



# ANNUAL REPORT

2021/2022

**Report Name:** Annual Report 2021/2022  
**Date:** July 2022  
**Version No.:** 1

**Acknowledgement:**

“Moyne Health Services acknowledges the Traditional Custodians of the land on which we reside. We pay our respects to their Elders, past, present and emerging.”

**Our Purpose:**

**Best Care -  
Every person,  
every time.**

**Our Values:**

**Collaboration  
Accountability  
Respect  
Excellence**

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# Welcome

## Acknowledgement:

Moyne Health Services would like to acknowledge the Traditional Custodians of the land on which we reside and pay our respect to the Elders, both past, present and emerging.

We acknowledge all Aboriginal people who reside in the Moyne shire 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.

## How to contact us:

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 (03) 5568 0100

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

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

 @moynehealthservices

ABN 30 586 278 991

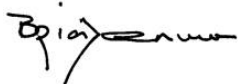




# Introduction

It is with pleasure that Moyne Health Services Board of Directors present the 2021 / 2022 Annual Report. This report has been prepared in accordance with the *Health Services Act 1988*, *Financial Management Act 1994*, and the *Standing Directions of the Assistant Treasurer and Financial Reporting Directions*, (specifically FRD 221) *Standard Disclosures* released in May 2018.

In accordance with the Financial Management Act 1994, I am pleased to present the report of operations for Moyne Health Services for the year ending 30 June 2022.



Brian Densem, Chair  
Board of Directors



# JOINT MESSAGE FROM OUR BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

## Year in Review

Welcome to the 2021-2022 Annual Report of Moyne Health Services. This report provides an account of our operations and performance over the past twelve months.

This report is written on behalf of the entire Moyne Health Services team to celebrate and acknowledge the year in review. In June 2022, I was honoured to be appointed as the CEO at Moyne Health Services. I thank the Board and staff for their support. We thank Jackie Kelly for her service as CEO from 2017 until December 2021 and wish her well in her role as CEO at Benalla Health.

The past year has continued to see the health system in a state of constant flux. COVID -19 continues to impact on many aspects of our lives. Our purpose of Best Care, Every Person, Every Time has stood us in good stead as we navigate the changes in the way we interact in our communities. Although health directives relating to COVID were constantly evolving, we have always run the *'what is best for our people'* lens over each one. We have endeavoured to communicate with our staff, our community and the broader health sector to advocate for those who rely on our integrity as care service providers. We thank our staff and our community for their ongoing resilience and commitment to the realisation of our purpose. We continue to foster strong partnerships internally and with broader stakeholders across the local, regional, state and national health sector with the aim to continuously improve our service delivery now and look courageously and imaginatively to the future.

At a local level, we have worked our way through the upheaval and complexities of two COVID outbreaks this year. Our staff were amazing in supporting our residents, their families and each other as we navigated the daily challenges. Thank you to everyone who worked together unfalteringly. Each time we asked for another level of effort, the answer was always *'yes, we can'*. Thank you, thank you.

This year, we saw the long awaited completion of the Moyneyana House refurbishment. We had an opening celebration in March 2022. Our residents are enjoying their new surrounds (25 rooms and common areas have been modernised) and we look forward to the operationalisation of the Friends Café. The Friends Café was named in honour of the long standing and very generous support of the Friends of Moyneyana. Over many years, this group has raised funds for projects which have enabled us to provide new equipment and surrounds to enhance the experience of both residents and staff. Thank you.

In June 2020, significant structural concerns were discovered in the building at Spring Park, Koroit. The site was closed. In December 2021, the MHS Board confirmed its commitment to the delivery of Health Services to the town by re-affirming its position as Committee of Management. In February 2022, giving due consideration to the cost of repair to pre June 2020 state (being \$13-18M) in conjunction with the Department of Health, the Board made a decision to demolish the building. This work was completed in June 2022. Throughout this time, MHS has continued to deliver a range of community based support and Allied Health services to the Koroit community. We have established two sites at 102 and 127 Commercial Rd to ensure that services are delivered consistently as we move in to the future. We will be liaising with the Port Fairy and Koroit communities in the latter half of this year to review and update our Master Plan. The Plan will be guided by our Service Plan priorities to ensure that we are on track to deliver services that meet the needs of the communities now and to build a future vision.



## Our Values

Our values are the foundation of everything we do, but what do they look like in action?

**Collaboration** – more we, less me. Everyday our teams work together with one purpose in mind – *Best Care, Every Person, Every Time*. We get to know our community/clients/residents/patients and understand the special things that can bring joy. A tasty meal delivered fresh to the table or to your door, a clean, warm room, cheery, smiling faces and soft hands to ease your pain.

**Accountability** – own it, do it. We all have our part to play to ensure the continued success of MHS. Each role is valued, as each person contributes to the day-to-day organisational functions, reporting, support, transparency and compliance. This is the area where some will *glaze over* and sometimes not understand the critical link of accountability to ensure that we can all hold our heads up with pride. We will keep asking the questions as advocates for our people and maintain the transparency so that we can be clearly seen.

**Respect** – everyone matters. Our staff are the essence of MHS. As CEO, I am invested in knowing each person and helping them be the best version of themselves as part of the MHS family. Our greatest resource is the capability of each person. Everyone matters, everyone has a strength, everyone has the ability to grow. At MHS, everyone has that opportunity.

**Excellence** – better, best, brilliant. Excellence is a destination. The journey to excellence takes us through layers of learning and improvement. At MHS, we actively seek feedback and guidance from our community to ensure that we are on the right track. Our Community Advisory Committee and our Quality and Safety Committee report to the Board of Directors and have strong community representation to keep us focused on our purpose. We participate in many levels of benchmarking, audits and quality indicators to measure our progress along the continuum to excellence.

## Our People

At the time of this report, we have a workforce of 220+ staff/120 volunteers - thank you to each and every person for your unique contribution.

The past few years have curtailed opportunities for many of the usual staff celebrations – Christmas parties and social get-togethers for example. Although, we have managed a few lunchtime BBQs, cakes, coffees and other treats. Pleasingly, this year, we were able to re-convene our staff and volunteer service recognition ceremony. This was held at the Port Fairy bowls club in April and was attended by 15 staff who were recognised for their service ranging from 5 years – 42 years. We also thanked our *'retiring'* volunteers.

The Victorian Public Sector People Matter Survey is conducted annually. This anonymous survey provides us with a comprehensive view of staff engagement and satisfaction. MHS has elected to undertake the survey in October 2022. The results will provide the management team with objective insight in to how we can support and build our people. We encourage all staff to participate.

Our Diversity working group has been in place for a few years now, but this year, in conjunction with the Community Advisory Committee, we developed an Inclusion Framework and work plan. One of the outcomes of this has been the design of the FAIR (Fair And Inclusively Reviewed) symbol. The symbol will be added initially to all of our consumer facing brochures and information leaflets and then to our policies. It will serve as a prompt to us all to consider more broadly the impact of everything we do. We have produced badges with the symbol on it as a means of starting the conversation about diversity.



This year, three of our Board Directors retired – Karen Foster, Jennie Stinson and David Knight

Karen first joined the Board of Directors on 1<sup>st</sup> July 2014, As Chair of the Board for three years, Karen oversaw many changes and renewal including the upgrade to Moyneyana House. She served on the Governance and Remuneration; Audit and Risk; CEO and Board Performance; and Credentialing and Clinical Appointment Committees. She resigned from the Board on 25<sup>th</sup> March 2022.

Jennie served as a Board Director from 1<sup>st</sup> April 2020 until her resignation on 28<sup>th</sup> February 2022. She was a member of the Finance; and Audit and Risk Committee.

David began his directorship on 1<sup>st</sup> April 2020 and remained until his term was completed on 30<sup>th</sup> June 2022. During this time, he was a member of the Finance; Audit and Risk; and Credentialing and Clinical Appointment Committees.

We thank each of these Directors for the dedication to MHS and wish them well in their future endeavours.

The Gender Equality Action Plan (GEAP) has been completed and has been submitted to the Commission for Gender Equality in the Public Sector, for approval. Once the GEAP is approved, it will be available on the Moyne Health Services website. Organisational contextualised targets have been set for the health service to work towards achieving by 2025. Even though, the organisation is waiting for the GEAP to be approved by the Commission, work has commenced on working towards achieving the targets.

## Our Community

You will see some new MHS buses on the road. We have undertaken a fleet replacement program, which included the upgrade of our three community buses. The buses can carry 11 people and are all fitted with easy access lift mechanisms.

We have significantly lifted our focus on re-connecting with the community. We have appreciated the interaction and feedback through our Facebook page and invite all our community to follow our news and us. We have also had two editions of Community Connect – our written newsletter *hit the stands*. Keep an eye out for it and please provide us with feedback about anything you would like to know about MHS and our services.

Listening posts are another way that we are actively reaching out to our community. Listening posts are held each month in Koroit and Port Fairy outside the local IGA supermarkets. We are here to listen to your thoughts or to answer any questions you have of us. Come along and say hello.

This year, after consultation with a staff working group, we were pleased to have introduced a new range of uniforms. The uniforms are available in a range of styles and in a variety of colours and designs. The colours are representative of the MHS brand and follow feedback from our clients/residents/patients that they were finding it difficult to identify staff roles without the visual prompt of uniforms.

## Our Partnerships

We continue to strive to develop and expand our range of services to deliver the best care, closest to home. One of the principal tenants of our Service Plan is the alignment of partnerships to support this goal.

We continue to develop our strong relationships with the Port Fairy Medical Clinic and Shearwater Medical Clinic and thank each of the General Practitioners and the clinic staff for their professional and supportive services to the community.

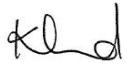
We recognise that excellent care, close to home is only one of the many determinants of health. To achieve the aim of a healthier community, we are working side by side with the Moyne Shire Council to deliver in home services, including meals on wheels.



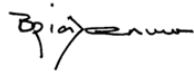
MHS is an active member of the Barwon South West Health Service Partnership (HSP). The HSP is one of the key policy initiatives of the Department of Health with a strategic focus on health service reforms and service delivery across the region. Our participation provides an opportunity to apply a broader lens as we plan for the future

## Our Future

In February 2022, the Board of Directors held their annual Strategic Planning in Koroit. The key outcomes of the session were to re-affirm the 2020-2025 Service Plan priorities and to commit to a review and update of the MHS Master Plan. The review will ensure that our facilities at Port Fairy and Koroit are fit for purpose and align with our service delivery priorities in to the next 15 -20 years. We are currently in the process of evaluation expressions of interest from consultants to guide the process. We invite the community to engage with us along this journey.



Katharina Redford  
Chief Executive Officer



Brian Densem  
Chair, Board of Directors





# Performance at a glance



## Performance at a glance

### Financial Information

	2022 \$000	2021 \$000	2020 \$000	2019 \$000	2018 \$000
<b>OPERATING RESULT *</b>	<b>-55</b>	<b>597</b>	<b>132</b>	<b>-179</b>	<b>62</b>
Total Revenue	21730	20560	20332	21076	17362
Total Expenses	23356	21851	20575	19327	17907
<b>Net Result from transactions</b>	<b>-1626</b>	<b>-1291</b>	<b>-243</b>	<b>1749</b>	<b>-545</b>
Total other economic flows	171	274	-90	-76	37
<b>Net Result</b>	<b>-1455</b>	<b>-1017</b>	<b>-333</b>	<b>1673</b>	<b>-508</b>
Total Assets	53697	52280	52750	51417	43161
Total Liabilities	25850	23706	23704	20291	20461
<b>Net Assets/Total Equity</b>	<b>27847</b>	<b>28574</b>	<b>29046</b>	<b>31126</b>	<b>22700</b>

\*Operating Result is the result for which MHS is monitored in its Statement of Priorities

### 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).

	2022 \$000
<b>Net operating result *</b>	<b>-55</b>
Capital purpose income	806
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	158
State supply items consumed up to 30 June 2021	-158
Assets received free of charge	63
Depreciation and amortisation	-2440
<b>Net result from transactions</b>	<b>-1626</b>

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



## Service Indicators

Separations	2022	2021	2020	2019	2018
Same day	71	71	48	70	85
Multi day	216	190	217	336	266
Total separations	287	263	265	406	351
Public separations	204	201	202	237	262
Total NWAU	276.81	365.91	351.79	417.02	390.02
Separations per available bed	23.92	21.75	22.08	27.07	N/A
<b>Total bed days</b>	<b>1879</b>	<b>2,220</b>	<b>2,126</b>	<b>2,220</b>	<b>2,098</b>

## Service Activity

Small Rural	2021-22 Activity achievement	Units
Small Rural Acute	276.81	NWAU equivalents
Small Rural Primary Health & HAAC	38 (Primary) 1365 (HACC)	Hours
Nursing (including Contenance & Diabetes Education)	5740	Service Hours
Allied Health (total of disciplines below)	6715	Hours
Counselling	0	Hours
Dietetics	209	Hours
Occupational Therapy	1573	Hours
Physiotherapy	3806	Hours
Podiatry	846	Hours
Speech Therapy	281	Hours
Small Rural Residential Care	28,855	Bed days
Health Workforce (student placements)	52	Number of students
Urgent Care presentations	1624	Presentations
Residential Care bed days		Occupied bed days
• Moyneyana House	18,328	
• Belfast House	10,348	

## Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, we are pleased to present the Report of Operations for Moyne Health Services for the year ending 30<sup>th</sup> June 2022.



**Brian Densem**  
Chair  
Moyne Health Services  
Board of Directors  
30th June 2022



**Katharina Redford**  
Chief Executive Officer  
Moyne Health Services  
30th June 2022



# ABOUT MOYNE HEALTH SERVICES





## About Moyne Health Services

Moyne Health Services (MHS) provides an integrated health service which comprises of acute beds, primary and community health programs and aged residential care services. Our health service is incorporated under Schedule 1 of the Health Services Act 1988.

As a rural health service, MHS is an important part of the fabric of our community. Our services span across the continuum ranging from health promotion, health education, social support, developing 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 all able to be delivered from Moyne Health Services' campuses at Koroit and Port Fairy. 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.

Established in 1849, we are one of Victoria's oldest hospitals. Our health service have evolved over the last 170 years to become a responsive, community-based organisation employing more than 220 staff – one of our region's largest employers. We have 120-plus dedicated volunteers who have donated more than 20,000 volunteering hours.

Passion, identity and purpose are key to a great organisation. Knowing who we are and why we exist shapes what we do and how we do it.





# Our Community Profile

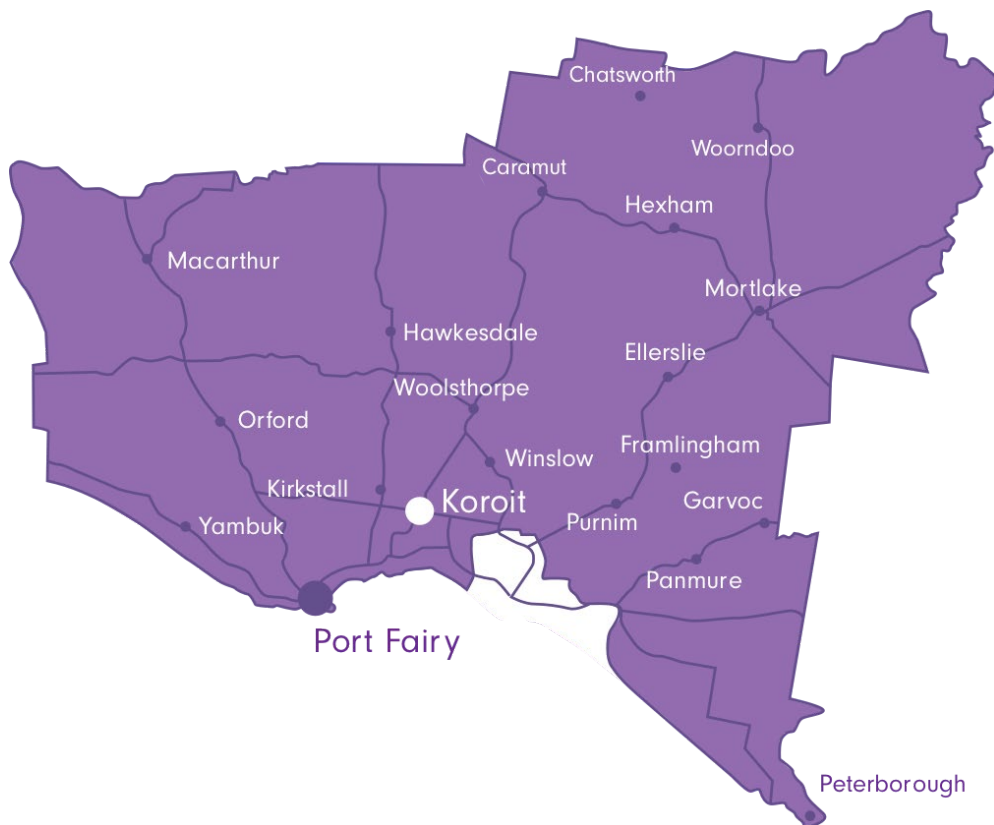
The Moyne Shire estimated resident population in the 2021 Australian Bureau of Statistics Census was 17,374<sup>1</sup> with a median age of 45 years. Of the families in Moyne (S) (Local Government Areas), 40.8% were couple families with children, 45.8% were couple families without children and 12.1% were one parent families. Indigenous Population 1.7%, median weekly household income \$1,530. The most common ancestries were Australian 41.6%, English 40.7%, Irish 19.8%, Scottish 13.3% and German 4.4%.

