Land</b>	<u>519,818</u>	<u>519,000</u>
<b>Buildings</b>		
Buildings at Fair Value	10,530,267	9,764,000
Less Accumulated Depreciation	<u>864,780</u>	<u>-</u>
	<u>9,665,487</u>	<u>9,764,000</u>
Buildings under construction at cost	9,091	20,300
<b>Total Buildings</b>	<u>9,674,578</u>	<u>9,784,300</u>
<b>Plant and Equipment</b>		
Plant and Equipment at Fair Value	2,867,816	2,675,537
Less Accumulated Depreciation	<u>1,923,304</u>	<u>1,730,251</u>
<b>Total Plant &amp; Equipment</b>	<u>944,512</u>	<u>945,286</u>
<b>Medical Equipment</b>		
Medical Equipment at Fair Value	475,669	465,412
Less Accumulated Depreciation	<u>324,179</u>	<u>297,253</u>
<b>Total Medical Equipment</b>	<u>151,490</u>	<u>168,159</u>
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<u>11,290,398</u>	<u>11,416,745</u>

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

	Land	Land Improvements	Buildings	Plant & Equipment	Medical Equipment	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2013	303,000	305,402	7,447,473	1,045,187	179,820	9,280,882
Additions	-	-	71,542	140,089	15,896	227,527
Disposals	-	-	-	(4,702)	-	(4,702)
Revaluation Increment/(Decrement)	(4,000)	(66,085)	3,181,374	-	-	3,111,289
Depreciation Expense (note 4)	-	(19,317)	(916,089)	(235,288)	(27,557)	(1,198,251)
<b>Balance at 1 July 2014</b>	<u>299,000</u>	<u>220,000</u>	<u>9,784,300</u>	<u>945,286</u>	<u>168,159</u>	<u>11,416,745</u>
Additions	-	11,909	755,058	226,469	10,257	1,003,693
Disposals	-	-	-	(10,513)	-	(10,513)
Depreciation Expense (note 4)	-	(11,091)	(864,780)	(216,730)	(26,926)	(1,119,527)
<b>Balance at 30 June 2015</b>	<u>299,000</u>	<u>220,818</u>	<u>9,674,578</u>	<u>944,512</u>	<u>151,490</u>	<u>11,290,398</u>

**Land and buildings carried at valuation**

An independent valuation of the Health Service's property, plant and equipment 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.

**TALLANGATTA HEALTH SERVICE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 9: Property, Plant & Equipment (continued)**

**(c) Fair value measurement hierarchy of assets**

**As at 30 June 2015**

	Carrying amount as at 30 June 2015	Fair value measurement at end of reporting period using:		
		Level 1 (i)	Level 2 (i)	Level 3 (i)
<b>Land at fair value</b>				
Non-specialised land	63,000	-	63,000	-
Specialised land	456,818	-	-	456,818
<b>Total of land at fair value</b>	<b>519,818</b>	<b>-</b>	<b>63,000</b>	<b>456,818</b>
<b>Buildings at fair value</b>				
Non-specialised buildings	122,400	-	122,400	-
Specialised buildings	9,552,178	-	-	9,552,178
<b>Total of buildings at fair value</b>	<b>9,674,578</b>	<b>-</b>	<b>122,400</b>	<b>9,552,178</b>
<b>Plant and equipment at fair value</b>				
- Vehicles at depreciated replacement cost	174,439	-	-	174,439
- Plant and equipment at depreciated replacement cost	770,073	-	-	770,073
<b>Total of plant, equipment and vehicles at fair value</b>	<b>944,512</b>	<b>-</b>	<b>-</b>	<b>944,512</b>
<b>Total medical equipment at fair value</b>	<b>151,490</b>	<b>-</b>	<b>-</b>	<b>151,490</b>
	<b>11,290,398</b>	<b>-</b>	<b>185,400</b>	<b>11,104,998</b>

