



**MOYNE  
HEALTH  
SERVICES**

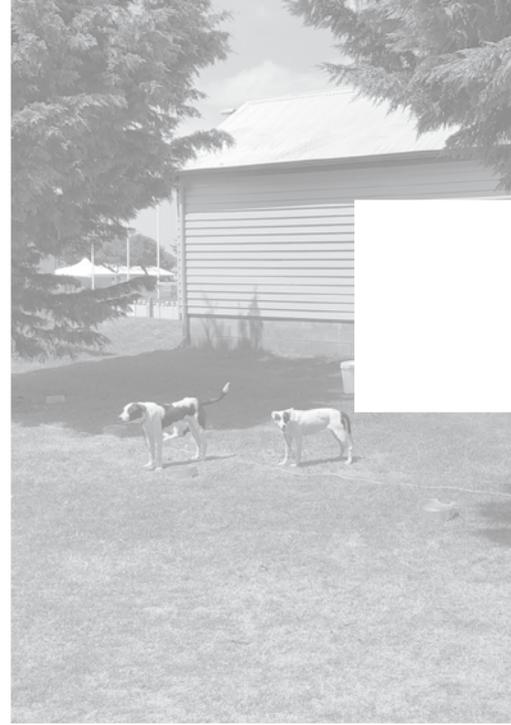
# ANNUAL REPORT

**2018/2019**

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**Our Purpose:** Best Care - Every person, every time

**Our Values:** Collaboration, Accountability, Respect, Excellence (C.A.R.E.)



#### HOW TO CONTACT US:

 30-36 Villiers Street, Port Fairy VIC 3284

 (03) 5568 0100

 [www.moynehealth.vic.gov.au](http://www.moynehealth.vic.gov.au)

 [reception@moynehealth.vic.gov.au](mailto:reception@moynehealth.vic.gov.au)

 @moynehealthservices

ABN 30 586 278 991





### **Acknowledgement:**

Moyne Health Services would like to acknowledge the Traditional Owners of the land in which we reside and pay our respects to the Elders, past, present and emerging.

We acknowledge all Aboriginal people who reside in the Moyne Shire area and wish to make it a priority to work with them and alongside them to ensure that our organisation is culturally competent, and a place where everyone feels welcome and supported.

### **WELCOME**

Moyne Health Services is pleased to bring you this 2018 / 2019 Annual Report. This report showcases our key initiatives, programs, performance and financial performance for the financial year. It has been prepared in accordance with the *Health Services Act 1988*, *Financial Management Act 1994*, Standing Directions of the Assistant Treasurer and Financial Reporting Directions, (specifically FRD 22H).

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# REPORT OF OPERATIONS

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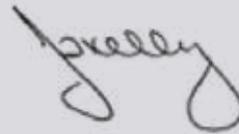
## Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, we are pleased to present the Report of Operations for Moyne Health Service for the year ending 30<sup>th</sup> June 2019.



**KAREN FOSTER**

Chair  
Board of Directors  
30<sup>th</sup> June 2019



**JACQUELINE KELLY**

Chief Executive Officer  
30<sup>th</sup> June 2019



**“Moyne Health Services has a reputation that opens doors and as such, has a long standing history of sustained partnership with our community that is both enduring and highly valued.”**

- Karen Foster, Chair Board of Directors

## OUR PURPOSE

Best Care – Every person, every time

**“Our Values remain the basis of our foundation which encompasses both our history and the people that are Moyne Health Services.”**

- Jackie Kelly, CEO

## OUR VALUES

Moyne Health Services' Values are defined as: **C.A.R.E.**

Our Values are also supported by symbols depicting specific ideologies of each value, which are illustrated below.



**C**

**Collaboration**  
Less me, more we.



**A**

**Accountability**  
Own it. Do it.



**R**

**Respect**  
Everyone matters.



**E**

**Excellence**  
Better, best, brilliant.

## OUR HIGHLIGHTS

- Launched new corporate Values
- Launched new Purpose Statement
- Development of Reconciliation Action Plan (RAP)
- Development of All-abilities Action Plan
- Development of Diversity Action Plan
- Opening of new Urgent Care Centre
- Moyneyana House Refurbishment
- Commenced Stage 2 Community Health Refurbishment
- Launched Fearless Leadership Training
- Reviewed Board Governance framework
- Launched the Hilary Hamilton Education Scholarship
- Awarded a Silver Award in the Australasian Reporting Awards (ARA) for our 2017 / 2018 Annual Report
- Commissioning of solar panel project

## 2018/2019 YEAR IN REVIEW

### Financials

<b>OPERATING RESULT</b>	<b>2019 \$000</b>	<b>2018 \$000</b>	<b>2017 \$000</b>	<b>2016 \$000</b>	<b>2015 \$000</b>
Total revenue	21083	17362	17743	17231	14858
Total expenses	19334	17907	16645	15643	15810
<b>Net result from transactions</b>	1749	-545	1098	1588	-952
Total other economic flows	-76	37	-92	59	0
<b>Net result</b>	1673	-508	1006	1647	-952
Total assets	51382	43161	44001	39391	35986
Total liabilities	20256	20461	20794	17443	15686
<b>Net assets / Total equity</b>	31126	22700	23207	21948	20300

### Reconciliation Summary

Reconciliation between the Net result from transactions reported in Annual Financial Statements to the Operating result, as agreed in the Statement of Priorities (SoP).

	<b>2019 \$000</b>
<b>Net operating result *</b>	<b>32</b>
Capital and specific items	
Capital purpose income	3,545
Specific income	0
Assets provided free of charge	0
Assets received free of charge	0
Expenditure for capital purpose	-31
Depreciation and amortisation	-1,797
Impairment of non financial assets	0
Finance costs (other) (not general finance costs)	0
<b>Net result from transactions</b>	<b>1,673</b>

\* The Net operating result is the result which the health service is monitored against in its Statement of Priorities (SoP).

### Service Indicators

<b>Separations</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Same day	70	85	119	100	96
Multi day	336	266	310	317	350
Total separations	406	351	429	417	446
Public separations	237	262	251	287	292
Total WEIS	417.02	390.02	417.53	452.67	468.50
Separations per available bed	27.07	N/A	28.6	27.8	29.7
<b>Total bed days</b>	2,220	2,098	2,195	2,532	2,705

**“Here at Moyne Health Services, we pride ourselves on delivering high quality care to our residents, their families, friends and community. Our residents play a vital role in the planning and delivery of their care and we encourage and look forward to their involvement.”**

- Katrina Collins, Residential Aged Care Services Manager (Belfast House)

<b>Non admitted patients</b>	<b>2019</b>
<b>Urgent Care Presentations</b>	1421
<b>Community Health Service Hours</b>	
• Initial Needs Identification	19
• Allied Health	58
• Care Coordination	9
• Dietetics	23
• Speech Therapy	26
<b>Home and Community Care (HACC) Service Hours</b>	
• Social Support Groups	1125
• Nursing	599
• Allied Health	496
<b>Commonwealth Home Support Program (CHSP) Service Hours</b>	
• Social Support Groups	15159
• Nursing	3547
• Allied Health	2719
• Personal Care	1153
<b>Residential Care Bed days</b>	
• Moyneyana House	18233
• Belfast House	10327
<b>Student Placements</b>	31



# who we are

## We are Victoria's Oldest Health Service!

Moyne Health Services (MHS) is a health service incorporated under Schedule 1 of the *Health Services Act 1988*. As a rural health service, Moyne Health Services is a multi-million dollar health service with an impressive history of meeting the health needs of the local and broader community.

Our Health Service has an impressive history and is regarded as Victoria's

oldest hospital, established in 1849, originally operating from a four bedroom cottage. Our unique level of partnership with the local community spans over 169 years. It is this unique level of cross-generational support that is a part of the history and tradition of many local families, whose generations before them have generously supported our health service.



### Port Fairy Profile

- Located approximately 290 kilometres west of Melbourne at the point where the Moyne River enters the Southern Ocean.
- Primary industries are tourism and fishing.
- Port Fairy was established in 1843.
- By 1857, the township had been renamed 'Belfast' and was one of Australia's largest ports, second only to Melbourne.
- The port catered for the whaling/sealing industry and a growing agricultural export market.

### Koroit Profile

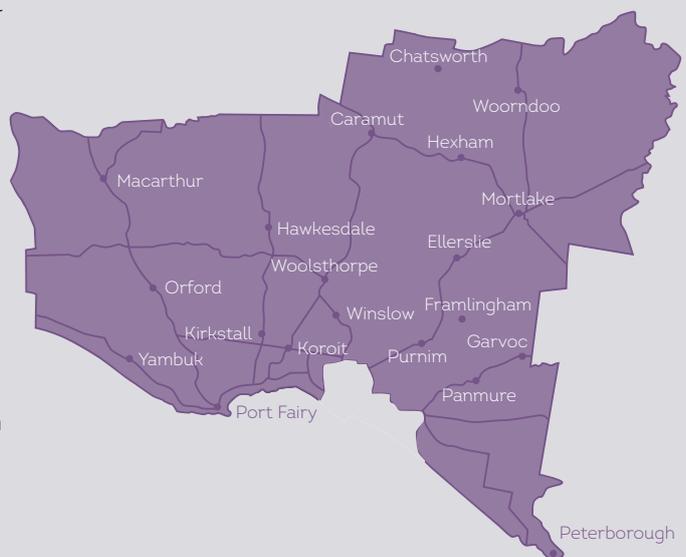
- Located 18 kilometres west of Warrnambool on the rim of an extinct ancient volcano (Tower Hill).
- Koroit was originally settled primarily by Irish immigrants during the 1840s and 1850s.
- The township is still hailed as one of Australia's most complete examples of an early Irish settlement.
- The area is an important service centre for the surrounding dairy industry.

### Our Contributions to our Community

We employ 215 staff, making us one of the largest employers in the region. Our local economy benefits to the tune of approximately \$16M per annum.

### Our Commitment to the Future

We maintain our commitment to strategically positioning Moyne Health Services as a premium and sustainable Small Rural Health Service.



# OUR CALENDAR OF EVENTS

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## 1855

Allotment of the current facility was built with a special grant, matched by the community.

## 1875

Main building expanded through public appeal donations.

## 1887

Father Maurice Stack bequeathed funds that were used to build the Stack Fever Ward that operated until 1939. Due to diminished condition of the Ward, it was demolished in 1992 and a new dementia centre was built on the site in 1998.

## 1891

Upstairs portion of the 1855 building was converted to nurses' quarters.

## 1934

Lord and Lady Huntingfield opened new additions to the hospital.

## 1959

The Governor of Victoria, Sir Dallas Brookes, officially opened a new maternity wing. Today, this wing forms part of the Belfast House Nursing Home (established 1996).

## 1965

Sir Rohan Delacombe, Governor of Victoria opened the Nurses' Home, which is now known as the Community Health Building.

## 1976

The Prime Minister of Australia, the Right Hon. Malcolm Fraser MP, opened a new outpatient and casualty department, together with the new hospital ward block, which now houses Acute Services.

## 1988

The Minister for Health and Aged Care, Rob Knowles MLC opened Belfast House, a 30-bed residential aged care facility.

## 1988

MHS established the Port Fairy Medical Clinic in partnership with the Sackville Clinic Medical Practitioners. A redevelopment of Moyneyana Hostel included a 10 place dementia unit and new dining/activities area (the Woodrup Room).

## 2000

The Port Fairy Hospital, Belfast House and Moyneyana House merged to become Moyne Health Services.

## 2001

Capital projects included returning the front of the hospital to a heritage façade; a covered link was installed to integrate the acute wing with the rest of the services; administration areas were renovated.

## 2004

MHS undertook minor capital works to repair damage to the Day Centre building and increase office and consulting space. The building was relaunched as the Primary Care Building, known today as Community Health.

## 2005

Completion of a 17-bed extension to Moyneyana House.

## 2006

Sir Ninian Stephen opened Moyneyana House.

## 2010

MHS conducted its last operating theatre list and extended the Port Fairy Medical Clinic to accommodate additional GPs.

## 2012

MHS was endorsed by the Department of Health as the Committee of Management for the Koroit Health Services land and buildings.

## 2018

MHS officially opened the new Community Health building and new Urgent Care Centre.



# STRATEGIC PRIORITIES

## Strategic Directions

Moyne Health Services' Statement of Priorities incorporates our strategic directions and objectives for the future.

In the reporting period, the five objectives were:

1. Quality and Safety Model to Drive Service Excellence
2. Access to Services
3. Organisational Capacity/Regional Leadership
4. Community Engagement/Partnering with Consumers
5. Building a Viable and Sustainable Health Service

**“The Board of Moyne Health Services viewed 2018 – 2019 as a time of exciting challenges and great growth.”**

- Karen Foster, Chair, Board of Directors



# our services

**We provide a broad range of services ranging from health promotion, health education, social support and health literacy, to delivering direct preventative, curative and supportive services. Our focus is on promoting and maintaining strength, wellbeing, independence, individuality and dignity through offering services tailored to each person and their families.**

Our service profile continues to diversify and as a result our community has access to a wide range of specialist programs and services delivered from both our Port Fairy and Koroit campuses. We recognise the challenges faced by many in navigating the health system and

aim to reduce the anxiety associated through a 'no wrong door' approach to delivery. The optimisation of wellbeing for all community members is our aim.

The success of Moyne Health Services continues to be underpinned by the dedication and professionalism of our staff. Our workforce of 215 adds to the diversity of services we provide to our community. We are well supported by our residents' families. Over 180 volunteers and auxiliary members support our ethos to continue working with our community to create a positive, enriched and caring environment.

## ACUTE HOSPITAL CARE

Moyne Health Services currently provides 8 acute beds dedicated to supporting restoration of an individual's health. We provide Urgent Care, general medicine and palliative care.

## AGED CARE

### Residential and home-based services

- *Belfast House* - a purpose built, 30-bed home offering permanent respite care services for our residents.
- *Moyneyana House* - a purpose built, 52-bed hostel offering permanent care services.

## COMMUNITY HEALTH SERVICES

Moyne Health Services' Community Health provides allied health, community nursing and support services at the Port Fairy and Koroit campuses in the following areas:

- Occupational Therapy
- Physiotherapy
- Audiology
- Continence consulting
- Diabetes Education
- Dietetics and Nutrition
- Drug and Alcohol counselling
- Pathology
- Podiatry
- Radiology
- Speech Pathology
- District and Community Nursing
- Community Home Care Packages
- Short-term Restorative Care Program



# Moyne Health Services our values



**Collaboration**  
Less me, more we.



**Accountability**  
Own it. Do it.



**“As a Health Care provider our organisation continues to confront challenges and opportunities brought about by changes to the health care landscape. We are tackling these challenges head-on and embracing the new opportunities they present.”**

- Jackie Kelly, CEO

*Eda Ritchie AM opening Urgent Care Centre*

We also provide a range of additional services to community members to assist them in maintaining their independence and improve their health and wellbeing. These services include:

- Planned Activity Groups program in Port Fairy and Koroit.
- Primary school education, health and wellbeing programs in Port Fairy and Koroit.
- Physical Activity classes in Port Fairy and Koroit.
- Integrated Health Promotion programs in the Moyne Shire.
- Health Education and chronic disease management.
- Coordination of Moyne Shire Council's School Immunisation and Workplace Flu Vaccination programs.

## **MEDICAL SERVICES**

### **Port Fairy Medical Clinic**

Moyne Health Services continued to enjoy a professional relationship with the Port Fairy Medical Clinic. Clinic GPs have continued to provide inpatient, aged care and on-call services which has resulted in genuinely positive outcomes for patients.

We also provide outreach service to the Koroit community, resulting in access to GP services within a close proximity for many Koroit families.

### **Dr Nic Van Zyl**

Executive Director,  
Medical Services

# Chair and Chief Executive Officer report

*We begin by acknowledging the traditional custodians of the land on which we work, and we pay our respects to Elders past, present and emerging.*

**We are delighted to present our Annual Report which informs our consumers, community and our staff of our progress against our annual objectives. The report also provides our stakeholders with the opportunity to check in and see what we have achieved during the past year.**

Looking back gives us insight into what is important when looking to the future. Although our organisation's financial reports, infrastructure and statistics are important indicators of our achievements during the year, it is the stories from individuals and the communities we serve that show the true impact of our work.

As always, it has been an extremely busy year at Moyne Health Services (MHS). We began the year with our annual Board Retreat where the Board turned its attention to our position in the community and reshaped our organisation's vision to a new Purpose Statement, *Best Care - Every person, every time* clearly articulates our strategic focus on strengthening our commitment to our community.

Our Purpose is a clear one, *Best Care - Every Person, every time* and a fantastic purpose to work towards. Our approach to our new Purpose is to empower our staff to ensure our community has access to high quality, person-centred care.

This year we have developed a number of key deliverables to achieve this purpose. With our newly focused Purpose and the second year of our Strategic Plan we have had time to

review where we have come from and to ask ourselves, *"What is the agenda for the next twelve months and beyond?"*

2018/19 has been a monumental year of change for Moyne Health Services. In November we celebrated the opening of our New Urgent Care Centre, which was attended by a large constituent of our community.

Some six months earlier we began a massive fund-raising effort to secure funding to enable completion of the new centre. Led by Eda Ritchie AM, the Urgent Care Fund Raising Committee received an incredible response from the local community. A number of fundraising events were held during the year and we were also fortunate enough to receive donations from several large foundations and support groups. We are pleased to report that in excess of \$700k was raised for the new centre. A staggering amount from a relatively small community.

On behalf of the Board and everyone at Moyne Health Services, we are very thankful to Eda for the work and effort she committed to help us deliver a new state of the art Urgent Care Centre for Port Fairy and surrounds. We would also like to take this opportunity to sincerely acknowledge the ongoing support from our other donors, including the Murray-2-Moyne Committee, Moyne Shire Council, Port Fairy Folk Festival Committee, Yambuk Hospital Auxiliary, Port Fairy Sheep Dog Trials, Port Fairy Rotary Club, Port Fairy Lions Club and the many individual donors who generously donated to the project. Every contribution has made a difference.