## Port Fairy Profile

- Coastal town, located approximately 290 km west of Melbourne.
- Population of 3,860 as per 2021 census.
- Primary industries are tourism, farming, fishing, and the arts.
- Port Fairy was established in 1843.

## Koroit Profile

- Sitting on the rim of Tower Hill, located approx. 20 kilometres from Port Fairy.
- Population of 2,184 as per 2021 census.
- 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.



<sup>1</sup> <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA25490>



## Our History

For more than 170 years Moyne Health Services (MHS) has been meeting the health needs of the local community. Our organisation is one of Victoria's oldest Health Services - dating back to 1849, when a four-room cottage was established to provide health care. We have a notable history of services to our community, enjoying a unique level of cross generational support, which is the fabric of our community. Today, MHS continues to expand its services to ensure our community has access to high quality, person centred care.

- 1855** Allotment of the current facility was built with a special grant.
- 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 the diminished condition of the Ward it was demolished in 1992 and a new dementia centre was built on the site in 1998.
- 1891** Portion of the 1855 building converted to nurses' quarters.
- 1934** Lord and Lady Huntingfield opened new additions to the hospital.
- 1959** The Governor of Victoria Sir Dallas Brookes 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.
- 1988** The Minister for Health and Aged Care, Rob Knowles MLC opened Belfast House Moyne Health Services established the Port Fairy Medical Clinic in partnership with the Sackville Clinic Medical Practitioners.
- 2000** The Port Fairy Hospital, Belfast House and Moyneyana House merged to become Moyne Health Services.
- 2004** MHS refurbishment of Day Centre building resulting in the relaunch of the 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 endorsed by the Department of Health as the Committee of Management for the Koroit Health Services land and buildings.
- 2018** Opening of the New Community Health building and Urgent Care Centre.
- 2020** MHS launches new brand and logo
- 2021** Partial refurbishment of Moyneyana House completed.
- 2022** Previous Koroit and District Memorial Hospital building at Spring Park, Koroit demolished due to structural integrity being compromised.



## Our Services

As a small rural health service, every day Moyne Health Services shares the lives, aspirations, experience and wisdom of our community. We work together, supporting each other to ensure high quality care, tailored to individual needs. We offer our community a range of services from health education literacy and promotion, social support, to delivering direct preventative, curative and supportive services. Our focus is on promoting and maintaining strength, wellbeing, independence and individuality with dignity, through offering services tailored to each person and their families.

As an important part of the fabric of our community, our service profile continues to diversify. We provide a wide range of specialist programs and services delivered from both our Port Fairy and Koroit sites. 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 remains our priority as we continue working with our community to create a positive enriched caring environment.

### ACUTE CARE

Moyne Health Services currently provides 12 acute beds dedicated for inpatient care. 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 and respite care services.

*Moyneyana House* – a purpose built 52-bed home offering permanent and respite care services.

### COMMUNITY HEALTH SERVICES

Our Community Health team provide a range of allied health, community nursing and support services at the Port Fairy and Koroit sites in the following areas:

Occupational Therapy	Physiotherapy	Audiology
Continence Consulting	Diabetes Education	Dietetics and Nutrition
Pathology	Podiatry	Radiology
Speech Pathology	District and Community Nursing	Community Home Care Package
Short-term Restorative Care Program		

### AUXILIARY SUPPORT SERVICES

Moyne Health Services also provides a range of additional services to community members to assist them in maintaining their independence and improve their health and wellbeing. These services include:

Integrated Health Promotion Programs in Moyne Shire	Primary School Health and Wellbeing Education Programs
Social Support Group Programs	Physical Activity Programs
Health Education and Chronic Disease Management	Co-ordination of Moyne Shire Council's School Immunisation and Workplace Flu Vaccination Programs



## Significant Highlights of the Year

- Opening of 2<sup>nd</sup> Koroit site at 102 Commercial Road.
- Completion and implementation of Gender Equality Action Plan
- Outpatients area renovated
- Modifications to 26 Villiers Street to provide office space
- Re-introduction of exercise classes in Koroit
- Introduction of monthly *Listening Posts* to engage with the community
- Opening of Moyneyana House refurbishment
- Completion of ramp access for Belfast House
- Secured funding to replace 73 Residential Aged Care Beds
- Launch and implementation of our *Fairly and Inclusively Reviewed Policy*
- Demolition of Spring Park building
- Implementation of new recruitment strategy
- Increase in Home Care Packages
- Introduction of multi-disciplinary team meetings – Aged Care
- Opening of Shearwater Medical Clinic
- Navigating the challenges of Covid-19
- Allocation of additional Short Term Restorative Care packages
- Home Care Packages workers commenced using rostering app at point of care
- Partnership with South West Healthcare (SWH) to host a Hospital Admission Risk Program clinician in Koroit
- Replacement of three community buses
- District Nursing services partnership with SWH to deliver Hospital in the Home services



# Future Priorities & Strategic Direction

*The priority areas identify opportunities to target core health needs and improve the accessibility and coordination of healthcare services for the Moyne community. These are in addition to the continuance of existing services unless specifically noted.*

We have identified six priorities that address the needs of our community. The details of the service delivery and outcomes are within the MHS Service Plan.

These priorities are focussed on facilitating access to the well-being, clinical and support services needed by our changing population, to improve the health and wellbeing of our Moyne community.

## Priority One: Wellness, health promotion and self-management services for our community

*We will lead, in partnership with other providers, to improve access to services for our community that support the health promotion, self-management and the wellness of our community.*

## Priority Two: Integration and partnership across services and service providers

*We will work to be a central enabler across care providers for people in our community to receive the comprehensive suite of health services required. We will work in partnership with our patients, residents and other healthcare providers to facilitate a healthcare experience that is coordinated and integrated around our patients, carers and families.*

## Priority Three: Improved equity of access and target service delivery based on need

*We will focus on improving our community's access to health services to facilitate care provision based on clinical need and health outcomes. We will identify funding opportunities and flexible workforce models to ensure equitable and timely access to services.*

## Priority Four: Healthy aging and end-of-life care

*We will increase our capacity to access culturally appropriate, sensitive, aged and end-of-life care for our people to live, age and die in their place of choosing. We will develop a sustainable workforce to deliver home based, community-based and residential aged care services locally within the MHS communities.*

## Priority Five: Workforce development and sustainability

*We will develop a flexible, sustainable and local workforce that enables patient-centred, integrated healthcare to deliver improved health outcomes for our community. We will be innovative and flexible and target the specific needs of our community.*

**Priority Six: Enabling our future health services – digitally enabled health** *We will continue to invest in our physical environment and innovative technologies that better support us to deliver on our priorities for our staff, patients, residents and families, through information sharing, and new models of care enabled by technology and required physical infrastructure.*





# Governance Statement

## Board of Directors

During the reporting period, the Board consisted of 10 directors responsible for overseeing the governance of the organisation, and ensuring all services comply with the requirements of the *Health Services Act 1988* and strategic direction for the organisation, as well as general oversight of operations and financial control.

Members of the Board of Directors are appointed by the Governor - in - Council on the recommendation of the Minister for Health. Appointments are for the usual term of three years, with members able to seek re-appointment.

## Pecuniary and Conflict of Interest

At the commencement of each Board meeting, Directors are asked to declare pecuniary and conflicts of interest. Declarations or otherwise are recorded in the Board meeting minutes.

## 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, listed as follows:

### 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. The Committee meets monthly and is supported by MHS officers and members of the Board.

### 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 community member Michael Gunn.

The Committee is also supported by MHS officers Katharina Redford, Greg Meldrum and Sue Denney; and members of the Board, Trevor Carr, David Knight, Brian Densem and Gabrielle Toscan.

### Quality and Safety Committee

This committee is responsible for ensuring the organisation provides effective clinical governance and meets monthly. The Committee is supported by MHS officers and members of the Board.

### Community Advisory Committee

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 second monthly and is supported by MHS officers and members of the Board.

### CEO and Board Performance Committee

This committee's role is to assist the Board of Directors in corporate governance oversight of Moyne Health Service, the appointment, remuneration and performance management of the Chief Executive Officer, the appointment of Board Directors and Board performance, generally. The committee meets quarterly and is supported by members of the Board.



## 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 supported by MHS officers and members of the Board.



### Brian Densem

Chair  
Moyne Health Services Board of Directors  
30th June 2022



### 2021-22 Board Meeting Attendance

Brian Densem	11/12
Alistair McCosh	11/12
Sophie O'Keeffe	12/12
Dr David Leembruggen	10/11
Karen Foster	8/8
Trevor Carr	9/12
Jennie Stinson	5/7
David Knight	12/12
Gabrielle Toscan	11/12



## Board of Directors



**Board Chair** Brian Densem

Appointed: 1 July 2018  
Term Expires: 30 June 2024

**Committees:**

**CEO and Board Performance Committee**  
**Audit and Risk Committee**



**Director – Deputy Chair** Alistair McCosh

Appointed 1 July 2016  
Term Expires: 30 June 2024

**Committee:**

**Finance Committee**



**Director - Deputy Chair** Sophie O’Keeffe

Appointed 31 October 2017  
Term Expires: 30 June 2023

**Committees:**

**Quality and Safety Committee**  
**CEO and Board Performance Committee**  
**Consumer Advisory Committee**



**Director** Karen Foster

Appointed 1 July 2014  
Resigned: 25 March 2022

**Committees:**

**CEO and Board Performance Committee**  
**Credentialing and Clinical Appointments Committee**



**Director** David Knight

Appointed 1 April 2020  
Term Expired: 30 June 2022

**Committees:**

**Finance Committee**  
**Audit and Risk Committee**  
**Credentialing and Clinical Appointments Committee**



**Director** Trevor Carr

Appointed 1 July 2019  
Term Expires: 30 June 2025

**Committees:**

**CEO and Board Performance Committee**  
**Finance Committee**  
**Audit and Risk Committee**  
**Board Representative – Project Control Group**



**Director** Dr David Leembruggen

Appointed 1 July 2017  
Term Expires: 30 June 2023

**Committee:**

**Quality and Safety Committee**



**Director** Jennie Stinson

Appointed 1 April 2020  
Resigned: 28 February 2022

**Committee:**

**Finance Committee**



**Director** Gabrielle Toscan

Appointed 1 July 2021  
Term Expires: 30 June 2024

**Committees:**

**CEO and Board Performance Committee**  
**Consumer Advisory Committee**  
**Audit and Risk Committee**



## Executive Team

The Executive Team is the executive leadership body of Moyne Health Services. The Team's primary objective is to determine matters, or make recommendations to the Chief Executive Officer and through the Chief Executive to the Board, regarding the direction and operations of Moyne Health Services.



**Chief Executive Officer**  
**Katharina Redford**

Katharina is responsible for executing Moyne Health Services Strategic Plan and the day-to-day management of the organisation by way of delegated authority from the Board of Directors.



**General Manager Quality and Risk**  
**Sue Denney**

Sue is responsible for implementation & maintenance of Quality Management Systems across the organisation including Clinical Governance, Risk Management, Health Information and Infection Prevention and Control.



**General Manager Care Services**  
**Ingrid Wynd**

Ingrid is responsible for leading a professional team to ensure the provision of high quality outcomes in the areas of Acute and Urgent Care, and Residential Aged Care services



**General Manager People and Culture**  
**Roselie Morey**

Roselie is responsible for the management of the People and Culture Department which includes human resources, payroll, return to work, occupational health and safety, education and volunteers.



**General Manager Support Services**  
**Greg Meldrum**

Greg is responsible for the management of Finance, Information Technology and Support Services

## Manner of Establishment and Responsible Minister

We are a public health service established under the Health Services Act 1988 (Vic). The responsible Minister is the Minister for Health:

From 1 July 2021 to 27 June 2022  
The Hon Martin Foley  
Minister for Health  
Minister for Ambulance Services  
Minister for Equality

From 27 June 2022 to 30 June 2022  
The Hon Mary-Anne Thomas  
Minister for Health  
Minister for Ambulance Services

**External Auditors:**  
Victorian Auditor General's Office (VAGO)  
RSD Audit

**Banks:**  
National Australia Bank (NAB)  
Westpac Banking Corporation

**Accountant:** Accounting and Audit Solutions Bendigo





## Visiting Medical Officers

Dr C McPherson – MBBS (Hons) Dip RANZCOG, FACRRM, FARGP, FRACGP  
Dr A Gault – MBBS, FRACGP, Grad Dip Family Med  
Dr I Sutherland – MBBS, FRACGP, Dip RANZCOG  
Dr R Reynolds – MBBS, DCH, EMC B. Pharm (Hons), FRACGP  
Dr E Donelan – MBBS, FRACGP, BA Dip MusPrac  
Dr J Borgelt – MBBS (Hons), FRACGP  
Dr R Mudarikwa – MBBS (Hons), B. Biomed SC., MA, DRANZCOG, DCH  
Dr J Parsons – MBBS, DRANZCOG, FRACGP  
Dr R Mortimer – BA Bsc.MD  
Dr P Dhillon – BSc, MD  
Dr R Craciunescu – BSc (Hons), MD  
Dr K Lao – MBBS  
Dr D Kwon – MD, DCH  
Dr T Majer – MBBS, B. Biomed Sc

## 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:

- to provide for equal employment opportunity programs in Public Authorities;
- to establish reporting requirements in relation to the programs; and
- to require Public Authorities to observe personnel management in employment matters.

Moyne Health Services has adopted principles and procedures to ensure that recruitment, promotion and advancement is determined on the basis of fair and open competition between qualified individuals. Decision to recruit, promote and advance are made solely on the basis of relative ability, knowledge and skills in relation to the promotion involved.

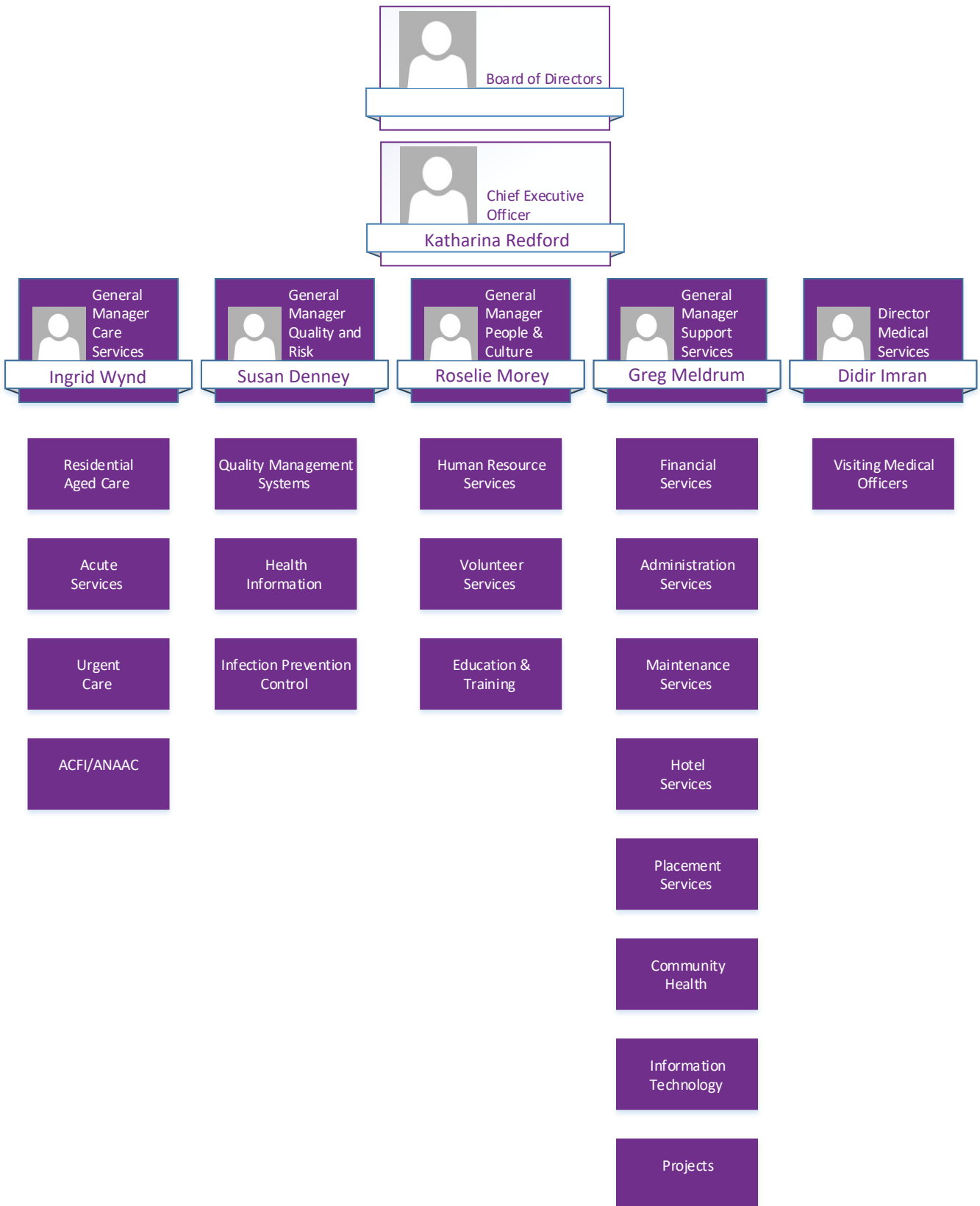
Moyne Health Services is further committed to ensuring that all employees will receive fair and equitable treatment in all aspects of personnel management, regardless of political affiliation, race, colour, religion, national origin, sex, marital status or physical disability. Moyne Health Services has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