**As at 30 June 2014**

	Carrying amount as at 30 June 2014	Fair value measurement at end of reporting period using:		
		Level 1 (i)	Level 2 (i)	Level 3 (i)
<b>Land at fair value (ii)</b>				
Non-specialised land	63,000	-	63,000	-
Specialised land	456,000	-	-	456,000
<b>Total of land at fair value</b>	<b>519,000</b>	<b>-</b>	<b>63,000</b>	<b>456,000</b>
<b>Buildings at fair value (ii)</b>				
Non-specialised buildings	127,000	-	127,000	-
Specialised buildings	9,657,300	-	-	9,657,300
<b>Total of buildings at fair value</b>	<b>9,784,300</b>	<b>-</b>	<b>127,000</b>	<b>9,657,300</b>
<b>Plant and equipment at fair value</b>				
- Vehicles at depreciated replacement cost	208,223	-	-	208,223
- Plant and equipment at depreciated replacement cost	737,063	-	-	737,063
<b>Total of plant, equipment and vehicles at fair value</b>	<b>945,286</b>	<b>-</b>	<b>-</b>	<b>945,286</b>
<b>Total medical equipment at fair value</b>	<b>168,159</b>	<b>-</b>	<b>-</b>	<b>168,159</b>
	<b>11,416,745</b>	<b>-</b>	<b>190,000</b>	<b>11,226,745</b>

**Note**

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

(ii) A full revaluation normally occurs every 5 years, based on the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values.

There have been no transfers between levels during the period.

**Non-specialised land and non-specialised buildings**

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

To the extent that non-specialised land and non-specialised buildings 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.

**TALLANGATTA HEALTH SERVICE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 9: Property, Plant & Equipment (continued)**

**(c) Fair value measurement hierarchy of assets as at 30 June 2015 (continued)**

**Vehicles**

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

**Plant and equipment**

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

There were no changes in valuation techniques throughout the period to 30 June 2015.

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

**(d) Reconciliation of Level 3 fair value**

2015	Specialised Land	Specialised Buildings	Plant and Equipment	Medical Equipment
Opening Balance	456,000	9,657,300	945,286	168,159
Purchases (sales)	11,909	755,058	215,956	10,257
Gains or losses recognised in net result				
- Depreciation	(11,091)	(860,180)	(216,730)	(26,926)
Subtotal	456,818	9,552,178	944,512	151,490
Items recognised in other comprehensive income				
- Revaluation	*	*		
Closing Balance	456,818	9,552,178	944,512	151,490

There have been no transfers between levels during the period

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

	Valuation technique	Significant unobservable inputs
<b>Specialised land</b> Baree Street	Market approach	Community Service Obligation (CSO) adjustment
<b>Specialised buildings</b> Hospital Complex and Nursing Home	Depreciated replacement cost	Direct cost per square metre
Community Health Centres		Useful life of specialised buildings
<b>Plant and equipment at fair value</b> - Plant - Non Medical Equipment - Computers and Communication - Furniture and Fittings	Depreciated replacement cost	Useful life of PPE
<b>Medical equipment at fair value</b>	Depreciated replacement cost	Useful life of PPE

**TALLANGATTA HEALTH SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

Note 10: Payables	2015	2014
	\$	\$
<b>Current</b>		
Contractual		
Trade Creditors	273,644	280,519
Income in Advance	21,891	-
Accrued Expenses	39,905	19,040
	<u>335,440</u>	<u>299,559</u>
<b>Statutory</b>		
Department of Health/Department of Health & Human Services	535,672	583,457
	<u>535,672</u>	<u>583,457</u>
<b>TOTAL PAYABLES</b>	<u>871,112</u>	<u>883,016</u>

**(a) Maturity analysis of payables**

Please refer to note 15c for the ageing analysis of contractual payables

**(b) Nature and extent of risk arising from payables**

Please refer to note 15c for the nature and extent of risks arising from contractual payables

