ANNUAL REPORT

2016

MOYNE HEALTH SERVICES

‘Building a sustainable health service’
We were a Finalist in the 2015 Small Rural Health Service of the Year Awards pp12, 15.

We were successful in obtaining a State Government commitment of $2.1 million to construct an Urgent Care Centre and refurbish the Hospital p10.

We were successful in our advocacy for the co-location of the Port Fairy Ambulance Station to Moyne Health Services p10.

We received $520,000 in Significant Facility Refurbishment Funding to renovate Moyneyana Hostel pp10-12.

We successfully facilitated the proposal for the construction of the Korot Fire Station p11.

We achieved a surplus before capital and specific items of $416,719 pp12, 18.

L to R: MHS Board Chair Ralph Leutton; Executive Director of Care Services Fran Kinnersly; Executive Director of Corporate Support Services Leigh Parker; Minister for Health and Minister for Ambulance Services Jill Hennessy MP; Mayor Moyne Shire Council Cr Colin Ryan; Acting Chief Executive Officer Ambulance Victoria Tony Ryan; and MHS Chief Executive Officer David Lee.

MOYNE HEALTH SERVICES GETS FUNDING FOR NEW URGENT CARE CENTRE AND AMBULANCE STATION
Minister for Health and Minstar for Ambulance Services Jill Hennessy MP announcing funding for the construction of an Urgent Care Centre and Port Fairy Ambulance Station.

URGENT CARE CONCEPT DESIGN

L-R: Peter McCormack, Port Fairy Ambulance, and David Lee, MHS Chief Executive Officer discuss the location of the new Port Fairy Ambulance Station.

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YEAR IN BRIEF

FINANCIALS ($000)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>+ / - change</th>
<th>2014</th>
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<tbody>
<tr>
<td>Total Revenue #</td>
<td>$14,155</td>
<td>$14,400</td>
<td>-1.7%</td>
<td>$14,163</td>
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<tr>
<td>Total Expenditure *</td>
<td>$13,738</td>
<td>$13,982</td>
<td>-1.8%</td>
<td>$14,125</td>
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<tr>
<td>Surplus before capital purpose income, depreciation and abnormal items</td>
<td>$417</td>
<td>$418</td>
<td>-0.2%</td>
<td>$38</td>
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<tr>
<td>Total accommodation bonds</td>
<td>$12,318</td>
<td>$11,863</td>
<td>3.8%</td>
<td>$10,985</td>
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<tr>
<td>Total Assets</td>
<td>$39,391</td>
<td>$35,986</td>
<td>9.5%</td>
<td>$35,325</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$17,443</td>
<td>$15,686</td>
<td>11.2%</td>
<td>$14,073</td>
</tr>
<tr>
<td>Total Equity</td>
<td>$21,948</td>
<td>$20,300</td>
<td>8%</td>
<td>$21,252</td>
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STAFF

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<thead>
<tr>
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<th>2015</th>
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<th>2014</th>
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<tbody>
<tr>
<td>Number of staff employed</td>
<td>196</td>
<td>204</td>
<td>-4.4%</td>
<td>199</td>
</tr>
<tr>
<td>Employees (FTE)</td>
<td>118.01</td>
<td>117.25</td>
<td>0.7%</td>
<td>117.1</td>
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SERVICE ACTIVITY

Acute Care

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>+ / - change</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient treated (separations)</td>
<td>417</td>
<td>446</td>
<td>-6.5%</td>
<td>458</td>
</tr>
<tr>
<td>Total occasions of non-admitted patients</td>
<td>1,210</td>
<td>1,883</td>
<td>-35.7%</td>
<td>2,411</td>
</tr>
<tr>
<td>Total inpatient bed days</td>
<td>2,532</td>
<td>2,705</td>
<td>-6.4%</td>
<td>2,791</td>
</tr>
<tr>
<td>Total WIES</td>
<td>452.67</td>
<td>468.8</td>
<td>-3.4%</td>
<td>481.04</td>
</tr>
<tr>
<td>Average length of stay</td>
<td>6.1</td>
<td>6.1</td>
<td>0%</td>
<td>6.1</td>
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Aged Care

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>+ / - change</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aged Care Bed Days - Belfast (High care)</td>
<td>10,787</td>
<td>10,445</td>
<td>3.3%</td>
<td>10,130</td>
</tr>
<tr>
<td>Aged Care Bed Days - Moyneyana (Low care)</td>
<td>18,842</td>
<td>18,794</td>
<td>0.3%</td>
<td>18,720</td>
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QUALITY

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<th></th>
<th>2016</th>
<th>2015</th>
<th>+ / - change</th>
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<tbody>
<tr>
<td>Complaints</td>
<td>8</td>
<td>1</td>
<td>700%</td>
<td>4</td>
</tr>
<tr>
<td>Medications errors</td>
<td>365</td>
<td>297</td>
<td>23%</td>
<td>479</td>
</tr>
<tr>
<td>Falls</td>
<td>239</td>
<td>225</td>
<td>6.2%</td>
<td>215</td>
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<tr>
<td>Incident rates</td>
<td>1,029</td>
<td>910</td>
<td>13%</td>
<td>1026</td>
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# Total revenue excluding capital purpose income.
* Total expenditure excluding depreciation and capital expenditure.
The above figures are rounded off to the nearest $000.
## OVERVIEW

### STRATEGIC DIRECTIONS 2016-2020

- We provide effective, responsible and proactive leadership of our health service in accordance with the Vision, Mission and Values.
- We consistently provide high quality and safe care services to our communities and we promote a culture of safety, quality and well-being.
- We provide cost effective, efficient and sustainable healthcare services to our local community.
- We value and continually cultivate our workforce culture and capability.
- We have a strong and responsive relationship with our communities and partner organisations and other stakeholders.
- We provide comfortable, maintained and purpose-designed buildings and equipment for our communities.

**KEY**

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<td>%</td>
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**Directions**
- We provide effective, responsible and proactive leadership of our health care service in accordance with the Vision, Mission and Values.

**Strategies**
- Structure the Board to facilitate effective governance.
- Develop Board and executive succession plans.
- Continually monitor and evaluate the organisation’s master and service plans.
- Continuously explore the future direction of our health care services.

**Outcomes**
- Commenced construction of the Community Health Centre.
- Successfully lobbied for Port Fairy Ambulance station to be co-located to the Hospital.
- Successfully lobbied for construction of an Urgent Care Centre.
- Commenced incorporation of Woody’s Murray to Moyne Cycle Relay.
- Raised $1.81 million in cash reserves for the construction of the Community Health Centre.
- Announced $2.5 million renovations of Moyneyana Hostel.
- Successfully submitted an application for Significant Refurbishment Facility funding to upgrade Moyneyana Hostel.

**Status**
- Developed a Master Plan for the Koroi site.
- Prepare a submission for the ‘upper level’ fit out of the Community Health Centre.
- Conduct a Board Retreat in late 2016 to consider the Strategic Plan.

**Deliverables**
- Complete the partial 9(c) Moyneyana Hostel works subject to approval from the relevant authorities.
- Establish the recycling of waste program.
- Established a Board of Management Quality Dashboard Report system.
- Appointed a Project Construction Manager to improve the Moyne Health Services monitoring of the Community Health Centre Construction Project.
- 2015 Finalist in the Small Rural Health Service of the Year Award.
- Achieved a score of 100% in the South West Region Hand Hygiene Audit against a target of 80%.
- Upgrade the back kitchen area to meet food safety compliance requirements.
- Implement platinum 5 medication management software to address signature omissions.
- Conduct a thorough and comprehensive risk assessment to minimize the impact of the construction program on residents, patients, staff etc.

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<td>✓</td>
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<td>%</td>
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</table>

**Directions**
- We consistently provide high quality and safe care services to our communities and we promote a culture of safety, quality and wellbeing.

**Strategies**
- Ensure the safe and effective delivery of health care services.
- Manage performance and facilitate compliance to optimise safe and high quality care.
- Maintain and exceed our accreditation requirements.
- Provide health care services to our local communities that are responsive to the needs of our local communities.
- Identify and avoid or minimise risks to residents, patients, employees, clients, volunteers, contractors and visitors.
- Collaborate and develop partnerships with our health care consumers and other agencies to optimise and improve health services to our local communities.
- Work in partnership with our health care consumers to improve the patient experience and health care outcomes.

**Outcomes**
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## Developing our People

**Directions**
- We provide cost, effective, efficient and sustainable health care services to our local community.
- We value and continually cultivate our workforce culture and capability.

**Strategies**
- Develop a minimum surplus of 0.5% of the total revenue each year.
- Develop and cultivate partnerships with private providers to increase revenue streams.
- Conduct an annual review of the organisation’s business strategy.
- Continually review the viability and sustainability of our healthcare services.

**Outcomes**
- Conduct a detailed residential aged care financial analysis.
- Achieved a surplus before capital and specific items of $416,719.
- Completed a financial review of residential aged care services and the hospital.

**Status**
- ✓

**Deliverables**
- Implement the RSM Internal audit program (Year 2).
- Implement the management restructure to improve management of human and material resources.
- Establish the Kronos software package for the management of payroll services.
- Develop KPIs to improve the financial management of the organisation.

## Maintaining and developing infrastructure

**Directions**
- We provide comfortable, maintained and purpose-designed buildings and equipment for our communities.
- We have a strong and responsive relationship with our communities and partner organisations and other stakeholders.