# Organisational Chart

## Moyne Health Services



# Recognising Our Employees

## Staff Years of Service

### 5 Years +

Ballard	Rosalie	5	Parker	Jackson	10
Sandars	Laura	5	Moroney	Bernice	10
Matthews	Hannah	5	Nyinyal	Charity	10
O'Shea	Annemarie	5	Casey	Raquel	10
Wilson	Janelle	5	Johnson	Elissa	10
Hallinan	Arihi	5	Riddle	Sharon	11
Mather	Penelope	5	Finnigan	Lucia	11
Wiedermann	Robyn	6	Huisman	Jillian	11
McCallum	Valerie	6	Covey	Michelle	11
Ross	Rebecca	6	Elliott	Sally	11
Nally	Mary	6	Tanner	Karen	12
Barber	Sherryn	6	O'Brien	Loretta	12
Kelly	Louise	6	Keane	Johanna	12
Worden	Lisa	6	Kearney	Amanda	13
Jenkins	Kylie	7	Oriel	Glennen	13
Weir	Jane	7	Dobson	Marita	13
Hearn	Margaret	7	Sheehan	Debbie	13
Carmichael	Suzanne	7	Stevens	Carolyn	13
Weston	Helena	7	Coffey	Harry	13
Firth	Cherie	7	Henderson	Holly	13
O'Shannessy	Susan	7	Polson	Suzanne	14
Sharp	Rebecca	8	Carson	Ilona	14
Peters	Kerrie	8	McCarthy	Maureen	14
Sharkey	Donna	8	Crothers	Tatiana	14
Owens-Brownbill	James	8			
O'Leary	Toni	8			
Carter	Suzanne	8			
De Kok	Lisa	8			
Douéal	Jacqueline	8			
Lenehan	Sharon	9			
Lane	Cynthia	9			
Joey	Joanne	9			
McElgunn	Julian	9			
Ross	David	9			
Leutton	Margaret	9			
Coutts	Jennifer	9			
Cowland	Stacey	9			
Smith	Maria	9			
Plant	Ayesha	9			
Dumesny	Jodi	9			
Sack	Stephen	9			
Cornett	Marian	9			

### 10 Years +

Harrison	Sally	10			
Astbury	Judith	10			
Coomber	Joanne	10			
O'Brien	Janette	10			
Guthrie	Joanne	10			

### 15 Years +

Keegan	Paula	15			
Patterson	Christine	15			
Dempsey	Mary	15			
Smith	Marilyn	15			
Parsons	Donna	15			
Hull	Vikki	15			
Rees	Rosemary	15			
Leddin	Lyn	16			
Lee	Robbie	16			
Serong	Lillian	16			
Sproal	Sandra	16			
Pulham	Melinda	16			
Baxter	Trudi	16			
Keane	Rebecca	16			
Bankier	Deanna	17			
Fitzgibbon	Tracie	17			
Ryan	Julie	17			
Sutcliffe	Jacqui	17			
Funston	Trudy	17			
Lynch	Helen	18			
Murray	Glenys	18			
Atkinson	Cassie	18			
Brodie	Kathleen	18			



Howard	Julie	19
Gibson	Sonya	19
Peterson	Virginia	19
Dempsey	Louise	19

**20 Years +**

Ward	Anita	20
Joosen	Noelene	20
Fechete	Rachael	21
Todd	Donna	21
Pevitt	Giro	21
Kelly	Donna	21
Arnold	Michelle	21
Mason	Lynette	22
Coffey	Shelley	22
Jenkins	Heather	22
Quinn	Colleen	22
Hawke	Kathryn	22
Duncan	Carole	23
Van Der Aa	Clare	23
Harman	Carol	24
Haas	Sue	24

**25 Years +**

Gloury	Tricia	25
Brian	Angela	26
Coffey	Shelley	26

**30 Years +**

Lane	Susan	31
Ewen	Mary	33
Cumming	Leanne	33

**35 Years +**

McNamara	Kevan	35
Phillips	Joanne	35
Solomon	Josephine	36
Wright	Debbie	37
Martin	Michelle	38
Winnen	Sandra	39

**40 Years +**

Lovell	Victoria	44
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## 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 W S  
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  
Furmedge, 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  
Ritchie, Mrs E  
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

### **From/Contact**

John Swale and Pamela Anderson (In memory of Ray Blizzard)

Woody's Murray to Moyne Cycle Relay (x2)

Estate of John Haddow

Mrs Dorothy Viergever (In memory of Eleanor Porter)

Old St Andrews Roger Borrell & Dr Timothy Hubbard

Estate of William Joseph Moloney

Leah Oswin (In memory of Christine Brown) (x2)

Classic Motorcycle Club of Victoria

Rotary Club of Port Fairy Inc

Ronald and Beverley Wolf

Port Fairy Physiotherapy M2M Team

Vera Brady

Hugh Saunders

Karen Saunders

Joan Thom

Ray and Mavis Wynd

Tess Abbott

Ray and Judy Nayler

All Seasons Nursery





## Workplace Health, Safety and Wellbeing

Moyne Health Services (MHS) is committed to providing a safe environment for our employees, residents, patients, visitors and volunteers. We demonstrate our commitment to excellence in Workplace Health and Safety management through the provision and maintenance of a safe working environment and active promotion of the health wellbeing of our staff.

MHS has an active Workplace Safety, Wellbeing & Environment Committee. The committee meets bi-monthly and works collaboratively to ensure compliance obligations under the *Occupational Health and Safety Act 2004 (Vic)* (the ACT.) Committee members comprise trained Health & Safety representatives and department managers, all working together in supporting workplace safety across the organisations. Risk assessments, audits and workplace inspections are conducted regularly to ensure our employees, residents, patients, visitors and volunteers are provided a safe environment.

## Industrial Relations

No time was lost to industrial action during 2021-2022.

## Number of Registered WorkCover Claims

Moyne Health Services registered 4 new WorkCover claims during 2021-2022 and has 7 active claims.

## Workforce Data

Labour Award by Category	JUNE current month FTE*		Average Monthly FTE*	
	2021	2022	2021	2022
Nursing	51.96	50.98	53.47	52.32
Administration & clerical	15.93	24.16**	15.91	17.47
Medical support	0.71	0.71	0.72	0.71
Hotel and Allied Services	51.76	55	52.68	55.37
Ancillary staff (Allied Health)	12.03	10.82	10.41	11.78
<b>TOTAL</b>	<b>132.39</b>	<b>141.68</b>	<b>133.19</b>	<b>137.66</b>

\*The FTE figures required in the table are those excluding overtime. These do not include contracted staff (e.g. Agency nurses, Fee for Service Medical Officers) who are not regarded as employees.

\*\*Administrative work load has increased through growth of business, COVID requirements and recruitment.

## People Matters Survey

63% of Moyne Health staff provided a positive response to safety culture in the people matters survey.



## Occupational Violence Statistics

Occupational Violence Statistics	2021-22	2020-21
WorkCover-accepted claims with an occupational violence cause per 100 FTE	0	0
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0	0
Number of occupational violence incidents reported	14	6
Number of occupational violence incidents reported per 100 FTE	10.22*	4.87
Percentage of occupational violence incidents resulting in staff injury, illness or condition	21.43%	0

*\*Increase aligned to resident cohort at the time and improved staff reporting*

## Workplace Health and Safety Data

Workplace Health and Safety Statistics	2021-2022	2020-21	2019-20
The number of reported hazards/incidents for the year per 100 FTE	76.64*	48.78	77.77
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	2.91	4.06	7.7
The average cost per WorkCover claim for the year ('000)	\$1.4	\$3.2	\$8.8

*\*Data changes over the last 3 years consistent with impact of COVID and working from home requirements.*

## Definition of Occupational Violence

- **Occupational violence** – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- **Incident** – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- **Accepted Workcover claims** – accepted Workcover claims that were lodged in 2021-2022.
- **Lost time** – is defined as greater than one day.
- **Injury, illness or condition** – this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.



## 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 is one of the largest employers in Port Fairy. We employ 220+ personnel and purchase goods and services locally, including dairy, bakery products, plumbing and electrical services.

Utility	2022	2021	2020	2019	2018	% change (2021/22)
Electricity	530	549	493	669	700	-3.5%
Natural gas	400	186	336	289	281	37.1%
Water (ML)	11,672	9600	9689	9,016	8,896	21.58%

Moyne Health Services is committed to implementing sound environmental practices to ensure a reduction in its 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 the 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 2021/22 include:

Installation of Instantaneous Hot Water Services to replace old boiler system in Belfast House

Reduction in Electricity usage due to the continuance of solar panel energy.

Participation in newly created regional sustainability & waste management group.

### Information Technology

Moyne Health Services continues to ensure our information technology continues to develop to support 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 people at their best

Our people are the key to our success! Here at Moyne Health Services 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. Our Purpose; Best Care – Every Person, Every time and Values; Collaboration, Accountability, Respect, Excellence have been incorporated into MHS' leadership and employment orientation programs. These principles guide our recruitment and selection training programs to ensure that all employment decisions are based on merit and equity. MHS is an Equal Opportunity Employer.

We have a number of long serving staff whose years of dedication and commitment span 15, 20, 30+ years. Without these employees' service and loyalty to their patients, colleagues and community, Moyne Health Services would not be the organisation it is today. It is our belief that these long serving staff members offer a uniqueness that no- one else can offer. They willingly share their extensive knowledge and expertise and we extend our gratitude and thanks to them.

## Our volunteers

The support we continue to receive from our volunteers is outstanding. Our 120+ volunteers generously donate their time, energy and expertise to assist in a number of programs at Moyne Health Services. These include, but are not limited to Meals on Wheels, Koroit Social Support Group, Lighthouse Café, as well as assisting with our Aged Care Leisure and Lifestyle programs. Our volunteers are a vital part of our team and we commend their endless abundance of support and enthusiasm as they continue to support our staff, residents and community. Thank you.

## Education Scholarship

Our Hilary Hamilton Education Scholarship continues to support a number of staff to actively pursue their professional and career development through educational opportunities. During the reporting period, one staff was awarded the Hilary Hamilton Education Scholarship; Rachel Fechete (Certificate in Case Management). Additionally, clinical staff were supported to complete the Rural and Isolated Practice for Registered Nurses (RIPRN)

## Port Fairy Medical Clinic & Shearwater Medical Clinic

The Port Fairy Medical Clinic and Shearwater Medical Clinic are independent medical practices co-located with Moyne Health Services. General Practitioners operate from these practices, providing a comprehensive range of services to the Port Fairy community. This professional collaboration with General Practitioners provides our residents and patients with access to on-call medical support 24/7.

## Infrastructure

We have again experienced an extremely busy year with a number of simultaneous infrastructure projects as our service continues to deliver on priority areas of our Service Plan and Master Plan. These include:

- Structural works 32 Villiers two storey building
- Kitchen fire proofing project
- Belfast Ramp emergency exit
- Generator and electrical upgrade project
- New nurse call system
- Upgrade of fire suppression system
- Demolition of building at Spring Park
- 26 Villiers St conversion to office spaces





## Attestations

### Legislative Compliance

#### Data Integrity

I, Katharina Redford, 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 Declaration

I, Katharina Redford, 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 and board meeting.

#### Integrity, Fraud and Corruption

I, Katharina Redford, 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.

#### Attestation on Statistical Data Accuracy

I, Katharina Redford 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.



**Katharina Redford**

Chief Executive Officer Moyne Health Services 30th June 2022

#### Financial Management Compliance Attestation

I, Brian Densem, on behalf of the Responsible Body, certify that Moyne Health Services has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

**Brian Densem**



Chair

Moyne Health Services Board of Directors 30th June 2022



# Compliance 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:

<b>Building Works</b>	<b>Number</b>
Works in construction and subject to mandatory inspection	6
Occupancy permits	5
<b>Maintenance</b>	<b>Number</b>
Notices issued for rectification of sub-standard buildings requiring urgent attention	2
Involving major expenditure and urgent attention	3
<b>Conformity</b>	<b>Number</b>
Number of buildings conforming with standards brought into conformity this year	3

## Freedom of Information Act 1982

The *Freedom of Information Act 1982* provides the right to obtain information held by Moyne Health Services (MHS). In the year ended 30 June 2022, MHS received one application for access to documents under the *Act*.

### *Contact details:*

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

## Public Interest Disclosure Act 2012

Moyne Health Services has in place appropriate procedures for disclosures in accordance with the *Public Interest Disclosure Act 2012* (formally known as the Protected Disclosures Act 2012). No public interest disclosures were made under the *Act* in 2021/2022..

## Safe Patient Act 2015

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.

## Environment Performance Reporting

Moyne Health Services is working with our staff and community to actively reduce our environmental impact. We have installed a significant bank of Solar panels and have replaced capacity hot water heaters to instantaneous ones. Lights and heaters in offices turn off after 2 hours of inactivity. We have replaced our 3 gas boilers with individual climate controlled split system devices in residents' rooms. Refurbished rooms have energy efficient windows to reduce heat transfer.

We have established a 'towards zero' waste working group within the organisation to separate our rubbish to support better levels of recycling. Our clinical waste output has been significantly reduced.

We are also partnering with our local community and businesses on establishing an 'energy precinct' within the town.

### Environmental impacts & energy use

	2019-20	2020-21	2021-22
<b>Energy use</b>			
Electricity (MWh)	545	557	582
Natural Gas (gigajoules)	6,330	7,591	7,770
<b>Carbon emissions (thousand tonnes of CO<sub>2</sub>e)</b>			
Electricity	1	1	0.53
Natural Gas	0	0	0.40
Total emissions	1	1	0.93
<b>Water use (millions litres)</b>			
Potable Water	11	11	12.31

### Factors influencing environmental impacts

	2019-20	2020-21	2021-22
Floor area (m <sup>2</sup> )	11,259	11,672	11,672
Separations	265	263	287
In-Patient Bed Days	2,126	2,220	1,644
Aged Care Bed Nights	28,957	28,397	28,298

### Benchmarks | 2021-22

	Average for peer group	Your value	% above/ below ave.
<b>Carbon emissions</b>			
CO <sub>2</sub> e(t) per m <sup>2</sup>	0.16	0.11	-29%
CO <sub>2</sub> e(t) per OBD	0.07	0.03	-54%



CO2e(t) per Seps	0.41	3.24	698%
<b>Water use</b>			
kL per m2	1.27	1.34	5%
kL per OBD	0.55	0.38	-31%
kL per Seps	3.32	39.33	1085%
<b>Expenditure rates</b>			
Total utility spend (\$/m2)	42	35.98	-14.6%
Elec(\$/kWh)	0	0.22	7.1%
Gas(\$/gigajoules)	13	15.63	16.6%
Potable Water(\$/kL)	4	4.78	26.3%
LPG(\$/kL)	670	-	-100.0%
<i>Additional measures (not included in benchmarking chart)</i>			
Total utility spend (\$/Separations)		1,058.13	
Total utility spend (\$/In-Patient Bed Days)		184.72	
Total utility spend (\$/Aged Care Bed Nights)		10.73	

## Local Jobs Act 2003

There were 6 contracts in 2021/2022 to which the *Local Jobs Act* applied. The number and percentage of 'local content' committed under contracts that commenced in the reporting period where a VIPP Plan was not required (due to nil or limited contestability) was 95% local content by nature. There were 5 local firms of small and medium sized businesses engaged as either the principal contractor or as part of the supply chain. There were 5 local contracts that commenced and/or completed in the reporting period to which a VIPP Plan was required split by projects were regionally based.

During the reporting period during which these contracts commenced, 4 new local jobs and 2 new local apprentices were engaged. For contracts completed, 2 new local jobs and 4 local apprentices were engaged as a result of these contracts. There were no conversations with the Industry Capability Network that correspond with the registration and issue of an Interaction Reference Number.

## 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 disclosures 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.





## Gender Equity Act 2020

The Gender Equality Action Plan (GEAP) has been completed and has been submitted to the Commission for Gender Equality in the Public Sector, for approval. Once the GEAP is approved, it will be available on the Moyne Health Services website. Organisational contextualised targets have been set for the health service to work towards achieving by 2025. Even though, the organisation is waiting for the GEAP to be approved by the Commission, work has commenced on working towards achieving the targets.