## Chair and Chief Executive Officer report cont.

Since its opening, the number of presentations to our new Urgent Care Centre has doubled and we would like to acknowledge the wonderful support of the Port Fairy Medical Clinic (PFMC). The exceptional support the GPs have provided to MHS throughout the year helps us to achieve best care close to home for the community. We will continue to partner closely with PFMC into the future to develop a model of care for Port Fairy and beyond.

We continue to be busy with our refurbishment of Moyneyana House, development of the second floor of our Community Health building and stage two of our Acute refurbishment. Although not a MHS project as such, but featured on the Master Plan, the co-location of the Ambulance Service through the building of a new branch located on the corner of College and Regent Street is now underway. This project is expected to be completed prior to the end of 2019.

At MHS we understand that a healthy, happy workforce is well placed to provide the best quality services to our consumers. We are committed to a coordinated, tailored and whole of organisational approach to support positive health and wellbeing for all employees. As part of our commitment to our staff, we continue to review the People Matters Survey and have implemented a number of initiatives over the last twelve months to address issues identified in the survey.

The development of our values, Collaboration, Accountability, Respect and Excellence (C.A.R.E.) was a key outcome. Staff enthusiastically participated in developing our new values, identifying what it meant to be collaborative, accountable, respectful and excellent in everything we do.

We continue to engage with our community through our active social media presence, and now have over 1,000 followers on our Facebook page with numbers increasing weekly. We have also implemented a number of communication activities to ensure our staff are engaged and participating in two-way communication, including monthly staff forums, meeting in person with staff to ensure we are consulting and communicating effectively and introducing a CEO Bulletin.

The benefits of engaging with our community continue to be realised with MHS' active Consumer Advisory Committee (CAC). The CAC has been elevated to a subcommittee of the Board and comprises voluntary consumers who work closely with us to ensure we are putting consumers at the centre of everything we do.

MHS actively supports the LGBTIQ community. A dedicated staff working group has been developed to identify a diversity and work plan to promote LGBTIQ inclusiveness, services access and organisational capacity. MHS is also working towards achieving the Rainbow Tick accreditation to signify to the community that we are committed to providing LGBTIQ friendly services.

In partnership with Gunditjmarra we have developed a Reconciliation Action Plan (RAP) that steps out our commitment to a culturally safe health service that Aboriginal people are comfortable to attend. This year we celebrated Reconciliation Week and NAIDOC Week with a number of activities, including placement of the Aboriginal and Torres Strait Islander flags in the front of our buildings, movies, Aboriginal food tasting, walking on country and our first official Welcome to Country at our 2018 AGM. We will continue to partner with Aboriginal people to learn and grow our understanding of walking alongside.

MHS recognises the enormous impact that family violence has for community and therefore we have a strong commitment for prevention and early intervention. As part of the Barwon South West Hospital responses to family violence we provided training and supported our staff to support each other and how to respond if there is a disclosure of family violence from our peers or with any of our consumers. We continue to implement our Prevention of Violence against Women and Children Strategy across the organisation and work in partnership with Moyne Shire and Barwon South West Women's Health and Wellbeing to provide professional development across both organisations.

Moyne Health Services' Purpose statement, *Best Care – Every person, every time* embeds our commitment to our community. We have implemented a strong governance framework and structure into all services

that accentuates our robust systems and processes. We strive to constantly improve the quality and safety of the services we provide by accepting and upholding our duty of care to residents and the community through a number of priorities:

- Developing and maintaining systems and processes which monitor and evaluate the quality of our services.
- Analysing and addressing instances of poor-quality in-service provision or organisational processes.
- Recognising and promoting quality improvement and innovation initiatives.
- Maintaining formal quality accreditation systems and processes.

In order to achieve high-quality care and sound delivery of services, we focus on ensuring governance of best practice healthcare for patients in a safe environment. This is achieved through recruitment of an efficient and competent workforce aiming for continuous improvement, as one of our drivers.

In June of this year we were reviewed against the second edition of the National Standards Accreditation, and we are pleased to report MHS passed all eight standards. These standards measure the quality of care and services we provide across the

organisation including Governance and Risk. The Accreditation team praised MHS on the high standard of the services we deliver to the community and commended a number of innovative programs which we have implemented across the organisation during the year.

MHS's Board and Executive Team also recognises and values the importance of innovation as a constant driver for service improvement and problem solving. Through fostering a culture of innovation, we actively welcome and promote creativity and openness to new ideas and change at all levels. This sharing of new ideas, incorporates analysis of the potential risks and benefits of opportunities for innovation, maintaining awareness of promising new developments in service provision, and organisational practices. As a result, we place ourselves in a position of frequently being an early adopter of new approaches.

In June we said farewell to Director Ralph Leutton who retired from the Board after serving a 9 year term. The Board would like to take this opportunity of thanking Ralph for his dedication, devotion and professional service to the Board and the organisation.



## Chair and Chief Executive Officer report cont.

We wish Ralph all the best for the future. We also welcomed Brian Densem as a new Board Director.

Our community is rich in diversity and that is what makes it so special. Our picturesque natural environment and the relaxed lifestyle fit together beautifully with our friendly welcoming community, and that's why Port Fairy is nationally recognised as one of the most liveable small communities.

We acknowledge the many individuals, community groups and auxiliaries who have so generously contributed to MHS, whether financially or in-kind. We are truly grateful for enhancing the lives of our residents. We value our partnership with the Murray to Moyne Committee, the Port Fairy Folk Festival, Friends of the Moyneyana House, the Yambuk Hospital Auxiliary, the Commonwealth Championships Sheepdogs Trials and the Heather Holcombe Foundation.

The iconic Murray to Moyne Team Cycle Relay continued with a great team of enthusiasts participating in the event. The event continues Graham Woodrup or Woody's dream of getting more people to realise the fabulous health and social benefits of riding a bike. In April two MHS Murray to Moyne teams, including riders and support crews took up the challenge, delivering another fantastic weekend.

We are humbled by the dedication and commitment of our 180+ volunteers who donate their time in a range of activities, including assisting with leisure and lifestyle programs, the Meals on Wheels programme and provide companionship and friendship to our aged care residents and patients. Their contribution is greatly appreciated by staff, patients and the many other community members who benefit from their tireless efforts.

The future for Moyne Health Services is an exciting one as our outlook is supported by continued growth and development. On behalf of the Board of Directors, as Chair I would like to assure our community that the Board's desire is to deliver a health service that we can be proud of. Together we will continue to respond to challenges and leverage opportunities, which support our vision of working with the community,

placing people at the centre of everything we do each and every day.

Though there are many inevitable challenges and changes ahead that we must face as an organisation our primary focus remains directly on providing our consumers with services that meet their needs and exceed their expectations.

As always it has been a privilege to work with Moyne Health Services' Board, management, staff and volunteers over the last year, and we look forward to embracing the coming year with energy and commitment to deliver on the outcomes outlined in our new Strategic Plan.

We sincerely hope that you find our Annual Report informative. Our initiatives and achievements could not have been possible without the commitment of our dedicated staff and the contributions and support provided by numerous stakeholders and collaborators.

**KAREN FOSTER**

Chair  
Board of Directors  
30<sup>th</sup> June 2019

**JACQUELINE KELLY**

Chief Executive Officer  
Board of Directors  
30<sup>th</sup> June 2019

# OUR GOVERNANCE STATEMENT

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## Board of Directors

The Board of Directors (BOD) of Moyne Health Services is accountable to the Minister for Health and Ambulance Services for its performance. The role of the Board is to steer the entity on behalf of the Minister in accordance with Government policy. This governance role broadly involves strategic leadership, monitoring performance against agreed objectives and ensuring accountability and compliance.

The Board has reviewed and refined all Board and sub-committees to reflect and support the focus on clinical Governance and care. The Board has also adopted a dashboard that captures and reports key data and achievements in clinical, financial and corporate arenas in a consistent and clear manner at a Board and Executive level. As a result, we have a stronger focus on the areas that need attention across the service and wider community.

To assist the Board in carrying out these functions and responsibilities, there are a number of Board Committees detailed below:

### Finance Committee

This committee is responsible for assisting the Board in the effective discharge of its responsibilities for financial reporting, internal controls and compliance with statutory requirements. This committee meets monthly and is chaired by Director, Brian Densem.

### Audit and Risk Committee

This committee is responsible for monitoring the adequacy and risk management, accounting procedures, financial reporting and compliance with statutory requirements. This committee meets quarterly and is chaired by independent member, Kevin Leddin, supported by independent member, Andrew Hellier and Board Directors, Brian Densem and Alistair McCosh.

### Quality and Safety Committee

This committee is responsible for ensuring the organisation provides effective clinical governance. This committee meets monthly and is chaired by Director, Dr David Leembruggen.

### Consumer Advisory Committee (CAC)

This committee is responsible for informing the Board's decision making on issues of

strategic relevance to consumers. The committee may consider matters including, key capital projects impacting on levels of service, review of consumer information material (both written and verbal) and community consultation and engagement programs. The committee meets monthly and is chaired by Director, Julieanne Crow.

### CEO and Board Performance Committee

This committee's responsible primary objective(s) is to assist the Board of Directors in corporate governance oversight of Moyne Health Services, the appointment, remuneration and performance management of the Chief Executive Officer, the appointment of Board Directors and Board performance, generally. This committee meets quarterly and is chaired by Director, Lucy Doherty.

### Credentialing and Clinical Appointments Committee

This committee is responsible for making recommendations regarding the appointment, suspension or scope of practice for visiting Medical Officers at Moyne Health Services to the Board. The Committee is chaired by Executive Director Medical Services, Dr Nick Van Zyl.

### Transparency

Moyne Health Services is a public body incorporated under the *Health Services Act 1988 (Vic)*. Board members are non-executive Directors appointed by the Minister. The Board's governance structure is regulated by the *Health Services Act 1988 and the Public Administration Act 2004*.

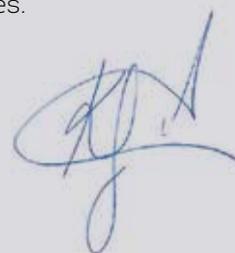
### Board Meetings

The Department of Health requires members to attend 75% of Board meetings during the reporting period. MHS's Board of Directors holds its business meeting on the 4<sup>th</sup> Thursday of each calendar month and is supported by a number of principle committees.

This Governance Statement reflects the governance arrangements implemented by Moyne Health Services.

### KAREN FOSTER

Chair  
Board of Directors  
30<sup>th</sup> June 2019



## BOARD OF DIRECTORS

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**KAREN FOSTER**  
**Board Chair**

*(Appointed Board Chair: 13 December 2018)*

Appointed: 1 July 2014

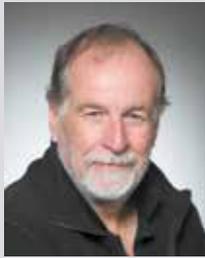
Term Expires: 30 June 2020

Committees

CEO and Board Performance

Credentialing and Clinical

Appointments



**RALPH LEUTTON**  
**Director - Deputy Chair**

*(1 July 2019 - 13 December 2018)*

Appointed: 1 July 2010

Term Expires: 30 June 2019

Committees:

Audit and Risk

Finance



**ALISTAIR MCCOSH**  
**Director - Deputy Chair**

*(Appointed Deputy Chair 13 December 2018)*

Appointed: 1 July 2016

Term Expires: 30 June 2021

Committees

Audit and Risk

Credentialing and Clinical

Appointments



**JULIEANNE CROW**  
**Director**

Appointed: 1 July 2016

Term Expires: 30 June 2021

Committees

Consumer Advisory

CEO and Board Performance



**DR DAVID LEEBRUGGEN**  
**Director**

Appointed: 1 July 2017

Terms Expires: 30 June 2020

Committee

Quality and Safety



**LUCY DOHERTY**  
**Director**

Appointed: 8 March 2016

Term Expires: 30 June 2021

Committee

CEO and Board Performance



**SOPHIE O'KEEFE**  
**Director**

Appointed: 31 October 2017

Term Expires: 30 June 2020

Committee

Quality and Safety



**BRIAN DENSEM**  
**Director**

Appointed: 1 July 2018

Term Expires: 30 June 2021

Committees

Finance

Audit and Risk

## EXECUTIVE TEAM

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**JACQUELINE (JACKIE) KELLY**

**Chief Executive Officer**

The CEO of Moyne Health Services has overall responsibility for creating, planning, implementing, and integrating the strategic direction of the organisation, including its operations by way of delegated authority from the Board of Directors.



**LEIGH PARKER**

**Executive Director, Corporate Support Services / Deputy CEO**

Responsible for the effective management of Finance, Information Technology and Corporate Support Services of the organisation.



**KATHARINA REDFORD**  
**Executive Director, Care Services**

Responsible for the management of Care Services, including Acute, Aged Care and Community Health.



**DOLLY GAHLOUT**

**Executive Director, People and Culture**

Responsible for Human Resource Management, Volunteers, Occupational, Health and Safety.



**DR NIC VAN ZYL**

**Executive Director, Medical Services**

Director of Medical Services



## EXTERNAL AUDITORS

Victorian Auditor General's Office (VAGO)  
Agent: McLaren Hunt Financial Group

## ACCOUNTANTS

Accounting and Audit Solutions Bendigo  
(AASB)

## BANK

National Australia Bank (NAB)  
Westpac Banking Corporation  
Bendigo Bank

## VISITING MEDICAL STAFF

### Dr A Gault

MBBS, DipFANZCOG, FRACGP

### Dr J Carson

MBBS, DipRACOG, Mast. Gen Prac Psych

### Dr I Sutherland

MBBS, FRACGP, Dip.RANZCOG

### Dr E Donelan

MBBS, FRACGP, BA DipMusPrac

### Dr X Pham

MBBS (Hons), B.Med Sc., DCH, DRANZCOG,  
FRACGP

### Dr V Cheng

MBBS, B.Med Sc., DCH, DRANZCOG, FRACGP

### Dr R Mudarikwa

MBBS (Hons), B. Biomed Sc., MA, DRANZCOG,  
DCH

### Dr T Majer

MBBS, B.Biomed Sc.

### Dr J Parsons

MBBS, DRANZCOG, FRACGP

### Dr J Bye

MBBS, FRACGP

### Dr A Cook

MBBS, FRACGP

## RESPONSIBLE PERSONS DISCLOSURE

*July 2018 to November 2018*

### The Hon. Jill Hennessy MP

Minister for Health  
Minister for Ambulance Services

### Martin Foley MP

Minister for Housing, Disability and Ageing  
Minister for Mental Health

*November 2018 to June 2019*

### The Hon Luke Donnellan MP

Minister for Child Protection  
Minister for Disability, Ageing and Carers

### Martin Foley MP

Minister for Mental Health

### Jenny Mikakos MP

Minister for Health  
Minister for Ambulance Service

## MAJOR PUBLICATIONS

The following main publications are available at Moyne Health Services:

- Moyne Health Services By-laws
- Moyne Health Services, Policies and Procedures, which are stored electronically on PROMPT (Protocol Management Tool).

## MERIT AND EQUITY

Moyne Health Services is subject to the *Equal Opportunity Act 1995*. The Purpose of the Act is:

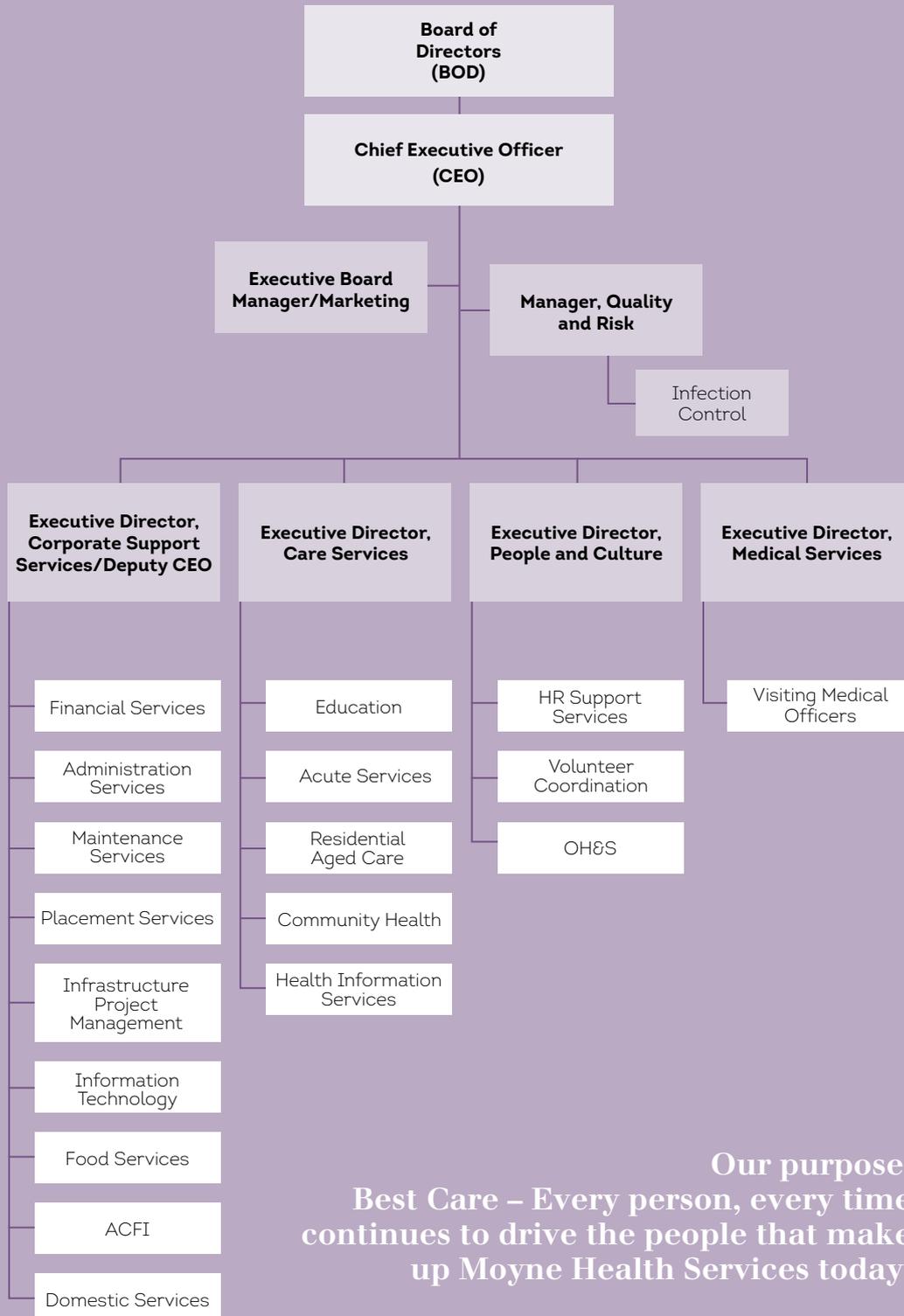
- to provide for equal employment opportunity programs in Public Authorities;

- to establish reporting requirements in relation to these programs; and
- to require Public Authorities to observe personnel management principles in employment matters.