**Strategies**
- To advocate on key health and wellbeing issues.
- Develop and implement a community engagement strategy.
- Develop a marketing plan to better promote MHS and the services it provides.
- Establish and promote a corporate responsibility program.
- Establish an environment sustainability program.
- Support positive living and ageing.
- Develop a governance structure to form partnerships with consumers.

**Outcomes**
- Finalised the Crown Licence Agreement for the construction of a CPA station at the MHS-Koroit campus.
- Committed construction of the community health centre.
- Reclassify the residential zone on 36 Villiers Street to ‘public use zone’.
- Developed the ICT plan.

**Status**
- ✓

**Deliverables**
- Successfully raised $1,871 million from local community groups including Port Fairy Folk Festival ($760k), Moyne Shire Council ($150k), Philanthropic Trusts ($110k).
- Established the operation of BEIMS (incl Stage 2).
- Conduct a collaborative relationship with other small rural health service providers.
- Foster and nurture a relationship with Moyne Shire Council.

## Developing effective relationships

**Directions**
- To advocate on key health and wellbeing issues.
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**Strategies**
- Develop a Board of Management Communication Brief to all staff.

**Outcomes**
- Developed and implemented a marketing plan.
- Established the Kronos working party plan.
- Successfully raised $1,871 million from local community groups including Port Fairy Folk Festival ($760k), Moyne Shire Council ($150k), Philanthropic Trusts ($110k).
- Established the operation of BEIMS (incl Stage 2).

**Status**
- ✓

**Deliverables**
- Conduct two Community Forums to elicit feedback on the construction projects.
- Develop an MHS marketing plan.

## Maintaining and developing infrastructure

**Directions**
- We provide cost, effective, efficient and sustainable health care services to our local community.
- We maintain and develop infrastructure and financial sustainability.

**Strategies**
- Develop a workforce strategy.
- Acquire an electronic HR system and e-recruitment system.
- Develop a 5-year HR plan.
- Encourage greater use of technology.
- Recognise and reward excellence.
- Recognise and encourage volunteering.

**Outcomes**
- Conducted regular bi-monthly staff communications forums.
- Completed the Frontier HR self-serve platform to access payroll data online.

**Status**
- ✓

**Deliverables**
- Developed the ICT plan.
- Developed site drainage infrastructure works to improve site drainage.
- Submitted to Moyne Shire Council for the conversion of Villiers Street into a one-way street.
- Sold 17 Tieman Street for $495,000 to raise capital funds for the Construction of the Community Health Centre.
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- We maintain and develop infrastructure and financial sustainability.

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- Foster and nurture a relationship with Moyne Shire Council.
VICTORIA'S OLDEST COUNTRY HOSPITAL - THIS YEAR MARKED 166 YEARS OF SERVICE TO OUR LOCAL COMMUNITY

Moyne Health Service (MHS) has developed from an 1849 four-room cottage at 40 James Street, Belfast (Port Fairy) to a multi-million dollar health service, Port Fairy Hospital, Victoria’s oldest country hospital, has an impressive history of service to the community.

The Port Fairy Hospital has enjoyed a very high level of community support. Traditionally, many local families have generously supported our hospital.

HISTORY OF OUR GROWTH

1855
The central portion of the present structure was built with a special grant of £1000 that was matched by the community.

1875
Additions were made to the building at a cost of £11 6/6d. These additions included the two large multi-purpose rooms at the front of the Hospital.

1887
Father Maurice Stack bequeathed £1100 that was used to build the Stack Fever Ward. The Fever Ward was closed in 1938, however, as late as 1991 it was still being utilised to accommodate male residents. The Fever Ward was then a Board Room

1891
The upstairs portion of the 1865 building was converted to nurses’ quarters. Today this part of the building is used as a boardroom.

1934
Lord and Lady Huntingfield, accompanied by Mr. C. L. McVilly, Secretary to the Charities Board, opened new additions to the Hospital. The additions included a sun-room and a one-bed and a two-bed room on the North side, and an operating theatre, birth room, nursery, a two-bed room and two one-bed rooms on the south side. The total cost was £7,500.

1959
The Prime Minister of Australia, The Right Honourable Malcolm Fraser, M.P., opened, on the 22nd April, a new outpatient and casualty department, together with the new hospitalward block now housing the Acute Services.

1988
A 25-bed residential hostel called Moyneyana House was opened by the governor of Victoria, Sir Ninian Stephen, in June.

1998
Moyne Health Services established Port Fairy Medical Clinic next to the Day Care Centre, in partnership with Sackville Clinic medical practitioners, at a cost of $325,000. A $1.9 million redevelopment of Moyneyana Hostel included the following:

- 10-place dementia unit
- dining/activities area (The Woodrup Room).

2000
The Port Fairy Hospital, Belfast House and Moyneyana House and associated services became Moyne Health Services.

2001
The following capital projects included:

- front of the hospital was returned to a heritage facade
- a covered link was put in place to integrate the services and the acute wing
- administration areas were renovated.

2004
Moyne Health Services undertook minor capital works to repair damage to the Day Centre building and increase office and consulting space. The building was re-launched as the Primary Care Building.

2005
Construction of a 17-bed extension to Moyneyana House. The new wing provided an additional five respite beds and 12 permanent residential places.

2006
Sir Ninian Stephen opened the Moyneyana House Extension on 28th April.

2010
Moyne Health Services conducted its last operating theatre list on 24th September and extended the Port Fairy Medical Clinic to accommodate additional General Practitioners. Moyne Health Services purchased 101 Regent Street, Port Fairy.

2012
Moyne Health Services was endorsed by the Department of Health (as amended) as the Committee of Management of the Koroi Health Services land and buildings. Moyne Health Services purchased 98 Bank Street, Port Fairy.

2013
Moyne Health Services purchased 104 Bank Street, Port Fairy.

2015
Moyne Health Services purchased 26 Villier Street, Port Fairy to provide sufficient land to extend and develop the residential aged care services. Port Fairy Ladies Auxiliary officially wound up in January 2015.

PRESENT
Today Moyne Health Services incorporates the Port Fairy Hospital, Moyneyana House (Aged Care Hostel), Belfast House (Aged Care Nursing Home), primary care services, community health services and home-based services. It continues to be an essential and integral part of the community.
This year Moyne Health Services scored a trifecta:

• $2.1 million to construct an Urgent Care Centre and refurbish the hospital
• $1.3 million to construct a co-located Port Fairy Ambulance station
• $200,000 in “Significant Facility Refurbishment” funding to renovate the Mooneyana Hostel.

First of all, on May 13, 2016 Minister for Health and Minister for Ambulance Services Jill Hennessy MP announced that Moyne Health Services (MHS) was to receive $2.1 million for the construction of an urgent care centre and the refurbishment to the hospital. The Urgent Care Centre will be constructed on the corner of Regent and Villiers streets and its purpose is to further improve the quality of patient care and provide a safer work environment for our nursing and medical staff. The hospital was originally constructed in 1975 and the refurbishment will include the replacement of the floor coverings and fixtures throughout the building and improvement of the building amenities.

Secondly, Minister Hennessy also announced that Port Fairy Ambulance was to receive $1.3 million in funding to construct a new co-located ambulance station next to Belfast House on the corner of Regent and College streets. In the next year, we look forward to facilitating Ambulance Victoria in the construction of an ambulance station. The co-location of Port Fairy Ambulance to the hospital will further strengthen our long-standing partnership and create more opportunities for us to work together in improving the quality of care to our local communities.

In recent years we have carefully considered the importance of ensuring the sustainability of the Woody’s Murray to Moyne. This year, we commenced the process for the legal incorporation of the Woody’s Murray to Moyne as a ‘stand-alone’ entity. The practical effect of this process is that the Murray to Moyne event will continue to operate under the direction of the newly incorporated Woody’s Murray to Moyne Incorporated. After 30 years of running highly successful events, the MHS Board of Management formed the considered view that with the increasing complexity of health care services, MHS should be maintaining a focus on its core business of providing outstanding health care services to the Port Fairy and surrounding communities.

In 2016, we were delighted to assist the Country Fire Authority (CFA) in locating a suitable site for the construction of a new Koroit CFA station. MHS is the Committee of Management of the Koroit campus site. MHS entered into a Crown lease agreement with the Committee of Management of the Koroit campus site.

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Geoff Youl was appointed to the Board in January, 2000, and has provided leadership and stability to the Board.

Peter O’Keefe was appointed in November, 1991. Peter has brought a depth of strategic thinking and planning to the Board and has been involved in major Moyne Health Services developments over the last 25 years. Peter has been engaged as the MHS Project Construction Manager.

Mike Gunn resigned from the Board to relocate to Cairns, Queensland. Mike was invaluable as Chair of Audit and Risk Committee and brought substantial financial skills to the Board.

We are indebted to Peter, Geoff and Mike for their generosity and commitment to MHS. We would also like to thank Gayle, Liz and Debbie for supporting their husbands in this important commitment.

A total of $11.0 million in site construction projects, including a Port Fairy Ambulance Station, will take place over the next two years. We are aware that car parking has been a significant and long-standing concern for local residents. We have collaborated with Moyne Shire Council to convert Villiers Street into a one-way street. We understand that future vehicular traffic will be directed from Bank Street to Regent Street and angular parking will be established to both sides of the street. We expect that this initiative will create another 50 car parks.

Moyne Shire Mayor Cr Colin Ryan and the Councillors are integral to our success in developing a robust, long-term plan for the MHS site.