## Additional Information available on Request

Details in respect of 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, including Aboriginal cultural safety reports and plans, and how these can be obtained;
- (d) Details of changes in prices, fees, charges, rates and levies charged by Moyne Health Services;
- (e) Details of any major external reviews carried out on Moyne Health Services;
- (f) Details of major research and development activities undertaken by Moyne Health Services;
- (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 Moyne Health Services to develop community awareness of Moyne Health Services 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 Moyne Health Services 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 Moyne Health Services, the purposes of each committee and the extent to which those purposes have been achieved; and
- (l) Details of all consultancies and contractors including consultants/ contractors engaged, services provided, and expenditure committed for each engagement.



## Consultancy Disclosure

### Consultancies valued under \$10,000

In 2021-22, there was one consultancy where the fees payable to the consultants totalled \$5250.

### Consultancies valued at \$10,000 or greater

In 2021-22, there were no consultancies where the total fees payable to the consultant was \$10,000 or greater.

## Information and Communication Technology (ICT) Expenditure

The total ICT expenditure incurred during 2021-2022 is \$845,466 (excluding GST) with the details shown below:

<b>Business As Usual (BAU) ICT expenditure</b>	<b>Non-Business As Usual (non-BAU) ICT expenditure</b>		
<b>Total (excluding GST)</b>	Total = Operational expenditure and Capital Expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
<b>0.833632</b>	<b>\$0.011834</b>	<b>\$0.011834</b>	<b>\$0</b>



# Statutory Requirements

## Statement of Priorities – Strategic Priorities

The Moyne Health Service Statement of Priorities signed by the Board of Directors includes these key strategic areas to support system wide readiness and reform.

*Maintain your robust COVID-19 readiness and response, working with my department to ensure we rapidly respond to outbreaks, if and when they occur, which includes providing testing for your community and staff, where necessary and if required. This includes preparing to participate in, and assist with, the implementation of our COVID-19 vaccine immunisation program rollout, ensuring your local community's confidence in the program.*

Outcomes:

Moyne Health Services has continued to refine and operationalise our COVID response framework (established in 2020) in line with Public Health Unit (PHU) directions.

The key elements of the framework are:

- education and communication
  - ongoing staff, volunteer and visitor education to support the correct use of Personal Protective Equipment (PPE). 100% staff received PPE training.
  - regular communication through a variety of platforms with our staff, families, consumers to ensure that they are aware of current best practice, restrictions and any other relevant information.
  - we have refined signage to our entry points which reflect current entry conditions.
- prevention
  - all eligible staff and residents are vaccinated (for COVID and Influenza) as per health Department recommendations. 100% of eligible staff and residents vaccinated which has successfully mitigated the spread of COVID between staff.
  - staff and visitor attestations continue
  - PPE stocks are managed and readily available
  - Infection prevention practices are continuously aligned with best practice
- early detection
  - all staff are performing Rapid Antigen Tests (RAT) twice weekly before attending site
  - all visitors to our Residential Aged Care homes must produce a negative RAT
- caring for people with symptoms or disease
  - Moyne Health Services has had two COVID outbreaks in this reporting period, we have worked collaboratively with the Public Health Unit to manage and contain the outbreaks.
  - symptoms of those affected during the outbreak have been mild, with only one person requiring transfer for a short period of extra care
  - antiviral agents have been utilised according to best proactive recommendations



*Actively collaborate on the development and delivery of priorities within your Health Service Partnership, contribute to inclusive and consensus-based decision-making, support optimum utilisation of services, facilities and resources within the Partnership, and be collectively accountable for delivering against Partnership accountabilities as set out in the Health Service Partnership Policy and Guidelines.*

Outcomes:

Moyne Health Services continues to be actively engaged with the Barwon South West Health Services Partnership to support the health system reform priorities.

Some of the key activities include:

- member of the Telehealth Steering group
- member of workforce strategy working group
- member of the electronic health record upgrade steering group
- participation in regional and state strategic planning forums
- ongoing development of relationships with neighbouring health services to align service demand

*Engage with your community to address the needs of patients, especially our vulnerable Victorians whose care has been delayed due to the pandemic and provide the necessary “catch-up” care to support them to get back on track. Work collaboratively with your Health Service Partnership to:*

- *implement the Better at Home initiative to enhance in-home and virtual models of patient care when it is safe, appropriate and consistent with patient preference.*
- *improve elective surgery performance and ensure that patients who have waited longer than clinically recommended for treatment have their needs addressed as a priority.*

Outcomes:

- Better at Home
  - Moyne Health Services supports telehealth access for all services with 394 hours of telehealth consultations delivered
  - Moyne Health Services has utilised technology to connect clinicians with clients; clinicians with clinicians and families with loved ones in care
  - Partnership with South West Healthcare to deliver pre-hospital assessment and management of people at risk of re-admission
- Improve elective surgery performance
  - Moyne Health Services continues to provide stepdown from South West Healthcare to Moyne Health Services to ensure optimal use of Acute based beds

*Address critical mental health demand pressures and support the implementation of mental health system reforms to embed integrated mental health and suicide prevention pathways for people with, or at risk of, mental illness or suicide through a whole-of-system approach as an active participant in your Health Service Partnership and through your Partnership’s engagement with Regional Mental Health and Wellbeing Boards*



#### Outcomes

- Moyne Health Services does not offer specialist Mental Health and Wellbeing services, however, we continue to be a referral source for South West Healthcare to ensure optimal use of specialist services
- Moyne Health Services provides an in-school wellbeing program for the local primary schools

*Embed the Aboriginal and Torres Strait Islander Cultural Safety Framework into your organisation and build a continuous quality improvement approach to improving cultural safety, underpinned by Aboriginal self-determination, to ensure delivery of culturally safe care to Aboriginal patients and families, and to provide culturally safe workplaces for Aboriginal employees.*

#### Outcomes

- Moyne Health Services strives to engage and collaborate with local First nation's people
- We are continuing to refine our strategies to support meaningful and appropriate service provision





## Statement of Priorities Part B: Performance Priorities

### High Quality and Safe Care

Key Performance measure	Target	2021 – 2022 Result
<b>Infection prevention and control</b>		
Compliance with the Hand Hygiene Australia program	85%	89%
Percentage of healthcare workers immunised for influenza (period April 2021 to August 2021)	92%	100%

### Effective financial management

Key performance measure	Target	2021-22 Result
<b>Finance</b>		
Operating result (\$m)	\$0.1	-\$0.06
Average number of days to paying trade creditors	60	20
Average number of days to receiving patient fee debtors	60	33
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.68
Actual number of days a health service can maintain its operations with unrestricted available cash (based on end of year forecast)	14	-28.92 (not achieved)
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	\$444,532

### Revenue Indicators

Average Collection Days	2020	2021	2022
Private	110	106	104
TAC	Nil	Nil	Nil
VWA	Nil	Nil	Nil
Other compensable	Nil	Nil	Nil
Psychiatric	N/A	N/A	N/A
Residential Aged Care	33	34	34



## 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		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	22
FRD 22	Purpose, functions, powers and duties	12-15
FRD 22	Nature and range of services provided	16
FRD 22	Activities, programs and achievements for the reporting period	17
FRD 22	Significant changes in key initiatives and expectations for the future	18
<b>Management and Structure</b>		
FRD 22	Organisational structure	24
FRD 22	Workforce data/ employment and conduct principles	29-30
FRD 22	Occupational Health and Safety	29-30
<b>Financial Information</b>		
FRD 22	Summary of the financial results for the year	9-11
FRD 22	Significant changes in financial position during the year	9-11
FRD 22	Operational and budgetary objectives and performance against objectives	9-11
FRD 22	Subsequent events	
FRD 22	Details of consultancies under \$10,000	38
FRD 22	Details of consultancies over \$10,000	38
FRD 22	Disclosure of ICT expenditure	38
<b>Legislation</b>		
FRD 22	Application and operation of Freedom of Information Act 1982	34
FRD 22	Compliance with building and maintenance provisions of Building Act 1993	34
FRD 22	Application and operation of Public Interest Disclosures Act 2012	34
FRD 22	Statement on National Competition Policy	36
FRD 22	Application and operation of Carers Recognition Act 2012	34
FRD 22	Summary of the entity's environmental performance	35
FRD 22	Additional information available on request	37
<b>Other relevant reporting directives</b>		
FRD 25D	Local Jobs First Act disclosures	36
SD 5.1.4	Financial Management Compliance attestation	33
SD 5.2.3	Declaration in report of operations	11



Legislation	Requirement	Page Reference
<b>Attestations</b>		33
	Attestation on Data Integrity	
	Attestation on managing Conflicts of Interest	
	Attestation on Integrity, fraud and corruption	
<b>Other reporting requirements</b>		
	• Reporting of outcomes from Statement of Priorities 2020–21	39-41
	• Occupational Violence reporting	30
	• Gender Equality Act 2020	37
	• Reporting obligations under the Safe Patient Care Act 2015	34





Financial Compliance



## Financial Statements

### Financial Year ended 30 June 2022

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

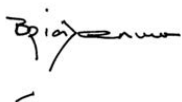
The attached financial statements for Moyne Health Services and the consolidated entity have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting 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 2022 and the financial position of Moyne Health Services and consolidated entity at 30 June 2022.

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 21st September, 2022.

#### **Board member**



Mr Brian Densem

Chair

Port Fairy  
21st September,  
2022

#### **Accountable Officer**



Katharina Redford

Chief Executive Officer

Port Fairy  
21st September, 2022

#### **Chief Finance & Accounting Officer**



Steven Jackel

Chief Finance and Accounting Officer

Port Fairy  
21st September, 2022





# Independent Auditor's Report

## 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 2022</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 2022 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 APES 110 <i>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>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>

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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.

---



MELBOURNE  
19 October 2022

Dominika Ryan  
*as delegate for the Auditor-General of Victoria*

**Moyne Health Services**  
**Comprehensive Operating Statement For**  
**the Financial Year Ended 30 June 2022**

		Parent	Parent	Consolidated	Consolidated
		2022	2021	2022	2021
Note		\$'000	\$'000	\$'000	\$'000
<b>Revenue and income from transactions</b>					
Operating activities	2.1	21,689	20,426	21,678	20,473
Non-operating activities	2.1	52	87	52	87
<b>Total revenue and income from transactions</b>		<b>21,741</b>	<b>20,513</b>	<b>21,730</b>	<b>20,560</b>
<b>Expenses from transactions</b>					
Employee expenses	3.1	(16,495)	(15,444)	(16,495)	(15,444)
Supplies and consumables	3.1	(1,391)	(1,188)	(1,391)	(1,188)
Finance costs	3.1	(10)	(3)	(10)	(3)
Depreciation and amortisation	3.1	(2,439)	(2,363)	(2,440)	(2,364)
Other administrative expenses	3.1	(1,649)	(1,784)	(1,649)	(1,797)
Other operating expenses	3.1	(1,350)	(1,055)	(1,367)	(1,055)
Other non-operating expenses	3.1	(4)	-	(4)	-
<b>Total Expenses from transactions</b>		<b>(23,338)</b>	<b>(21,837)</b>	<b>(23,356)</b>	<b>(21,851)</b>
<b>Net result from transactions - net operating balance</b>		<b>(1,597)</b>	<b>(1,324)</b>	<b>(1,626)</b>	<b>(1,291)</b>
<b>Other economic flows included in net result</b>					
Net gain/(loss) on sale of non-financial assets	3.2	115	94	115	94
Net gain/(loss) on financial instruments	3.2	(2)	7	(2)	7
Other gain/(loss) from other economic flows	3.2	58	173	58	173
<b>Total other economic flows included in net result</b>		<b>171</b>	<b>274</b>	<b>171</b>	<b>274</b>
<b>Net result for the year</b>		<b>(1,426)</b>	<b>(1,050)</b>	<b>(1,455)</b>	<b>(1,017)</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to net result</b>					
Changes in property, plant and equipment revaluation surplus	4.3	728	545	728	545
<b>Total other comprehensive income</b>		<b>728</b>	<b>545</b>	<b>728</b>	<b>545</b>
<b>Comprehensive result for the year</b>		<b>(698)</b>	<b>(505)</b>	<b>(727)</b>	<b>(472)</b>

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



**Moyne Health Services**  
**Balance Sheet**  
**As at 30 June 2022**

		Parent	Parent	Consolidated	Consolidated
	Note	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>					
Cash and cash equivalents	6.2	15,872	15,660	15,888	15,705
Receivables and contract assets	5.1	1,129	841	1,129	841
Inventories		1	-	1	-
Prepaid expenses		219	136	219	136
<b>Total current assets</b>		<b>17,221</b>	<b>16,637</b>	<b>17,237</b>	<b>16,682</b>
<b>Non-current assets</b>					
Receivables and contract assets	5.1	1,414	1,183	1,414	1,183
Property, plant and equipment	4.1(a)	34,599	34,180	34,600	34,181
Right of use assets	4.2(a)	446	234	446	234
<b>Total non-current assets</b>		<b>36,459</b>	<b>35,597</b>	<b>36,460</b>	<b>35,598</b>
<b>Total assets</b>		<b>53,680</b>	<b>52,234</b>	<b>53,697</b>	<b>52,280</b>
<b>Current liabilities</b>					
Payables and contract liabilities	5.2	2,920	2,890	2,920	2,890
Borrowings	6.1	275	107	275	107
Employee benefits	3.3	3,517	3,173	3,517	3,173
Other liabilities	5.3	18,458	16,899	18,458	16,899
<b>Total current liabilities</b>		<b>25,170</b>	<b>23,069</b>	<b>25,170</b>	<b>23,069</b>
<b>Non-current liabilities</b>					
Borrowings	6.1	293	268	293	268
Employee benefits	3.3	387	369	387	369
<b>Total non-current liabilities</b>		<b>680</b>	<b>637</b>	<b>680</b>	<b>637</b>
<b>Total liabilities</b>		<b>25,850</b>	<b>23,706</b>	<b>25,850</b>	<b>23,706</b>
<b>Net assets</b>		<b>27,830</b>	<b>28,528</b>	<b>27,847</b>	<b>28,574</b>
<b>Equity</b>					
Property, plant and equipment revaluation surplus	4.3	22,552	21,824	22,552	21,824
Restricted specific purpose reserve	SCE	75	75	75	75
Contributed capital	SCE	4,386	4,386	4,386	4,386
Accumulated surplus	SCE	817	2,243	834	2,289
<b>Total equity</b>		<b>27,830</b>	<b>28,528</b>	<b>27,847</b>	<b>28,574</b>

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

**Moyne Health Services**  
**Statement of Changes in Equity**  
**For the Financial Year Ended 30 June 2022**

Consolidated	Note	Property, Plant and Equipment	Restricted Specific	Contributed Capital	Accumulated Surplus	Total
		Revaluation Surplus	Purpose Reserve			
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2020</b>		21,279	75	4,386	3,306	29,046
Net result for the year		-	-	-	(1,017)	(1,017)
Other comprehensive income for the year		545	-	-	-	545
<b>Balance at 30 June 2021</b>		21,824	75	4,386	2,289	28,574
Net result for the year		-	-	-	(1,455)	(1,455)
Other comprehensive income for the year		728	-	-	-	728
<b>Balance at 30 June 2022</b>		22,552	75	4,386	834	27,847

Parent	Note	Property, Plant and Equipment	Restricted Specific	Contributed Capital	Accumulated Surplus	Total
		Revaluation Surplus	Purpose Reserve			
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 30 June 2020</b>		21,279	75	4,386	3,293	29,033
Net result for the year		-	-	-	(1,050)	(1,050)
Other comprehensive income for the year		545	-	-	-	545
<b>Balance at 30 June 2021</b>		21,824	75	4,386	2,243	28,528
Net result for the year		-	-	-	(1,426)	(1,426)
Other comprehensive income for the year		728	-	-	-	728
<b>Balance at 30 June 2022</b>		22,552	75	4,386	817	27,830

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





**Moyne Health Services**  
**Cash Flow Statement**  
**For the Financial Year Ended 30 June 2022**

	Parent 2022 \$'000	Parent 2021 \$'000	Consolidated 2022 \$'000	Consolidated 2021 \$'000
<b>Cash Flows from operating activities</b>				
Operating grants from State government	7,089	6,990	7,089	6,990
Operating grants from Commonwealth government	8,939	8,939	8,939	8,939
Capital grants from government - State	772	253	772	253
Patient fees received	2,999	2,633	2,999	2,633
Donations and bequests received	63	47	63	47
GST received from ATO	592	613	592	613
Interest and investment income received	52	129	52	129
Commercial Income Received	221	214	221	214
Other receipts	644	651	633	698
<b>Total receipts</b>	<b>21,371</b>	<b>20,469</b>	<b>21,360</b>	<b>20,516</b>
Employee expenses paid	(16,152)	(15,263)	(16,152)	(15,263)
Payments for supplies and consumables	(857)	(898)	(857)	(898)
Payments for medical indemnity insurance	(98)	(89)	(98)	(89)
Payments for repairs and maintenance	(1,056)	(719)	(1,056)	(719)
Finance Costs	(10)	(3)	(10)	(3)
GST paid to ATO	(616)	(627)	(616)	(627)
Other payments	(1,932)	(2,019)	(1,950)	(2,032)
<b>Total payments</b>	<b>(20,721)</b>	<b>(19,618)</b>	<b>(20,739)</b>	<b>(19,631)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>650</b>	<b>851</b>	<b>621</b>	<b>885</b>
	8.1			
<b>Cash Flows from investing activities</b>				
Purchase of property, plant and equipment	(2,080)	(2,749)	(2,080)	(2,749)
Capital donations and bequests received	28	106	28	106
Other capital receipts	4	69	4	69
Proceeds from disposal of property, plant and equipment	148	187	148	187
Proceeds from disposal of investments	-	7,611	-	7,611
<b>Net cash flows from/(used in) investing activities</b>	<b>(1,900)</b>	<b>5,224</b>	<b>(1,900)</b>	<b>5,224</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	-	25	-	25
Repayment of borrowings	(22)	(23)	(22)	(23)
Repayment of principal portion of leases	(83)	(9)	(83)	(9)
Receipt of accommodation deposits	5,945	2,955	5,945	2,955
Repayment of accommodation deposits	(4,378)	(3,284)	(4,378)	(3,284)
<b>Net cash flows from/(used in) financing activities</b>	<b>1,462</b>	<b>(336)</b>	<b>1,462</b>	<b>(336)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>212</b>	<b>5,739</b>	<b>183</b>	<b>5,773</b>
Cash and cash equivalents at beginning of year	15,660	9,921	15,705	9,932
<b>Cash and cash equivalents at end of year</b>	<b>15,872</b>	<b>15,660</b>	<b>15,888</b>	<b>15,705</b>
	6.2			

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



**Moyne Health Services**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2022**

## **Note 1: Basis of preparation**

### **Structure**

- 1.1 Basis of preparation of the financial statements*
- 1.2 Impact of COVID-19 pandemic*
- 1.3 Abbreviations and terminology used in the financial statements*
- 1.4 Principles of consolidation*
- 1.5 Joint arrangements*
- 1.6 Key accounting estimates and judgements*
- 1.7 Accounting standards issued but not yet effective*
- 1.8 Goods and Services Tax (GST)*
- 1.9 Reporting entity*



# Moyne Health Services

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2022

## Note 1: Basis of preparation

These financial statements represent the audited general purpose financial statements for Moyne Health Services for the year ended 30 June 2022. The report provides users with information about Moyne Health Services's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements.