Moyne Health Services is further committed to ensuring that all employees will receive fair and equitable treatment in all aspects of personnel management, regardless of political affiliation, race, colour, religion, national origin, sex, marital status or physical disability. Moyne Health Services has training and policies in place to support this position.

# OUR PEOPLE

## Organisation Chart



**Our purpose;**  
**Best Care – Every person, every time**  
 continues to drive the people that make  
 up Moyne Health Services today.



McCarthy, Maureen	11	Neate, Cheryl	18
Parker, Leigh	11	Pevitt, Giro	18
Polson, Suzanne	11	Todd, Donna	18
Dempsey, Mary	12	Coffey, Shelley (RN)	19
Hull, Vikki	12	Hawke, Kathryn	19
Parsons, Donna	12	Hughes, Lynda	19
Smith, Marilyn	12	Jenkins, Heather	19
Baxter, Trudi	13	Mason, Lynette	19
Keane, Rebecca	13	Quinn, Colleen	19
Keegan, Paula	13		
Leddin, Lyn	13	<b>20 Years +</b>	
Lee, Robbie	13	Duncan, Carole	20
Patterson, Christine	13	Van der Aa, Clare	20
Pulham, Melinda	13		
Rees, Rosemary	13	Haas, Sue	21
Serong, Lillian	13		
Sproal, Sandra	13	Gloury, Tricia	22
		Harman, Carol	22
Bankier, Deanna	14	Winnen, Beverley	22
Fitzgibbon, Tracey	14		
Funston, Trudi	14	Beks, Laureen	23
Jans, Sandra	14	Brian, Angela	23
Ryan, Julie	14	Coffey, Shelley	23
Sutcliffe, Jacqui	14		
		Raymond, Annette	25
<b>15 Years +</b>			
Atkinson, Cassie	15	Lane, Susan	28
Brodie, Kathleen	15	Ryan, Jenny	28
Lynch, Helen	15		
Murray, Glenys	15	Cumming, Leanne	30
		Ewen, Mary	30
Dempsey, Louise	16		
Gibson, Sonya	16	<b>30 Years +</b>	
Howard, Julie	16	Dodson, Alecia	31
Peterson, Virginia	16	Freeman, Karin	31
Joosen, Noelene	17	McNamara, Kevan	32
Ward, Anita	17	Phillips, Joanne	32
Drake, Janet	17	Solomon, Josephine	32
		Wright, Debbie	34
Arnold, Michelle	18	Martin, Michelle	35
Fechete, Rachael	18	Winnen, Sandra	36
Kelly, Donna	18	Lovell, Victoria	40
		Hamilton, Hilary	45



Hilary Hamilton (above left) and Alecia Dodson (above right) receiving their awards 28<sup>th</sup> June 2019.

### Hilary Hamilton Education Scholarship Award

This year we announced the Hilary Hamilton Education Scholarship Award. The award honours and recognises Hilary Hamilton's contributions to Moyne Health Services and her passion for caring, which is her legacy that we are proud to carry on.

Hilary Hamilton retired from Moyne Health Services on 28<sup>th</sup> June 2019 after 45 years of dedicated, devoted and professional service. Hilary loved nursing, she loved caring for people and loved the camaraderie she enjoyed with her colleagues. Hilary symbolises the ideal of what we all grew up to believe a nurse should be and we are honoured to establish this scholarship in her honour.

The scholarship aims to support and encourage all staff to actively pursue their professional and career development through

educational opportunities. The scholarship will also help reduce some of the financial burden related to education and study costs.

### Recognising a Life Governor

Alecia Dodson has significantly contributed through voluntary, philanthropic and/or professional services to Moyne Health Services and the wider community for over 30 years. Alecia's service worthy of note include: outstanding achievement and commitment to achieving service excellence in her role whilst possessing an ingredient that takes it above and beyond her expected role. Additionally, Alecia's participated enthusiastically in fundraising ventures like the Murray to Moyne and the Urgent Care Fundraising Appeal.

On the 28<sup>th</sup> June 2019, Alecia retired from Moyne Health Services, and the Board unanimously recommended to confer upon Alecia a Life Governor Award.

## RECOGNISING OUR LIFE GOVERNORS

Adamson, Mr N  
 Allan, Mrs V  
 Arnold, Mrs L  
 Arnold, Mrs M  
 Barnes, Mrs M  
 Bartlett, Mrs J  
 Bartlett, Mrs K  
 Bartlett, Mrs T  
 Bartlett, Mrs M  
 Baulch, Mrs R  
 Baulch, Mrs L  
 Blackmore, Mrs J  
 Bourke, Mr E  
 Bourke, Mr J N  
 Bourke, Mrs P  
 Bradley, Mr N  
 Brophy, Mrs B  
 Brophy, Mr J S  
 Byron, Mr F A  
 Carroll, Mrs M  
 Carroll, Mr K  
 Chapman, Mrs M  
 Clark, Mrs W  
 Crow, Mr R  
 Crow, Mr T  
 Crow, Mrs V  
 Crowe, Mrs M  
 Cykner, Mrs Z  
 Commber, Mr WS  
 Dalton, Mrs N  
 De Vries, Mr G  
 Dean, Miss L  
 Dempsey, Mrs J  
 Dodson, Ms A  
 Dowell, Mrs D  
 Dwyer, Mr G  
 Dwyer, Mrs V  
 Dyson, Miss J  
 Dyson, Mrs S  
 Elliot, Mrs C  
 Feeney, Ms E  
 Finnigan, Mrs J

Finnigan, Mrs M  
 Finnigan, Mr T  
 Fitzwilliam, Mr J  
 Foster, Mrs M C  
 Fry, Mrs M  
 Furnedged, Mrs I  
 Gault, Dr A  
 Gavin, Mr G  
 Glover, Mr P  
 Goldie, Mrs V  
 Gorry, Mrs S  
 Grist, Mr H W  
 Grace, Mrs J  
 Gaynor, Mr N  
 Harry, Mrs J  
 Harry, Mr R  
 Heard, Mrs H V  
 Hearn, Mr M L  
 Heaney, Mrs A  
 Hedditch, Mr J  
 Hocking, Mrs G  
 Hodgeson, Mrs G  
 Hohmuth, Mrs D  
 Hughes, Mrs C  
 Irving, Mrs N  
 Johnson, Mr H  
 Jones, Mr D  
 Keates, Mrs B  
 Keates, Mrs L  
 Kelly, Mr W  
 Kent, Mrs B  
 Kinniry, Rev Fr T  
 Koci, Mrs J  
 Lawson, Mrs G  
 Leddin, Mr J  
 Leddin, Mrs M  
 Leishman, Mrs A  
 Lemke, Mr K  
 Lemke, Mr D  
 Lemke, Mrs F  
 Lewis, Mrs P  
 Lockett, Mr G

Maloney, Mrs B  
 Mason, Mr I  
 Mason, Mrs H  
 Matthews, Ms J  
 May, Mr J W  
 Miller, Mrs K  
 Moutray, Mrs E  
 Murdoch, Mr L  
 McDonald, Mr G  
 McDonald, Mr R  
 McLean, Mr J  
 McLean, Mrs J  
 McLean, Mrs M  
 McLean, Mrs N  
 O'Dwyer, Mrs J  
 O'Dwyer, Mr P J  
 O'Keeffe, Mr P  
 Ploenges, Mr J W  
 Ransley, Mrs B  
 Reed, Mrs B  
 Rendell, Mrs B  
 Ridout, Mrs S  
 Roberts, Mrs J  
 Robertson, Mr L W  
 Robertson Mr S  
 Ryan, Mrs C  
 Ryan, Mrs H  
 Smith, Mrs C  
 Smith, Mrs M  
 Spence, Mrs D  
 Sproal, Mrs V  
 Stevens, Mr R  
 Stevens, Mrs K  
 Tennant, Mrs V  
 Terjeson, Mr S  
 Thomas, Mrs E  
 Thurbon, Mrs J  
 Veitch, Mr A  
 Veitch, Mrs S  
 Walter, Miss J  
 Watts, Mr F  
 Watts, Mrs H

Watts, Mrs J  
 Watts, Mrs S  
 Wentworth, Mr M  
 Whitehead, Mrs J C  
 Whitehead, Mrs M  
 Wiggins, Mr T  
 Woodrup, Mr J  
 Woodrup, Mrs H  
 Woodrup, Mrs M  
 Wright, Mrs A  
 Wright, Mrs D  
 Youl, Mr G

### **KOROIT HEALTH SERVICES INC.**

Anscombe, Mr J  
 Amarant, Mr W P  
 Beard, Mr D G  
 Carter, Mr R J  
 Dennis, Mr W J  
 Duncan, Mrs M  
 Freeman, Mr K  
 Glare, Mr H V  
 Haberfield, Miss M  
 Jacobs, Mr T C  
 Kelly, Mrs B  
 Mackay, Mrs M  
 Madden, Mr P W  
 Marney, Mr V D  
 Morris, Mr G  
 McCosh, Mrs S  
 McNally, Mrs E R  
 Paton, Mrs F  
 Quinlan, Mr T  
 Stokes, Mrs D  
 Warnock, Mrs B  
 Waterson, Mr A R  
 Walker, Mr I J

## RECOGNISING OUR DONORS

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We would like to thank the generosity of our donors who have allowed us to purchase other-wise unaffordable initiatives to ensure we deliver the best care, every person, every time to our community.

- Betty Harris
- Betty Sheather
- Bev & Frank Johnson
- Bill Phillpot
- Bruce & Glenda Reed
- Camilla Kelly
- Carmel Brown
- Carolyn Crowe
- Christine Hetherington
- Cobbs Bakery
- Colin & Kerrie Robertson
- Collier Charitable Fund
- Commonwealth Championship Sheep Dog Trials
- Community Swim Challenge
- Conlan's Wine Store
- DA & VJ Sheehan
- David & Isobel Jones
- Family Foundation David Reed & Family
- David Walder
- Denise Nicholls
- Dennis Lemke
- Desmond Chapman
- Donald Carroll
- Eric & Dorothy Bishop
- Estate of Henry Sturdy (deceased)
- Estate of Lorna Ruth Roberts (deceased)
- Frederick Moutray
- G & R Moutray
- Garry & Barb Mattner
- Genevieve Verdonck
- Geoffrey Youl
- Gleeson Dairy Co Pty Ltd
- Glenn & Kaye Dowie
- Godfrey Amusements
- Graham & Beverly Woff
- Guenter & Jackie Herrmann
- Gwen & Edna Jones Foundation
- Henry & Jeanette Toller-Bond
- Hugh Worrall
- IAG Foundation
- Ian & Norma Hamilton
- Ian & Shirley Down
- Jennifer Ward
- Joan Moloney
- John & Mary Porter
- John Lampard
- Joy Frayne
- Judy & Tim Austin
- Julie Condon
- Kevin Garton
- Laurence Gleeson
- Lorna Baulch
- Lorraine & Noel Adamson
- Lyall & Sylvia Allen
- Lynn Uthe
- M & C Lanigan
- M & R Grimshaw
- M Sheather
- Margaret Collins
- Marita Flanagan
- Marjorie Raetz
- Mark Johnstone
- Mary Gibb
- MH Craft Stall Committee
- Michael Herbert
- Michele Finnigan
- Moyne Shire Council
- Pat Moutray
- Peter & Sue Holcombe
- Peter Moutray
- Peter Smith
- Port Fairy Folk Festival Committee
- Philip Suriano
- Port Fairy Hospital Yambuk Auxillary
- Port Fairy Lions Club - Belfast
- Port Fairy Men's Shed Inc.
- MHS Urgent Care Art Auction
- Ray & Judy Nayler
- Richard & Ruth Walter
- Rita Hurley
- Rob Graham
- Robyn Wood
- Rodney & Jennifer Meehan
- Ron & June Moutray
- Ros Bromell
- Rosemary Bunnage
- Rotary Club of Port Fairy Inc
- Sheri Robertson
- Stephen & Sue Brain
- Stephen Flynn
- Sylvia Anne Fry
- The Archie & Hilda Graham Foundation
- The Ray & Joyce Uebergang Foundation
- Thyne Reid Foundation
- Tim & Peter Auld
- Tim Brady
- Tom Farley
- Tony Bishop
- TR & KI Conlan
- Trevor Carr
- Val Sproal
- Warrnambool & District Historic Vehicle Club Inc
- William & Olive Wilkinson
- William R & Janice M Stewart
- Woody's Murray to Moyne Cycle Relay Incorporated

# OCCUPATIONAL HEALTH, SAFETY AND WELLBEING

Moyne Health Services is committed to providing a safe environment for our employees, residents, patients, visitors and volunteers and therefore complies with obligations under the *Occupational Health and Safety Act 2004* and other legislation and standards that support safety. Occupational Health and Safety forms an integral part of the day-to-day operations of Moyne Health Services, and risk assessments, audit and workplace inspections are conducted to ensure the workplace environment is safe.

Moyne Health Services has an active OH&S Committee comprising trained Health & Safety representatives and a number of additional staff in key roles that support workplace safety.

Our leaders demonstrate their commitment to excellence in Occupational Health and Safety management through provision and maintenance of a safe working environment

and active promotion of the wellbeing of our people. We continually ensure that all managers and employees have ongoing opportunities to participate and contribute to the development, implementation and monitoring of regular health and safety activities and processes.

During the reporting period, there were 56.25 OH&S incidents / hazards per 100 fulltime equivalent staff members recorded.

## Industrial Relations

No time was lost to industrial action during 2018 - 2019.

## Number of Registered WorkCover Claims

Moyne Health Services registered 5 WorkCover claims during 2018 - 2019.

## Workforce Data

Labour Award by Category	2019	2018	EFT change
Nursing	52.4	50.25	2.15
Administration & clerical	13.52	12.71	2.47
Medical support	3.58	4.03	-0.61
Hotel and Allied Services	53.49	51.27	2.22
Ancillary staff (Allied Health)	4.61	4.96	-0.35
<b>TOTAL</b>	<b>127.6</b>	<b>123.22</b>	<b>4.38</b>



## Occupational Violence

Moyné Health Services is committed to addressing occupational violence incidences.

Occupational Violence Statistics	2018-19
WorkCover-accepted claims with an occupational violence cause per 100 EFT	0
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	38
Number of occupational violence incidents reported per 100 EFT	29.18
Percentage of occupational violence incidents resulting in staff injury, illness or condition	0%

## Occupational Health and Safety

Year	Lost time standard claims per 100 FTE	Average cost per claim \$	Number of reported hazards/ incidents per 100 FTE
2017 / 2018	4.18	12,145	55.19
2018 / 2019	3.85	6,037	56.25



# OUR SUSTAINABILITY

Moyne Health Services is committed to maintaining and improving the health and wellbeing of our people and the communities we service. To that end, we recognise the need to use our resources wisely and effectively without compromising our standards of care. We also acknowledge our responsibility to provide a leadership role to ensure the environmental, social and economic sustainability of our organisation.

## Economic Sustainability

Moyne Health Services one of the largest employers in Port Fairy. We employ 215 personnel, with an annual turnover of \$16M this financial year. We purchase goods and services locally, including dairy, bakery products, plumbing and electrical services.

## Environmental Sustainability

Utility	2019	2018	2017	2016	% change	2015	2014
Electricity	669	700	703	789	-10.9%	762	786
Natural gas	289	281	231	173	+33.5%	288	255
Diesel (L)	NA	N/A	56,363	63,000	-10.5%	63,816	64,183
Water (ML)	9,016	8,896	9,420	7,079	+33%	8,067	5,504

## Environmental Performance

Moyne Health Services is committed to implementing sound environmental practices to ensure its reduction in the environmental imprint. We are continually reviewing and implementing sound environmental practices in all areas of our operations to minimize both the impact on the environment, as well as cost.

We also recognise it is our responsibility to develop skills and attitudes of our staff that will result in a long-term commitment to sustainability of environmental strategies that ultimately lead to improved quality of life for our community.

Our key highlights for 2018/19 include:

1. Installation and generation of Solar Panels within our facility to help reduce our carbon footprint.
2. Ongoing changeover of fleet vehicles to more efficient vehicles.
3. Implementation of sustainable business practices during the concept phase of our major/minor capital works.
4. Ongoing education of staff on sound environmental practices.

## Information Technology

Moyne Health Services continues to ensure our information technology develops in alignment with efficient and effective operational programs required to support our organisation's commitment to ensuring the delivery of appropriate and safe care. This is achieved through our partnership with South West Alliance of Rural Health (SWARH), and Moyne Health Services Information Technology Group.

# SOCIAL SUSTAINABILITY

## Our workforce

Here at Moyne Health Services, our people are the key to our success. We are committed to creating a sound understanding of what success looks like to our people, showcasing their strengths and supporting opportunities for personal growth and development.

We have adopted principles and procedures to ensure that recruitment, promotion, and advancement will be determined on the basis of fair and open competition between qualified individuals. Decisions to recruit, promote and advance will be made solely on the basis of ability, knowledge and skills in relation to the promotion involved.

## Medical Clinic

The clinic is an independent medical practice co-located with MHS. General Practitioners operate from this practice, providing a comprehensive range of services to the Port Fairy community. The practice expanded into Koroit where it now provides regular GP services directly to the local community.

## Infrastructure

We have again experienced an extremely busy year with a number of simultaneous infrastructure projects as our Health Service continues to deliver on Stage 1 of the Master Plan.