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SAFETY, QUALITY & RISK

This year we were a Small Rural Health Services Finalist in the 2015 Public Healthcare Awards. We have been a State Finalist twice in the last three years. This is an outstanding result and is direct evidence that we continue to compete “above our weight”.

In 2017, MHS plans to invest $2.5 million into the renovation of Moyneyana Hostel to significantly improve the residential aged care building amenities and address compliance concerns. The renovation plans include:

- widening doorways to 25 resident rooms,
- constructing four disability bathrooms,
- creating a café and bar area,
- replacing floor coverings in 25 rooms and ensuites,
- improving television reception.

This strategy of improving the residential aged care facilities will ensure that we remain competitive as a leading sub-regional residential aged care service provider.

This year we conducted a substantial review of our “In-depth Report” process into Incident Severity Rate (ISR) 2 reports. The report is proactively directed at improving patient safety and quality of care. The action items in the report are subsequently reported to the Governance, Quality and Risk Committee.

Further details about our strong safety, quality and risk record is available in the 2016 Quality of Care Report.

FINANCIAL SUSTAINABILITY

This year we achieved a surplus before capital and specific items result of $416,719. We have consistently made operating surpluses over the last 10 years. Our financial performance this year was primarily strengthened by strong residential aged care occupancy rates and improved aged care funding streams. We have a strong Balance Sheet because of our disciplined focus on cashflow management.

In recent months we have proactively considered the long-term effect on the Balance Sheet of conducting multiple construction projects. We have developed a strategy to ensure that we maintain a robust Balance Sheet. Thus, the challenge over the next 12 months will be the prudent management of our cash reserves in the context of several site construction projects.

We continue to maintain strong residential aged care occupancy rates and we have further improved our Aged Care Funding Instrument (ACFI) rates. We are mindful of the Commonwealth Government’s changes to take effect on July 1, 2016. We have strategies in place to mitigate the effect of the Commonwealth Government changes and don’t anticipate a material impact on our ACFI claims process.

Further details about our financial performance are included in our Financial Overview Report.

DEVELOPING PEOPLE

There has been a good response to the “People Matter Survey”. We had a 54% response rate to the survey. Human Resources Manager Dolly Gahlout put in a considerable effort encouraging all staff to complete the survey. MHS made time available for staff to complete the survey. A substantial response rate means that it is incumbent on MHS to respond to the outcomes of the survey.

We are continuing to encourage staff in regard to influenza immunisation. Last year we had a response rate of 72.5% which was slightly below the Department of Health and Human Services target of 75%. This year we achieved an encouraging result of 75%.

In the last year, our acute occupancy rate was 47% and the average occupancy rate over the last three years was 48%. In 2016 the occupancy rates fluctuated between a monthly rate of 35% and 66%. This occupancy rate has no impact on our current acute care funding arrangements.

The Belfast House monthly occupancy rates fluctuated between 94% and 100%. The average occupancy rate over the last year was 97% against a three-year average of 95%.
Moyneyana Hostel occupancy rates fluctuated between 96% and 100%. Last year, the average occupancy rate was 98% against a three-year average of 99%. Strong occupancy rates in residential aged care are integral to the financial sustainability of MHS.

SERVICE INDICATORS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Same day</td>
<td>100</td>
<td>96</td>
<td>94</td>
<td>76</td>
<td>17</td>
</tr>
<tr>
<td>Multi day</td>
<td>317</td>
<td>365</td>
<td>364</td>
<td>423</td>
<td>459</td>
</tr>
<tr>
<td>Total separations</td>
<td>417</td>
<td>446</td>
<td>458</td>
<td>501</td>
<td>476</td>
</tr>
<tr>
<td>Public separations</td>
<td>287</td>
<td>292</td>
<td>309</td>
<td>366</td>
<td>342</td>
</tr>
<tr>
<td>Total WEEs</td>
<td>462.6</td>
<td>486.5</td>
<td>481.0</td>
<td>457.3</td>
<td>390.3</td>
</tr>
<tr>
<td>Separations per available bed</td>
<td>27.6</td>
<td>29.7</td>
<td>30.6</td>
<td>33.4</td>
<td>31.7</td>
</tr>
<tr>
<td>Total bed days</td>
<td>2,532</td>
<td>2,705</td>
<td>2,791</td>
<td>2,299</td>
<td>2,069</td>
</tr>
</tbody>
</table>

Non admitted patients

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Medical Treatment</td>
<td>1,210</td>
<td>1,083</td>
<td>2,411</td>
<td>2,304</td>
<td>2,530</td>
</tr>
<tr>
<td>Outpatient Services (Allied Health &amp; Radiology)-non DVA</td>
<td>728</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outpatient Services (Allied Health &amp; Radiology)-DVA</td>
<td>1,210</td>
<td>1,833</td>
<td>2,411</td>
<td>2,304</td>
<td>3,258</td>
</tr>
</tbody>
</table>

Note: The decline in total occasions of service over the last three years is related to the changed arrangements in the urgent care and outpatients areas.

Facilities, Equipment and Technology

We have continued to execute our focused and disciplined strategy of ‘future proofing’ and ‘flexibility’ in the implementation of our Master Plan. In the next year, we will continue to work toward the ‘fit out’ of the upper level to the Community Health Centre.

In June, 2016, we started our site drainage project. The site drainage project involves the installation of a 37,500 square-metre infiltration storm water storage tank to the rear of Moyneyana Hostel and the installation of pipes from the storage tank that drain into the Baxter Street basin. This stormwater infrastructure project will significantly improve long-term site drainage and includes a capacity for any future redevelopment to connect into the drainage system. At the time of this report we are experiencing some challenges with sub-soil blue stone which has impeded the project and resulted in additional costs to the project.

FACILITIES, EQUIPMENT AND TECHNOLOGY

We have continued to execute our focused and disciplined strategy of ‘future proofing’ and ‘flexibility’ in the implementation of our Master Plan. In the next year, we will continue to work toward the ‘fit out’ of the upper level to the Community Health Centre.

In June, 2016, we started our site drainage project. The site drainage project involves the installation of a 37,500 square-metre infiltration storm water storage tank to the rear of Moyneyana Hostel and the installation of pipes from the storage tank that drain into the Baxter Street basin. This stormwater infrastructure project will significantly improve long-term site drainage and includes a capacity for any future redevelopment to connect into the drainage system. At the time of this report we are experiencing some challenges with sub-soil blue stone which has impeded the project and resulted in additional costs to the project.

The new Community Health Centre includes:

- Allied health consulting rooms such as physiotherapy, podiatry, speech therapy, occupational therapy and dietetic services
- A fully-equipped gymnasium for health promotion and rehabilitation activities
- Community aged care services
- District Nursing
- Future space for dental services and consulting rooms on the first level.

The Community Health Centre project is scheduled for completion on January 19, 2017. We also want to thank Peter O’Keeffe, MHS Construction Project Manager, for the countless hours that he has committed to the Community Health Project. Peter’s substantial project management skills and attention to detail have assisted MHS in leaving a legacy to our community.
FUTURE OUTLOOK

- Complete the Community Health Centre Project and relocate staff from 99 Bark Street into the new Community Health Centre.
- Prepare for the construction of the Urgent Care Centre and refurbishment of the Port Fairy Hospital and improve the safety of patients and staff.
- Prepare for the co-location of the Port Fairy Ambulance Station.
- Prepare for the construction of the Moyneyana Hostel Renovation Project.
- Prepare for the changes in the 2017 Home Care Packages.
- Implement the Kronos software package to improve our internal control environment.
- Complete the 2017 Australian Council of Healthcare Standards (ACHS) Periodic Accreditation Audit.
- Develop a Service Plan for Moyne Health Services, including the Koroit campus.

ACKNOWLEDGEMENTS

On behalf of the Board of Management we also sincerely thank our donors, service clubs, General Practitioners, staff, contractors, SWARH staff, suppliers and the community for their continued support and assistance throughout the year.

We look forward to an extremely busy time over the next year as we strategically position MHS as an outstanding and sustainable Small Rural Health Service.

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 June 30, 2016.

RALPH LEUTTON
President

DAVID LEE
Chief Executive Officer

Port Fairy
15 August, 2016

BUILDING EFFECTIVE RELATIONSHIPS

This year’s M2M event raised $61,778. Maggie Leutton (M2M Coordinator) has provided solid and consistent leadership and organisation of the M2M event over the last four years. Maggie has put in many, many unpaid hours in support of this event. Thank you Maggie for your energy and commitment.

We are also especially appreciative of the support of President of the M2M Committee John Clue, and the committee members for their leadership and the countless hours they have devoted to the success of the M2M event.

MHS has a strong and abiding relationship with our local communities.

MHS would also like to express our appreciation for the following:

- The Heather Holcombe Trust for their continued support of the MHS palliative care room (Room 11).
- The Rotary Club of Port Fairy contributed $7,500 for the purchase of gym equipment for the Community Health Centre.
- The Yambuk Ladies Auxiliary contributed $17,000 for the purchase of a new defibrillator and heart monitor.
- Yvonne and Don Bartlett donated $5,500 for the purchase of a new electrocardiogram for Moyneyana Hostel in memory of the late Tom Bartlett.

SPRING PARK FAIR

In October 2015, we held a Spring Park Fair at the Koroit campus. The purpose of the day was to inform the Koroit community about the services provided at the Mill Street campus. The Fair included health checks, wellness information and children’s activities.

We will continue to build and maintain effective relationships with our clients, our communities, Port Fairy Folk Festival and the Moyne Shire Council.