### Note 1.1 Basis of preparation of the financial statements

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards, 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 (DTF), and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

Moyne Health Services is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a "not-for-profit" health service under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements have been prepared on a going concern basis (refer to Note 8.10 Economic Dependency).

The financial statements are in Australian dollars.

The amounts presented in the financial statements have been rounded to the nearest thousand dollars. Minor discrepancies in tables between totals and sum of components are due to rounding.

The annual financial statements were authorised for issue by the Board of Moyne Health Services on 21st September, 2022.



# Moyne Health Services

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2022

#### Note 1.2 Impact of COVID-19 pandemic

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. On 2 August 2020 a state of disaster was added with both operating concurrently. The state of disaster in Victoria concluded on 28 October 2020 and the state of emergency concluded 15 December 2021.

The COVID-19 pandemic has created economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the health service at the reporting date. Management recognises it is difficult to reliably estimate with certainty, the potential impact of the pandemic after the reporting date on the health service, its operations, its future results and financial position.

In response to the ongoing COVID-19 pandemic, Moyne Health Services has:

- introduced restrictions on non-essential visitors
- utilised telehealth services
- deferred elective surgery and reduced activity
- performed COVID-19 testing
- established and operated vaccine clinics
- changed infection control practices
- implemented work from home arrangements where appropriate.

Where financial impacts of the pandemic are material to Moyne Health Services, they are disclosed in the explanatory notes. For Moyne Health Services, this includes:

- Note 2: Funding delivery of our services
- Note 3: The cost of delivering services.

#### Note 1.3 Abbreviations and terminology used in the financial statements

The following table sets out the common abbreviations used throughout the financial statements:

Reference	Title
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which include Interpretations
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	Financial Management Act 1994
FRD	Financial Reporting Direction
NWAU	National Weighted Activity Unit
SD	Standing Direction
VAGO	Victorian Auditor-General's Office
WIES	Weighted Inlier Equivalent Separation



# Moyne Health Services

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2022

#### **Note 1.4 Principles of consolidation**

The financial statements include the assets and liabilities of Moyne Health Services and its controlled entities as a whole as at the end of the financial year and the consolidated results and cash flows for the year.

Moyne Health Services controls the following entities:

- Woody's Murray 2 Moyne Cycle Relay Inc.

Details of the controlled entities are set out in Note 8.8.

The parent entity is not disclosed separately in the notes to the financial statements.

An entity is considered to be a controlled entity where Moyne Health Services has the power to govern the financial and operating policies of an organisation so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account.

Moyne Health Services consolidate the results of its controlled entities from the date on which the health service gains control until the date the health service ceases to have control. 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.

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

#### **Note 1.5 Joint arrangements**

Interests in joint arrangements are accounted for by recognising in Moyne Health Services's financial statements, its share of assets and liabilities and any revenue and expenses of such joint arrangements.

Moyne Health Services has the following joint arrangements:

- South West Alliance of Rural Health - Joint Operation

Details of the joint arrangements are set out in Note 8.7.

#### **Note 1.6 Key accounting estimates and judgements**

Management make estimates and judgements when preparing the financial statements.

These estimates and judgements are based on historical knowledge and best available current information and assume any reasonable expectation of future events. Actual results may differ.

Revisions to key estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

The accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and are disclosed in further detail throughout the accounting policies.



# Moyne Health Services

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2022

#### Note 1.7 Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Moyne Health Services and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	Impact
AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-6: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards.	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-7: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Moyne Health Services in future periods.





# Moyne Health Services

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2022

#### **Note 1.8 Goods and Services Tax (GST)**

Income, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Balance Sheet are stated inclusive of the amount of GST. 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 included in the Cash Flow Statement on a gross basis, except for the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, which are disclosed as operating cash flows.

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

#### **Note 1.9 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.



## Note 2: Funding delivery of our services

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

### Structure

#### 2.1 Revenue and income from transactions

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

### Telling the COVID-19 story

Revenue recognised to fund the delivery of our services increased during the financial year which was partially attributable to the COVID-19 Coronavirus pandemic

Funding provided included:

- COVID-19 operational funding
- Specified funding for Covid-19 Vaccination

### Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	<p>Moyne Health Services applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations.</p> <p>If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Moyne Health Services to recognise revenue as or when the health service transfers promised goods or services to customers.</p> <p>If this criteria is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>Moyne Health Services applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.</p>
Determining time of capital grant income recognition	<p>Moyne Health Services applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service’s progress as this is deemed to be the most accurate reflection of the stage of completion.</p>



## Note 2.1 Revenue and income from transactions

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
<b>Operating activities</b>		
<b>Revenue from contracts with customers</b>		
Government grants (State) - Operating	111	102
Government grants (Commonwealth) - Operating	8,611	8,018
Patient and resident fees	2,989	2,696
Commercial activities <sup>1</sup>	221	214
<b>Total revenue from contracts with customers</b>	<b>11,932</b>	<b>11,030</b>
	Note 2.1(a)	
<b>Other sources of income</b>		
Government grants (State) - Operating	6,823	7,020
Government grants (Commonwealth) - Operating	954	938
Government grants (State) - Capital	772	253
Other capital purpose income	4	69
Capital donations	28	106
Assets received free of charge or for nominal consideration	221	180
Other revenue from operating activities (including non-capital donations)	944	877
<b>Total other sources of income</b>	<b>9,746</b>	<b>9,443</b>
	Note 2.2	
<b>Total revenue and income from operating activities</b>	<b>21,678</b>	<b>20,473</b>
<b>Non-operating activities</b>		
<b>Income from other sources</b>		
Capital interest	2	-
Other interest	50	87
<b>Total other sources of income</b>	<b>52</b>	<b>87</b>
<b>Total income from non-operating activities</b>	<b>52</b>	<b>87</b>
<b>Total revenue and income from transactions</b>	<b>21,730</b>	<b>20,560</b>

1. Commercial activities represent business activities which Moyne Health Services enter into to support their operations.



Moyne Health Services  
Notes to the Financial Statements  
for the financial year ended 30 June 2022

**Note 2.1(a) Timing of revenue from contracts with customers**

Moyne Health Services disaggregates revenue by the timing of revenue recognition.

Goods and services transferred to customers:

At a point in time

Over time

	<b>Total 2022 \$'000</b>	<b>Total 2021 \$'000</b>
	332	316
	11,600	10,714
<b>Total revenue from contracts with customers</b>	<b>11,932</b>	<b>11,030</b>

**How we recognise revenue and income from transactions**

**Government operating grants**

To recognise revenue, Moyne Health Services assesses each grant to determine whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: *Revenue from Contracts with Customers*.

When both these conditions are satisfied, the health service:

- Identifies each performance obligation relating to the revenue
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfied its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the health service:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
  - recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount in accordance with AASB 1058 *Income for not-for-profit entities*.

In contracts with customers, the 'customer' is typically a funding body, who is the party that promises funding in exchange for Moyne Health Services's goods or services. Moyne Health Services's funding bodies often direct that goods or services are to be provided to third party beneficiaries, including individuals or the community at large. In such instances, the customer remains the funding body that has funded the program or activity, however the delivery of goods or services to third party beneficiaries is a characteristic of the promised good or service being transferred to the funding body.



Moyne Health Services  
Notes to the Financial Statements  
for the financial year ended 30 June 2022

This policy applies to each of Moyne Health Services's revenue streams, with information detailed below relating to Moyne Health Services's significant revenue streams:

Government grant	Performance obligation
<p>Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix. Moyne Health Services is eligible for WIES funding in relation to Department of Veterans Affairs and Transport Accident Commission patients.</p>	<p>The performance obligations for ABF are the number and mix of patients admitted to hospital (defined as 'casemix') in accordance with the levels of activity agreed to, with the Department of Health in the annual Statement of Priorities.</p> <p>Revenue is recognised at a point in time, which is when a patient is discharged.</p> <p>WIES activity is a cost weight that is adjusted for time spent in hospital, and represents a relative measure of resource use for each episode of care in a diagnosis related group (DRG).</p> <p>WIES was superseded by NWAU from 1 July 2021, for acute, sub-acute and state-wide (which includes specified grants, state-wide services and teaching and training. Services not transitioning at this time include mental health and small rural services.</p>
<p>Commonwealth Residential Aged Care Grants</p>	<p>Funding is provided for the provision of care for aged care residents within facilities at Moyne Health Services.</p> <p>The performance obligations include provision of residential accommodation and care from nursing staff and personal care workers.</p> <p>Revenue is recognised over time when the service is provided within the residential aged care facility.</p>
<p>Commonwealth Home Care Packages</p>	<p>Funding is provided to Moyne Health Services for the provision and co-ordination of services to clients assessed as eligible for support.</p> <p>All funds are required to be expended in accordance with the instructions and requirements of the client, with any unexpended funds to be refunded to the Commonwealth.</p> <p>Revenue is recognised over time as the funds are expended on behalf of the client.</p>

**Capital grants**

Where Moyne Health Services receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities arising from a contract with a customer) recognised under other Australian Accounting Standards.

Income is recognised progressively as the asset is constructed which aligns with Moyne Health Services's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.



**Patient and resident fees**

Patient and resident fees are charges that can be levied on patients for some services they receive. Patient and resident fees are recognised over time when the performance obligation, the provision of services, is satisfied, except where the patient and resident fees relate to accommodation charges. Accommodation charges are calculated daily and are recognised over time, to reflect the period accommodation is provided.

**Commercial activities**

Revenue from commercial activities includes items such as meal sales and provision of accommodation. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

**How we recognise revenue and income from non-operating activities**

**Interest Income**

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





## Note 2.2 Fair value of assets and services received free of charge or for nominal consideration

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Cash donations and gifts	63	47
Personal protective equipment	158	133
<b>Total fair value of assets and services received free of charge or for nominal consideration</b>	<b>221</b>	<b>180</b>

### How we recognise the fair value of assets and services received free of charge or for nominal consideration

#### Donations and bequests

Donations and bequests are generally recognised as income upon receipt (which is when Moyne Health Services usually obtained control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

#### Personal protective equipment

In order to meet the State of Victoria's health system supply needs during the COVID-19 pandemic, arrangements were put in place to centralise the purchasing of essential personal protective equipment (PPE) and other essential plant and equipment.

The general principles of the State Supply Arrangement were that Health Share Victoria sourced, secured and agreed terms for the purchase of the PPE products, funded by the Department of Health, while Monash Health took delivery, and distributed an allocation of the products to Moyne Health Services as resources provided free of charge. Health Share Victoria and Monash Health were acting as an agent of the Department of Health under this arrangement.

#### Voluntary Services

Moyne Health Services receives volunteer services from members of the community to support and assist our residents in aged care and patients within the hospital setting.

Moyne Health Services recognises contributions by volunteers in its financial statements, if the fair value can be reliably measured and the services would have been purchased had they not been donated.

Moyne Health Services greatly values the services contributed by volunteers but it does not depend on volunteers to deliver its services.

#### Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of Moyne Health Services as follows:

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Moyne Health Services which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Department of Health	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.



## Note 3: The cost of delivering our services

This section provides an account of the expenses incurred by the health service 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

#### 3.3 Employee benefits in the balance sheet

#### 3.4 Superannuation

### Telling the COVID-19 story

Expenses incurred to deliver our services increased during the financial year which was partially attributable to the COVID-19 Coronavirus pandemic.

Additional costs were incurred to deliver the following additional services:

- implement COVID safe practices throughout Moyne Health Services including increased cleaning, increased security, consumption of personal protective equipment provided as resources free of charge.
- establish vaccination clinics to administer vaccines to staff and the community resulting in an increase in employee costs, additional equipment purchased.

### Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	<p>Moyne Health Services applies significant judgment when measuring and classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if Moyne Health Services does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if Moyne Health Services has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p>
Measuring employee benefit liabilities	<p>Moyne Health Services applies significant judgment when measuring its employee benefit liabilities.</p> <p>The health service applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.</p> <p>Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields on government bonds at the end of the reporting period.</p> <p>All other entitlements are measured at their nominal value.</p>



### Note 3.1 Expenses from transactions

Note	Consolidated	Consolidated
	2022	2021
	\$'000	\$'000
Salaries and wages	13,350	12,595
On-costs	1,267	1,208
Agency expenses	1,605	1,340
Fee for service medical officer expenses	119	155
Workcover premium	154	146
<b>Total employee expenses</b>	<b>16,495</b>	<b>15,444</b>
Drug supplies	70	71
Medical and surgical supplies (including Protheses)	461	406
Diagnostic and radiology supplies	52	7
Other supplies and consumables	808	704
<b>Total supplies and consumables</b>	<b>1,391</b>	<b>1,188</b>
Finance costs	10	3
<b>Total finance costs</b>	<b>10</b>	<b>3</b>
Information technology expenditure	691	899
Other administrative expenses	958	898
<b>Total other administrative expenses</b>	<b>1,649</b>	<b>1,797</b>
Fuel, light, power and water	213	247
Repairs and maintenance	981	658
Maintenance contracts	75	61
Medical indemnity insurance	98	89
<b>Total other operating expenses</b>	<b>1,367</b>	<b>1,055</b>
<b>Total operating expense</b>	<b>20,912</b>	<b>19,487</b>
Depreciation and amortisation	4.4 2,440	2,364
<b>Total depreciation and amortisation</b>	<b>2,440</b>	<b>2,364</b>
Bad and doubtful debt expense	4	-
<b>Total other non-operating expenses</b>	<b>4</b>	<b>-</b>
<b>Total non-operating expense</b>	<b>2,444</b>	<b>2,364</b>
<b>Total expenses from transactions</b>	<b>23,356</b>	<b>21,851</b>



## How we recognise expenses from transactions

### Expense recognition

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 premiums.

### Supplies and consumables

Supplies and consumable costs 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 leases which are recognised in accordance with AASB 16 *Leases* .

### Other operating expenses

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

- 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 of \$1,000).

The Department of Health 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 outside the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.



### Note 3.2 Other economic flows included in net result

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Net gain/(loss) on disposal of property plant and equipment	115	94
<b>Total net gain/(loss) on non-financial assets</b>	<b>115</b>	<b>94</b>
Allowance for impairment losses of contractual receivables	-	9
Other gains/(losses) from other economic flows	(2)	(2)
<b>Total net gain/(loss) on financial instruments</b>	<b>(2)</b>	<b>7</b>
Net gain/(loss) arising from revaluation of long service liability	58	173
<b>Total other gains/(losses) from other economic flows</b>	<b>58</b>	<b>173</b>
<b>Total gains/(losses) from other economic flows</b>	<b>171</b>	<b>274</b>

#### How we recognise other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

#### Net gain/(loss) on non-financial assets

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

- net gain/(loss) on disposal of non-financial assets, recognised at the date of disposal.