- In December 2018 the new Urgent Care Centre (UCC) commenced operating. The UCC was co-located with the Acute Hospital addressing a long standing risk issue of having physically separated services. The Urgent Care Centre was

funded by the Department of Health and Human Services with a \$2.1 million Rural Health Infrastructure Fund (RHIF) grant.

- Completion of UCC and refurbishment of the Acute Hospital commenced thanks to a Community Appeal that raised the necessary funds towards these works.
- MHS conducted a tender for the building of the Active Health Hub which was also funded by RHIF grants totalling \$2.1M. The successful tenderer was MM Hearn Constructions Pty Ltd and the upper floor works are expected to be completed by December 2019 before works to renovate and extend the gym take place in early 2020.
- MHS also embarked on significant refurbishment works to 25 resident rooms in Moyneyana House. After completion and review of the first "prototype" room works have been progressing steadily with 9 rooms completed at 30th June, with the remaining rooms expected to be completed by April 2020.
- Later in the new financial year construction of a new entrance and café precinct for Moyneyana House will commence with these works expected to be completed by the end of 2019-2020 financial year.
- MM Hearn Constructions were awarded a minor works contract to create two resident rooms in the old conservatory lounge area and store room in Belfast House. The creation of these new resident rooms enabled Belfast House to return to being a 30 bed facility as well as reduce the number of double resident rooms from 5 to 4.

## Large projects in which there are community expectations

Large projects > \$100,000	Comment	Cost
Acute refurbishment	Construction has started - expected finish December 2019	\$0.8 million
Moyneyana refurbishment	Construction commenced in June 2018, with completion scheduled for May 2020	\$2.7 million
Active Health Hub	Construction has started - expected finish March 2020	\$2.1 million
Generator & Electrical upgrade	Construction has started - expected finish June 2020	\$0.63 million

## ATTESTATIONS

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### Data Integrity

I, Jacqueline Kelly, certify that Moyne Health Services has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Moyne Health Services has critically reviewed these controls and processes during the year.

### Conflict of Interest

I, Jacqueline Kelly, certify that Moyne Health Services has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC.

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

### Integrity, fraud and corruption

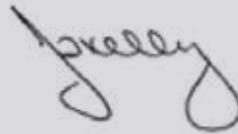
I, Jacqueline Kelly, certify that Moyne Health Services has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Moyne Health Services during the year.

### Compliance with Health Purchasing Victoria (HPV) Health Purchasing Policies

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

### Attestation on Statistical Data Accuracy

I, Jacqueline Kelly certify that Moyne Health Services has put in place appropriate internal controls and processes to ensure that the Department of Health is provided with data that reflects the actual performance. Moyne Health Services has critically reviewed these controls and processes.



#### JACQUELINE KELLY

Chief Executive Officer  
30<sup>th</sup> June 2019

### Financial Management Compliance Attestation

I, Karen Foster, on behalf of the Responsible Body, certify that Moyne Health Services has complied with the applicable Standing Directions 2018 under the *Financial Management Act 1994* and Instructions.



#### KAREN FOSTER

Chair  
Board of Directors  
30<sup>th</sup> June 2019



# STATUTORY REQUIREMENTS

## Building Act 1993

Moyne Health complies with the provisions of the *Building Act (1993)* Guidelines issued by the Minister for Finance for publicly owned buildings. Projects undertaken by Moyne Health Services have involved the 10-year liability cap under the building permit process by use of registered building practitioners.

During the reporting period, the following works and maintenance were undertaken to ensure conformity with the relevant standards:

Building Works	Number
Works in construction and subject to mandatory inspection	14
Occupancy permits	5
Maintenance	Number
Notices issued for rectification of sub-standard buildings requiring urgent attention	0
Involving major expenditure and urgent attention	1
Conformity	Number
Number of buildings conforming with standards brought into conformity this year	0

## Freedom of Information Act 1982

The *Freedom of Information Act 1982* provides the right to obtain information held by Moyne Health Services. The Chief Executive Officer manages any requests, and reports annually to the Freedom of Information (FOI) section of the Department of Justice in respect of FOI requests received. In the year ended 30 June 2019, Moyne Health Services received 1 application under the *Freedom of Information Act 1982*.

## Protected Disclosure Act 2012

Moyne Health Services has in place appropriate procedures for disclosures in accordance with the *Protected Disclosure Act 2012*. No protected disclosures were made under the Act in 2016/2017.

## Safe Patient Act 2016

Moyne Health Services has no matters to report in relation to its obligations under section 40 of the *Safe Patient Act 2015*.

## Carers Recognition Act 2012

The *Carers Recognition Act 2012* recognises, promotes and values the role of people in care relationships. Moyne Health Services understands the different needs of persons in care relationships and that care relationships bring benefits to the patients, their carers and to the community.

Moyne Health Services takes all practicable measures to ensure that its employees, agents and carers have awareness and understanding of the care relationship principles and this is reflected in our commitment to a model of patient and family centred care and to involving carers in the development and delivery of our services.

## Local Jobs Act 2003

There were three contracts in 2018/2019 to which the *Local Jobs Act* applied.

## Victorian Disability Act 2006

Moyne Health Services has policies and procedures which align with the applicable principles of the *Victorian Disability Act 2006*.

## National Competition Policy

Moyne Health Services supports National and State Competition policies and the Victorian Government Competitive neutrality policies (as applicable). There were no disclosure during the year under review.

## Merit and Equity

Moyne Health Services is subject to the *Equal Opportunity Act 1995*. All staff appointments are based on the principles of merit and equity.

## Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the information included in this Annual Report will be available at <http://www.data.vic.gov.au/> in machine readable format.

## Directions of the Minister for Finance

Moyne Health Services is respondent to the *Financial Management Act 1994*. The Act required all public bodies, such as Moyne Health Services to prepare an Annual Report, which is submitted to the Minister prior to tabling in Parliament.

The information in this report addresses the requirements for an accountable business practice and acts as an information tool for the Government and community. Additional information as specified in FRD 22 is retained by the Accountable Office and is available on request, subject to the provision of the *Freedom of Information Act 1982*.

### Contact details:

Chief Executive Officer  
Moyne Health Services  
PO Box 93, Port Fairy VIC 3284  
Phone (03) 5568 0100  
Email [reception@moynehealth.vic.gov.au](mailto:reception@moynehealth.vic.gov.au)

## Additional Information available on Request

This report acknowledges that the items listed below are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

- (a) Declarations of pecuniary interests have been duly completed by all relevant officers;
- (b) Details of shares held by senior officers as nominee or held beneficially;
- (c) Details of publications produced by the entity about itself, and how these can be obtained;
- (d) Details of changes in prices, fees, charges, rates and levies charged by the Health Service;
- (e) Details of any major external reviews carried out on the Health Service;
- (f) Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the Report

of Operations or in a document that contains the financial statements and Report of Operations;

- (g) Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- (h) Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services;
- (i) Details of assessments and measures undertaken to improve the occupational health and safety of employees;
- (j) General statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the Report of Operations;
- (k) A list of major committees sponsored by the Health Service, the purposes of each committee and the extent to which those purposes have been achieved;
- (l) Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.



## STATUTORY REQUIREMENTS cont.

### Consultancy Disclosure 2018 - 2019

Consultancies valued at \$10,000 or greater per consultancy	Number
Total number of consultancies	1
<b>Total value of consultancies</b>	<b>17,925</b>

Consultancies under \$10,000 per consultancy	Number
Total number of consultancies	1
<b>Total value of consultancies</b>	<b>\$8,625</b>

### Revenue Indicators / Debtors Outstanding

Outstanding Debtors as at 30 June 2019	2017 -18	2018 - 19
Under 30 days	317,932	323,901
31 to 60 days	10,641	16,097
61 to 90 days	4,073	4,945
Over 90 days	2,212	25,886
<b>TOTAL</b>	<b>334,858</b>	<b>370,829</b>

### Information and Communication Technology (ICT) Expenditure

The total ICT expenditure incurred during 2018 - 19 is \$1.31M (excluding GST) with the details shown below:

Business As Usual (BAU) ICT expenditure	Non-Business As Usual (non-BAU) ICT expenditure		
Total (excluding GST)	Total = Operational expenditure and Capital Expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
<b>\$1.31M</b>	<b>\$0.056M</b>	<b>\$0.018M</b>	<b>\$0.038M</b>

## PART A: Statement of Priorities - Strategic Priorities

Goals	Strategies	Health Service Deliverables	Outcome
<p><b>Better Health</b></p> <p>A system geared to prevention as much as treatment</p> <p>Everyone understands their own health and risks</p> <p>Illness is detected and managed early</p> <p>Healthy neighbourhoods and communities encourage healthy lifestyles</p>	<p><b>Better Health</b></p> <p>Reduce state-wide risks</p> <p>Build healthy neighbourhoods</p> <p>Help people to stay healthy</p> <p>Target health gaps</p>	<p>In partnership with Gunditjmara Aboriginal Cooperative and Reconciliation Australia develop a Reconciliation Action Plan.</p>	<p>Reconciliation Action Plan finalised in partnership with Gunditjmara Aboriginal Cooperative.</p> <p>A number of items implemented, including flag raising, cultural events and Welcome to Country policy across the organisation.</p>
		<p>Implement Hospital Response to Family Violence training for all staff.</p>	<p>Strengthening Hospital Responses to Family Violence Training implemented across the organisation.</p>
		<p>Partner with Moyne Shire Council to understand, promote and facilitate their Health and Wellbeing Plan.</p>	<p>Partnership with Moyne Shire to support the implementation of their Health and Wellbeing Plan.</p>
<p><b>Better Access</b></p> <p>Care is always there when people need it</p> <p>More access to care in the home and community</p> <p>People are connected to the full range of care and support they need</p> <p>There is equal access to care</p>	<p><b>Better Access</b></p> <p>Plan and invest</p> <p>Unlock innovation</p> <p>Provide easier access</p> <p>Ensure fair access</p>	<p>Commission the upgraded Urgent Care facility.</p>	<p>Urgent Care Centre completed and opened in November 2018.</p>
		<p>In partnership with Health Accord Clinical Council develop health intelligence strategies that support benchmarking across the sub region.</p>	<p>Working with the BSW Health Accord on Benchmarking through the use of Power BI.</p> <p>Benchmarking information includes immunisation, falls, cloud base warehousing.</p>
		<p>In partnership with Barwon South West health services, implement the Pharmacy Project.</p>	<p>Use of common, pharmacy approved protocols for infusions facilitated by implementation of guardrails software on infusion pumps. This has improved safety of delivery of high risk drugs.</p>
		<p>In partnership with Moyne Shire and Women's Health and Wellbeing Barwon South West, implement the Prevention of Violence Against Women and Children strategy across the organisation.</p>	<p>Prevention of Violence Against Women and Children Strategy developed and shared with Moyne Shire.</p> <p>Professional Development partnership developed with BSW- WHWB to roll out education across MHS and Moyne Shire staff.</p>

## PART A: Statement of Priorities - Strategic Priorities

Goals	Strategies	Health Service Deliverables	Outcome
<p><b>Better Care</b></p> <p>Target zero avoidable harm</p> <p>Healthcare that focusses on outcomes</p> <p>Patients and carers are active partners in care</p> <p>Care fits together around people's needs</p>	<p><b>Better Care</b></p> <p>Put quality first</p> <p>Join up care</p> <p>Partner with patients</p> <p>Strengthen the workforce</p> <p>Embed evidence</p> <p>Ensure equal care</p>	<p>As part of preparation for transition to the second edition of the National Standards, map actions common with aged care and community standards.</p>	<p>Successful gap analysis against 2<sup>nd</sup> Edition National Standards resulting in successful accreditation outcomes for our Acute Services.</p> <p>The new Aged Care Standards came in to play on 1<sup>st</sup> July 2019. To support a common clinical governance framework across Moyne Health Services, these two sets of standards will be aligned.</p>
		<p>Undertake a campaign to improve the percentage of participation in the Victorian Health Experience Survey.</p>	<p>Patients attending the acute ward are informed of the VHES. As a result of the adjustment of the number of required episodes to produce a report, MHS have received a full set of data in April this year. We will now be able to trend responses across reports.</p> <p>We have also established a consumer feedback mechanism where patients share experiences with staff at a quarterly afternoon tea.</p>
		<p>Implement Consumer Carer Community Participation strategy framework across the organisation.</p>	<p>Consumer Carer Community Participation Strategy Work Plan developed and implemented.</p>
		<p>Develop and implement an organisational leadership program targeting executive and middle management.</p>	<p>Fearless Leadership program developed and implemented.</p>

Goals	Strategies	Health Service Deliverables	Outcome
<b>Specific 2018-19 priorities (mandatory)</b>	<b>Disability Action Plans</b> Draft disability action plans are completed in 2018-19.	Submit a Disability Action Plan to the department by 30 June 2019 outlining the approach to fully implement the plan within the health service by 30 June 2020.	Disability Action Plan completed and work plan developed for the implementation of the plan over three years, commencing in 2020.
	<b>Volunteer engagement</b> Ensure that the health service executives have appropriate measures to engage and recognise volunteers.	Promote volunteering in the community and recognise volunteers through annual excellence awards.	185 volunteers currently engaged at Moyne Health Services.  Volunteers recognised through the Values Recognition Program.
	<b>Bullying and harassment</b> Actively promote positive workplace behaviours and encourage reporting. Utilise staff surveys, incident reporting data, outcomes of investigations and claims to regularly monitor and identify risks related to bullying and harassment, in particular include as a regular item in Board and Executive meetings. Appropriately investigate all reports of bullying and harassment and ensure there is a feedback mechanism for staff involved and the broader health service staff.	Review the organisations Code of Conduct and associated polices to ensure all frameworks are contemporary by 31 December 2018. Internal audit to be conducted by 31 March 2019.	Code of Conduct policy developed.  Bullying and Harassment policies and procedures reviewed.  Respectful Behaviour training program delivered for all staff.
		Roll out the Moyne Health Services Values Program. Through education and training, clarify behavioural expectations and organisational values.	Moyne Health Services new values launched.  Workshop on embedding the new Values and associated behaviour commenced son 27 <sup>th</sup> August 2018.
		Through mandatory education, make all levels of the organisation aware of what are acceptable behaviours and the policies and practices that reinforce that behaviour.	Moyne Health Services Values program completed for managers.  Staff training program currently underway.

## PART A: Statement of Priorities - Strategic Priorities

Goals	Strategies	Health Service Deliverables	Outcome
<b>Specific 2018-19 priorities (mandatory)</b>	<b>Occupational violence</b> Ensure all staff who have contact with patients and visitors have undertaken core occupational violence training, annually. Ensure the department's occupational violence and aggression training principles are implemented.	Improve level of staff participation in occupational violence and prevention training.	Mandatory training (annually for staff) includes a session about strategies to assist staff in recognising and de-escalating instances of aggressive behaviours.
		Through mandatory education, make all levels of the organisation aware of what are acceptable behaviours and the policies and practices that reinforce that behaviour.	Occupational Violence prevention training implemented in partnership with Deakin University.
	<b>Environmental Sustainability</b> Actively contribute to the development of the Victorian Government's policy to be net zero carbon by 2050 and improve environmental sustainability by identifying and implementing projects, including workforce education, to reduce material environmental impacts with particular consideration of procurement and waste management, and publicly reporting environmental performance data, including measureable targets related to reduction of clinical, sharps and landfill waste, water and energy use and improved recycling.	Implement the solar panel project.	Solar Panels installed and operational.
		Measure and report energy, water and waste consumption throughout the organisation.	The development of a sustainability working group has been established to work towards zero carbon.  This working group will identify areas of improvement across the organisation on waste, water and energy use and improved recycling.