Note 11: Provisions	2015	2014
	\$	\$
<b>Current Provisions</b>		
<b>Employee Benefits*</b>		
Annual Leave		
-Unconditional and expected to be settled within 12 months	485,491	484,516
-Unconditional and expected to be settled after 12 months	81,596	80,433
Long Service Leave		
-Unconditional and expected to be settled within 12 months	602,582	663,614
-Unconditional and expected to be settled after 12 months	114,396	42,987
Accrued Salaries and Wages		
-Unconditional and expected to be settled within 12 months	270,784	252,098
Accrued Days Off		
-Unconditional and expected to be settled within 12 months	6,830	7,899
	<u>1,561,679</u>	<u>1,531,547</u>
<b>Provisions related to employee benefit on-costs</b>		
-Unconditional and expected to be settled within 12 months	148,860	153,486
-Unconditional and expected to be settled after 12 months	21,363	13,452
	<u>170,223</u>	<u>166,938</u>
<b>Total Current Provision</b>	<u>1,731,902</u>	<u>1,698,485</u>
<b>Non-Current Provisions</b>		
-Conditional Long Service Leave Entitlements	128,674	150,072
-Provisions related to employee benefit on-costs	14,026	16,358
<b>Total Non-Current Provisions</b>	<u>142,700</u>	<u>166,430</u>
<b>TOTAL PROVISIONS</b>	<u>1,874,602</u>	<u>1,864,915</u>
<b>(a) Employee Benefits and Related On-Costs</b>		
<b>Current Employee Benefits and related on-costs</b>		
Unconditional Long Service Leave Entitlements	795,129	783,620
Accrued Wages and Salaries	300,300	279,577
Annual Leave	628,899	626,528
Accrued Days Off	7,574	8,760
<b>Non-Current Employee Benefits and related on-costs</b>		
Conditional Long Service Leave Entitlements (present value)	142,700	166,430
<b>Total Employee Benefits and Related On-Costs</b>	<u>1,874,602</u>	<u>1,864,915</u>

\* Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.

**(b) Movement in Long Service Leave**

Carrying amount at start of year	950,050	801,937
Provision made during the year		
- Revaluations	14,469	278
- Expense recognising employee service	161,503	228,148
Settlement made during the year	(188,193)	(80,313)
Carrying amount at end of year	<u>937,829</u>	<u>950,050</u>

**Note 12: Other Liabilities**

	2015	2014
	\$	\$
<b>Current</b>		
Monies Held in Trust - Accommodation Bonds (Refundable Entrance Fees)	2,382,752	1,653,101
<b>Total</b>	<u>2,382,752</u>	<u>1,653,101</u>
<b>Represented by:</b>		
Cash Assets (refer to Note 5)	-	-
Investment and Other Financial Assets (refer to Note 7)	2,382,752	1,653,101
	<u>2,382,752</u>	<u>1,653,101</u>

Monies held in trust have been presented as a current liability as the Health Service does not have an unconditional right to defer settlement for at least 12 months.

**TALLANGATTA HEALTH SERVICE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

Note 13: Equity	2015	2014
	\$	\$
<b>(a) Property, Plant &amp; Equipment Revaluation Surplus</b>		
Balance at the beginning of the Reporting Period	9,536,238	6,424,949
Revaluation Increment/(Decrement)		
Land	-	(70,085)
Buildings	-	3,181,374
Balance at the end of the Reporting Period	<u>9,536,238</u>	<u>9,536,238</u>
<b>Represented by:</b>		
Land	528,686	528,686
Buildings	<u>9,007,552</u>	<u>9,007,552</u>
	<u>9,536,238</u>	<u>9,536,238</u>
<b>(b) Restricted Specific Purpose Surplus</b>		
Balance at the beginning of the Reporting Period	921,764	-
Transfer from Accumulated Deficits	<u>220,641</u>	<u>921,764</u>
Balance at the end of the Reporting Period	<u>1,142,405</u>	<u>921,764</u>
<b>(c) Contributed Capital</b>		
Balance at the beginning of the Reporting Period	7,420,722	7,420,722
Capital Contribution received from the Victorian Government	-	-
Balance at the end of the Reporting Period	<u>7,420,722</u>	<u>7,420,722</u>
<b>(d) Accumulated Deficits</b>		
Balance at the beginning of the Reporting Period	(6,876,438)	(5,222,051)
Net Result for the Year	(250,629)	(732,623)
Transfer to Restricted Specific Purpose Reserve	<u>(220,641)</u>	<u>(921,764)</u>
Balance at the end of the Reporting Period	<u>(7,347,708)</u>	<u>(6,876,438)</u>
<b>(d) Total Equity at end of financial year</b>	<u>10,751,657</u>	<u>11,002,286</u>