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

Net gain/(loss) on financial instruments at fair value 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 7.1 Investments and other financial assets).



### Note 3.3 Employee benefits in the balance sheet

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
<b>Current employee benefits and related on-costs</b>		
<i>Accrued days off</i>		
Unconditional and expected to be settled wholly within 12 months <sup>i</sup>	50	31
	<b>50</b>	<b>31</b>
<i>Annual leave</i>		
Unconditional and expected to be settled wholly within 12 months <sup>i</sup>	1,014	1,018
Unconditional and expected to be settled wholly after 12 months <sup>ii</sup>	190	70
	<b>1,204</b>	<b>1,088</b>
<i>Long service leave</i>		
Unconditional and expected to be settled wholly within 12 months <sup>i</sup>	457	408
Unconditional and expected to be settled wholly after 12 months <sup>ii</sup>	1,445	1,296
	<b>1,902</b>	<b>1,704</b>
<i>Provisions related to employee benefit on-costs</i>		
Unconditional and expected to be settled within 12 months <sup>i</sup>	179	188
Unconditional and expected to be settled after 12 months <sup>ii</sup>	182	162
	<b>361</b>	<b>350</b>
<b>Total current employee benefits and related on-costs</b>	<b>3,517</b>	<b>3,173</b>
<b>Non-current provisions and related on-costs</b>		
Conditional long service leave <sup>ii</sup>	343	329
Provisions related to employee benefit on-costs <sup>ii</sup>	44	40
<b>Total non-current employee benefits and related on-costs</b>	<b>387</b>	<b>369</b>
<b>Total employee benefits and related on-costs</b>	<b>3,904</b>	<b>3,542</b>

<sup>i</sup> The amounts disclosed are nominal amounts.

<sup>ii</sup> The amounts disclosed are discounted to present values.





**Current employee benefits and related on-costs**

Unconditional accrued days off	50	31
Unconditional annual leave entitlements	1,348	1,232
Unconditional long service leave entitlements	2,119	1,910
<b>Total current employee benefits and related on-costs</b>	<b>3,517</b>	<b>3,173</b>

Conditional long service leave entitlements	387	369
<b>Total non-current employee benefits and related on-costs</b>	<b>387</b>	<b>369</b>

**Total employee benefits and related on-costs**

**Attributable to:**

Employee benefits	3,499	3,152
Provision for related on-costs	405	390
<b>Total employee benefits and related on-costs</b>	<b>3,904</b>	<b>3,542</b>

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
	50	31
	1,348	1,232
	2,119	1,910
	<b>3,517</b>	<b>3,173</b>
	387	369
	<b>387</b>	<b>369</b>
	<b>3,904</b>	<b>3,542</b>
	3,499	3,152
	405	390
	<b>3,904</b>	<b>3,542</b>

**Note 3.3 (b) Provision for related on-costs movement schedule**

**Movement in On-Costs Provision**

<b>Carrying amount at start of year</b>	390	405
Additional provisions recognised	196	127
Net gain/(loss) arising from revaluation of long service liability	6	19
Amounts incurred during the year	(187)	(161)
<b>Carrying amount at end of year</b>	<b>405</b>	<b>390</b>

	Total 2022 \$'000	Total 2021 \$'000
	390	405
	196	127
	6	19
	(187)	(161)
	<b>405</b>	<b>390</b>



## How we recognise employee benefits

### Employee benefit recognition

Employee benefits are accrued for employees in respect of 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.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

### Annual leave and accrued days off

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

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

- Nominal value – if Moyne Health Services expects to wholly settle within 12 months or
- Present value – if Moyne Health Services does not expect to wholly settle within 12 months.

### Long service leave

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where Moyne Health Services 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:

- Nominal value – if Moyne Health Services expects to wholly settle within 12 months or
- Present value – if Moyne Health Services does not expect to wholly settle within 12 months.

Conditional LSL is measured at present value and 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.

### Provision for on-costs related to employee benefits

Provision for on-costs such as workers compensation and superannuation are recognised separately from employee benefits.



### Note 3.4 Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Consolidated	Consolidated	Consolidated	Consolidated
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Defined benefit plans:<sup>i</sup></b>				
Aware Super	84	57	-	-
<b>Defined contribution plans:</b>				
Aware Super	681	748	-	-
Hesta	304	258	-	-
Other	198	145	-	-
<b>Total</b>	<b>1,267</b>	<b>1,208</b>	-	-

<sup>i</sup> The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

#### How we recognise superannuation

Employees of Moyne Health Services are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans.

#### Defined benefit superannuation plans

The defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by Moyne Health Services to the superannuation plans in respect of the services of current Moyne Health Services's staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

Moyne Health Services does not recognise any unfunded defined benefit liability in respect of the plans because the health service has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

The DTF 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 Moyne Health Services.

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 contribution superannuation plans are expensed when incurred.

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.



## 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 Moyne Health Services to be utilised for delivery of those outputs.

### Structure

#### 4.1 Property, plant & equipment

#### 4.2 Right-of-use assets

#### 4.3 Revaluation surplus

#### 4.4 Depreciation and amortisation

#### 4.5 Impairment of assets

### Telling the COVID-19 story

Assets used to support the delivery of our services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic.

### Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating useful life of property, plant and equipment	Moyne Health Services assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset.  Moyne Health Services applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Identifying indicators of impairment	At the end of each year, Moyne Health Services assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment.  The health service considers a range of information when performing its assessment, including considering: <ul style="list-style-type: none"> <li>▪ If an asset's value has declined more than expected based on normal use</li> <li>▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset</li> <li>▪ If an asset is obsolete or damaged</li> <li>▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life</li> <li>▪ If the performance of the asset is or will be worse than initially expected.</li> </ul> Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.



## Note 4.1 Property, plant and equipment

### Note 4.1 (a) Gross carrying amount and accumulated depreciation

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Land at fair value - Freehold	3,491	2,763
<b>Total land at fair value</b>	<b>3,491</b>	<b>2,763</b>
Buildings at fair value	34,320	30,031
Less accumulated depreciation	(6,023)	(3,963)
<b>Total buildings at fair value</b>	<b>28,297</b>	<b>26,068</b>
Property improvements at fair value	349	349
Less accumulated depreciation	(52)	(34)
<b>Total property improvements at fair value</b>	<b>297</b>	<b>315</b>
Works in progress at cost	814	3,869
<b>Total buildings and improvements</b>	<b>29,408</b>	<b>30,252</b>
Plant and equipment at fair value	2,762	1,997
Less accumulated depreciation	(1,263)	(1,158)
<b>Total plant and equipment at fair value</b>	<b>1,499</b>	<b>839</b>
Motor vehicles at fair value	85	346
Less accumulated depreciation	(65)	(268)
<b>Total motor vehicles at fair value</b>	<b>20</b>	<b>78</b>
Computer equipment at fair value	787	787
Less accumulated depreciation	(681)	(615)
<b>Total computer equipment at fair value</b>	<b>106</b>	<b>172</b>
Furniture and fittings at fair value	646	622
Less accumulated depreciation	(570)	(545)
<b>Total furniture and fittings at fair value</b>	<b>76</b>	<b>77</b>
<b>Total plant, equipment, furniture, fittings and vehicles at fair value</b>	<b>1,701</b>	<b>1,166</b>
<b>Total property, plant and equipment</b>	<b>34,600</b>	<b>34,181</b>

Moyne Health Services  
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**Note 4.1 (b) Reconciliations of the carrying amounts of each class of asset**

	Note	Land \$'000	Buildings & Improvements \$'000	Plant & equipment \$'000	Motor vehicles \$'000	Computer Equipment \$'000	Furniture & Fittings \$'000	Total \$'000
<b>Balance at 1 July 2020</b>		<b>2,218</b>	<b>29,882</b>	<b>671</b>	<b>183</b>	<b>281</b>	<b>94</b>	<b>33,329</b>
Additions		-	2,368	323	45	-	13	2,749
Disposals		-	-	-	(93)	-	-	(93)
Revaluation increments/(decrements)		545	-	-	-	-	-	545
Depreciation	4.4	-	(1,998)	(155)	(57)	(109)	(30)	(2,349)
<b>Balance at 30 June 2021</b>	<b>4.1(a)</b>	<b>2,763</b>	<b>30,252</b>	<b>839</b>	<b>78</b>	<b>172</b>	<b>77</b>	<b>34,181</b>
Additions		-	1,233	823	-	-	24	2,080
Disposals		-	-	-	(33)	-	-	(33)
Revaluation increments/(decrements)		728	-	-	-	-	-	728
Depreciation	4.4	-	(2,077)	(163)	(25)	(66)	(25)	(2,356)
<b>Balance at 30 June 2022</b>	<b>4.1(a)</b>	<b>3,491</b>	<b>29,408</b>	<b>1,499</b>	<b>20</b>	<b>106</b>	<b>76</b>	<b>34,600</b>



### **Land and Buildings Carried at Valuation**

The Valuer-General Victoria undertook to re-value all of Moyne Health Services 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 was 30 June 2019 for buildings and 30 June 2022 for land.

### **How we recognise property, plant and equipment**

Property, plant and equipment are tangible items that are used by Moyne Health Services in the supply of goods or services, for rental to others, or for administration purposes, and are expected to be used during more than one financial year.

### **Initial recognition**

Items of property, plant and equipment (excluding right-of-use assets) are initially measured at cost. Where an asset is acquired for no or nominal cost, being far below the fair value of the asset, the deemed cost is its fair value at the date of acquisition. Assets transferred as part of an amalgamation/machinery of government change are transferred at their carrying amounts.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

### **Subsequent measurement**

Items of property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

Fair value is determined with reference to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

Further information regarding fair value measurement is disclosed in Note 7.4.



#### **Note 4.2 (b) Reconciliations of the carrying amounts of each class of asset Revaluation**

Fair value is based on periodic valuations by independent valuers, which normally occur once every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate a material change in fair value has occurred.

Where an independent valuation has not been undertaken at balance date, Moyne Health Services perform a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, Moyne Health Services would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of Moyne Health Services's land and buildings was performed by the VGV on 30 June 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2022 indicated an overall:

- increase in fair value of land of 54.35% (\$1.205M)
- increase in fair value of buildings of less than 10%

As the cumulative movement was greater than 40% for land since the last independent revaluation an interim independent valuation was required as at 30 June 2022 and an adjustment was recorded.

As the cumulative movement was less than 10% for buildings since the last revaluation a managerial revaluation adjustment was not required as at 30 June 2022.

Revaluation increases (increments) arise when an asset's fair value exceeds its carrying amount. In comparison, revaluation decreases (decrements) arise when an asset's fair value is less than its carrying amount. Revaluation increments and revaluation decrements 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 increments are recognised in 'Other Comprehensive Income' and are credited directly to the asset revaluation reserve, 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, in which case 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 reserve in respect of the same class of property, plant and equipment. Otherwise, the decrement is recognised as an expense in the net result.

The revaluation surplus included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised.

**Note 4.2 Right-of-use assets**

**Note 4.2(a) Gross carrying amount and accumulated depreciation**

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Right of use motor vehicles at fair value	545	249
Less accumulated depreciation	(99)	(15)
<b>Total right of use motor vehicles at fair value</b>	<b>446</b>	<b>234</b>
<b>Total right of use motor vehicles at fair value</b>	<b>446</b>	<b>234</b>



## Note 4.2(b) Reconciliations of the carrying amounts of each class of asset

	Note	Right-of-use - MV \$'000	Total \$'000
<b>Balance at 1 July 2020</b>		-	-
Additions		249	249
Depreciation	4.4	(15)	(15)
<b>Balance at 30 June 2021</b>	4.2(a)	<b>234</b>	<b>234</b>
Additions		296	296
Depreciation	4.4	(84)	(84)
<b>Balance at 30 June 2022</b>	4.2(a)	<b>446</b>	<b>446</b>

### How we recognise right-of-use assets

Where Moyne Health Services enters a contract, which provides the health service with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability. Moyne Health Services presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service.

Right-of-use assets and their respective lease terms include:

Class of right-of-use asset	Lease term
Leased motor vehicles	2 to 3 years

### Initial recognition

When a contract is entered into, Moyne Health Services assesses if the contract contains or is a lease. If a lease is present, a right-of-use asset and corresponding lease liability is recognised. The definition and recognition criteria of a lease is disclosed at Note 6.1.

The right-of-use asset is initially measured at cost and comprises the initial measurement of the corresponding lease liability, adjusted for:

- any lease payments made at or before the commencement date
- any initial direct costs incurred and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

### Subsequent measurement

Right-of-use assets are subsequently measured at fair value, less accumulated depreciation and accumulated impairment losses where applicable.

Right-of-use assets are also adjusted for certain remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

Further information regarding fair value measurement is disclosed in Note 7.4.



### Note 4.3 Revaluation Surplus

Note	Consolidated	Consolidated
	2022	2021
	\$'000	\$'000
Balance at the beginning of the reporting period	21,824	21,279
<b>Revaluation increment</b>		
- Land	728	545
<b>Balance at the end of the Reporting Period*</b>	<b>22,552</b>	<b>21,824</b>
<b>* Represented by:</b>		
- Land	2,471	1,743
- Buildings	20,081	20,081
	<b>22,552</b>	<b>21,824</b>



## Note 4.4 Depreciation

### Depreciation

Buildings	2,060	1,998
Land Improvements	17	-
Plant and equipment	163	155
Motor vehicles	25	57
Computer equipment	66	109
Furniture and fittings	25	30

### Total depreciation - property, plant and equipment

### Right-of-use assets

Right of use - motor vehicles	84	15
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### Total depreciation - right-of-use assets

### Total depreciation

Consolidated 2022 \$'000	Consolidated 2021 \$'000
2,060	1,998
17	-
163	155
25	57
66	109
25	30
<b>2,356</b>	<b>2,349</b>
84	15
<b>84</b>	<b>15</b>
<b>2,440</b>	<b>2,364</b>

### How we recognise depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding land) that have finite useful lives are depreciated. 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.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the health service anticipates to exercise a purchase option, the specific right-of-use asset is depreciated over the useful life of the underlying asset.

### Buildings

- Structure shell building fabric
- Site engineering services and central plant

### Central Plant

- Fit Out
- Trunk reticulated building system

### Plant and equipment

### Computers and communication

### Furniture and fitting

### Motor Vehicles

2022	2021
11 to 48 years	11 to 48 years
7 to 38 years	7 to 38 years
3 to 23 years	3 to 23 years
5 to 28 years	5 to 28 years
3 to 20 years	3 to 7 years
3 to 5 years	3 years
5 to 10 years	13 years
3 to 5 years	3 to 5 years

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



## Note 4.5: Impairment of assets

### How we recognise impairment

At the end of each reporting period, Moyne Health Services reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired.

The assessment will include consideration of external sources of information and internal sources of information.

External sources of information include but are not limited to observable indications that an asset's value has declined during the period by significantly more than would be expected as a result of the passage of time or normal use. Internal sources of information include but are not limited to evidence of obsolescence or physical damage of an asset and significant changes with an adverse effect on Moyne Health Services which changes the way in which an asset is used or expected to be used.

If such an indication exists, an impairment test is carried out. Assets with indefinite useful lives (and assets not yet available for use) are tested annually for impairment, in addition to where there is an indication that the asset may be impaired.

When performing an impairment test, Moyne Health Services compares the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in net result, unless the asset is carried at a revalued amount.

Where an impairment loss on a revalued asset is identified, this is recognised against the asset revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the cumulative balance recorded in the asset revaluation surplus for that class of asset.

Where it is not possible to estimate the recoverable amount of an individual asset, Moyne Health Services estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Moyne Health Services did not record any impairment losses for the year ended 30 June 2022.





## Note 5: Other assets and liabilities

This section sets out those assets and liabilities that arose from Moyne Health Services's operations.

### Structure

*5.1 Receivables and contract assets*

*5.2 Payables and contract liabilities*

*5.3 Other liabilities*

### Telling the COVID-19 story

The measurement of other assets and liabilities were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.



## Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	Moyne Health Services uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring deferred capital grant income	<p>Where Moyne Health Services has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed.</p> <p>Moyne Health Services applies significant judgement when measuring the deferred capital grant income balance, which references the estimated stage of completion at the end of each financial year.</p>
Measuring contract liabilities	Moyne Health Services applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.