OUR AUXILIARIES AND VOLUNTEERS

Our auxiliaries and volunteers provide invaluable support to MHS. The Friends of Moyneyana, Yambuk Auxiliary and 180 volunteers continue to give outstanding support to MHS. We cannot thank them enough for the many, many hours of support to our health care service. Thank you!
FINANCIAL OVERVIEW

Moyne Health Services achieved a net surplus result before capital and specific items of $416,719 (2015: $417,804) for the year p60.

SURPLUS

The total operating revenue for the year is $14,154,573 (2015: $14,399,470). This represented a 1.7% decrease in operating revenue for the year under review p60.

The total operating expenditure was $13,737,854 (2015: $13,981,666). This represented a 1.7% decrease in operating expenditure for the year under review p60.

LIQUIDITY

Moyne Health Services has working capital of -$697,994 (2015: -$2,555,686). This means that the entity currently has $697,994 current liabilities in excess of current assets p61.

The current asset ratio has increased from 0.83 (2015) to 0.96 (2016). This amounts to a 16% increase in the current asset ratio over the last year and a 1% decline over the last five years. The 16% increase in trend over the last 12 months is attributed to Moyne Health Services' cash reserves for the construction of the Community Health Centre. Refer to Financial Notes (hereafter Note) 5.

INVESTMENTS

The value of Moyne Health Services investments at year end was $39,391 million (2015: $35,986 million). This represents a 3% increase in the current asset ratio over the last year and a 42% increase over the last five years.

CASHFLOW

Moyne Health Services generated a cashflow surplus from operations of $3,642,527 (2015: $1,151,342) and a net increase in cash held of $2,649,891 (2015: $178,778).

BALANCE SHEET

ASSETS

Total assets are $39,391 million (2015: $35,986 million) an increase of $3,404,545 in comparison to the previous year. The total assets have increased primarily as a result of Moyne Health Services' cash reserves for the construction of the Community Health Centre. Refer to Financial Notes (hereafter Note) 5.

FINANCIAL SUMMARY

Financials ($000) 2015/16 2014/15 2013/14 2012/13 2011/12

<table>
<thead>
<tr>
<th>Financials</th>
<th>2015/16</th>
<th>2014/15</th>
<th>2013/14</th>
<th>2012/13</th>
<th>2011/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>14,155</td>
<td>14,400</td>
<td>14,163</td>
<td>13,897</td>
<td>12,039</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>13,738</td>
<td>13,982</td>
<td>14,125</td>
<td>13,844</td>
<td>11,961</td>
</tr>
<tr>
<td>Operating surplus (loss)</td>
<td>417</td>
<td>418</td>
<td>38</td>
<td>53</td>
<td>78</td>
</tr>
<tr>
<td>before capital and specific</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>items</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>39,391</td>
<td>39,710</td>
<td>39,325</td>
<td>38,269</td>
<td>35,565</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>17,443</td>
<td>17,965</td>
<td>18,073</td>
<td>18,244</td>
<td>17,961</td>
</tr>
<tr>
<td>Equity</td>
<td>21,948</td>
<td>21,745</td>
<td>21,252</td>
<td>20,025</td>
<td>17,604</td>
</tr>
</tbody>
</table>

CAPITAL GRANT INCOME

Specified State Government Capital Grants were provided for the following projects. Refer to Note 2.

<table>
<thead>
<tr>
<th>Capital Grant Income</th>
<th>2015/16</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>HACC Minor Capital</td>
<td>$14,704</td>
<td></td>
</tr>
<tr>
<td>HACC Transition Support</td>
<td>$25,600</td>
<td></td>
</tr>
<tr>
<td>Aged Care Significant Refurbishment</td>
<td>$20,200</td>
<td></td>
</tr>
<tr>
<td>Acute Clinical Hardware replacement</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>CRSP Infrastructure Renewal</td>
<td>$20,000</td>
<td></td>
</tr>
</tbody>
</table>

MURRAY TO MOYNE FUNDRAISING

<table>
<thead>
<tr>
<th>Murray to Moyne Fundraising</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>$126,015.00</td>
<td>$126,188.00</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$ 84,238.00</td>
<td>$ 74,483.00</td>
</tr>
<tr>
<td>Surplus</td>
<td>$ 41,777.00</td>
<td>$ 51,705.00</td>
</tr>
</tbody>
</table>

LIABILITIES

Total liabilities increased from $15,686 million (2015) to $17,443 million (2016) as a result of an increase in payables, employee liabilities provisions and refundable entrance accommodation bonds. Refer to Notes 12,14 and 16.

SUMMARY OF SIGNIFICANT CHANGES IN FINANCIAL POSITION DURING 2015/16

<table>
<thead>
<tr>
<th>Element</th>
<th>2015/16</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>4,202</td>
<td>612</td>
</tr>
<tr>
<td>Investments and Other Financial Assets</td>
<td>10,479</td>
<td>10,166</td>
</tr>
<tr>
<td>Provisions</td>
<td>2,795</td>
<td>2,512</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>12,525</td>
<td>11,967</td>
</tr>
</tbody>
</table>

The substantial increase in ‘Cash and Cash Equivalents’, is a direct result of Moyne Health Services’ cash reserves for the construction of the Community Health Centre. Provisions increased because of an increase in current employee liability provisions: Note 14.

Events Subsequent to Balance Date, which have a Significant Effect on the Operations of the Entity in Subsequent Years.

There were no such events. Refer to Financial Note 26.

BUDGETARY OBJECTIVES FOR 2015/16 AND PERFORMANCE AGAINST THOSE OBJECTIVES

<table>
<thead>
<tr>
<th>Element</th>
<th>2015/16 Actual</th>
<th>2015/16 Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>14,155</td>
<td>13,298</td>
<td>857</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>13,738</td>
<td>13,228</td>
<td>510</td>
</tr>
<tr>
<td>Surplus (Deficit) Before Capital &amp; Specific Items</td>
<td>417</td>
<td>70</td>
<td>347</td>
</tr>
<tr>
<td>Capital Income (less capital purpose expenditure)</td>
<td>2,939</td>
<td>2,337</td>
<td>572</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(1,737)</td>
<td>(1,682)</td>
<td>55</td>
</tr>
<tr>
<td>Net Fair Value Revaluation</td>
<td>59</td>
<td>NIL</td>
<td>59</td>
</tr>
<tr>
<td>Net Result for the Year</td>
<td>1,648</td>
<td>725</td>
<td>923</td>
</tr>
</tbody>
</table>
The Victorian Government’s priorities and policy directions are outlined in the Victorian Health Priorities Framework 2012-2022. In 2015-16 Moyne Health Services contributed to the achievement of the government’s commitment by:

<table>
<thead>
<tr>
<th>Priority</th>
<th>Action</th>
<th>Deliverable</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient experience and outcomes</td>
<td>Drive improved health outcomes through a strong focus on patient-centred care in the planning, delivery and evaluation of services, and the development of new models for putting patients first.</td>
<td>Improve health outcomes by establishing the Consumer Engagement Committee (CEC), review Quality &amp; Safety data and feedback, and provide recommendations to the Governance, Quality and Risk Committee.</td>
<td>Achieved.</td>
</tr>
<tr>
<td>Strengthen the response of health services to family violence. This includes implementing interventions, processes and systems to prevent, identify and respond appropriately to family violence at an individual and community level.</td>
<td>Provide information brochures to patients and clients of Moyne Health Services on identifying and reporting instances of family violence.</td>
<td>A Family Violence information brochure is now available for any instances of reported family violence.</td>
<td>Achieved.</td>
</tr>
<tr>
<td>Use consumer feedback and develop participation processes to improve person and family-centred care, health service practice and patient experiences.</td>
<td>Conduct monthly patient experience sessions to receive face-to-face feedback about patient experiences and report results to staff and Governance, Quality and Risk Committee.</td>
<td>Patients are contacted and face-to-face feedback has been obtained and reported to the Governance, Quality and Risk Committee.</td>
<td>Achieved.</td>
</tr>
<tr>
<td></td>
<td>Monitor Victorian Healthcare Experience Survey results to ensure excellent results regarding care and treatment and report findings to Governance, Quality and Risk Committee.</td>
<td>Moyne Health Services has received some survey responses and those findings are reported to the Governance, Quality and Risk Committee.</td>
<td>Achieved.</td>
</tr>
</tbody>
</table>