Goals	Strategies	Health Service Deliverables	Outcome
<p><b>Specific 2018-19 priorities (mandatory)</b></p>	<p>LGBTI</p> <p>Develop and promulgate service level policies and protocols, in partnership with LGBTI communities, to avoid discrimination against LGBTI patients, ensure appropriate data collection, and actively promote rights to free expression of gender and sexuality in healthcare settings.</p> <p>Where relevant, services should offer leading practice approaches to trans and intersex related interventions.</p>	<p>Establish a steering group for LGBTI inclusive practice and to guide progress toward Rainbow Tick accreditation.</p>	<p>Diversity Working Group formed and work plan developed based on the Rainbow Tick for implementation in 19/20.</p>



## PART B: Statement of Priorities - Performance

### High Quality and Safe Care

Patient Experience	Target	2018 - 19 Actuals
Compliance with NSQHS Standards accreditation	Full compliance	Full compliance
Compliance with the Commonwealth Aged Care Accreditation Standards	Full compliance	Full compliance
Cleaning Standards	Full compliance	Full compliance
Compliance with the Hand Hygiene Australia program	80%	93.2%
Percentage of healthcare workers immunised for influenza	90%	89%
Sentinel event	100%	*Met

\*There were no sentinel events during the reporting period

Victorian Healthcare Experience Survey		
Key performance indicator	Target	Result
<b>Patient experience</b>		
Victorian Healthcare Experience Survey - data submission	Full compliance	Met
Victorian Healthcare Experience Survey - percentage of positive patient experience - Quarter 1	95%	Full compliance*
Victorian Healthcare Experience Survey - percentage of positive patient experience responses - Quarter 2	95%	100%
Victorian Healthcare Experience Survey - percentage of positive patient experience responses - Quarter 3	95%	100%
Victorian Healthcare Experience Survey - percentage of very positive responses to questions on discharge care - Quarter 1	75%	Full compliance*
Victorian Healthcare Experience Survey - percentage of very positive responses to questions on discharge care - Quarter 2	75%	90%
Victorian Healthcare Experience Survey - percentage of very positive responses to questions on discharge care - Quarter 3	75%	88%
Victorian Healthcare Experience Survey - patients perception of cleanliness - Quarter 1	70%	Full compliance*
Victorian Healthcare Experience Survey - patients perception of cleanliness - Quarter 2	70%	89%
Victorian Healthcare Experience Survey - patients perception of cleanliness - Quarter 3	70%	83%

\* Less than 30 responses were received for the period due to relative size of the Health Service

### Strong Governance, leadership and culture

Key performance indicator	Target	Result
<b>Organisational culture</b>		
People matter survey – percentage of staff with an overall positive response to safety and culture questions	80%	95%
People matter survey – percentage of staff with a positive response to the question: “I am encouraged by my colleagues to report any patient safety concerns I may have”	80%	99%
People matter survey – percentage of staff with a positive response to the question: “Patient care errors are handled appropriately in my work area”	80%	98%
People matter survey – percentage of staff with a positive response to the question: “My suggestions about patient safety would be acted upon if I expressed them to my manager”	80%	96%
People matter survey – percentage of staff with a positive response to the question: “The culture in my work area makes it easy to learn from the errors of others”	80%	93%
People matter survey – percentage of staff with a positive response to the question: “Management is driving us to be a safety-centred organisation”	80%	97%
People matter survey – percentage of staff with a positive response to the question: “This health service does a good job of training new and existing staff”	80%	90%
People matter survey – percentage of staff with a positive response to the question: “Trainees in my discipline are adequately supervised”	80%	91%
People matter survey – percentage of staff with a positive response to the question: “I would recommend a friend or relative to be treated as a patient here”	80%	96%



## Financial Sustainability Performance

Key performance indicator	Target	Result
<b>Finance</b>		
Operating result (\$m)	0.01	-0.18
Average number of days to paying trade creditors	60 days	37
Average number of days to receiving patient fee debtors	60 days	38
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.95
Forecast number of days a health service can maintain its operations with unrestricted available cash (based on end of year forecast)	14 days	36
Actual number of days a health service can maintain its operations with unrestricted available cash, measured on the last day of each month.	14 days	Achieved
Measures the accuracy of forecasting the Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance $\leq$ \$250,000	0.16

## REVENUE INDICATORS

Average Collection Days	2018	2019
Private	108	93
TAC	Nil	Nil
VWA	Nil	Nil
Other compensable	Nil	Nil
Psychiatric	N/A	N/A
Residential Aged Care	33	34



## PART C: Statement of Priorities - Activity

Funding type	Activity achievement	Units
<b>Small Rural</b>		
Small Rural Acute	360	WIES equivalents
Small Rural Primary Health	50	Hours
Small Rural Residential Care	28,560	Bed days
Health Workforce	31	Number of students



# DISCLOSURE INDEX

The annual report of Moyne Health Services is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

Legislation	Requirement	Page Reference
Ministerial Directions Report of Operations		
<b>Charter and purpose</b>		
FRD 22H	Manner of establishment and the relevant Ministers	20
FRD 22H	Purpose, functions, powers and duties	3
FRD 22H	Nature and range of services provided	11
FRD 22H	Activities, programs and achievements for the reporting period	5-7
FRD 22H	Significant changes in key initiatives and expectations for the future	6, 40-41
<b>Management and structure</b>		
FRD 22H	Organisational structure	21
FRD 22H	Workforce data/ employment and conduct principles	27
FRD 22H	Occupational Health and Safety	27-28
<b>Financial information</b>		
FRD 22H	Summary of the financial results for the year	6-7
FRD 22H	Significant changes in financial position during the year	6
FRD 22H	Operational and budgetary objectives and performance against objectives	6-7
FRD 22H	Subsequent events	40
FRD 22H	Details of consultancies under \$10,000	34
FRD 22H	Details of consultancies over \$10,000	34
FRD 22H	Disclosure of ICT expenditure	34
<b>Legislation</b>		
FRD 22H	Application and operation of Freedom of Information Act 1982	32
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993	32
FRD 22H	Application and operation of Protected Disclosure 2012	32

<b>Legislation</b>	<b>Requirement</b>	<b>Page Reference</b>
FRD 22H	Statement on National Competition Policy	32
FRD 22H	Application and operation of Carers Recognition Act 2012	32
FRD 22H	Summary of the entity's environmental performance	29
FRD 22H	Additional information available on request	33
Other relevant reporting directives		
FRD 25D	Local Jobs First Act disclosures	32
SD 5.1.4	Financial Management Compliance attestation	31
SD 5.2.3	Declaration in report of operations	4
<b>Attestations</b>		
Attestation on Data Integrity		31
Attestation on managing Conflicts of Interest		31
Attestation on Integrity, fraud and corruption		31
<b>Other reporting requirements</b>		
• Reporting of outcomes from Statement of Priorities 2018-19		35-43
• Occupational Violence reporting		28
• Reporting of compliance Health Purchasing Victoria policy		31
• Reporting obligations under the Safe Patient Care Act 2015		-
• Reporting of compliance regarding Car Parking Fees (if applicable)		-

# Financial Compliance



# STATEMENT OF CERTIFICATION

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## MOYNE HEALTH SERVICES

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

The attached financial statements for Moyne Health Services have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2019 and the financial position of Moyne Health Services at 30 June 2019.

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

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



.....

Ms Karen Foster  
Board Chair

Port Fairy

26th August 2019



.....

Ms Jackie Kelly  
Accountable Officer

Port Fairy

26th August 2019



.....

Mr Leigh Parker  
Chief Finance & Accounting Officer

Port Fairy

26th August 2019

## To the Board of Moyne Health Services

<b>Opinion</b>	<p>I have audited the consolidated financial report of Moyne Health Services (the health service) and its controlled entities (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> <li>• consolidated entity and health service balance sheets as at 30 June 2019</li> <li>• consolidated entity and health service comprehensive operating statements for the year then ended</li> <li>• consolidated entity and health service statements of changes in equity for the year then ended</li> <li>• consolidated entity and health service cash flow statements for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• board member's, accountable officer's and chief finance &amp; accounting officer's declaration.</li> </ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the health service as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Other Information</b>	<p>The Board of the health service are responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

# INDEPENDENT AUDITOR'S REPORT

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**Auditor's responsibilities for the audit of the financial report**

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

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

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

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



# COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Parent 2019 \$	Parent 2018 \$	Consolidated 2019 \$	Consolidated 2018 \$
<b>Income from Transactions</b>					
Operating Activities	2.1	20,686,829	16,930,576	20,719,541	16,930,576
Non-operating Activities	2.1	362,988	405,093	362,988	431,805
<b>Total Income from Transactions</b>		<b>21,049,817</b>	<b>17,335,669</b>	<b>21,082,529</b>	<b>17,362,381</b>
<b>Expenses from Transactions</b>					
Employee Expenses	3.1	(13,629,487)	(12,357,591)	(13,629,487)	(12,357,591)
Supplies and Consumables	3.1	(1,071,902)	(1,091,080)	(1,071,902)	(1,091,080)
Finance Costs	3.1	(15,352)	(5,956)	(15,352)	(5,956)
Depreciation and Amortisation	4.3	(1,796,616)	(1,790,085)	(1,797,170)	(1,790,382)
Other Operating Expenses	3.1	(2,791,929)	(2,631,643)	(2,819,986)	(2,661,715)
<b>Total Expenses from Transactions</b>		<b>(19,305,286)</b>	<b>(17,876,355)</b>	<b>(19,333,897)</b>	<b>(17,906,724)</b>
<b>Net Result from Transactions - Net Operating Balance</b>		<b>1,744,531</b>	<b>(540,686)</b>	<b>1,748,632</b>	<b>(544,343)</b>
<b>Other Economic Flows Included in Net Result</b>					
Net gain/(loss) on non-financial assets	3.2	0	24,003	0	24,003
Net gain/(loss) on financial instruments	3.2	1,949	0	1,949	0
Other Gain/(Loss) from Other Economic Flows	3.2	(78,145)	13,179	(78,145)	13,179
<b>Total Other Economic Flows Included in Net Result</b>		<b>(76,196)</b>	<b>37,182</b>	<b>(76,196)</b>	<b>37,182</b>
<b>Net Result for the year</b>		<b>1,668,335</b>	<b>(503,504)</b>	<b>1,672,436</b>	<b>(507,161)</b>
<b>Other Comprehensive Income</b>					
<b>Items that will not be classified to Net Result</b>					
Changes in Property, Plant & Equipment Revaluation Surplus	4.2b	6,754,155	0	6,754,155	0
<b>Total Other Comprehensive Income</b>		<b>6,754,155</b>	<b>0</b>	<b>6,754,155</b>	<b>0</b>
<b>COMPREHENSIVE RESULT FOR THE YEAR</b>		<b>8,422,490</b>	<b>(503,504)</b>	<b>8,426,591</b>	<b>(507,161)</b>

# BALANCE SHEET

AS AT 30 JUNE 2019

	Note	Parent 2019 \$	Parent 2018 \$	Consolidated 2019 \$	Consolidated 2018 \$
<b>Current Assets</b>					
Cash and Cash Equivalents	6.2	4,898,309	4,289,655	4,919,354	4,308,705
Receivables	5.1	907,957	689,580	907,957	689,580
Investments & other Financial Assets	4.1	11,957,082	12,834,293	11,957,082	12,834,293
Inventories		1,885	2,327	1,885	2,327
Other Financial Assets		64,892	58,509	64,892	58,509
<b>Total Current Assets</b>		<b>17,830,125</b>	<b>17,874,364</b>	<b>17,851,170</b>	<b>17,893,414</b>
<b>Non-Current Assets</b>					
Receivables	5.1	1,067,427	799,532	1,067,427	799,532
Property, Plant and Equipment	4.2	32,460,230	24,466,839	32,463,228	24,467,731
<b>Total Non-Current Assets</b>		<b>33,527,657</b>	<b>25,266,371</b>	<b>33,530,655</b>	<b>25,267,263</b>
<b>TOTAL ASSETS</b>		<b>51,357,782</b>	<b>43,140,735</b>	<b>51,381,825</b>	<b>43,160,677</b>
<b>Current Liabilities</b>					
Payables	5.2	1,002,572	1,509,013	1,002,572	1,892,804
Borrowings	6.1	60,632	105,089	60,632	105,089
Provisions	3.3	3,119,764	3,050,140	3,119,764	2,666,349
Other Current liabilities	5.3	15,699,711	15,491,234	15,699,711	15,491,234
<b>Total Current Liabilities</b>		<b>19,882,679</b>	<b>20,155,476</b>	<b>19,882,679</b>	<b>20,155,476</b>
<b>Non-Current Liabilities</b>					
Borrowings	6.1	123,593	0	123,593	0
Provisions	3.3	249,202	305,441	249,202	305,441
<b>Total Non-Current Liabilities</b>		<b>372,795</b>	<b>305,441</b>	<b>372,795</b>	<b>305,441</b>
<b>TOTAL LIABILITIES</b>		<b>20,255,474</b>	<b>20,460,917</b>	<b>20,255,474</b>	<b>20,460,917</b>
<b>NET ASSETS</b>		<b>31,102,308</b>	<b>22,679,818</b>	<b>31,126,351</b>	<b>22,699,760</b>
<b>EQUITY</b>					
Property, Plant and Equipment Revaluation Surplus	4.2f	21,278,872	14,524,717	21,278,872	14,524,717
Restricted Specific Purpose Reserve		75,000	75,000	75,000	75,000
Contributed Capital		4,386,517	4,386,517	4,386,517	4,386,517
Accumulated Surpluses/(Deficits)		5,361,919	3,693,584	5,385,962	3,713,526
<b>TOTAL EQUITY</b>		<b>31,102,308</b>	<b>22,679,818</b>	<b>31,126,351</b>	<b>22,699,760</b>
Commitments	6.3				
Contingent Assets and Contingent Liabilities	7.2				

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

# CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Parent 2019 \$	Parent 2018 \$	Consolidated 2019 \$	Consolidated 2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating Grants from Government		12,726,154	11,972,237	12,726,154	12,059,317
Capital Grants from Government		2,321,727	1,203,031	2,321,727	1,203,031
Patient and Resident Fees Received		2,627,308	2,599,448	2,627,308	2,599,448
Donations and Bequests Received		1,217,300	26,712	1,217,300	26,712
GST (Paid to)/Received from ATO		42,700	(101,598)	42,700	(101,598)
Interest Received		337,965	414,969	337,965	414,969
Other Receipts		1,100,439	2,047,506	1,133,151	2,052,138
<b>Total Receipts</b>		<b>20,373,593</b>	<b>18,162,305</b>	<b>20,406,305</b>	<b>18,254,017</b>
Employee Expenses Paid		(11,902,453)	(11,087,173)	(11,902,453)	(11,087,173)
Non Salary Labour Costs		(1,430,660)	(1,055,877)	(1,430,660)	(1,055,877)
Payments for Supplies and Consumables		(1,071,460)	(1,035,505)	(1,071,460)	(1,035,505)
Finance Costs		(15,352)	(5,956)	(15,352)	(5,956)
Other Payments		(2,885,415)	(3,643,221)	(2,913,472)	(3,738,292)
<b>Total Payments</b>		<b>(17,305,340)</b>	<b>(16,827,732)</b>	<b>(17,333,397)</b>	<b>(16,922,803)</b>
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>	8.1	<b>3,068,253</b>	<b>1,334,573</b>	<b>3,072,908</b>	<b>1,331,214</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
(Purchase of)/Proceeds from Investments		877,211	0	877,211	0
Purchase of Non-Financial Assets		(3,626,372)	(1,313,247)	(3,629,032)	(1,313,247)
Proceeds from Sale of Non-Financial Assets		0	52,744	0	52,744
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		<b>(2,749,161)</b>	<b>(1,260,503)</b>	<b>(2,751,821)</b>	<b>(1,260,503)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repayment of Borrowings		0	(219,305)	0	(219,305)
Proceeds from Borrowings		81,085	0	81,085	0
Receipt of Accommodation Deposits and Monies in Trust		208,477	1,694,532	208,477	1,694,532
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		<b>289,562</b>	<b>1,475,227</b>	<b>289,562</b>	<b>1,475,227</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD</b>		<b>608,654</b>	<b>1,549,297</b>	<b>610,649</b>	<b>1,545,938</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		4,289,655	2,740,358	4,308,705	2,762,767
<b>CASH AND CASH EQUIVALENTS AT END OF OF FINANCIAL YEAR</b>	6.2	<b>4,898,309</b>	<b>4,289,655</b>	<b>4,919,354</b>	<b>4,308,705</b>

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

CONSOLIDATED	Property, Plant and Equipment Revaluation Surplus \$	Restricted Specific Purpose Surplus \$	Contributed Capital \$	Accumulated Surpluses/ (Deficits) \$	Total \$
<b>Balance at 1 July 2017</b>	14,524,717	75,000	4,386,517	4,220,687	23,206,921
Net result for the year	0	0	0	(507,161)	(507,161)
Transfer (to)/from Accumulated Surplus/(Deficits)	0	0	0	0	0
Other comprehensive income for the year	0	0	0	0	0
<b>Balance at 30 June 2018</b>	<b>14,524,717</b>	<b>75,000</b>	<b>4,386,517</b>	<b>3,713,526</b>	<b>22,699,760</b>
Net result for the year	0		0	1,672,436	1,672,436
Other comprehensive income for the year	6,754,155		0	0	6,754,155
<b>Balance at 30 June 2019</b>	<b>21,278,872</b>	<b>75,000</b>	<b>4,386,517</b>	<b>5,385,962</b>	<b>31,126,351</b>

PARENT	Property, Plant and Equipment Revaluation Surplus \$	Restricted Specific Purpose Surplus \$	Contributed Capital \$	Accumulated Surpluses/ (Deficits) \$	Total \$
<b>Balance at 1 July 2017</b>	14,524,717	75,000	4,386,517	4,197,088	23,183,322
Net result for the year	0	0	0	(503,504)	(503,504)
Transfer (to)/from Accumulated Surplus/(Deficits)	0	0	0	0	0
Other comprehensive income for the year	0	0	0	0	0
<b>Balance at 30 June 2018</b>	<b>14,524,717</b>	<b>75,000</b>	<b>4,386,517</b>	<b>3,693,584</b>	<b>22,679,818</b>
Net result for the year	0	0	0	1,668,335	1,668,335
Other comprehensive income for the year	6,754,155	0	0	0	6,754,155
<b>Balance at 30 June 2019</b>	<b>21,278,872</b>	<b>75,000</b>	<b>4,386,517</b>	<b>5,361,919</b>	<b>31,102,308</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

### BASIS OF PREPARATION

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

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

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

### NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These annual financial statements represent the audited general purpose financial statements for Moyne Health Services (ABN 30 586 278 991) for the year ended 30 June 2019. The report provides users with information about Moyne Health Services' stewardship of resources entrusted to it.

#### (a) Statement of compliance

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

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

Moyne Health Services is a not-for profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Services under the AASBs.

#### (b) Reporting Entity

The financial statements include all the controlled activities of Moyne Health Services.

Its principal address is:

Villiers Street

Port Fairy, Victoria 3284

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

#### (c) Basis of accounting preparation and measurement

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

The accounting policies have been applied in preparing the financial statements for the year ended 30 June 2019, and the comparative information presented in these financial statements for the year ended 30 June 2018.

The financial statements are prepared on a going concern basis (refer note 8.8 Economic Dependency).

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

All amounts shown in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated.

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

Moyne Health Services operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting.

Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is, they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

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

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

- The fair value of land, buildings and plant and equipment (refer to Note 4.2 Property, Plant and Equipment);
- Defined benefit superannuation expense (refer to Note 3.4 Superannuation); and
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.3 Employee Benefits in the Balance Sheet);

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

### NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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 Australian Taxation Office (ATO). In this case the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Balance Sheet.

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

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

#### (d) Jointly Controlled Operation

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

In respect of any interest in joint operations, Moyne Health Services 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.

Moyne Health Services is a Member of the Southwest Alliance of Rural Health Joint Venture and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.7 Jointly Controlled Operations)

#### (e) Principles of Consolidation

##### Intersegment Transactions

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

- The consolidated financial statements of Moyne Health Services include all reporting entities controlled by Moyne Health Services as at 30 June 2019; and
- The consolidated financial statements exclude bodies of Moyne Health Services that are not controlled by Moyne Health Services and therefore are not consolidated.
- Control exists when Moyne Health Services has the power to govern the financial and operating policies of a Health Service so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The consolidated financial statements include the audited financial statements of the controlled entities listed in note 8.12.
- The parent entity is not shown separately in the notes.