Note 14: Reconciliation Of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities	2015	2014
	\$	\$
Net Result for the Year	(250,629)	(732,623)
Depreciation	1,119,527	1,198,251
Net Gain/(Loss) on Sale of Plant & Equipment	4,149	(3,934)
Change in Operating Assets & Liabilities		
Increase/(Decrease) in Payables	(11,904)	(215,381)
Increase/(Decrease) in Employee Benefits	9,687	175,675
(Increase)/Decrease in Prepayments	(26,788)	2,562
(Increase)/Decrease in Receivables	(7,886)	117,822
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<u>836,156</u>	<u>542,372</u>

**Note 15: Financial Instruments**

- (a) Financial Risk Management Objectives and Policies**  
The Health Service's principal financial instruments comprise of:
- Cash Assets
  - 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, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the Health Service financial risks within the government policy parameters.

**Categorisation of Financial Instruments**

	Financial Assets		Financial Liabilities		Carrying Amount	
	Loans and Receivables		at Amortised Cost			
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
<b>Contractual Financial Assets</b>						
Cash and Cash Equivalents	1,426,154	702,773	-	-	1,426,154	702,773
Receivables						
- Trade Debtors	82,893	109,694	-	-	82,893	109,694
- Other Receivables	105,389	115,433	-	-	105,389	115,433
Other Financial Assets - Term Deposit	<u>2,658,410</u>	<u>2,813,313</u>	-	-	<u>2,658,410</u>	<u>2,813,313</u>
<b>Total Financial Assets</b>	<u>4,272,846</u>	<u>3,741,213</u>	-	-	<u>4,272,846</u>	<u>3,741,213</u>
<b>Financial Liabilities</b>						
Payables	-	-	335,440	299,559	335,440	299,559
Accommodation Bonds	-	-	2,382,752	1,653,101	2,382,752	1,653,101
<b>Total Financial Liabilities</b>	-	-	<u>2,718,192</u>	<u>1,952,660</u>	<u>2,718,192</u>	<u>1,952,660</u>

No net holding gain or loss was made in respect of any of the above categories of financial instruments with the exception of interest revenue which is disclosed in note 2.



**TALLANGATTA HEALTH SERVICE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 15: Financial Instruments**

**(b) 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 as listed in the table below. 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 deal where possible with entities with high credit ratings. Trade and Other receivables that are not either past due nor impaired are considered to be of high credit quality.

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.

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.

The maximum exposure to credit risk is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The health service does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

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

	Financial Institutions (AA- Credit Rating)	Other	Total
	\$	\$	\$
<b>2015</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	1,425,654	500	1,426,154
Receivables			
- Trade Debtors	-	82,893	82,893
- Other Receivables	-	105,389	105,389
Other Financial Assets - Term Deposit	2,658,410	-	2,658,410
<b>Total Financial Assets</b>	<b>4,084,064</b>	<b>188,782</b>	<b>4,272,846</b>
<b>2014</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	702,273	500	702,773
Receivables			
- Trade Debtors	-	109,694	109,694
- Other Receivables	-	115,433	115,433
Other Financial Assets - Term Deposit	2,813,313	-	2,813,313
<b>Total Financial Assets</b>	<b>3,515,586</b>	<b>225,627</b>	<b>3,741,213</b>