**Priority: Governance, leadership and culture**

<table>
<thead>
<tr>
<th>Priority</th>
<th>Action</th>
<th>Deliverable</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demonstrate an organisational commitment to Occupational Health and Safety, including mental health and wellbeing in the workplace. Ensure accessible and affordable support services are available for employees experiencing mental ill health. Work collaboratively with the Department of Health and Human Services and professional bodies to identify and address systemic issues of mental ill health amongst the medical professions.</td>
<td>Establish and promote the Employee Assistance Program and report to the Occupational Health and Safety Committee.</td>
<td>Achieved. Moyne Health Services has established an Employee Assistance Program.</td>
</tr>
<tr>
<td></td>
<td>Monitor and publicly report incidents of occupational violence. Work collaboratively with the Department of Health and Human Services to develop systems to prevent the occurrence of occupational violence.</td>
<td>Review Occupational Health and Safety Key Performance Indicators (KPIs) to ensure all incidents of occupational violence are addressed and reported to the Board of Management.</td>
<td>Achieved. Moyne Health Services has OHS KPIs in place that are reported to the Board of Management through the OHS Committee.</td>
</tr>
<tr>
<td></td>
<td>Promote a positive workplace culture and implement strategies to prevent bullying and harassment in the workplace. Monitor trends of complaints of bullying and harassment and identify and address organisational units exhibiting poor workplace culture and morale.</td>
<td>Develop an action plan based on the recent “People Matter Survey” and address all of the actions in the plan.</td>
<td>Achieved. Moyne Health Services has an action plan in place. The next step is to implement the plan in conjunction with the 2015 Survey Results. Achieved.</td>
</tr>
<tr>
<td></td>
<td>Undertake an annual board assessment to identify and develop board capability to ensure all board members are well equipped to effectively discharge their responsibilities.</td>
<td>Develop Board skills and capability matrix and an evaluation tool.</td>
<td>Not achieved. A capacity matrix and evaluation tool is to be completed by September, 2016. Achieved. Two Board members attended the AICD course.</td>
</tr>
<tr>
<td>Priority</td>
<td>Action</td>
<td>Deliverable</td>
<td>Outcome</td>
</tr>
<tr>
<td>------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Safety and quality</td>
<td>Ensure management plans are in place to prevent, detect and contain Carbapenem Resistant Enterobacteriaceae as outlined in Hospital Circular 02/15 (issued 16 June 2015).</td>
<td>Ensure that proactivity and procurement activity is efficiently and consistently managed across Moyne Health Services in accordance with Health Purchasing Victoria policies.</td>
<td>Achieved</td>
</tr>
<tr>
<td></td>
<td>Implement effective antimicrobial stewardship practices and increase awareness of antimicrobial resistance, its implications and actions to combat it, through effective communication, education, and training.</td>
<td>Conduct monthly infection control audits and report to Victorian Healthcare Associated Infection Surveillance System (VHCNISS). Implement a staff education program within mandatory and continuing education. Review Multi-Resistant Organism compliance through regular internal audits and report to Governance, Quality &amp; Risk Committee.</td>
<td>Achieved</td>
</tr>
<tr>
<td></td>
<td>Ensure that emergency response management plans are in place, regularly exercised and updated, including trigger activation and communication arrangements.</td>
<td>Update the emergency plans throughout Moyne Health Services and Koroit sites. Conduct quarterly stage 1 and 2 evacuation drills at Moyneyana Hostel, Hospital and Belfast House.</td>
<td>Not achieved</td>
</tr>
<tr>
<td>Financial sustainability</td>
<td>Improve cash management processes to ensure that financial obligations are met as they are due.</td>
<td>Maintain the days available cash key performance indicators. Establish an acquittal report to improve cashflow management for the Community Centre construction project.</td>
<td>Achieved</td>
</tr>
<tr>
<td></td>
<td>Work with Health Purchasing Victoria to implement procurement savings initiatives.</td>
<td>Ensure that probity and procurement activity is efficiently and consistently managed across Moyne Health Services in accordance with Health Purchasing Victoria policies.</td>
<td>Achieved</td>
</tr>
<tr>
<td></td>
<td>Implement integrated care approaches across health and community support services to improve access and responses for disadvantaged Victorians.</td>
<td>Establish a robust patient referral system through Trak Community.</td>
<td>Achieved</td>
</tr>
<tr>
<td></td>
<td>Establish partnerships with other health services to ensure patients can access treatments as close to where they live when it is safe and effective to do so, making the most efficient use of available resources across the system.</td>
<td>Align the community health intake processes between South West Healthcare, Moyne Shire Council and Moyne Health Service.</td>
<td>Achieved</td>
</tr>
<tr>
<td></td>
<td>Establish a Hospital In The Home Memorandum of Understanding with South West Healthcare to provide nursing services for local clients in partnership with Moyne Health Service District Nursing Service.</td>
<td>Develop a Hospital In The Home Memorandum of Understanding with South West Healthcare to provide nursing services for local clients in partnership with Moyne Health Service District Nursing Service.</td>
<td>Not achieved</td>
</tr>
<tr>
<td></td>
<td>Establish a Hospital In The Home Memorandum of Understanding with South West Healthcare to provide nursing services for local clients in partnership with Moyne Health Service District Nursing Service.</td>
<td>Obtain further Trak Community enhancements to software to provide electronic response to referrals and provide feedback to GPs and other referrers (including discharge from community health services).</td>
<td>Not achieved</td>
</tr>
<tr>
<td></td>
<td>Establish a Hospital In The Home Memorandum of Understanding with South West Healthcare to provide nursing services for local clients in partnership with Moyne Health Service District Nursing Service.</td>
<td>Develop telehealth service models to facilitate the delivery of high quality and equitable specialist services to patients across regional Victoria.</td>
<td>Achieved</td>
</tr>
<tr>
<td></td>
<td>Establish a Hospital In The Home Memorandum of Understanding with South West Healthcare to provide nursing services for local clients in partnership with Moyne Health Service District Nursing Service.</td>
<td>Engage with specialist services to provide telehealth consultation to the local community.</td>
<td>Achieved</td>
</tr>
</tbody>
</table>
## PERFORMANCE AT A GLANCE

### PART B: PERFORMANCE PRIORITIES

#### QUALITY AND SAFETY

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Target</th>
<th>2015-16 Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance with NSQHS Standards accreditation</td>
<td>Full compliance</td>
<td>Full compliance</td>
</tr>
<tr>
<td>Compliance with the Commonwealth Aged Care Accreditation Standards</td>
<td>Full compliance</td>
<td>Full compliance</td>
</tr>
<tr>
<td>Cleaning Standards</td>
<td>Full compliance</td>
<td>Full compliance</td>
</tr>
<tr>
<td>Compliance with the Hand Hygiene Australia program</td>
<td>80%</td>
<td>100%</td>
</tr>
<tr>
<td>Percentage of healthcare workers immunised for influenza</td>
<td>75%</td>
<td>72.3%</td>
</tr>
<tr>
<td>Submission of infection surveillance data to VICNISS</td>
<td>Full compliance</td>
<td>Full compliance</td>
</tr>
</tbody>
</table>

#### PATIENT EXPERIENCE AND OUTCOMES PERFORMANCE

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Target</th>
<th>2015-16 Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victorian Healthcare Experience Survey- data submission</td>
<td>Full compliance</td>
<td>Full compliance</td>
</tr>
<tr>
<td>Victorian Healthcare Experience- patient experience</td>
<td>96% positive experience</td>
<td>100%</td>
</tr>
</tbody>
</table>

#### GOVERNANCE, LEADERSHIP AND CULTURE PERFORMANCE

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Target</th>
<th>2015-16 Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>People Matter Survey- % of staff with a positive response to safety culture questions</td>
<td>80%</td>
<td>91%</td>
</tr>
</tbody>
</table>

#### FINANCIAL SUSTAINABILITY PERFORMANCE

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Target</th>
<th>2015-16 Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FINANCE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating result ($m)</td>
<td>0.07</td>
<td>0.42</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>&lt;60 days</td>
<td>43</td>
</tr>
<tr>
<td>Patient fee debtors</td>
<td>&lt;60 days</td>
<td>23</td>
</tr>
<tr>
<td><strong>ASSET MANAGEMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted current asset ratio</td>
<td>0.7</td>
<td>0.96</td>
</tr>
<tr>
<td>Days of available cash</td>
<td>14 days</td>
<td>91.5</td>
</tr>
<tr>
<td>Asset management plan</td>
<td>Full compliance</td>
<td>Full compliance</td>
</tr>
</tbody>
</table>

The current asset ratio has increased 6% over the last five years due to the Community Health Centre redevelopment and an increase in specific purpose capital amounting to $1.871 million. See note 17(a). The current asset ratio has improved by 13% over the last 10 years.

Cash flow has fluctuated over the last 10 years. The substantial increase in 2016 resulted from capital grants for the construction of the Community Health Centre.

In the last five years MHS has increased its DAP by 70%. This equates to a $4.5 million increase in DAP. In the last 10 years MHS has increased its DAP by 244% or $8.7 million.
MOYNE HEALTH SERVICES

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ANNUAL REPORT // OUR SERVICES

OUR SERVICES

Moyne Health Services (MHS) is a public hospital incorporated under Schedule 1 of the Health Services Act 1988.

MHS provides a comprehensive range of acute, residential aged care, primary and community health care services to Port Fairy and Koroi communities.

ACUTE HOSPITAL CARE

RESTORATION OF THE INDIVIDUAL’S HEALTH

- Urgent care
- General medicine
- Palliative care

The acute hospital services are provided in the 15-bed Acute Wing and outpatient areas.

These areas are accessed through the MHS main reception area situated in the original hospital building on Villiers Street, Port Fairy.

AGED CARE

RESIDENTIAL AND HOME BASED SERVICES

Belfast House Nursing Home

Belfast House is a purpose-built, 30-bed home located on Regent Street, Port Fairy, offering permanent and respite care services. Moyneyana House Hostel offers 52 beds and is located on College Street, Port Fairy, offering permanent care services.

Community Home Care Packages

Community Home Care Packages provide care and support services to older people living in the community. Community care services allow our clients to remain in their home in a supported environment. MHS has 42 Home Care Packages.

Access to community health services is through the Community Access Care Coordinator.