## Note 5.1 Receivables and contract assets

Notes	Consolidated 2022 \$'000	Consolidated 2021 \$'000
<b>Current receivables and contract assets</b>		
<b>Contractual</b>		
Trade receivables	193	150
Patient fees	280	290
Allowance for impairment losses - Patient fees	(7)	(7)
Amounts receivable from governments and agencies	499	268
<b>Total contractual receivables</b>	<b>965</b>	<b>701</b>
<b>Statutory</b>		
Net GST receivable	164	140
<b>Total statutory receivables</b>	<b>164</b>	<b>140</b>
<b>Total current receivables and contract assets</b>	<b>1,129</b>	<b>841</b>
<b>Non-current receivables and contract assets</b>		
<b>Contractual</b>		
Long service leave - Department of Health	1,414	1,183
<b>Total contractual receivables</b>	<b>1,414</b>	<b>1,183</b>
<b>Total non-current receivables and contract assets</b>	<b>1,414</b>	<b>1,183</b>
<b>Total receivables and contract assets</b>	<b>2,543</b>	<b>2,024</b>
<i>(i) Financial assets classified as receivables and contract assets (Note 7.1(a))</i>		
Total receivables and contract assets	2,543	2,024
GST receivable	(164)	(140)
Total financial assets	7.1(a) <b>2,379</b>	<b>1,884</b>



## Note 5.1 (a) Movement in the allowance for impairment losses of contractual receivables

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
<b>Balance at the beginning of the year</b>	7	16
Reversal of allowance written off during the year as uncollectable	-	(9)
<b>Balance at the end of the year</b>	<b>7</b>	<b>7</b>

### How we recognise receivables

Receivables consist of:

- **Contractual receivables**, which mostly includes debtors in relation to goods and services. 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 they are subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables** includes Goods and Services Tax (GST) input tax credits that are 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*.

Moyne Health Services 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.

### Impairment losses of contractual receivables

Refer to Note 7.1 (a) for Moyne Health Services's contractual impairment losses.



## Note 5.2 Payables and contract liabilities

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Note		
<b>Current payables and contract liabilities</b>		
<b>Contractual</b>		
Trade creditors	492	488
Accrued salaries and wages	156	233
Accrued expenses	684	435
Deferred capital grant income	468	537
Contract liabilities	820	1,020
Inter hospital creditors	71	59
Amounts payable to governments and agencies	229	118
<b>Total payables and contract liabilities</b>	<b>2,920</b>	<b>2,890</b>
<i>(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))</i>		
Total payables and contract liabilities	2,920	2,890
Deferred grant income	(468)	(537)
Contract liabilities	(820)	(1,020)
Total financial liabilities	<b>1,632</b>	<b>1,333</b>

### How we recognise payables and contract liabilities

Payables consist of:

- **Contractual payables**, which mostly includes payables in relation to goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to Moyne Health Services prior to the end of the financial year that are unpaid.
- **Statutory payables** comprises Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The normal credit terms for accounts payable are usually Net 30 days.



## Note 5.2 (a) Deferred capital grant income

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
<b>Opening balance of deferred capital grant income</b>	537	432
Grant consideration for capital works received during the year	683	337
Deferred grant revenue recognised as revenue due to completion of capital works	(752)	(232)
<b>Closing balance of deferred capital grant income</b>	<b>468</b>	<b>537</b>

### How we recognise deferred capital grant revenue

Grant consideration was received from the Department of Health to support major projects throughout the health service, including fire works, staircase replacement, nurse call system and aged care access ramps. Capital grant revenue is recognised progressively as the asset is constructed, since this is the time when Moyne Health Services satisfies its obligations. The progressive percentage of costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, Moyne Health Services has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Moyne Health Services expects to recognise all of the remaining deferred capital grant revenue for capital works by 30 June 2023.



**Note 5.2 (b) Contract liabilities**

**Opening balance of contract liabilities**

Grant consideration for sufficiently specific performance obligations received during the year

Revenue recognised for the completion of a performance obligation

**Closing balance of contract liabilities**

**\* Represented by:**

- Current contract liabilities

	<b>Consolidated 2022 \$'000</b>	<b>Consolidated 2021 \$'000</b>
	1,020	578
	8,522	8,562
	(8,722)	(8,120)
	<b>820</b>	<b>1,020</b>
	820	1,020
	<b>820</b>	<b>1,020</b>

**How we recognise contract liabilities**

Contract liabilities include consideration received in advance from customers in respect of activities conducted for aged care residents and clients supported by Commonwealth funding packages. The balance of contract liabilities was lower than the previous reporting period due to ongoing utilisation of funding provided and changes in the timing of funding for aged care packages.

Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 2.1.

**Maturity analysis of payables**

Please refer to Note 7.2(b) for the ageing analysis of payables.





### Note 5.3 Other liabilities

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
<b>Current monies held in trust</b>		
Patient monies	9	17
Refundable accommodation deposits	18,449	16,882
<b>Total current monies held in trust</b>	<b>18,458</b>	<b>16,899</b>
<b>Total other liabilities</b>	<b>18,458</b>	<b>16,899</b>
<b>Represented by:</b>		
- Cash assets	6.2 14,487	14,752
- Land and Buildings	3,971	2,147
	<b>18,458</b>	<b>16,899</b>

#### How we recognise other liabilities

##### Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to Moyne Health Services upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

RAD/accommodation bond liabilities are recorded at an amount equal to the proceeds received, net of retention and any other amounts deducted from the RAD/accommodation bond in accordance with the *Aged Care Act 1997*.



## Note 6: How we finance our operations

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

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*

#### *6.4 Non-cash financing and investing activities*

### Telling the COVID-19 story

Our finance and borrowing arrangements were not materially impacted by the COVID-19 Coronavirus pandemic.



## Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	<p>Moyne Health Services applies significant judgement to determine if a contract is or contains a lease by considering if the health service:</p> <ul style="list-style-type: none"> <li>• has the right-to-use an identified asset</li> <li>• has the right to obtain substantially all economic benefits from the use of the leased asset and</li> <li>• can decide how and for what purpose the asset is used throughout the lease.</li> </ul>
Determining if a lease meets the short-term or low value asset lease exemption	<p>Moyne Health Services applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption.</p> <p>The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.</p>
Discount rate applied to future lease payments	<p>Moyne Health Services discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Moyne Health Services uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.</p>
Assessing the lease term	<p>The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Moyne Health Services is reasonably certain to exercise such options.</p> <p>Moyne Health Services determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none"> <li>• If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease.</li> <li>• If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease.</li> <li>• The health service considers historical lease durations and the costs and business disruption to replace such leased assets.</li> </ul>



## Note 6.1 Borrowings

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
<b>Current borrowings</b>		
Lease liability <sup>(i)</sup>	275	85
Advances from government <sup>(ii)</sup>	-	22
<b>Total current borrowings</b>	<b>275</b>	<b>107</b>
<b>Non-current borrowings</b>		
Lease liability <sup>(i)</sup>	270	245
Advances from government <sup>(ii)</sup>	23	23
<b>Total non-current borrowings</b>	<b>293</b>	<b>268</b>
<b>Total borrowings</b>	<b>568</b>	<b>375</b>

<sup>i</sup> Secured by the assets leased.

<sup>ii</sup> These are unsecured loans which bear no interest.

### How we recognise borrowings

Borrowings refer to interest bearing liabilities mainly raised from advances from the Treasury Corporation of Victoria (TCV) and other funds raised through lease liabilities and other interest-bearing arrangements.

### Initial recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether Moyne Health Services has categorised its liability as financial liabilities at 'amortised cost'.

### Subsequent measurement

Subsequent to initial recognition, interest bearing borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the net result over the period of the borrowing using the effective interest method. Non-interest bearing borrowings are measured at 'fair value through profit or loss'.

### Maturity analysis

Please refer to Note 7.2(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.



## Note 6.1 (a) Lease liabilities

Moyne Health Services's lease liabilities are summarised below:

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Total undiscounted lease liabilities	561	341
Less unexpired finance expenses	(16)	(11)
<b>Net lease liabilities</b>	<b>545</b>	<b>330</b>

The following table sets out the maturity analysis of lease liabilities, showing the undiscounted lease payments to be made after the reporting date.

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Not longer than one year	294	91
Longer than one year but not longer than five years	267	250
<b>Minimum future lease liability</b>	<b>561</b>	<b>341</b>
Less unexpired finance expenses	(16)	(11)
<b>Present value of lease liability</b>	<b>545</b>	<b>330</b>
<b>* Represented by:</b>		
- Current liabilities	275	85
- Non-current liabilities	270	245
	<b>545</b>	<b>330</b>

### How we recognise lease liabilities

A lease is defined as a contract, or part of a contract, that conveys the right for Moyne Health Services to use an asset for a period of time in exchange for payment.

To apply this definition, Moyne Health Services ensures the contract meets the following criteria:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Moyne Health Services and for which the supplier does not have substantive substitution rights
- Moyne Health Services has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and Moyne Health Services has the right to direct the use of the identified asset throughout the period of use and
- Moyne Health Services has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Moyne Health Services's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased motor vehicles	2 to 3 years



## Note 6.1 (a) Lease liabilities

### Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

### Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Moyne Health Services incremental borrowing rate. Our lease liability has been discounted by rates of between 3% to 5%.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee and
- payments arising from purchase and termination options reasonably certain to be exercised.

These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the health service and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term and lease liability if the lease is reasonably certain to be extended (or not terminated).

### Subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

## Note 6.2 Cash and Cash Equivalents

	Consolidated 2022 \$'000	Consolidated 2021 \$'000
Note		
Cash on hand (excluding monies held in trust)	1	1
Cash at bank (excluding monies held in trust)	1,400	952
<b>Total cash held for operations</b>	<b>1,401</b>	<b>953</b>
Cash at bank - CBS (monies held in trust)	14,478	14,735
Deposits at call (monies held in trust)	9	17
<b>Total cash held as monies in trust</b>	<b>14,487</b>	<b>14,752</b>
<b>Total cash and cash equivalents</b>	<b>15,888</b>	<b>15,705</b>

### How we recognise cash and cash equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks and deposits at call.





**Note 6.3 Commitments for expenditure**

There are no capital or operating requirements at 30 June 2022 (2021 \$Nil).

**Note 6.4 Non-cash financing and investing activities**

Acquisition of vehicles by means of Leases

**Total non-cash financing and investing activities**

Consolidated 2022 \$'000	Consolidated 2021 \$'000
296	249
<b>296</b>	<b>249</b>



## Note 7: Risks, contingencies and valuation uncertainties

Moyne Health Services 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**
- 7.2 Financial risk management objectives and policies**
- 7.3 Contingent assets and contingent liabilities**
- 7.4 Fair value determination**

### Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of non-financial assets	<p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, Moyne Health Services has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p>



Key judgements and estimates	Description
Measuring fair value of non-financial assets	<p>Moyne Health Services uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> <li>▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Moyne Health Services’s specialised land is measured using this approach.</li> <li>▪ Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Moyne Health Services’s [specialised buildings, furniture, fittings, plant, equipment and vehicles] are measured using this approach.</li> </ul> <p>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> <li>▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Moyne Health Services does not categorise any fair values within this level.</li> <li>▪ Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Moyne Health Services categorises motor vehicles in this level.</li> <li>▪ Level 3, where inputs are unobservable. Moyne Health Services categorises specialised land, specialised buildings, plant and equipment, furniture and fittings and right-of-use motor vehicles in this level.</li> </ul>



## Note 7.1: Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Moynes Health Services's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

### Note 7.1 (a) Categorisation of financial instruments

Total 30 June 2022		Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Consolidated \$'000
	Note			
<b>Contractual Financial Assets</b>				
Cash and Cash Equivalents	6.2	15,888	-	15,888
Receivables and contract assets	5.1	2,379	-	2,379
<b>Total Financial Assets<sup>1</sup></b>		<b>18,267</b>	<b>-</b>	<b>18,267</b>
<b>Financial Liabilities</b>				
Payables	5.2	-	1,632	1,632
Borrowings	6.1	-	568	568
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	18,449	18,449
Other Financial Liabilities - Patient monies held in trust	5.3	-	9	9
<b>Total Financial Liabilities<sup>1</sup></b>		<b>-</b>	<b>20,658</b>	<b>20,658</b>



Total		Financial Assets at	Financial Liabilities	
30 June 2021	Note	Amortised Cost	at Amortised Cost	Consolidated
		\$'000	\$'000	\$'000
<b>Contractual Financial Assets</b>				
Cash and cash equivalents	6.2	15,705	-	15,705
Receivables and contract assets	5.1	1,884	-	1,884
<b>Total Financial Assets<sup>1</sup></b>		<b>17,589</b>	<b>-</b>	<b>17,589</b>
<b>Financial Liabilities</b>				
Payables	5.2	-	1,333	1,333
Borrowings	6.1	-	375	375
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	16,882	16,882
Other Financial Liabilities - Patient monies held in trust	5.3	-	17	17
<b>Total Financial Liabilities<sup>1</sup></b>		<b>-</b>	<b>18,607</b>	<b>18,607</b>

<sup>1</sup> The carrying amount excludes statutory receivables (i.e. GST receivable and DH receivable) and statutory payables (i.e. Revenue in Advance and DH payable).

## How we categorise financial instruments

### Categories of financial assets

Financial assets are recognised when Moyne Health Services becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Moyne Health Services commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through net result, in which case transaction costs are expensed to profit or loss immediately.

Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15 para 63.

#### Financial assets at amortised cost

Financial assets are measured at amortised cost 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 Moyne Health Services solely to collect the contractual cash flows and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

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

Moyne Health Services recognises the following assets in this category:

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

#### Categories of financial liabilities

Financial liabilities are recognised when Moyne Health Services becomes a party to the contractual provisions to the instrument. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

#### Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through net result.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Moyne Health Services recognises the following liabilities in this category:

- payables (excluding statutory payables and contract liabilities)
- borrowings and
- other liabilities (including monies held in trust).

#### **Offsetting financial instruments**

Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, Moyne Health Services has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where Moyne Health Services does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

### **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
- Moyne Health Services 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
- Moyne Health Services has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

### **Derecognition of financial liabilities**

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

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

### **Reclassification of financial instruments**

A financial asset is required to be reclassified between fair value between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, Moyne Health Services's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.





## Note 7.2: Financial risk management objectives and policies

As a whole, Moyne Health Services's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

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

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

Moyne Health Services uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

### Note 7.2 (a) Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. Moyne Health Services's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to Moyne Health Services. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with Moyne Health Services's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, the health service is exposed to credit risk associated with patient and other debtors.

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

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

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

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

There has been no material change to Moyne Health Services's credit risk profile in 2021-22.

### Impairment of financial assets under AASB 9

Moyne Health Services records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9, impairment assessment includes the health service's contractual receivables and its investment in debt instruments.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9.

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.

### Contractual receivables at amortised cost

Moyne Health Services applies AASB 9's 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. Moyne Health Services has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on Moyne Health Services's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, Moyne Health Services determines the closing loss allowance at the end of the financial year as follows:

30 June 2022	Note	Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Consolidated
Expected loss rate		0.0%	0.0%	0.0%	50.0%	0.0%	
Gross carrying amount of contractual receivables \$'000	5.1	925	16	18	13	0	972
Loss allowance		-	-	-	(7)	-	(7)
<hr/>							
30 June 2021	Note	Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Consolidated
Expected loss rate		0.0%	0.0%	0.0%	50.0%	0.0%	
Gross carrying amount of contractual receivables \$'000	5.1	641	43	10	14	0	708
Loss allowance		-	-	-	(7)	-	(7)

#### **Statutory receivables and debt investments at amortised cost**

Moyne Health Services'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.

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, no loss allowance has been recognised.

#### **Note 7.2 (b) Liquidity risk**

Liquidity risk arises from being unable to meet financial obligations as they fall due.

Moyne Health Services is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The health service manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- holding contractual financial assets that are readily tradeable in the financial markets and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

Moyne Health Services's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from other financial assets.

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

		Maturity Dates						
		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total</b>								
<b>30 June 2022</b>	<b>Note</b>							
Payables	5.2	1,632	1,632	1,632	-	-	-	-
Borrowings	6.1	568	568	23	69	207	269	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	18,449	18,449	-	-	4,500	13,949	-
Other Financial Liabilities - Patient monies held in trust	5.3	9	9	9	-	-	-	-
<b>Total Financial Liabilities</b>		<b>20,658</b>	<b>20,658</b>	<b>1,664</b>	<b>69</b>	<b>4,707</b>	<b>14,218</b>	<b>-</b>

		Maturity Dates						
		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total</b>								
<b>30 June 2021</b>	<b>Note</b>							
<b>Financial Liabilities at amortised cost</b>								
Payables	5.2	1,333	1,333	1,333	-	-	-	-
Borrowings	6.1	375	375	5	15	45	310	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	16,882	16,882	-	-	4,500	12,382	-
Other Financial Liabilities - Patient monies held in trust	5.3	17	17	17	-	-	-	-
<b>Total Financial Liabilities</b>		<b>18,607</b>	<b>18,607</b>	<b>1,355</b>	<b>15</b>	<b>4,545</b>	<b>12,692</b>	<b>-</b>

<sup>1</sup> Ageing analysis of financial liabilities excludes statutory financial liabilities (i.e. GST payable).



### **Note 7.2 (c) Market risk**

Moyne Health Service's exposures to market risk are primarily through interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

#### **Sensitivity disclosure analysis and assumptions**

Moyne Health Service's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. Moyne Health Service's fund managers cannot be expected to predict movements in market rates and prices. The following movements are 'reasonably possible' over the next 12 months:

- a change in interest rates of 1.5% up or down

#### **Interest rate risk**

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Moyne Health Service does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Moyne Health Service has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

### **Note 7.3 Contingent assets and contingent liabilities**

At balance date, the Board is not aware of any contingent assets or liabilities.