Ageing analysis of financial assets as at 30 June

	Carrying Amount	Not Past Due And Not Impaired	Less than 1 Month	1-3 Months	Past Due But Not Impaired 3 Months - 1 Year	1-5 Years	Impaired Financial Assets
	\$	\$	\$	\$	\$	\$	\$
<b>2015</b>							
<b>Financial Assets</b>							
Cash and Cash Equivalents	1,426,154	1,426,154	-	-	-	-	-
Receivables							
- Trade Debtors	82,893	82,893	-	-	-	-	-
- Other Receivables	105,389	93,098	1,348	972	5,343	28	4,600
Other Financial Assets - Term Deposit	2,658,410	2,658,410	-	-	-	-	-
<b>Total Financial Assets</b>	<b>4,272,846</b>	<b>4,260,555</b>	<b>1,348</b>	<b>972</b>	<b>5,343</b>	<b>28</b>	<b>4,600</b>
<b>2014</b>							
<b>Financial Assets</b>							
Cash and Cash Equivalents	702,773	702,773	-	-	-	-	-
Receivables							
- Trade Debtors	109,694	109,694	-	-	-	-	-
- Other Receivables	115,433	96,437	1,006	3,176	10,214	-	4,600
Other Financial Assets - Term Deposit	2,813,313	2,813,313	-	-	-	-	-
<b>Total Financial Assets</b>	<b>3,741,213</b>	<b>3,722,217</b>	<b>1,006</b>	<b>3,176</b>	<b>10,214</b>	<b>-</b>	<b>4,600</b>

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

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

**TALLANGATTA HEALTH SERVICE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 15: Financial Instruments (cont.)**

**(c) Liquidity Risk**

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

The Health Service's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Health Service manages its liquidity risk by monitoring forecast cash flows and ensuring that liquid assets are available.

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

	Carrying Amount	Contractual Cash Flows	Less than 1 Month	1-3 Months	Maturity Dates 3 Months - 1 Year	1-5 Years	Over 5 Years
	\$	\$	\$	\$	\$	\$	\$
<b>2015</b>							
Payables	335,440	335,440	335,440	-	-	-	-
Other Financial Liabilities							
- Accommodation Bonds	<u>2,382,752</u>	<u>2,382,752</u>	-	<u>2,382,752</u>	-	-	-
<b>Total Financial Liabilities</b>	<b><u>2,718,192</u></b>	<b><u>2,718,192</u></b>	<b><u>335,440</u></b>	<b><u>2,382,752</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>2014</b>							
Payables	299,559	299,559	299,559	-	-	-	-
Other Financial Liabilities							
- Accommodation Bonds	<u>1,653,101</u>	<u>1,653,101</u>	-	<u>1,653,101</u>	-	-	-
<b>Total Financial Liabilities</b>	<b><u>1,952,660</u></b>	<b><u>1,952,660</u></b>	<b><u>299,559</u></b>	<b><u>1,653,101</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

**(d) Market Risk**

The Health Service'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 below.

**Currency Risk**

The Health Service has no exposure to foreign currency risk.

**Interest Rate Risk**

Exposure to interest rate risk might arise primarily through the Health Service's interest bearing assets and liabilities. The Health Service currently has no interest bearing liabilities and is unlikely to have any into the future as interest bearing liabilities can only be entered into with the approval of the Department of Treasury and Finance.

**Other Price Risk**

The Health Service is exposed to insignificant other price risk.

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

	Weighted Average Interest Rates	Interest Rate Exposure			
		Carrying Amount	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2015</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	1.50	1,426,154	-	1,425,654	500
Receivables					
- Trade Debtors	0.00	82,893	-	-	82,893
- Other Receivables	0.00	105,389	-	-	105,389
Other Financial Assets - Term Deposit	3.16	<u>2,658,410</u>	<u>2,658,410</u>	-	-
		<u>4,272,846</u>	<u>2,658,410</u>	<u>1,425,654</u>	<u>188,782</u>
<b>Financial Liabilities</b>					
Payables	0.00	335,440	-	-	335,440
Other Financial Liabilities					
- Accommodation Bonds	0.00	<u>2,382,752</u>	-	-	<u>2,382,752</u>
		<u>2,718,192</u>	-	-	<u>2,718,192</u>
<b>2014</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	1.50	702,773	-	702,273	500
Receivables					
- Trade Debtors	0.00	109,694	-	-	109,694
- Other Receivables	0.00	115,433	-	-	115,433
Other Financial Assets - Term Deposit	3.75	<u>2,813,313</u>	<u>2,813,313</u>	-	-
		<u>3,741,213</u>	<u>2,813,313</u>	<u>702,273</u>	<u>225,627</u>
<b>Financial Liabilities</b>					
Payables	0.00	299,559	-	-	299,559
Other Financial Liabilities					
- Accommodation Bonds	0.00	<u>1,653,101</u>	-	-	<u>1,653,101</u>
		<u>1,952,660</u>	-	-	<u>1,952,660</u>