Services are also provided to community members to assist them in maintaining their independence and improving their health and wellbeing such as:

- Activities for older members and or people with disabilities living in the community through our Planned Activity Groups Program in Port Fairy and Koroi.
- School Education health and wellbeing programs at Port Fairy and Koroi Primary Schools.
- Physical Activity Classes (Port Fairy and Koroi).
- Integrated Health Promotion programs in partnership with key stakeholders in the Moyne Shire area.
- Health Education and chronic disease management.
- The Moyne Shire Council School’s Immunisation and Workplace Flu Vaccination program which is coordinated by Moyne Health Services.

COMMUNITY HEALTH SERVICES

The Community Health Service provides allied health, community nursing and support services at the Port Fairy and Koroi campuses in the following areas:

- Occupational Therapy
- Physiotherapy
- Audiology Services
- Continence Consulting
- Diabetes Education
- Dietetics and Nutrition
- Drug and Alcohol Counselling
- Pathology
- Podiatry
- Radiology
- Speech Pathology
- District and Community Nursing Service (7 days per week).

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Services are also provided to community members to assist them in maintaining their independence and improving their health and wellbeing such as:

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- Integrated Health Promotion programs in partnership with key stakeholders in the Moyne Shire area.
- Health Education and chronic disease management.
- The Moyne Shire Council School’s Immunisation and Workplace Flu Vaccination program which is coordinated by Moyne Health Services.
This has been another busy year for the Director of Medical Services and the Visiting Medical Officers (VMO) at Moyne Health Services. The changed arrangements in the outpatients area are now well established and are working well. There have been discussions regarding potential development of a new Urgent Care centre adjacent to the Hospital and also a potential relocation of the Ambulance Station to the Hospital.

This year, two new General Practice Registrars in Training were appointed to Port Fairy Medical Clinic. The appointments followed the Moyne Health Services credentialling procedures required by the Department of Health and Human Services. I thank the Medical Clinic for their cooperation in this important process. Again, the monthly VMO meetings have been well attended and have provided a regular forum for discussions of matters of mutual importance between the Hospital Executive and the VMOs.

Limited Adverse Occurrence Screening (LAOS) meetings have continued throughout the year. The LAOS committee is chaired by the Director of Medical Services and is ably supported by the Executive Director Safety, Quality and Information Services. These meetings continue to provide an effective mechanism for reviewing adverse events and taking steps to minimise the risk of recurrence.

I would finally wish to thank the VMOs for their ongoing commitment to Moyne Health Services and its patients, particularly in their ongoing provision of 24-hour coverage for the people of Port Fairy and its visitors, at the times of sudden population increase throughout the year.

KRONOS

During the year, senior management was actively engaged with the other four Chris21 payroll agencies within the Barwon-South Western region to develop a business case that supported the implementation of the Kronos electronic rostering, time and attendance and award interpreting solution.

The business case was formally endorsed by each participating agencies’ Boards of Management in October 2015, and subsequently led to the recruitment of the Kronos Project Team headed up by Project Manager Sharon Rees in March 2016.

A local Moyne Health Services (MHS) project team was established and has overseen the preparatory work for the rollout of Kronos, which will occur in November 2016 when the staff working in the Acute Hospital, Belfast House and Moynayana House “go live” under the initial Kronos pilot phase of the project. Following the completion of this pilot phase, remaining MHS staff are expected to “go live” with Kronos in March 2017.

Whilst Kronos is an exciting development that will revolutionise the way MHS operates with respect to rostering, payroll and in broader terms Human resources functions and processes, it is the most significant change management activity undertaken by the organisation in many years and has taken significant resources and planning to ensure the project will achieve the outcomes identified in the original business case.

The audit results are a credit to the HCP team and in particular Kylie Jenkins who worked tirelessly with the software provider to iron out the software glitches that occurred at the outset.

The last of the HCP reforms commence in February 2017 whereby a more market driven approach will be introduced for package recipients, providers and their brokered service partners. It remains to be seen what impact the last of the changes will have on Moyne Health Services but staff are actively ensuring we are prepared for the deregulated packages environment that lays ahead.

CONSUMER DIRECTED CARE

This financial year saw the remaining 25 Home Care Packages (HCP) transition to the Consumer Directed Care (CDC) model whereby amongst many administrative changes HCP recipients commenced receiving a monthly individual statement of the income and expenditure associated with their package from July 2015 onwards.

To facilitate the collation and reporting of an enormous amount of transactional data the E-Tools eHCP software module was implemented for the purposes of generating client HCP agreements and then tracking and reporting monthly income and expenditure. This was a significant task and my thanks goes to the HCP team for a relatively smooth transition.

The future holds some exciting opportunities as we explore various technological options for the re-located Urgent Care area and refurbished acute hospital, including telehealth and clinical data entry at the patient/resident bedside. Combining this work with ICT projects previously identified but yet to be implemented will keep MHS staff engaged over the ensuing 12 months.

FUTURE

MHS continues to find technological innovations that will lead to potential efficiencies within the organisation, through the use and combination of various technologies.

The future holds some exciting opportunities as we explore various technological options for the re-located Urgent Care area and refurbished acute hospital, including telehealth and clinical data entry at the patient/resident bedside. Combining this work with ICT projects previously identified but yet to be implemented will keep MHS staff engaged over the ensuing 12 months.
SAFETY, QUALITY AND INFORMATION SERVICES

The Board of Management embraces the concept of Quality Improvement and acknowledges its responsibility under the Health Services Act 1988 and has endorsed the MHS Quality, Risk and Governance Framework as a means of ensuring the safety and quality of the care we provide. We have consistently delivered safe, high quality care and upheld a reputation for excellence in the health care of the Port Fairy community.

Quality and Safety is the foundation of everything we do at MHS. In our efforts to embed our Safety Culture across MHS, several organisation-wide initiatives were implemented this year with the ultimate goal to improve safety and quality of care.

Recent times have seen much of the Quality and Safety focus on Accreditation. We had several reviews including the National Safety and Quality Health Service Standards for our EquiP National survey in June 2015. This was followed closely by a review in our Residential Aged Care and Home Care Packages services, conducted by the Australian Aged Care Quality Agency. We satisfactorily met all of the required standards.

Following these successful accreditation surveys our focus shifted to several exciting projects to assist us to achieve improvements in the safety and quality of care. Some of these included:

- Our Information Services have an extensive project underway to progress the implementation of the Electronic Health Record in our Acute Services including:
  - Introduction of Computers on Wheels (COWS) in the Acute ward to allow access to records at the point of care (usually the bed-side).
  - Updates to electronic forms to make them simpler to use and to ensure all current standards and expectations are achieved.
  - Additional staff training so that nominated “super users” can assist with development of the system and training staff.
- Establishment of Health Literacy concepts and processes at MHS:
  - Specific, intensive training for several staff.
  - Generalist training for staff across MHS.
  - Implementation of policies and procedures to support Health Literacy.
- Participating as a Pilot Organisation in the Victorian Health Incident Management System (Vhims2) review:
  - Involvement of several staff in workshops to design the prototype.
  - Staff involvement in prototype testing.
  - Staff training ready for implementation of the Vhims2 as a Pilot Site.
- Review of Incident Review processes for serious incidents – In depth Review Process:
  - Revised process, including stricter guidance to ensure a thorough review.
  - Enhanced sign-off and approval processes for the report.
  - Closer monitoring of Action Plans to ensure follow-through.

PATIENT/ RESIDENT FEEDBACK

We continue to gather as much information as possible from our consumers about their experience of our services. This includes feedback received through external channels like the Victorian Patient Experience Survey (VHES) and internal surveys or our feedback session that are held with recent inpatients.

Feedback and the participation of our consumers in surveys and feedback sessions is an invaluable source of information about “how we are going” and inform the changes and improvements we make.

The Victorian Health Experience Survey (VHES) is an independent survey provided to a sample of hospital inpatients after discharge. It is a detailed survey but provides us with a great deal of information we can use to improve our services as well as congratulate staff on areas in which we do well.

Unfortunately, MHS has had some problems achieving enough responses to receive a report each quarter and has had two reports for the 2015-2016 year. We were extremely excited when we achieved (exceeded) the target for the “Transition Indicator” and secured the Pricing for Quality award.

We have continued to measure Resident Experience annually using another external process designed by Quality Performance Systems (QPS). Residents rate our performance during November or December each year. Results are consistently good and we often receive comments and suggestions to help us to continually improve.