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

Entities consolidated into Moyne Health Services reporting entity include:  
- Woody's Murray 2 Moyne Cycle Relay Inc.

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

#### (f) Equity

##### Contributed Capital

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

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

Other transfers that are in the nature of contributions or distributions or that have been designated as contributed capital are also treated as contributed capital.

#### (g) Comparatives

Where applicable, the comparative figures have been restated to align with the presentation in the current year. Figures have been restated at Notes 2.1, 3.1, 3.3 and 5.2.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## NOTE 2: FUNDING DELIVERY OF OUR SERVICES

Moyne Health Services's overall objective is to provide quality health services that support and enhance the wellbeing of all Victorians. Moyne Health Services is predominantly funded by accrual based grant funding for the provision of outputs. Moyne Health Services also receives income from the supply of services.

### Structure

2.1 Income from Transactions

### Note 2.1: INCOME FROM TRANSACTIONS

	Consolidated 2019 \$	Consolidated 2018 \$
Government Grants - Operating	12,985,009	11,837,320
Government Grants - Capital	2,321,727	878,161
Other Capital Purpose Income	1,217,300	263,503
Indirect Contributions by Department of Health and Human Services	283,746	206,627
Patient and Resident Fees	2,660,508	2,576,342
Commercial Activities	287,153	250,052
Other Revenue from Operating Activities (including non-capital donations)	964,098	918,571
<b>Total Income from Operating Activities</b>	<b>20,719,541</b>	<b>16,930,576</b>
Interest	357,206	427,125
Capital Interest	5,782	4,680
<b>Total Income from Non-Operating Activities</b>	<b>362,988</b>	<b>431,805</b>
<b>Total Income from Transactions</b>	<b>21,082,529</b>	<b>17,362,381</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

### NOTE 2.1: INCOME FROM TRANSACTIONS (Continued)

#### Revenue Recognition

Income is recognised in accordance with AASB 118 Revenue and is recognised as to the extent that it is probable that the economic benefits will flow to Moyne Health Services 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, 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 Moyne Health Services gains control of the underlying assets irrespective of whether conditions are imposed on Moyne Health Services's use of the contributions.

The Department of Health and Human Services makes certain payments on behalf of Moyne Health Services.

These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue.

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

#### Non-cash contributions from the Department of Health and Human Services

The Department of Health and Human Services makes some payments on behalf of health services as follows:

- The Victorian Managed Insurance Authority non-medical indemnity insurance payments are 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 long service leave funding arrangements set out in the relevant Department of Health and Human Services Hospital Circular

#### Patient Fees

Patient and resident fees are recognised as revenue on an accrual basis.

#### Private Practice Fees

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

#### Revenue from Commercial Activities

Revenue from commercial activities such as provision of meals to external users is recognised on an accrual basis.

#### Donations and Other Bequests

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

#### Interest Revenue

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

#### Sale of investments

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

#### Other Income

Other income includes recoveries for salaries and wages, sundry sales and minor facility charges.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## NOTE 3: THE COST OF DELIVERING SERVICES

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

### Structure

3.1 Expenses from Transactions

3.2 Other Economic Flows

3.2b Analysis of expense and revenue by internally managed and restricted specific purpose funds

3.3 Employee benefits in the Balance Sheet

3.4 Superannuation

Note 3.1: EXPENSES FROM TRANSACTIONS	Consolidated 2019 \$	Consolidated 2018 \$
Salaries and Wages	10,943,196	10,146,710
On-costs	1,036,320	972,309
Agency Expenses	1,296,958	931,969
Fee for Service Medical Officer Expenses	133,702	123,908
Workcover Premium	219,311	182,695
<b>Total Employee Expenses</b>	<b>13,629,487</b>	<b>12,357,591</b>
Drug Supplies	77,826	73,390
Medical & Surgical Supplies (including Prosthesis)	301,261	293,168
Diagnostic and Radiology Supplies	4,796	30,429
Other Supplies and Consumables	688,019	694,093
<b>Total Supplies and Consumables</b>	<b>1,071,902</b>	<b>1,091,080</b>
Finance Costs	15,352	5,956
<b>Total Finance Costs</b>	<b>15,352</b>	<b>5,956</b>
Fuel, Light, Power and Water	317,916	300,612
Repairs and Maintenance	405,365	392,685
Maintenance Contracts	70,785	64,043
Medical Indemnity Insurance	35,008	30,969
Other Administration Expenses	1,975,187	1,744,581
Expenditure for Capital Purposes	15,725	128,825
<b>Total Other Operating Expenses</b>	<b>2,819,986</b>	<b>2,661,715</b>
Depreciation and Amortisation (refer note 4.3)	1,797,170	1,790,382
<b>Total Other Non-Operating Expenses</b>	<b>1,797,170</b>	<b>1,790,382</b>
<b>Total Expenses from Transactions</b>	<b>19,333,897</b>	<b>17,906,724</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

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

### Employee Expenses

Employee expenses include:

- Salaries and wages (including fringe benefits tax, leave entitlements, termination payments);
- On-costs;
- Agency expenses;
- Fee for service medical officer expenses;
- Work cover premium.

### Supplies and consumables

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.

### Finance costs

Finance costs include:

- finance charges in respect of finance leases which are recognised in accordance with AASB 117 Leases.

### Other operating expenses

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

- Fuel, light and power
- Repairs and maintenance
- Other administrative expenses
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold).

The Department of Health and Human Services also makes certain payments on behalf of Moyne Health Services.

These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue and also recording the related expense.

### Non-operating expenses

Other non-operating expenses generally represent expenditure for outside the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## Note 3.2: OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

	Consolidated 2019 \$	Consolidated 2018 \$
<u>Net gain/(loss) on sale of non-financial assets</u>		
Net gain on disposal of property plant and equipment	0	24,003
<b>Total net gain/(loss) on non-financial assets</b>	<b>0</b>	<b>24,003</b>
<u>Net gain/(loss) on financial instruments at fair value</u>		
Gain on discount from present value of Borrowings	1,949	0
<b>Total net gain/(loss) on financial instruments at fair value</b>	<b>1,949</b>	<b>0</b>
<u>Other gains/(losses) from other economic flows</u>		
Net gain/(loss) arising from revaluation of long service liability	(78,145)	13,179
<b>Total other gains/(losses) from other economic flows</b>	<b>(78,145)</b>	<b>13,179</b>
<b>Total other gains/(losses) from economic flows</b>	<b>(76,196)</b>	<b>37,182</b>

### 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 gain/ (losses) of non-financial physical assets (Refer to Note 4.2 Property, Plant and Equipment)
- Net gain/(loss) on disposal of Non-Financial Assets
- Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

### Net gain/ (loss) on financial instruments

Net gain/ (loss) on financial instruments includes:

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

### Other gains/(losses) from other economic flows

Other gains/(losses) include:

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

### Derecognition of financial liabilities

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

## NOTE 3.2b: ANALYSIS OF EXPENSE AND REVENUE BY INTERNALLY MANAGED AND RESTRICTED SPECIFIC PURPOSE FUNDS

	Consolidated 2019 \$	Consolidated 2018 \$	Consolidated 2019 \$	Consolidated 2018 \$
	Expense		Revenue	
<b>Commercial Activities</b>				
Provision of Meals	123,213	152,172	108,258	99,213
Property Rental	30,299	15,698	86,183	89,760
<b>Other Activities</b>				
Fundraising	28,057	95,369	92,712	91,712
<b>TOTAL</b>	<b>181,569</b>	<b>263,239</b>	<b>287,153</b>	<b>280,685</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## NOTE 3.3: EMPLOYEE BENEFITS IN THE BALANCE SHEET

	Consolidated 2019	Consolidated 2018
	\$	\$
<b>Current Provisions</b>		
Employee Benefits (i)		
Annual Leave		
- unconditional and expected to be settled wholly within 12 months (ii)	877,358	885,154
- unconditional and expected to be settled wholly after 12 months (iii)	15,000	12,585
Long Service Leave		
- unconditional and expected to be settled wholly within 12 months (ii)	227,404	262,340
- unconditional and expected to be settled wholly after 12 months (iii)	1,585,305	1,190,506
Other		
- Accrued Days Off	22,692	27,470
	<u>2,727,759</u>	<u>2,378,055</u>
<b>Provisions related to Employee Benefit On-Costs</b>		
- unconditional and expected to be settled wholly within 12 months (ii)	154,123	131,688
- unconditional and expected to be settled wholly after 12 months (iii)	237,882	156,606
	<u>392,005</u>	<u>288,294</u>
<b>Total Current Provisions</b>	<u>3,119,764</u>	<u>2,666,349</u>
<b>Non-Current Provisions</b>		
Conditional Long Service Leave Entitlements	218,044	272,411
Provisions related to Employee Benefit On-Costs	31,158	33,030
<b>Total Non-Current Provisions</b>	<u>249,202</u>	<u>305,441</u>
<b>Total Provisions</b>	<u>3,368,966</u>	<u>2,971,790</u>

### Notes:

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

### (a) Employee Benefits and Related On-Costs

#### Current Employee Benefits and Related On-Costs

South West Alliance of Rural Health Entitlements	47,404	44,237
Annual Leave Entitlements	1,023,981	960,190
Accrued Days Off	22,692	27,470
Unconditional LSL Entitlement	2,025,687	1,634,452
	<u>3,119,764</u>	<u>2,666,349</u>

#### Non-Current Employee Benefits and related on-costs

South West Alliance of Rural Health Entitlements	6,806	8,170
Conditional Long Service Leave Entitlements (iii)	242,396	297,271
<b>Total Employee Benefits and Related Oncosts</b>	<u>3,368,966</u>	<u>2,971,790</u>

### (b) Movements in Provisions

#### Movement in Long Service Leave

<b>Balance at start of year</b>	1,931,723	1,816,107
Provision made during the year		
- Revaluations	78,145	(13,179)
- Expense Recognising Employee Service	464,287	434,659
Settlement made during the year	(206,072)	(305,864)
<b>Balance at end of year</b>	<u>2,268,083</u>	<u>1,931,723</u>

### Employee Benefit Recognition

Provision is made for benefits accruing to employees in respect of wages and salaries, accrued days off, annual leave and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

### Provisions

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

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

### Annual Leave and Accrued Days Off

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

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

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

### Long Service Leave (LSL)

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. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

- Undiscounted value – if Moynes Health Services expects to wholly settle within 12 months; or
- Present value – if Moynes Health Services does not expect to wholly settle within 12 months.

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

### Termination benefits

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

### On-Costs related to employee expense

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

## NOTE 3.4: SUPERANNUATION

Fund		Paid Contributions for the year		Outstanding Contributions at Year End	
		2019	2018	2019	2018
		\$	\$	\$	\$
<b>Defined Benefit Plans:</b>	First State Super	75,828	72,655	-	-
<b>Defined Contribution Plans:</b>	First State Super	771,556	639,022	-	-
	HESTA	188,936	180,983	-	-
	Other	-	-	-	-
<b>Total</b>		<b>1,036,320</b>	<b>892,660</b>	<b>-</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

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

### **Defined benefit superannuation plans**

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

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

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

The name, details and amounts that have been expensed in relation to the major employee superannuation funds and contributions made by Moyne Health Services are disclosed above.

### **Defined contribution superannuation 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 defined contribution superannuation plans are expensed when incurred.

## **NOTE 4: KEY ASSETS TO SUPPORT SERVICE DELIVERY**

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

### **Structure**

- 4.1 Investments and other financial assets
- 4.2 Property, plant & equipment
- 4.3 Depreciation and amortisation

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## NOTE 4.1: INVESTMENTS AND OTHER FINANCIAL ASSETS

	Capital Fund		Consolidated	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>CURRENT</b>				
<i>Financial Assets at Amortised Cost</i>				
Term Deposits > 3 months (i)	11,957,082	12,834,293	11,957,082	12,834,293
<b>TOTAL CURRENT INVESTMENTS AND OTHER FINANCIAL ASSETS</b>	<b>11,957,082</b>	<b>12,834,293</b>	<b>11,957,082</b>	<b>12,834,293</b>
<b>Represented by:</b>				
Monies Held in Trust				
- Refundable Accommodation Bonds	11,957,082	12,834,293	11,957,082	12,834,293
<b>TOTAL</b>	<b>11,957,082</b>	<b>12,834,293</b>	<b>11,957,082</b>	<b>12,834,293</b>

(i) Term deposits under 'investments and other financial assets' class include only term deposits with maturity greater than 90 days.

### Note 4.1 Investment Recognition

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

Investments are classified as financial assets at amortised cost.

Moyne Health Services classifies its other financial assets between current and non-current assets based on the Board's intention at balance date with respect to the timing of disposal of each asset. The Health Service assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Moyne Health Services investments must comply with Standing Direction 3.7.2 - Treasury and Investment Risk Management.

All financial assets, except those measured at fair value through the Comprehensive Operating Statement are subject to annual review for impairment.

### Derecognition of financial assets

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

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

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

### Impairment of Financial Assets

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT

### (a) Gross carrying amount and accumulated depreciation

	Consolidated 2019 \$	Consolidated 2018 \$
<b>Land</b>		
- Land at Fair Value	2,218,000	2,678,126
<b>Total Land</b>	<u>2,218,000</u>	<u>2,678,126</u>
<b>Buildings</b>		
- Buildings Under Construction at Cost	1,402,385	2,064,051
- Landscaping & Improvements at Fair Value	349,000	305,000
Less Accumulated Depreciation	0	50,000
	<u>349,000</u>	<u>255,000</u>
- Buildings at Fair Value	27,167,000	23,406,346
Less Accumulated Depreciation	0	5,247,803
	<u>27,167,000</u>	<u>18,158,543</u>
<b>Total Buildings</b>	<u>28,918,385</u>	<u>20,477,594</u>
<b>Plant and Equipment</b>		
- Plant and Equipment at Fair Value	2,834,969	2,578,326
Less Accumulated Depreciation	1,981,230	1,803,758
<b>Total Plant and Equipment</b>	<u>853,739</u>	<u>774,568</u>
<b>Leased Assets</b>		
- Information Technology (SWARH Net Value)	164,435	110,253
<b>Total Leased Assets</b>	<u>164,435</u>	<u>110,253</u>
<b>Furniture and Fittings</b>		
-Furniture and Fittings at Fair Value	732,116	725,421
Less Accumulated Depreciation	607,106	570,293
<b>Total Furniture and Fittings</b>	<u>125,010</u>	<u>155,128</u>
<b>Motor Vehicles</b>		
- Motor Vehicles at Fair Value	551,024	551,024
Less Accumulated Depreciation	367,365	278,962
<b>Total Assets Under Construction</b>	<u>183,659</u>	<u>272,062</u>
<b>TOTAL</b>	<u>32,463,228</u>	<u>24,467,731</u>

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

	Land \$	Buildings \$	Plant & Equipment \$	Leased Assets \$	Furniture & Fittings \$	Motor Vehicles \$	Total \$
<b>Balance at 1 July 2017</b>	2,678,126	20,263,389	686,549	332,898	178,484	243,641	24,383,087
Additions	0	1,777,498	107,933	0	14,202	150,956	2,050,589
South West Alliance of Rural Health	0	0	0	(146,822)	0	0	(146,822)
Disposals	0	0	0	0	0	(28,741)	(28,741)
Transfers between Classes	0	(149,474)	149,474	0	0	0	0
Depreciation and Amortisation (note 4.3)	0	(1,413,819)	(169,388)	(75,823)	(37,558)	(93,794)	(1,790,382)
<b>Balance at 1 July 2018</b>	<u>2,678,126</u>	<u>20,477,594</u>	<u>774,568</u>	<u>110,253</u>	<u>155,128</u>	<u>272,062</u>	<u>24,467,731</u>
Additions	0	2,641,703	257,460	132,654	6,695	0	3,038,512
Revaluation Increments/(Decrements)	(460,126)	7,214,281	0	0	0	0	6,754,155
Disposals	0	0	0	0	0	0	0
Depreciation and Amortisation (note 4.3)	0	(1,415,193)	(178,289)	(78,472)	(36,813)	(88,403)	(1,797,170)
<b>Balance at 30 June 2019</b>	<u>2,218,000</u>	<u>28,918,385</u>	<u>853,739</u>	<u>164,435</u>	<u>125,010</u>	<u>183,659</u>	<u>32,463,228</u>

### Land and buildings carried at valuation

The Valuer-General Victoria undertook to re-value all of Moyne Health Services's owned and leased land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation is 30 June 2019.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair value measurement hierarchy for assets

	Carrying amount as at 30 June 2019	Fair value measurement at end of reporting period using:		
		Level 1 (i)	Level 2 (i)	Level 3 (i)
	\$	\$	\$	\$
<b>Land at fair value</b>				
Specialised land	2,218,000	0	0	2,218,000
Total of land at fair value	2,218,000	0	0	2,218,000
<b>Buildings at fair value</b>				
Specialised buildings	27,516,000	0	0	27,516,000
Total of building at fair value	27,516,000	0	0	27,516,000
<b>Plant and equipment at fair value</b>				
Plant equipment and vehicles at fair value				
- Plant and equipment	853,739	0	0	853,739
- Furniture and Fittings	125,010	0	0	125,010
- Vehicles	183,659	0	183,659	0
Total of plant, equipment and vehicles at fair value	1,162,408	0	183,659	978,749
	30,896,408	0	183,659	30,712,749
	Carrying amount as at 30 June 2018	Fair value measurement at end of reporting period using:		
	\$	Level 1 (i)	Level 2 (i)	Level 3 (i)
	\$	\$	\$	\$
<b>Land at fair value</b>				
Specialised land	2,678,126		0	2,678,126
Total of land at fair value	2,678,126	0	0	2,678,126
<b>Buildings at fair value</b>				
Specialised buildings	18,413,543	0	0	18,413,543
Total of building at fair value	18,413,543	0	0	18,413,543
<b>Plant and equipment at fair value</b>				
Plant equipment and vehicles at fair value				
- Plant and equipment	774,568	0	0	774,568
- Furniture and Fittings	155,128	0	0	155,128
- Vehicles	272,062	0	272,062	0
Total of plant, equipment and vehicles at fair value	1,201,758	0	272,062	929,696
	22,293,427	0	272,062	22,021,365