**TALLANGATTA HEALTH SERVICE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 15: Financial Instruments (cont.)**

**Sensitivity Disclosure Analysis**

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

- A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 3%;
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2% (the impact of this has not been modelled).

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

	Carrying Amount \$	Interest Rate Risk			
		-1% Profit \$	Equity \$	+1% Profit \$	Equity \$
<b>2015</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	1,426,154	(14,257)	(14,257)	14,257	14,257
Receivables					
- Trade Debtors	82,893	-	-	-	-
- Other Receivables	105,389	-	-	-	-
Other Financial Assets - Term Deposit	2,658,410	(26,584)	(26,584)	26,584	26,584
<b>Financial Liabilities</b>					
Payables	335,440	-	-	-	-
Other Financial Liabilities					
- Accommodation Bonds	2,382,752	-	-	-	-
<b>2014</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	702,773	(7,023)	(7,023)	7,023	7,023
Receivables					
- Trade Debtors	109,694	-	-	-	-
- Other Receivables	115,433	-	-	-	-
Other Financial Assets - Term Deposit	2,813,313	(28,133)	(28,133)	28,133	28,133
<b>Financial Liabilities</b>					
Payables	299,559	-	-	-	-
Other Financial Liabilities					
- Accommodation Bonds	1,653,101	-	-	-	-

**(e) Fair Value**

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

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

The Health service considers that the carrying amount of financial 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.

**Note 16: Superannuation**

2015  
\$

2014  
\$

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

Defined Contribution Plans	Contributions Paid or Payable for the year	
	2015 \$	2014 \$
Health Super	382,335	372,870
Hesta	178,197	165,035
Other	13,835	13,399
<b>Total</b>	<b>574,367</b>	<b>551,304</b>

There are no employees who are members of defined benefit plans.

**Note 17: Commitments for Expenditure**

2015  
\$

2014  
\$

Capital Expenditure Commitments		
Buildings		
Payable not later than one year	-	747,277
<b>Total Capital Expenditure Commitments</b>	<b>-</b>	<b>747,277</b>
Lease Commitments		
Commitments in relation to leases contracted for at the reporting date:		
Operating leases		
Payable not later than one year	11,835	-
Payable less than 1 year but not longer than 5 years	15,023	-
	<b>26,858</b>	<b>-</b>

**TALLANGATTA HEALTH SERVICE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 18: Contingent Assets & Liabilities**

The Tallangatta Health Service has no contingent Assets or Liabilities at 30 June 2015 (2014 \$nil).