#### **How we measure and disclose contingent assets and contingent liabilities**

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

#### **Contingent assets**

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

#### **Contingent liabilities**

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service or
- present obligations that arise from past events but are not recognised because:
  - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations or
  - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.



## Note 7.4 Fair Value Determination

### How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Property, plant and equipment
- Right-of-use assets
- Lease liabilities

In addition, the fair value of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure.

### 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.

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. There have been no transfers between levels during the period.

Moyne Health Services monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required. The Valuer-General Victoria (VGV) is Moyne Health Services's independent valuation agency for property, plant and equipment.

### 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 are 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.



#### Note 7.4 (a) Fair value measurement hierarchy for assets

	Note	Consolidated carrying amount	Fair value measurement at end of reporting period using:		
		30 June 2022 \$'000	Level 1 <sup>i</sup> \$'000	Level 2 <sup>i</sup> \$'000	Level 3 <sup>i</sup> \$'000
Specialised land		3,491	-	-	3,491
<b>Total land at fair value</b>	4.1(a)	<b>3,491</b>	-	-	<b>3,491</b>
Specialised buildings		28,594	-	-	28,594
<b>Total buildings at fair value</b>	4.1(a)	<b>28,594</b>	-	-	<b>28,594</b>
Plant and equipment at fair value	4.1(a)	1,499	-	-	1,499
Motor vehicles at fair value	4.1(a)	20	-	20	-
Computer equipment at fair value	4.1(a)	106	-	-	106
Furniture and fittings at fair value	4.1(a)	76	-	-	76
<b>Total plant, equipment, furniture, fittings and vehicles at fair value</b>		<b>1,701</b>	-	<b>20</b>	<b>1,681</b>
Right of use assets at fair value	4.2(a)	446	-	-	446
<b>Total right-of-use assets at fair value</b>		<b>446</b>	-	-	<b>446</b>
<b>Total property, plant and equipment at fair value</b>		<b>34,232</b>	-	<b>20</b>	<b>34,212</b>

	Note	Consolidated carrying amount	Fair value measurement at end of reporting period using:		
		30 June 2021 \$'000	Level 1 <sup>i</sup> \$'000	Level 2 <sup>i</sup> \$'000	Level 3 <sup>i</sup> \$'000
Specialised land		2,763	-	-	2,763
<b>Total land at fair value</b>	4.1(a)	<b>2,763</b>	-	-	<b>2,763</b>
Specialised buildings		26,383	-	-	26,383
<b>Total buildings at fair value</b>	4.1(a)	<b>26,383</b>	-	-	<b>26,383</b>
Plant and equipment at fair value	4.1(a)	839	-	-	839
Motor vehicles at fair value	4.1(a)	78	-	78	-
Computer equipment at fair value	4.1(a)	172	-	-	172
Furniture and fittings at fair value	4.1(a)	77	-	-	77
<b>Total plant, equipment, furniture, fittings and vehicles at fair value</b>		<b>1,166</b>	-	<b>78</b>	<b>1,088</b>
Right of use assets at fair value	4.2 (a)	234	-	-	234
<b>Total right-of-use assets at fair value</b>		<b>234</b>	-	-	<b>234</b>
<b>Total Property, Plant and Equipment</b>		<b>30,546</b>	-	<b>78</b>	<b>30,468</b>

<sup>i</sup> Classified in accordance with the fair value hierarchy.





## **Note 7.4 (a) Fair value measurement hierarchy for assets**

### **How we measure fair value of non-financial physical assets**

The fair value measurement of non-financial physical assets takes into account the market participant's ability to use the asset in its highest and best use, or to sell it to another market participant that would use the same asset in its highest and best use.

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 AASB 13 Fair Value Measurement paragraph 29, Moynes Health Services has assumed the current use of a non-financial physical asset is its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value 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.

### **Specialised land and specialised buildings**

Specialised land includes Crown and freehold 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.

The market approach is also used for specialised land although it 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 Moynes 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 Moynes Health Services's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2019 for buildings and 30 June 2022 for land.



### **Vehicles**

The Moyne Health Services 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 amount (depreciated cost).

### **Furniture, fittings, plant and equipment**

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) 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 amount.

There were no changes in valuation techniques throughout the period to 30 June 2022.



#### 7.4 (b) Reconciliation of level 3 fair value measurement

Total	Note	Land \$'000	Buildings \$'000	Plant, equipment, vehicles, furniture & fittings \$'000	Right-of-use motor vehicles \$'000
<b>Balance at 1 July 2020</b>		2,218	25,517	1,046	-
Additions/(Disposals)		-	2,864	336	249
Gains/(Losses) recognised in net result					
- Depreciation and amortisation		-	(1,998)	(294)	(15)
Items recognised in other comprehensive income					
- Revaluation		545	-	-	-
<b>Balance at 30 June 2021</b>	7.4 (a)	<b>2,763</b>	<b>26,383</b>	<b>1,088</b>	<b>234</b>
Additions/(Disposals)		-	4,288	847	296
Net Transfers between classes		-	-	-	-
Gains/(Losses) recognised in net result					
- Depreciation and Amortisation		-	(2,077)	(254)	(84)
Items recognised in other comprehensive income					
- Revaluation		728	-	-	-
<b>Balance at 30 June 2022</b>	7.4 (a)	<b>3,491</b>	<b>28,594</b>	<b>1,681</b>	<b>446</b>

<sup>i</sup> Classified in accordance with the fair value hierarchy, refer Note 7.4

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Specialised land (Crown/freehold)	Market approach	Community Service Obligations Adjustments <sup>(i)</sup>
Specialised buildings	Current replacement cost approach	- Cost per square metre - Useful life
Right-of-use motor vehicles	Current replacement cost approach	- Cost per unit - Useful life
Plant and equipment	Current replacement cost approach	- Cost per unit - Useful life

(i) A community service obligation (CSO) of 30% was applied to Moyne Health Services's specialised land.



## 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 executives***

***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 Controlled entities***

***8.9 Equity***

***8.10 Economic dependency***

### Telling the COVID-19 story

Our other disclosures were not materially impacted by the COVID-19 Coronavirus pandemic.



### Note 8.1 Reconciliation of net result for the year to net cash flows from operating activities

Note	Consolidated 2022 \$'000	Consolidated 2021 \$'000
<b>Net result for the year</b>	(1,455)	(1,017)
<b>Non-cash movements:</b>		
(Gain)/Loss on sale or disposal of non-financial assets	3.2 (115)	(94)
Depreciation and amortisation of non-current assets	4.4 2,440	2,364
Movement in doubtful debt expense	5.1(a) -	(9)
Discount (interest) / expense on loan	2	2
Other non-cash movements	(32)	(175)
<b>Movements in Assets and Liabilities:</b>		
(Increase)/Decrease in receivables and contract assets	(519)	(285)
(Increase)/Decrease in inventories	(1)	-
(Increase)/Decrease in prepaid expenses	(83)	12
Increase/(Decrease) in payables and contract liabilities	30	101
Increase/(Decrease) in employee benefits	362	(17)
Increase/(Decrease) in other liabilities	(8)	3
<b>Net cash inflow from operating activities</b>	<b>621</b>	<b>885</b>



## Note 8.2 Responsible persons

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

	Period
<b>Minister for Health</b>	
The Honourable Martin Foley	1 Jul 2021 - 27 Jun 2022
The Honourable Mary-Anne Thomas	27 Jun 2022 - 30 Jun 2022
<b>Minister for Ambulance Services</b>	
The Honourable Martin Foley	1 Jul 2021 - 27 Jun 2022
The Honourable Mary-Anne Thomas	27 Jun 2022 - 30 Jun 2022
<b>Minister for Mental Health</b>	
The Honourable James Merlino	1 Jul 2021 - 27 Jun 2022
The Honourable Gabrielle Williams	27 Jun 2022 - 30 Jun 2022
<b>Minister for Disability, Ageing and Carers</b>	
The Honourable Luke Donnellan	1 Jul 2021 - 11 Oct 2021
The Honourable James Merlino	11 Oct 2021 - 06 Dec 2021
The Honourable Anthony Carbines	06 Dec 2021 - 27 Jun 2022
The Honourable Colin Brooks	27 Jun 2022 - 30 Jun 2022
<b>Governing Board</b>	
Ms K. Foster	1 Jul 2021 - 25 Mar 2022
Mr B. Densem	1 Jul 2021 - 30 Jun 2022
Mr A. McCosh	1 Jul 2021 - 30 Jun 2022
Ms S. O'Keeffe	1 Jul 2021 - 30 Jun 2022
Dr D. Leembruggen	1 Jul 2021 - 30 Jun 2022
Mr T. Carr	1 Jul 2021 - 30 Jun 2022
Mr D. Knight	1 Jul 2021 - 30 Jun 2022
Ms J. Stinson	1 Jul 2021 - 28 Feb 2022
Ms G. Toscan	1 Jul 2021 - 30 Jun 2022
<b>Accountable Officers</b>	
Katharina Redford (Chief Executive Officer)	13 Jan 2022 - 30 Jun 2022
Jacqueline Kelly (Chief Executive Officer)	1 Jul 2021 - 12 Jan 2022



### Remuneration of Responsible Persons

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

#### Income Band

\$0 - \$9,999  
\$80,000 - \$89,999  
\$130,000 - \$139,999  
\$220,000 - \$229,999

#### Total Numbers

Consolidated 2022 No	Consolidated 2021 No
9	10
1	-
1	-
-	1
<b>11</b>	<b>11</b>

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

Consolidated 2022 \$'000	Consolidated 2021 \$'000
<b>\$261</b>	<b>\$276</b>

Amounts relating the Governing Board Members and Accountable Officer of Moyne Health Service's controlled entities are disclosed in their own financial statements. Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report.

### Note 8.3 Remuneration of executives

#### Remuneration of executive officers

(including Key Management Personnel disclosed in Note 8.4)

Short-term benefits  
Post-employment benefits  
Other long-term benefits  
**Total remuneration<sup>i</sup>**

Total Remuneration	
2022 \$'000	2021 \$'000
525	338
49	33
17	10
<b>591</b>	<b>381</b>
5	3
4.0	3.0

Total number of executives

Total annualised employee equivalent<sup>ii</sup>

<sup>i</sup> The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Moyne Health Services under AASB 124 *Related Party Disclosures* and are also reported within Note 8.4 Related Parties.

<sup>ii</sup> Annualised employee equivalent is based on working 38 ordinary hours per week 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

Salaries and wages, 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

Pensions and other retirement benefits (such as superannuation guarantee contributions) paid or payable on a discrete basis when employment has ceased.

#### Other long-term benefits

Long service leave, other long-service benefit or deferred compensation.



## Note 8.4 Related Parties

Moyne Health Services is a wholly owned and controlled entity of the State of Victoria. Related parties of the health service include:

- all key management personnel (KMP) and their close family members and personal business interests
- cabinet ministers (where applicable) and their close family members
- jointly controlled operations – A member of the South West Alliance of Rural Health and
- all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of Moyne Health Services, directly or indirectly.

Committee members of Woody's M2M Inc. are only considered KMP's of the incorporated entity. KMP disclosures for Woody's M2M Inc. are presented within the annual financial statements of the controlled entity.

### Key management personnel

The Board of Directors, Chief Executive Officer and the Executive Directors of Moyne Health Services are deemed to be KMPs.

Entity	KMPs	Position Title	
Moyne Health Services	Ms K. Foster	Board Chair	1 Jul 2021 - 25 Feb 2022
Moyne Health Services	Mr B. Densem	Board Chair	26 Mar 2022 - 30 Jun 2022
Moyne Health Services	Mr A. McCosh	Board Member	
Moyne Health Services	Mrs J. Crow	Board Member	
Moyne Health Services	Mrs L. Doherty	Board Member	
Moyne Health Services	Ms S. O'Keeffe	Board Member	
Moyne Health Services	Dr D. Leembruggen	Board Member	
Moyne Health Services	Mr T. Carr	Board Member	
Moyne Health Services	Mr D. Knight	Board Member	
Moyne Health Services	Ms J. Stinson	Board Member	
Moyne Health Services	Ms J. Kelly	Chief Executive Officer (resigned 12-1-2022)	
Moyne Health Services	Ms K. Redford	Chief Executive Officer (commenced 13-1-2022)	
Moyne Health Services	Ms R. Morey	General Manager People & Culture	
Moyne Health Services	Mr G. Meldrum	General Manager Support Services	
Moyne Health Services	Ms S. Denney	General Manager Quality and Risk	
Moyne Health Services	Ms I. Wynd	General Manager Care Services	

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 State's Annual Financial Report.

Compensation - KMPs	Consolidated	Consolidated
	2022	2021
	\$'000	\$'000
Short-term Employee Benefits <sup>i</sup>	758	582
Post-employment Benefits	72	59
Other Long-term Benefits	22	16
<b>Total<sup>ii</sup></b>	<b>852</b>	<b>657</b>

<sup>i</sup> Total remuneration paid to KMPs employed as a contractor during the reporting period through accounts payable has been reported under short-term employee benefits.

<sup>ii</sup> KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.



## Note 8.4: Related Parties

### Significant transactions with government related entities

Moyne Health Services received funding from the Department of Health of \$7.4 m (2021: \$8.43 m) and indirect contributions of \$0.306 m (2021: \$0.115 m). Balances recallable as at 30 June 2022 are \$0.229 m (2021 \$0.113m).

Expenses incurred by the Moyne Health Services in delivering services and outputs are in accordance with HealthShare 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 the Victorian Managed Insurance Authority.

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

### Transactions with KMPs 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 HealthShare Victoria and Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with Moyne Health Services, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2022 (2021: none).

There were no related party transactions required to be disclosed for Moyne Health Services Board of Directors, Chief Executive Officer and Executive Directors in 2022 (2021: none).



## Note 8.5 Remuneration of Auditors

**Victorian Auditor-General's Office**  
Audit of the financial statements  
**Total remuneration of auditors**

<b>Consolidated</b>	<b>Consolidated</b>
<b>2022</b>	<b>2021</b>
<b>\$'000</b>	<b>\$'000</b>
32	14
<b>32</b>	<b>14</b>

## Note 8.6 Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.



## Note 8.7 Joint arrangements

	Principal Activity	Ownership Interest	
		2022 %	2021 %
South West Alliance of Rural Health (SWARH)	Information Technology Services	2.45	2.91

Moyne Health Services interest in the above joint arrangements are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	Consolidated \$'000	Consolidated \$'000
<b>Current assets</b>		
Cash and cash equivalents	522	298
Receivables	137	90
Inventories	1	-
Prepaid expenses	18	20
<b>Total current assets</b>	<b>678</b>	<b>408</b>
<b>Non-current assets</b>		
Receivables	20	14
Property, plant and equipment	185	240
<b>Total non-current assets</b>	<b>205</b>	<b>254</b>
<b>Total assets</b>	<b>883</b>	<b>662</b>
<b>Current liabilities</b>		
Payables	235	346
Other Liabilities	320	-
Lease Liability	39	34
Employee Provisions	66	51
<b>Total current liabilities</b>	<b>660</b>	<b>431</b>
<b>Non-current liabilities</b>		
Other Liabilities	4	-
Lease Liability	49	10
Employee Provisions	7	61
<b>Total non-current liabilities</b>	<b>60</b>	<b>71</b>
<b>Total liabilities</b>	<b>720</b>	<b>502</b>
<b>Net assets</b>	<b>163</b>	<b>160</b>
<b>Equity</b>		
Accumulated surplus	163	160
<b>Total equity</b>	<b>163</b>	<b>160</b>



## Note 8.7 Joint arrangements

Moynes Health Services interest in revenues and expenses resulting from joint arrangements are detailed below:

	Consolidated \$'000	Consolidated \$'000
<b>Revenue</b>		
Operating Activities	456	530
Non Operating Activities	35	-
Capital Purpose Income	4	69
<b>Total revenue</b>	<b>495</b>	<b>599</b>
<b>Expenses</b>		
Employee Benefits	225	228
Other Expenses from Continuing Operations	207	260
Finance Lease Charges	1	2
Depreciation	57	55
<b>Total expenses</b>	<b>490</b>	<b>545</b>
<b>Other economic flows</b>		
Revaluation of Long Service Leave	(2)	3
<b>Net result</b>	<b>3</b>	<b>57</b>

### Contingent liabilities and capital commitments

There are no known contingent liabilities or capital commitments held by the joint arrangements at balance date.



## Note 8.8 Controlled Entities

	Country of Incorporation	Ownership Interest %	Equity Holding
Woody's Murray 2 Moyne Cycle Relay Inc.	Australia	100%	100%

### Controlled entities contribution to the consolidated results:

Net result for the year	2022 \$'000	2021 \$'000
Woody's Murray 2 Moyne Cycle Relay Inc.	42	33

### Contingent liabilities and capital commitments

There are no known contingent liabilities or capital commitments held by the controlled entities at balance date.



## **Note 8.9 Equity**

### **Contributed capital**

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

### **Specific restricted purpose reserves**

The specific restricted purpose reserve is established where Moyne Health Services has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

## **Note 8.10 Economic dependency**

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