Note

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT (Continued)

(d) Reconciliation of Level 3 fair value

	Land \$	Buildings \$	Plant and Equipment \$	Furniture and Fittings \$
<b>30-Jun-19</b>				
Balance at 1 July 2018	2,678,126	18,413,543	774,568	155,128
Purchases (sales)	0	3,303,369	257,460	6,695
Transfers in (out) of Level 3	0	0	0	0
Gains or losses recognised in net result				
- Depreciation	0	(1,415,193)	(178,289)	(36,813)
<b>Subtotal</b>	<b>2,678,126</b>	<b>20,301,719</b>	<b>853,739</b>	<b>125,010</b>
Items recognised in other comprehensive income				
- Revaluation	(460,126)	7,214,281	0	0
<b>Subtotal</b>	<b>(460,126)</b>	<b>7,214,281</b>	<b>0</b>	<b>0</b>
<b>Balance at 30 June 2019</b>	<b>2,218,000</b>	<b>27,516,000</b>	<b>853,739</b>	<b>125,010</b>
<b>30-Jun-18</b>				
Balance at 1 July 2017	2,678,126	19,810,037	686,549	178,484
Purchases (sales)	0	17,325	257,407	14,202
Transfers in (out) of Level 3	0	0	0	0
Gains or losses recognised in net result				
- Depreciation	0	(1,413,819)	(169,388)	(37,558)
<b>Subtotal</b>	<b>2,678,126</b>	<b>18,413,543</b>	<b>774,568</b>	<b>155,128</b>
Items recognised in other comprehensive income				
- Revaluation	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance at 30 June 2018</b>	<b>2,678,126</b>	<b>18,413,543</b>	<b>774,568</b>	<b>155,128</b>

## (e) Fair Value Determination

Asset Class	Examples of types assets	Expected fair value level	Likely valuation approach	Significant inputs (Level 3 only)
Specialised land (Crown/Freehold)	- Land subject to restriction as to use and/or sale - Land in areas where there is not an active market	Level 3	Market approach	Community Service Obligation Adjustments
Specialised Buildings (a)	Specialised buildings with limited alternative uses and/or substantial customisation eg. Hospitals	Level 3	Depreciated replacement cost approach	- Cost per square metre - Useful life
Vehicles	If there is an active resale market available	Level 2	Market approach	n.a.
Plant and equipment	Specialised items with limited alternative uses and/or substantial customisation	Level 3	Depreciated replacement cost approach	- Cost per unit - Useful life

## (f) Property, Plant and Equipment Revaluation Surplus

	Consolidated 2019 \$	Consolidated 2018 \$
Property, Plant and Equipment Revaluation Surplus		
Balance at the beginning of the reporting period	14,524,717	14,524,717
Revaluation Increment		
- Land	(460,126)	0
- Buildings	7,214,281	0
<b>Balance at the end of the reporting period*</b>	<b>21,278,872</b>	<b>14,524,717</b>
<b>*Represented by:</b>		
- Land	1,198,070	1,658,196
- Buildings	20,080,802	12,866,521
	<b>21,278,872</b>	<b>14,524,717</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

### NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT (Continued)

#### Initial Recognition

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment loss. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a merger/machinery of government change are transferred at their carrying amounts.

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

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

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

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

#### Revaluations of Non-current Physical Assets

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

Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly to the asset revaluation surplus except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, the increment is recognised as income in the net result.

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

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

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

In accordance with FRD 103H Moyne Health Services's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

#### Fair value measurement

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

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

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

The Valuer-General Victoria (VGV) is Moyne Health Services independent valuation agency.

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

#### Valuation hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- 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; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

### NOTE 4.2: PROPERTY, PLANT AND EQUIPMENT (Continued)

#### Identifying unobservable inputs (level 3) fair value measurements

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

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

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

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

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

#### Specialised land and specialised buildings

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

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

The market approach is also used for specialised land and specialised buildings although 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 Moyne 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 2019.

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

There were no changes in valuation techniques throughout the period to 30 June 2019.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## NOTE 4.3: DEPRECIATION AND AMORTISATION

	Consolidated 2019 \$	Consolidated 2018 \$
<b>Depreciation</b>		
Buildings and Improvements - Buildings	1,402,693	1,401,319
Buildings and Improvements - Land Improvements	12,500	12,500
Plant & Equipment	178,289	169,388
Motor Vehicles	88,403	93,794
Furniture & Fittings	36,813	37,558
Leased Assets - South West Alliance of Rural Health	78,472	75,823
<b>Total Depreciation</b>	<b>1,797,170</b>	<b>1,790,382</b>

### Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated (i.e. excludes land assets held for sale, and investment properties). Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value over its estimated useful life (refer AASB 116 *Property, Plant and Equipment*).

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

	2019	2018
Buildings		
- Structure Shell Building Fabric	19 to 41 years	19 to 41 years
- Site Engineering Services and Central Plant	17 to 23 years	17 to 23 years
Central Plant		
- Fit Out	6 to 7 years	6 to 7 years
- Trunk Reticulated Building Systems	3 to 7 years	3 to 7 years
Plant and Equipment	3 to 7 years	3 to 7 years
Medical Equipment	7 to 10 years	7 to 10 years
Computers and Communication	3 years	3 years
Furniture and Fittings	13 years	13 years
Motor Vehicles	3.5 years	3.5 years
Intangible Assets	3 years	3 years
Leasehold Improvements	6 to 7 years	6 to 7 years

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

## NOTE 5: OTHER ASSETS AND LIABILITIES

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

### Structure

- 5.1 Receivables
- 5.2 Payables
- 5.3 Other liabilities

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

### NOTE 5.1: RECEIVABLES

	Consolidated 2019 \$	Consolidated 2018 \$
<b>CURRENT</b>		
<b>Contractual</b>		
Trade Debtors	66,907	69,144
Patient Fees and Resident Debtors	294,633	261,433
Accrued Investment Income	148,651	123,628
Receivables - South West Alliance of Rural Health	173,223	52,886
<b>Less Allowance for impairment losses of contractual receivables</b>		
Patient Fees	0	0
Trade Debtors	0	0
	<u>683,414</u>	<u>507,091</u>
<b>Statutory</b>		
Accrued Revenue - Department of Health & Ageing	18,440	(8,014)
Accrued Grants - Department of Health & Human Services	58,300	0
GST Receivable - Health Service	147,803	190,503
	<u>224,543</u>	<u>182,489</u>
<b>TOTAL CURRENT RECEIVABLES</b>	<u>907,957</u>	<u>689,580</u>
<b>NON CURRENT</b>		
<b>Statutory</b>		
Long Service Leave - Department of Health and Human Services	1,067,427	799,532
<b>TOTAL NON-CURRENT RECEIVABLES</b>	<u>1,067,427</u>	<u>799,532</u>
<b>TOTAL RECEIVABLES</b>	<u>1,975,384</u>	<u>1,489,112</u>
<b>(a) Movement in the allowance for impairment losses of contractual receivables</b>		
Balance at beginning of the year	0	4,000
Amounts written off during the year	0	0
Amounts recovered during the year	0	0
Increase/(decrease) in allowance recognised in net result	0	(4,000)
<b>Balance at end of year</b>	<u>0</u>	<u>0</u>

#### Receivables recognition

Receivables consist of:

- Contractual receivables, which consists of debtors in relation to goods and services and accrued investment income. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The Health Service holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.
- Statutory receivables, which predominantly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The Health Service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition.

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.

The Health Service is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

Receivables are subject to impairment loss assessment in accordance with AASB 9's expected credit loss model and the impairment loss allowance is increased accordingly with the impairment expense recognised in the net result an 'other economic flow'. However when it becomes mutually agreed between debtor and creditor that the receivable has become uncollectible, the carrying amount of the receivable needs to be reduced, and a bad debt expense for the write-off recognised in the net result as a transaction. Accordingly at the same time, the amount in the provision together with its related impairment expense initially recognised as an 'other economic flow' will need to be reversed.

#### Impairment losses of contractual receivables

Refer to Note 7.1(c) Contractual receivables at amortised costs for Moyne Health Service's contractual impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## NOTE 5.2: PAYABLES

	Consolidated 2019 \$	Consolidated 2018 \$
<b>CURRENT</b>		
<b>Contractual</b>		
Trade Creditors (i)	328,867	227,003
Capital Creditors	0	590,520
Accrued Audit Fees	12,100	10,100
Accrued Salaries and Wages	440,882	383,791
Accrued Expenses	83,019	258,623
Payables - South West Alliance of Rural Health	137,704	168,918
	<u>1,002,572</u>	<u>1,638,955</u>
<b>Statutory</b>		
PAYG Obligations Owing	0	79,748
Department of Health and Human Services	0	123,700
Department of Health & Ageing	0	50,401
	<u>0</u>	<u>253,849</u>
<b>TOTAL</b>	<u>1,002,572</u>	<u>1,892,804</u>

(i) The average credit period is 45 days.

Payables consist of:

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

Maturity analysis of payables

Please refer to Note 7.1(b) for the maturity analysis of payables.

## NOTE 5.3: OTHER LIABILITIES

	Consolidated 2019 \$	Consolidated 2018 \$
<b>CURRENT</b>		
Monies Held in Trust*		
- Patient Monies Held in Trust*	11,306	10,871
- Home Care Packages Funds Held for Clients	414,770	284,806
- Accommodation Bonds (Refundable Entrance Fees)*	15,273,635	15,195,557
<b>TOTAL CURRENT</b>	<u>15,699,711</u>	<u>15,491,234</u>
<b>* Total Monies Held in Trust</b>		
<b>Represented by the following assets:</b>		
Cash Assets (refer to Note 6.2)	2,780,220	1,694,532
Investments and other Financial Assets (refer to Note 4.1)	11,957,082	12,834,293
Land & Buildings	962,409	962,409
<b>TOTAL OTHER LIABILITIES</b>	<u>15,699,711</u>	<u>15,491,234</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## NOTE 6: HOW WE FINANCE OUR OPERATIONS

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

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

### **Structure**

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## NOTE 6.1: BORROWINGS

	Consolidated 2019 \$	Consolidated 2018 \$
<b>Current Borrowings</b>		
Australian Dollar Borrowings		
Department of Health & Human Services	22,531	-
Finance Lease Liability - South West Alliance of Rural Health	38,101	105,089
<b>Total Australian Dollars Borrowings</b>	<u>60,632</u>	<u>105,089</u>
<b>Total Current Borrowings</b>	<u><b>60,632</b></u>	<u><b>105,089</b></u>
<b>Non-Current Borrowings</b>		
Australian Dollar Borrowings		
Department of Health & Human Services	65,643	0
Finance Lease Liability - South West Alliance of Rural Health	57,950	0
<b>Total Australian Dollars Borrowings</b>	<u>123,593</u>	<u>0</u>
<b>Total Non-Current Borrowings</b>	<u><b>123,593</b></u>	<u><b>0</b></u>

Finance leases are held by the South West Alliance of Rural Health and are secured by the rights to the leased assets being held by the lessor.

### Maturity analysis of borrowings

Please refer to Note 7.1(b) for the maturity analysis of borrowings.

### Defaults and breaches

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

### Borrowing Recognition

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

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

## NOTE 6.2: CASH AND CASH EQUIVALENTS

	Consolidated 2019 \$	Consolidated 2018 \$
Cash on Hand	1,000	1,000
Cash at Bank	4,857,494	4,082,087
Cash at Bank - Woody's Murray 2 Moyne Cycle Relay Inc.	21,045	19,050
Cash at Bank - South West Alliance of Rural Health	39,815	206,568
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>4,919,354</u>	<u>4,308,705</u>
<b>Represented by:</b>		
Cash for Health Service Operations	2,139,134	2,614,173
Cash for Monies Held in Trust		
- Patients Trust (note 5.3)	11,306	10,871
- Accommodation Bonds (note 5.3)	2,768,914	1,683,661
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>4,919,354</u>	<u>4,308,705</u>

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

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the balance sheet. The cash flow statement includes monies held in trust.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

### NOTE 6.3: COMMITMENTS FOR EXPENDITURE

	Consolidated 2019 \$	Consolidated 2018 \$
<b>Capital Expenditure Commitments</b>		
Payable: Less than 1 year		
Buildings	3,853,303	858,480
Plant & Equipment	770,000	-
<b>Total Capital Expenditure Commitments</b>	<b>4,623,303</b>	<b>858,480</b>
<b>Total Commitments (inclusive of GST)</b>	4,623,303	858,480
less GST recoverable from the Australian Taxation Office	(420,300)	(78,044)
<b>Total Commitments (exclusive of GST)</b>	<b>4,203,003</b>	<b>780,436</b>

Future finance lease payments are recognised on the balance sheet, refer to Note 6.1 Borrowings.

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed 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.

### NOTE 7: RISKS, CONTINGENCIES & VALUATION UNCERTAINTIES

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

#### Structure

7.1 Financial instruments

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## NOTE 7.1: FINANCIAL INSTRUMENTS

### Financial Risk Management Objectives and Policies

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 Moyné Health Services's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

#### (a) Categorisation of financial instruments

2019	Financial Assets at Amortised Cost	Contractual financial assets - loans and receivables	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$	\$
<b>Contractual Financial Assets</b>				
Cash and cash equivalents	4,919,354	0	0	4,919,354
Receivables				
- Trade Debtors	361,540	0	0	361,540
- Other Receivables	321,874	0	0	321,874
Investments and Other Financial Assets				
- Term Deposits	11,957,082	0	0	11,957,082
<b>Total Financial Assets (i)</b>	<b>17,559,850</b>	<b>0</b>	<b>0</b>	<b>17,559,850</b>
<b>Financial Liabilities</b>				
Payables	0	0	1,002,572	1,002,572
Borrowings	0	0	184,225	184,225
Other Financial Liabilities				
- Accommodation Bonds	0	0	15,273,635	15,273,635
- Other	0	0	11,306	11,306
<b>Total Financial Liabilities(ii)</b>	<b>0</b>	<b>0</b>	<b>16,471,738</b>	<b>16,471,738</b>

2018	Financial Assets at Amortised Cost	Contractual financial assets - loans and receivables	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$	\$
<b>Contractual Financial Assets</b>				
Cash and cash equivalents	0	4,308,705	0	4,308,705
Receivables				
- Trade Debtors	0	330,577	0	330,577
- Other Receivables	0	176,514	0	176,514
Investments and Other Financial Assets				
- Term Deposits	0	12,834,293	0	12,834,293
<b>Total Financial Assets (i)</b>	<b>0</b>	<b>17,650,089</b>	<b>0</b>	<b>17,650,089</b>
<b>Financial Liabilities</b>				
Payables	0	0	1,638,955	1,638,955
Borrowings	0	0	105,089	105,089
Other Financial Liabilities				
- Accommodation Bonds	0	0	15,195,557	15,195,557
- Other	0	0	10,871	10,871
<b>Total Financial Liabilities(ii)</b>	<b>0</b>	<b>0</b>	<b>16,950,472</b>	<b>16,950,472</b>

(i) The carrying amount excludes statutory receivables (i.e. GST Receivable and DHHS Receivable) and statutory payables (i.e. Revenue in advance and DHHS payable).

From 1 July 2018, the Health Service applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

Categories of financial assets under AASB 9

#### Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Health Service to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

### NOTE 7.1: FINANCIAL INSTRUMENTS (Continued)

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Health Service recognises the following assets in this category:

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

#### Categories of financial assets previously under AASB 139

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

Moyne Health Services recognises the following assets in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).

**Financial liabilities at amortised cost** are initially recognised on the date they are originated.

They are initially measured at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. Moyne Health Services recognises the following liabilities in this category:

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

**Derecognition of financial assets:** A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired.

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

#### 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 assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## NOTE 7.1: FINANCIAL INSTRUMENTS (Continued)

### Note 7.1 (b): Maturity analysis of Financial Liabilities as at 30 June

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.

Note	Total Carrying Amount	Nominal Amount	Maturity Dates				
			Less than 1 Month	1 - 3 Months	3 Months - 1 Year	1 - 5 Years	
	\$	\$	\$	\$	\$	\$	
<b>2019</b>							
<b>Financial Liabilities</b>							
<i>At amortised cost</i>							
Payables (i)	5.2	1,002,572	1,002,572	1,002,572	0	0	0
Borrowings	6.1	184,225	184,225	5,052	15,158	40,422	123,593
Other Financial Liabilities							
- Accommodation Deposits	5.3	15,273,635	15,273,635	0	0	15,273,635	0
- Other	5.3	426,076	426,076	0	426,076	0	0
<b>Total Financial Liabilities</b>		<b>16,886,508</b>	<b>16,886,508</b>	<b>1,007,624</b>	<b>441,234</b>	<b>15,314,057</b>	<b>123,593</b>
<b>2018</b>							
<b>Financial Liabilities</b>							
<i>At amortised cost</i>							
Payables (i)	5.2	1,638,955	1,638,955	1,638,955	0	0	0
Borrowings	6.1	105,089	105,089	8,757	26,271	70,061	0
Other Financial Liabilities							
- Accommodation Deposits	5.3	15,195,557	15,195,557	0	0	15,195,557	0
- Other	5.3	295,677	295,677	295,677	0	0	0
<b>Total Financial Liabilities</b>		<b>17,235,278</b>	<b>17,235,278</b>	<b>1,943,389</b>	<b>26,271</b>	<b>15,265,618</b>	<b>0</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

### NOTE 7.1: FINANCIAL INSTRUMENTS (Continued)

#### Note 7.1 (c): Contractual receivables at amortised costs

##### Contractual receivables at amortised cost

The Health Service applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The Health Service has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the Health Service's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, the Health Service determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at end of the financial year as disclosed above. As disclosed in Note 5.1 the Health Service have an expected credit loss of \$0.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

##### Statutory receivables and debt investments at amortised cost [AASB2016-8.4]

The Health Service's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

The Health Service also has investments in:

- Term Deposits in Australian approved deposit institutions

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance recognised at 30 June 2018 under AASB 139. No additional loss allowance required upon transition into AASB 9 on 1 July 2018.