**Note 19: Operating Segments**

	RACS		Acute Health		Others		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>								
External Segment Revenue	4,195,559	3,645,133	4,156,817	4,053,180	1,838,183	1,749,191	10,190,559	9,447,504
<b>EXPENSES</b>								
External Segment Expenses	5,846,687	5,234,401	2,168,024	2,412,199	2,763,405	2,716,520	10,578,116	10,363,120
<b>Net Result from Ordinary Activities</b>	(1,451,128)	(1,589,268)	1,988,793	1,640,981	(925,222)	(967,329)	(387,557)	(915,616)
Interest Income	121,866	168,883	4,072	4,768	10,990	9,342	136,928	182,993
<b>Net Result for the Year</b>	(1,329,262)	(1,420,385)	1,992,865	1,645,749	(914,232)	(957,987)	(250,629)	(732,623)
<b>OTHER INFORMATION</b>								
Segment Assets	8,765,018	7,521,814	10,313,106	10,878,020	(3,198,001)	(2,996,516)	15,880,123	15,403,318
<b>Total Assets</b>	8,765,018	7,521,814	10,313,106	10,878,020	(3,198,001)	(2,996,516)	15,880,123	15,403,318
Segment Liabilities	3,100,733	2,270,291	1,055,943	1,183,831	971,790	946,910	5,128,466	4,401,032
<b>Total Liabilities</b>	3,100,733	2,270,291	1,055,943	1,183,831	971,790	946,910	5,128,466	4,401,032
Acquisition of Prop, Plant & Equip	56,548	56,548	947,145	170,979	-	-	1,003,693	227,527
Depreciation Expense	474,413	482,772	645,114	715,479	-	-	1,119,527	1,198,251

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
Acute Health	Hospital Care
Others	Primary Care including Community Health, HACC Services and a medical practice

**GEOGRAPHICAL SEGMENT**

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

**Note 20a: 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.

	Period
<b>Responsible Minister</b>	
The Honourable David Davis, MLC, Minister for Health and Ageing	01/07/2014 - 03/12/2014
The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services	04/12/2014 - 30/06/2015
The Honourable Martin Foley, Minister for Housing, Disability and Ageing, Minister for Mental Health	04/12/2014 - 30/06/2016
<b>Governing Boards</b>	
A. Brown	01/07/2014 - 30/06/2015
A. Morrison	01/07/2014 - 30/06/2015
R. Lees	01/07/2014 - 30/06/2015
K. Stewart	01/07/2014 - 30/06/2015
C. Heiner	01/07/2014 - 30/06/2015
N Klein	01/07/2014 - 30/06/2015
H. Paton	01/07/2014 - 31/12/2014
<b>Accountable Officer</b>	
R. Gills (Chief Executive Officer)	01/07/2014 - 30/06/2015

**Remuneration of Responsible Persons**

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

	2015	2014
	\$	\$
\$0 - \$9,999	7	6
\$10,000 - \$169,999	-	1
\$170,000 - \$179,999	1	-
	<u>8</u>	<u>7</u>
Total Remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	<u>172,280</u>	<u>167,700</u>

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 Entities**

There are no transactions with Responsible Persons or their related entities.

**TALLANGATTA HEALTH SERVICE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Note 20b: Executive Officer Disclosures**

**Executive Officers' Remuneration**

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

	Total Remuneration		Base Remuneration	
	2015 No.	2014 No.	2015 No.	2014 No.
\$20,000 - \$29,999	1	-	1	-
\$100,000 - \$109,999	-	-	1	-
\$120,000 - \$129,999	-	3	-	3
\$130,000 - \$139,999	1	-	1	-
\$150,000 - \$159,999	1	-	-	-
Total number of executives	3	3	3	3
Total annualised employee equivalent (AEE)	2	2	2	2
Total Remuneration	311,805	251,655	260,007	251,655

Note: (a) Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

**Note 21: Events Occurring after the Balance Sheet Date**

There are no events occurring since the balance date to the date of this report that would have a material effect on the operations of the Health Service

**Note 22: Remuneration of Auditor**

	2015 \$	2014 \$
Victorian Auditor-General's Office		
Audit or review of financial statement	16,000	15,285

**Note 23: Economic Dependency**

The overall financial performance and position of the Health Service has improved in the financial year with a surplus net result before capital and specific items of \$235,624 (2014: deficit of \$292,521).

Due to the fluctuations in performance which can often be attributable to one-off items affecting the result in any one year, the Tallangatta Health Service has obtained a letter of support from the State Government and in particular, the Department of Health and Human Services (DHHS), confirming that the department will continue to provide the Health Service adequate cash flow to meet its current and future obligations up to September 2016.







TALLANGATTA HEALTH SERVICE

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