The feedback is discussed with Residents at the regular Residents’ meetings so that we can work together to resolve any concerns.
BOARD OF MANAGEMENT

RALPH LEUTTON
PRESIDENT
MSc (UQ)
Ralph is a self-employed lobbyist, facilitator, trainer and Moyne Shire Councillor. Ralph sits on a number of National Boards representing vocational education and training. He is President of the Port Fairy Men’s Shed.
Ralph has vast experience in management, research and teaching.
TERM OF APPOINTMENT
BOARD COMMITTEES
• Executive
• Audit and Risk

PETER O’KEEFFE
SENIOR VICE PRESIDENT
Peter is the Director of Global Power Design. Peter has been involved in the Folk Festival Construction Crew (30 years), Red Cross-Disaster Relief Plan (water purification) and is a keen golfer.
TERM OF APPOINTMENT
BOARD COMMITTEES
• Executive
• Audit and Risk
• Occupational Health and Safety (Chair)

BRAD O’CONNOR
JUNIOR VICE PRESIDENT
B Commerce (Deakin), CA
Brad is a Chartered Accountant at Wannon Water and a member of the Committee of Management of Mpower.
TERM OF APPOINTMENT
BOARD COMMITTEES
• Audit and Risk

LUCY DOHERTY
BA, LLB
Lucy is a solicitor working in the areas of Family Law and Commercial Litigation with Maddens Lawyers. Lucy was born and raised in the Hawkesdale/Penshurst area. Lucy has voluntary roles with the Western District Law Association and Koroi Kindergarten.
TERM OF APPOINTMENT
8 March 2016 – 30 June, 2018

KAREN FOSTER
BA, GAICD
Karen is a long-term Port Fairy resident who operates a marketing consultancy and publishing business. She is also Executive Officer of the region’s peak advocacy body, the Great South Coast Group.
TERM OF APPOINTMENT
1 July 2014 – 30 June 2017
BOARD COMMITTEES
• Occupational Health and Safety

GEOFF YOUL
Geoff is President of the Yambuk Recreational Reserve Committee, Chair and Trustee of Port Fairy Public Cemetery Trust and Vice President South West District Rifle Association. Geoff is a primary producer based in Yambuk.
TERM OF APPOINTMENT
BOARD COMMITTEES
• Murray to Moyne
• Strategic Working Group

MIKE GUNN
B Ec., CA
Mike is a Business Manager Greater Southern Medical Local (Warrnambool).
TERM OF APPOINTMENT
BOARD COMMITTEES
• Audit and Risk (Chair)

CHARLIE BLACKWOOD
Bachelor of Veterinary Science (Sydney University), MANZCVS, GAICD.
Charlie is a Director and a Veterinarian in the Warrnambool Veterinary Clinic. Charlie manages the Port Fairy branch of the Clinic. He is a member of the Port Fairy Cricket Club Committee.
TERM OF APPOINTMENT
BOARD COMMITTEES
• Executive
• Audit & Risk
GOVERNANCE STATEMENT

This Statement sets out the main governance practices in operation throughout the financial year.

ACCOUNTABILITY

The Board assumes responsibility and is accountable for the effectiveness of corporate governance practices and the management of Moyne Health Services (MHS).

The Board has been able to achieve robust governance through providing effective leadership and bringing independent judgement to decisions affecting the operations of the MHS.

The Board has a Governance Charter which outlines the functions and responsibilities of the MHS Board.

To assist the Board in carrying out its functions and responsibilities, the Board has established seven board committees:

- Audit and Risk
- Executive Remuneration and Governance
- Governance, Quality and Risk;
- Medical Appointments
- Occupational Health and Safety
- Executive.

The committees operate in accordance with a clear charter and procedures for reporting to the Board.

The Board delegates responsibility for the operational management and administration of MHS to the Chief Executive Officer (CEO). Other than matters specifically reserved for the attention of the Board, the management of MHS is formally delegated to the CEO. The levels of authority and responsibility for management are documented in an Instrument of Delegation established by the Board.

The CEO provides a monthly report to the Board on MHS’ performance. The Board has an Annual Governance Agenda which provides details on the content and frequency of governance items.

The Board has an Annual Governance Agenda which provides details on the content and frequency of governance items.

The Board has been able to achieve robust governance through providing effective leadership and bringing independent judgement to decisions affecting the operations of the MHS.

The Board’s Governance structure is regulated by the Health Services Act 1988 (Vic) under the Health Administration Act 2004.

The roles of the Board President and the CEO are not performed by the same individual.

The Board has an Executive Remuneration and Governance Committee whose responsibilities include the nomination to the Minister of prospective board members and appraising the performance of the Board, Board committees and the CEO. The Executive Remuneration and Governance Committee has a ‘Charter’ that clearly sets out its roles and responsibilities.

MHS is committed to ensuring that all new Board members are provided with a thorough induction and training programs.

MEETING ATTENDANCES

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<thead>
<tr>
<th>Meeting</th>
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<th>Medical Appointments</th>
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<tbody>
<tr>
<td>Ralph Leutton</td>
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<td></td>
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<td>Peter O’Keeffe*</td>
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<td>Lucy Doherty*</td>
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- Peter O’Keeffe took leave of absence from the Board effective from 29th February, 2016 to 30th June, 2016.
- Lucy Doherty was appointed to the Board on 10th March, 2016.
- Mike Gunn resigned from the Board from 13th January, 2016.
- Bill Millard (independent member) resigned effective from 16th November, 2015.

AUDIT AND RISK COMMITTEE

Brad O’Connor (Chair)
Ralph Leutton
Karen Foster
Peter O’Keeffe
Charlie Blackwood
Andrew Helier (Independent member)

Kevin Leddin (Independent member) – commenced 18th February, 2016
Bill Millard (Independent member) – resigned 16th November, 2015

TRANSPARENCY

MHS is a public body incorporated under the Health Services Act 1988 (Vic).

The Minister of prospective board members who are appointed by the Victorian Minister for Health. Board members are generally appointed for a term of three years.

The Board’s Governance structure is regulated by the Health Services Act 1988 and the Public Administration Act 2004.

The roles of the Board President and the CEO are not performed by the same individual.

The Board has an Executive Remuneration and Governance Committee whose responsibilities include the nomination to the Minister of prospective board members and appraising the performance of the Board, Board committees and the CEO. The Executive Remuneration and Governance Committee has a ‘Charter’ that clearly sets out its roles and responsibilities.

MHS is committed to ensuring that all new Board members are provided with a thorough induction and training programs.

These programs cover:
- Information on the public health sector in Victoria
- Impact of relevant legislation on the role of the MHS Governing Board
- Information about the MHS
- Board procedures
- Care, skill and diligence obligations
- The environment in which the MHS governing Board operates (eg. government policies, business context etc)

MHS has a Board of Management Induction process to ensure that new Board members are provided with a comprehensive overview of the structure, operations and policies of MHS.

ROLE OF THE CEO

The CEO of MHS is responsible for executing the MHS strategic plan and the day-to-day management of the organisation. The MHS Board relies on the CEO for the formal reporting of the performance of the MHS and for informal communication between meetings.

The CEO provides a monthly report to the Board covering:
- Progress in implementing medium and long term strategic plans
- Financial management and incident reporting
- Progress in implementing the business plans for MHS including against KPIs
- Situations that will or may involve future Board decisions, so that the MHS Board is fully informed and can prepare for making the decision when the time comes.

The CEO ensures a full, timely and accurate flow of management information to the MHS Board and advises the Board of the major issues affecting the organisation.

The CEO has a Government Sector Executive Remuneration Panel (GSSERP) Contract setting out duties, responsibilities and conditions of service.

The CEO’s performance is evaluated and monitored by the Executive Remuneration and Governance Committee. The evaluation involves an assessment of a range of key individual and service performance indicators for the MHS. A performance evaluation was initiated for the year under review.

OPEN DISCLOSURE STANDARD

MHS has adopted the ‘Open Disclosure Standard’ (ODS). There are nine principles:

- Openness and timeliness of communication
- Acknowledgement
- Expression of regret
- Recognition of the reasonable expectations of patients and their support person
- Staff support
- Integrated risk management and system improvement
- Good governance
- Confidentiality
- Legal Consideration,

MHS has been able to achieve robust governance through providing effective leadership and bringing independent judgement to decisions affecting the operations of the MHS.

The Board has a Governance Charter which outlines the functions and responsibilities of the MHS Board.

To assist the Board in carrying out its functions and responsibilities, the Board has established seven board committees:

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RISK MANAGEMENT AND LIABILITY

MHS Board members understand their risks and liabilities and exercise a reasonable degree of care, skill and diligence in carrying out their roles. The Board determines MHS’ ‘risk profile’ and is responsible for approving the organisation’s risk management strategy and policies, regulatory compliance and the internal control environment.

The responsibility for assessing and monitoring the effectiveness of risk management and internal controls for the MHS is delegated to the CEO and executive management.

MHS must address a wide variety of risks. MHS’ risk management program is supported by an Audit and Risk Committee, Risk Manager, Governance, Quality and Risk and Occupational Health and Safety Committees and a Risk Management Policy.

During the year under review MHS engaged a number of consultants to verify and assess specific risks:

- RSM Bird Cameron and Australian Accounting Solutions Bendigo (AASB) conducted internal audits of the internal control environment.

INTEGRITY

CODE OF ETHICS

Professionalism requires that MHS’ Board have a ‘Code of Ethics and Good Conduct’ and policies on ‘conflicts of interest’ that describe the ethical standards Board members are required to maintain.

The ‘Code of Ethics and Good Conduct’ is based upon the Code of Conduct for Victorian Public Sector Employees (No.1) (2007).

It is the Board’s objective that all dealings with staff, with clients including patients and residents, with regulatory authorities and with the community should be conducted fairly, honestly, diligently and in accordance with applicable laws. Any departure from such practice is treated very seriously.

MHS promotes the Public Sector values of: responsibility, integrity, impartiality, accountability, respect, leadership, human rights, ethical consideration and redress.

CONFLICTS OF INTEREST

The Board is conscious of its obligations to ensure that Board members avoid conflicts of interest between MHS and their own interests. Board members must declare the nature and extent of their interests. A declaration of interests is a standing agenda item at all Board and Board Committee meetings. The CEO maintains a register of Board member pecuniary interests and a register of related party transactions.

All Board members have made the required declarations for the year under review.


The Charter came into operation on January 1, 2006, and sets out human rights. MHS is required to act in accordance with the Charter. The Charter contains 20 rights that reflect basic principles of freedom, respect, equality and dignity.