### NOTE 7.2: 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.

There are no known contingent assets or contingent liabilities for Moyne Health Services at the date of this report (2018 Nil).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## NOTE 8: OTHER DISCLOSURES

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

### Structure

- 8.1 Reconciliation of Net Result for the Year to Net Cash Flow from Operating Activities
- 8.2 Responsible persons disclosure
- 8.3 Remuneration of Executive Officers
- 8.4 Related Parties
- 8.5 Remuneration of auditors
- 8.6 Events occurring after the balance sheet date
- 8.7 Jointly Controlled Operations
- 8.8 Economic Dependency
- 8.9 AASBs issued that are not yet effective

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

NOTE 8.1: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	Consolidated 2019 \$	Consolidated 2018 \$
<b>NET RESULT FOR THE YEAR</b>	1,672,436	(507,161)
<b>Non-cash movements</b>		
Depreciation and Amortisation	1,797,170	1,790,382
Allowance for Impairment Losses of Contractual Receivables	0	(4,000)
Net (Gain)/Loss on Financial Instruments	(1,949)	0
<b>Movements included in investing and financing activities</b>		
Net (gain)/loss from disposal of non financial physical assets	0	(24,003)
<b>Movements in assets and liabilities</b>		
Change in Operating Assets & Liabilities		
(Increase)/Decrease in Receivables	(498,179)	706,675
(Increase)/Decrease in Prepayments	(6,383)	(23,389)
Increase/(Decrease) in Payables	(265,148)	(807,508)
Increase/(Decrease) in Provisions	374,519	201,512
Change in Inventories	442	(1,294)
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<u>3,072,908</u>	<u>1,331,214</u>

## NOTE 8.2: RESPONSIBLE PERSON DISCLOSURES

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

	Period
<b>Responsible Ministers:</b>	
The Honourable Jill Hennessy, Minister for Health and Minister for Ambulance Services	01/07/2018 - 29/11/2018
The Honourable Jenny Mikakos, Minister for Health and Minister for Ambulance Services	29/11/2018 - 30/06/2019
<b>Governing Boards</b>	
Mrs K. Foster	01/07/2018 - 30/06/2019
Mr A. McCosh	01/07/2018 - 30/06/2019
Mrs J. Crow	01/07/2018 - 30/06/2019
Mr R. Leutton	01/07/2018 - 30/06/2019
Mrs L. Doherty	01/07/2018 - 30/06/2019
Mr B. Densem	01/07/2018 - 30/06/2019
Ms S. O'Keeffe	01/07/2018 - 30/06/2019
Mr D. Leembruggen	01/07/2018 - 30/06/2019
<b>Accountable Officers</b>	
Mrs Jacqueline Kelly (Chief Executive Officer)	01/07/2018 - 30/06/2019

## Remuneration of Responsible Persons

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

Income Band	Consolidated	
	2019 \$	2018 \$
\$0 - \$9,999	8	7
\$20,000 - \$29,999	0	1
\$150,000 - \$159,999	0	1
\$210,000 - \$219,999	1	0
<b>Total Numbers</b>	<u>9</u>	<u>9</u>
<b>Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:</b>	<u>\$230,733</u>	<u>\$181,047</u>

Amounts relating to Governing Board Members and Accountable Officer are disclosed in the Health Service's controlled entities financial statements.

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## NOTE 8.3: REMUNERATION OF EXECUTIVES

### Remuneration of executives

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered, and is disclosed in the following categories.

**Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

**Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

**Other long-term benefits** include long service leave, other long-service benefit or deferred compensation.

**Termination benefits** include termination of employment payments, such as severance packages.

**Share-based payments** are cash or other assets paid or payable as agreed between the health service and the employee, provided specific vesting conditions, if any, are met.

Remuneration of executive officers	Consolidated	
	2019	2018
	\$	\$
Short-term employee benefits	407,880	284,235
Post-employment benefits	55,691	78,892
Other long-term benefits	11,626	11,136
<b>Total Remuneration (b)</b>	<b>475,197</b>	<b>374,263</b>
<b>Total Number of executives (c)</b>	<b>3</b>	<b>3</b>
<b>Total annualised employee equivalent (AEE) (d)</b>	<b>3</b>	<b>3</b>

Notes:

- (i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.5).
- (ii) Annualised employee equivalent is based on the time fraction worked over the reporting period. This is calculated as the total number of days the employee is engaged to work during the week by the total number of full-time working days per week (this is generally five full working days per week).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

### NOTE 8.4: RELATED PARTIES

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

- all key management personnel and their close family members;
- all cabinet ministers and their close family members; and
- Jointly Controlled Operation - A member of the Southwest Alliance of Rural Health; and
- all hospitals and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

KMP's are those people with the authority and responsibility for planning, directing and controlling the activities of Moyne Health Service's, directly or indirectly.

The Board of Directors and the Executive Directors of Moyne Health Service's are deemed to be KMPs.

Entity	Key Management Personnel	Position Title	Period
Moyne Health Services	Mrs K. Foster	Chair of the Board	01/07/2018 - 30/06/2019
Moyne Health Services	Mr A. McCosh	Board Member	01/07/2018 - 30/06/2019
Moyne Health Services	Mrs J. Crow	Board Member	01/07/2018 - 30/06/2019
Moyne Health Services	Mr R. Leutton	Board Member	01/07/2018 - 30/06/2019
Moyne Health Services	Mrs L. Doherty	Board Member	01/07/2018 - 30/06/2019
Moyne Health Services	Mr B. Densem	Board Member	01/07/2018 - 30/06/2019
Moyne Health Services	Ms S. O'Keeffe	Board Member	01/07/2018 - 30/06/2019
Moyne Health Services	Mr D. Leembruggen	Board Member	01/07/2018 - 30/06/2019
Moyne Health Services	Mrs J. Kelly (Chief Executive Officer)	Chief Executive Officer	01/07/2018 - 30/06/2019
Moyne Health Services	Mr L. Parker	Executive Director of Corporate Services	01/07/2018 - 30/06/2019
Moyne Health Services	Ms K. Radford	Executive Director of Care Services	01/07/2018 - 30/06/2019
Moyne Health Services	Ms D. Gahlout	Executive Director of People and Culture	01/07/2018 - 30/06/2019

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

	2019	2018
COMPENSATION	\$	\$
Short term employee benefits	616,150	443,536
Post-employment benefits	73,588	96,214
Other long-term benefits	16,192	15,560
<b>Total</b>	<b>705,930</b>	<b>555,310</b>

(i)KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

#### Significant transactions with government-related entities

Moyne Health Services received funding from the Department of Health and Human Services of \$8,247,307 (2018: \$6,504,558).

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

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

The Standing Directions of the Assistant Treasurer require the Health Service to hold cash (in excess of working capital) in accordance with the State's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victorian unless an exemption has been approved by the Minister for Health and Human Services and the Treasurer.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## NOTE 8.4: RELATED PARTIES

### Transactions with key management personnel and other related parties

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

Outside of normal citizen type transactions with the Department of Health and Human Services, all other related party transactions that involved KMPs and their close family members have been entered into on an arm's length basis. Transactions are disclosed when they are considered material to the users of the financial report in making and evaluation decisions about the allocation of scarce resources.

There were no related party transactions with Cabinet Ministers required to be disclosed in 2019.

### Other Transactions of Responsible Persons and their Related Parties

K. Foster is the proprietor of O2 Media which provides marketing and design services to the Health Service on normal commercial terms and conditions.

2019	2018
\$	\$
0	28,347

## NOTE 8.5: REMUNERATION OF AUDITORS

### Victorian Auditor-General's Office

Audit or review of financial statement

2019	2018
\$	\$
12,100	11,700
<u>12,100</u>	<u>11,700</u>

## NOTE 8.6: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no events occurring after the Balance Sheet Date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## NOTE 8.7: JOINTLY CONTROLLED OPERATIONS AND ASSETS

Name of Entity	Ownership Interest	
	2019	2018
	%	%
<b>Southwest Alliance of Rural Health</b>	2.77	2.80

Moyne Health Services's interest in assets employed in the above jointly controlled operations and assets is detailed below. The amounts are included in the financial statements and consolidated financial statements under their respective categories:

	2019	2018
	\$	\$
<b>Current Assets</b>		
Cash and Cash Equivalents	39,815	206,568
Receivables	173,223	52,886
Inventories	1,885	2,327
Prepayments	12,992	2,327
<b>Total Current Assets</b>	<b>227,915</b>	<b>264,108</b>
<b>Non Current Assets</b>		
Property, Plant and Equipment	164,435	110,253
<b>Total Non Current Assets</b>	<b>164,435</b>	<b>110,253</b>
<b>Total Assets</b>	<b>392,350</b>	<b>374,361</b>
<b>Current Liabilities</b>		
Payables	137,704	168,918
Borrowings	96,051	105,089
Employee Provisions	47,403	44,236
<b>Total Current Liabilities</b>	<b>281,158</b>	<b>318,243</b>
<b>Non Current Liabilities</b>		
Borrowings	0	0
Employee Provisions	6,806	8,170
<b>Total Non Current Liabilities</b>	<b>6,806</b>	<b>8,170</b>
<b>Total Liabilities</b>	<b>287,964</b>	<b>326,413</b>
<b>Net Assets</b>	<b>104,386</b>	<b>47,948</b>

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

<b>Revenues</b>		
Operating Activities	643,206	638,242
Non Operating Activities	48,577	4,131
<b>Total Revenue</b>	<b>691,783</b>	<b>642,373</b>
<b>Expenses</b>		
Employee Expenses	230,777	221,476
Maintenance Contracts and IT Support	134,871	142,534
Operating Lease Costs	0	4,526
Other Expenses	177,624	201,809
<b>Total Operating Expenses</b>	<b>543,272</b>	<b>570,345</b>
Capital Purpose Income	0	17,082
Finance Lease Charges	(15,352)	(5,956)
Impairment of Non Financial Assets	0	0
Depreciation and Amortisation	(78,472)	(75,823)
<b>Total Capital &amp; Specific Items</b>	<b>(93,824)</b>	<b>(64,697)</b>
<b>Other Economic Flows included in the result</b>		
Revaluation of Long Service Leave	1,751	150
<b>Net Result</b>	<b>56,438</b>	<b>7,481</b>

### Contingent Liabilities and Capital Commitments

There are no known contingent assets or liabilities for South West Alliance of Rural Health as at the date of this report.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## NOTE 8.8: ECONOMIC DEPENDENCY

Moyne Health Services is dependent on the Department of Health and Human Services for the majority of its revenue used to operate the entity. At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support Moyne Health Services.

## NOTE 8.9: AASBs ISSUED THAT ARE NOT YET EFFECTIVE (Continued)

Topic	Key Requirements	Effective date	Impact on financial statements
AASB 2018-8 Amendments to Australian Accounting Standards – Right of Use Assets of Not-for-Profit entities	This standard amends various other accounting standards to provide an option for not-for-profit entities to not apply the fair value initial measurement requirements to a class or classes of right of use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. This Standard also adds additional disclosure requirements to AASB 16 for not-for-profit entities that elect to apply this option.	01-Jan-19	Under AASB 1058, not-for-profit entities are required to measure right-of-use assets at fair value at initial recognition for leases that have significantly below-market terms and conditions. For right-of-use assets arising under leases with significantly below market terms and conditions principally to enable the entity to further its objectives (peppercorn leases), AASB 2018-8 provides a temporary option for Not-for-Profit entities to measure at initial recognition, a class or classes of right-of-use assets at cost rather than at fair value and requires disclosure of the adoption. The State has elected to apply the temporary option in AASB 2018-8 for not-for-profit entities to not apply the fair value provisions under AASB 1058 for these right-of-use assets. In making this election, the State considered that the methodology of valuing peppercorn leases was still being developed. No material impact during the period applicable under the election.
AASB 1058 Income of Not-for-Profit Entities	AASB 1058 will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions. The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context, AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective	01-Jan-19	Grant revenue is currently recognised up front upon receipt of the funds under AASB 1004 Contributions. The timing of revenue recognition for grant agreements that fall under the scope of AASB 1058 may be deferred. For example, revenue from capital grants for the construction of assets will need to be deferred and recognised progressively as the asset is being constructed. The impact on current revenue recognition of the changes is the potential phasing and deferral of revenue recorded in the operating statement. Impact is not able to be quantified until such time as capital grants are received and projects commence.
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	01-Jan-20	The standard is not expected to have a significant impact on the public sector. No material impact is expected.

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The following accounting pronouncements are also issued but not effective for the 2018-19 reporting period. At this stage, the preliminary assessment suggests they may have insignificant impacts on public sector reporting.

- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015 – 2017 Cycle

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

### NOTE 8.10: AASBs ISSUED THAT ARE NOT YET EFFECTIVE

Certain new Australian accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting period. DTF assesses the impact of all these new standards and advises the Health Service of their applicability and early adoption where applicable.

As at 30 June 2019, 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. Moyno Health Services has not and does not intend to adopt these standards early.

Topic	Key Requirements	Effective date	Impact on financial statements
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	01-Jan-19	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. Revenue from grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as the performance obligations attached to the grant are satisfied. There is an expectation this will impact capital grant funding, however it is not possible to quantify the impact until such time as funding is received and projects are commenced.
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.	01-Jan-19	This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include: AASB 9 <ul style="list-style-type: none"> <li>Statutory receivables are recognised and measured similarly to financial assets.</li> </ul> AASB 15 <ul style="list-style-type: none"> <li>The 'customer' does not need to be the recipient of goods and/or services;</li> <li>The "contract" could include an arrangement entered into under the direction of another party;</li> <li>Contracts are enforceable if they are enforceable by legal or 'equivalent means';</li> <li>Contracts do not have to have commercial substance, only economic substance; and</li> <li>Performance obligations need to be 'sufficiently specific' to be able to apply AASB 15 to these transactions.</li> </ul> The impact on reporting capital funding has potential to result in material change, however this is not able to be quantified prior to receipt of capital grants and commencement of projects.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	01-Jan-19	The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability. In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge. There will be no change for lessors as the classification of operating and finance leases remains unchanged. There is no material impact from implementation of this standard due to the lack of existing operating leases.





# Glossary of terms

**ACHS** Australian Council on Healthcare Standards.

**ACSAA** Aged Care Standards and Accreditation Agency.

**ADASS** Adult Day Activity and Support Service.

## **Aged Care Reforms**

The *Living Longer Living Better* aged care reform package was announced on 20 April 2012. The package encompasses a comprehensive ten year plan to reshape aged care.

**ARA** Australasian Reporting Awards.

## **Attestation on Data Accuracy**

An assurance that Moyn Health Services has appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance.

## **Average length of stay**

Is determined by dividing the total number of inpatient bed days by the total number of inpatient separations.

**BACeS** Board Assurance on Compliance e-System.

## **Best practice**

A comprehensive, integrated and cooperative approach to the continuous improvement of all areas of healthcare delivery.

**BOD** Board of Directors.

**CACPs** Community Aged Care Packages.

**CEO** Chief Executive Officer.

## **Clinical Governance**

A systematic approach for improving and maintaining the quality of resident and patient care.

## **CDC**

Consumer Directed Care is a way of delivering services that allows consumers and their carers to have greater control over their own lives.

## **Current asset ratio**

A measure that indicates how much current assets exceeds current liabilities.

**DOH** Department of Health.

**DVA** Department of Veterans Affairs.

**EACH** Extended Aged Care in the Home.

## **Ecofootprint**

Is a measure of how many resources you use and tells you whether you tread heavily or lightly on the planet.

**ED** Emergency Department.

**EEO** Equal Employment Opportunity.

**EFT** Equivalent Full Time.

## **Financial Management Compliance Framework**

A mechanism for Government to review and monitor compliance with the Standing Directions of the Minister of Finance.

**FOI** Freedom of Information.

**GP** General Practitioner.

**GSERP** Government Sector Executive Remuneration Panel.

**HACC** Home and Community Care.

**HR** Human Resources.

**ICT** Information, Communication and Technology.

**KPI** Key Performance Indicator.

**KRA** Key Result Area.

**MHS** Moyn Health Services.

**OH&S** Occupational Health and Safety.

**OPD** Outpatients Department.

**PFMC** Port Fairy Medical Clinic.

**QOC** Quality of Care Report.

**QPI** Quality Performance Indicator.

**QPS** Quality Performance System.

## **ResourceSmart**

A healthcare program established by Sustainability Victoria, Department of Health and Department of Sustainability and Environment to assist healthcare agencies with environmental management.

## **Responsible Bodies Declaration**

A Report on Operations provided in accordance with the *Financial Management Act 1994*.

## **Risk Attestation Statement**

A requirement to provide a risk statement in the Annual Report in accordance with Standing Direction 4.5.5. of the Minister of Finance.

**RN** Registered Nurse.

## **Separation**

The process by which an episode of care for an admitted patient ceases.

**SWARH** South West Alliance of Rural Hospitals is an IT alliance of hospitals and multipurpose agencies.

**VHA** Victorian Healthcare Association.

**VMIA** Victorian Managed Insurance Authority.

**VMO** Visiting Medical Officer.

**VPSM** Victorian Patient Satisfaction Monitor.

## **WEIS**

Weighted Equivalent Inlier Separations. A formula applied to the resource weight to determine the WEIS for recovery of funding.

## **Working Capital**

This is the amount of funds available when current liabilities are subtracted from current assets.



**C**

**Collaboration**  
Less me, more we.



**A**

**Accountability**  
Own it. Do it.



**R**

**Respect**  
Everyone matters.



**E**

**Excellence**  
Better, best, brilliant.



#### MOYNEYANA HOUSE

31 College Street,  
Port Fairy, VIC 3284

**Phone** (03) 5568 0163

**Fax** (03) 5568 0027

#### MOYNE HEALTH SERVICES

30-36 Villiers Street,  
Port Fairy, VIC 3284

**Phone** (03) 5568 0100

**Fax** (03) 5568 0158

#### BELFAST HOUSE

97 Regent Street,  
Port Fairy, VIC 3284

**Phone** (03) 5568 0126

**Fax** (03) 5568 0120

#### SPRING PARK

33 Mill Street,  
Koroit, VIC 3282

**Phone** (03) 5564 9500

**Fax** (03) 5564 9599

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