STEWARDSHIP

Through the CEO the Board has overall responsibility for ensuring the integrity of the MHS systems of internal control. These systems are designed to ensure effective and efficient operations, including financial reporting and compliance with laws and regulations, with a view to managing the risk of failure to achieve business objectives. It must be recognised, however, that internal control systems can provide only reasonable and not absolute assurance against the risk of material loss.

The Board reviews the effectiveness of the internal control systems and risk management on an ongoing basis, and ensures that risks are monitored through the Audit and Risk Committee. The Board regularly receives information about the financial position and performance of MHS.

The Board has an Audit and Risk Committee. The Committee’s Chair is not the same as the Board of Management Chair.

The Audit and Risk Committee meets four times per year and has a ‘Chair’, Accounting and Audit Solutions Bendigo (AASB) and RSM Cameron assists the Board by providing an internal audit service.

The CEO, Executive Director of Corporate Support Services and the Executive Director Safety, Quality and Information Services attend the Audit and Risk Committee meetings. AASB, RSM Cameron and the external auditor Coffey Hunt & Co (Vic) (VAGO) may attend at the discretion of the committee.

The minutes of each meeting are reviewed at subsequent meetings of the Board and the Chair of the Committees reports on the Committee’s conclusions and recommendations.

The external auditor, Coffey Hunt & Co is appointed by the Victorian Auditor-General Office (VAGO).

For annual accounts released publicly, the Board Chair, CEO and Chief Financial Officer sign-off on the annual declaration in accordance with Standing Direction 4.2. of the Financial Management Act 1994, and the Risk Management, Data Integrity and Insurance Attestations.

MHS acknowledges that it has significant stakeholders. Our stakeholders include residents, patients, staff, volunteers, relatives, the Department of Health and the wider community.

MHS has a Communications Strategy in place. MHS continues to improve its communications with stakeholders.

LEADERSHIP

STRATEGIC LEADERSHIP

MHS has established a “Towards 2020” document which is aligned with the State Government’s Reform Health Priorities 2012-2022. MHS also has a 2015/16 Statement of Priorities (SOP) Agreement with the Department of Health and Human Services p 30-34. The CEO provides a monthly operating report against each of the Strategic Directions to the Board.

The Board of Management member’s biographies, their term of office and information about their skills, experience, qualifications and special responsibilities are listed on pp 34,35.

This governance statement reflects the governance arrangements in place at MHS.

RALPH LEUTON
Board of Management President

LARGE PROJECTS IN WHICH THERE ARE COMMUNITY EXPECTATIONS

Large Projects > $100,000  Comment  Cost

Community
Health Centre
Construction
Project
Construction is underway and is scheduled for completion in January, 2017.  $4.8 million

Stormwater Drainage System Project
This project has been commenced and has been impeded by the discovery of sub-soil bluestone. This is likely to increase the cost of the project by an estimated 10%.  $130,000

STORMWATER DRAINAGE PROJECT

The stormwater drainage project involves the installation of a 37,000m³ tank at the rear of the Moyneyana Hostel as illustrated above and an overflow pipe into the Baxter Street basin.

ANNUAL REPORT // GOVERNANCE STATEMENT
EXECUTIVE MANAGEMENT

DAVID LEE
Dip Law (LPAB), B Nurs (QUT), M Comm (UQ) PG Dip CSP, Grad Dip Legal Practice, admitted as an Australian Legal Practitioner in 2015, GAICD.

CHIEF EXECUTIVE OFFICER
• Responsible for the operational management of Moyne Health Services.
• Extensive experience in the armed forces, nursing and health management.
• Member of SWARH Council of Governance.

DR BRUCE WARTON
MB, BS, Hons (Monash), BHA (UNSW), FRCS, FRCOG, FRANZCOG, FRACMA, AFACHSM, CHE, DTM&H (JCU), Grad Dip Health and Medical Law (Melb).

EXECUTIVE DIRECTOR OF MEDICAL SERVICES
• Appointed January, 2011.
• Responsible for the credentialling and privileges and medical appointments processes.
• Bruce has extensive experience as a Director of Medical Services and in the armed forces.
• Formerly Director of Medical Services at Western District Health Service and Goulburn Valley Health.

LEIGH PARKER
B Bus (Acc), Adv Dip of Management, AFCHSE

EXECUTIVE DIRECTOR OF CORPORATE SUPPORT SERVICES
• Appointed May, 2008.
• Responsible for the management of finance, information technology, human resources and occupational health and safety.
• Formerly Deputy CEO of Terang and Mortlake Health Service.

FRAN KINNERSLY
R.N. MRCNA

EXECUTIVE DIRECTOR OF CARE SERVICES
• Appointed February, 2005.
• Responsible for the management of clinical care services.
• Member of the Royal College of Nursing and an active member of the Victorian Small Rural Health Services Director of Nursing Executive Committee.
• Fran has extensive experience in acute and surgical nursing and management.
• Deputy Chair Barwon South West Nursing Executive Group.

BELINDA WESTLAKE
B App SC (HIM), Grad Cert SRM (ECU), MAE (Melb), FAAQHC

EXECUTIVE DIRECTOR SAFETY, QUALITY AND INFORMATION SERVICES
• Appointed October, 2002.
• Responsible for the management of health information, quality and risk programs.
• Belinda holds the position of Chair of the Barwon South West Quality Advisory Committee.
• Immediate Past President of the Victorian Healthcare Quality Association.
• Victorian Representative on Australasian Association for Quality in Health Care Council.
• Member Victorian Department of Health and Human Services Victorian Patient Experience Survey Reference Group.
Moyne Health Services is genuinely committed to maintaining and improving the health and wellbeing of the people and communities we serve. 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 for environmental, social and economic sustainability.

**ECONOMIC SUSTAINABILITY**

MHS employs nearly 200 personal and has an annual turnover of $14.0 million per annum. MHS purchases goods and services from the local community including dairy, meat and bakery products and plumbing and electrical services. MHS is one of the largest employers in Port Fairy apart from Moyne Shire Council, Glaxo Smith Kline and Bamstone.

**FUTURE DIRECTIONS**

- Maintain a financially viable and sustainable health care service.
- Continue to enhance our excellent working relationship with Moyne Shire Council.

**ENVIRONMENTAL SUSTAINABILITY**

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>789</td>
<td>762</td>
<td>+3.5%</td>
<td>786</td>
<td>806</td>
<td>773</td>
</tr>
<tr>
<td>Natural gas</td>
<td>173*</td>
<td>288</td>
<td>-40%</td>
<td>255</td>
<td>295</td>
<td>376</td>
</tr>
<tr>
<td>Diesel (L)</td>
<td>63,000*</td>
<td>63,618*</td>
<td>-1%</td>
<td>64,183*</td>
<td>15,247</td>
<td>14,106</td>
</tr>
<tr>
<td>Water (ML)</td>
<td>7,079</td>
<td>8,067</td>
<td>-12%</td>
<td>5,504</td>
<td>11,510</td>
<td>7,957</td>
</tr>
</tbody>
</table>

# These comparisons are for diesel and unleaded fuel in KgCO₂ equivalents over the last three years. These comparative figures include all of our fleet vehicles.

* The apparent 40% decline in natural gas may be related to a faulty gas meter that was subsequently repaired.

**FUTURE DIRECTIONS**

- Develop and implement an environmental impact plan to reduce our carbon emission.
- Replace our pan sanitisers with macerators to reduce electrical energy requirements.

**SOCIAL SUSTAINABILITY**

**PORT FAIRY FOLK FESTIVAL**

The Port Fairy community is so fortunate to have the annual Port Fairy Folk Festival. This year, the Port Fairy Folk Festival donated $750,000 to support the construction of a new Community Health facility in Port Fairy.

The Port Fairy community has assisted Moyne Health Services in raising $1.871 million towards the construction of the Community Health Centre.

**MEDICAL CLINIC**

Moyne Health Services enjoys a productive and effective partnership with Port Fairy Medical Clinic. The clinic is an independent medical practice co-located with Moyne Health Services. Eight General Practitioners operate from this practice, providing a comprehensive range of services to the Port Fairy community.

**AUXILIARIES**

Moyne Health Services is grateful for the outstanding and ongoing support of the Friends of Moyneyana House and the Yambuk Auxiliaries.

**KOROIT COMMUNITY**

We are extremely grateful for the support that we receive from the Koroit community. This year the South West Community (Koroit Sub Branch) donated $5,000 towards the Spring Park Fair.

**VOLUNTEERS**

Our volunteers have played a pivotal role in the operation of Moyne Health Services during the year. Their contribution is greatly appreciated by staff, patients and the many other community members who benefit from their willingness to give of themselves.

In 2016, volunteers have participated in a range of activities, including assistance with leisure and lifestyle programs, bingo calling, playing cards with residents and patients, musicians, reading poetry, bus driving, assistance with swimming activities, bowls, art and craft, coordination of footy tipping competitions, walking with residents, assistance with shopping and providing friendship.

**FUTURE DIRECTIONS**

- Improve our processes for the recruitment and retention of volunteers.
- Improve our communications with the local Port Fairy and Koroit communities.
- Alternate Board of Management meetings between the Port Fairy and Koroit campuses.
OUR PEOPLE

OUR CULTURE
Moyne Health Services (MHS) is an Equal Employment Opportunity employer. MHS operates within the realm of Human Resource policies containing provision for fair and equitable treatment of employees. MHS supports the rights of all employees to pursue resolution of any complaints through the procedures contained in relevant legislation.

- Average tenure of our employees is 8 years
- 199 employees and 170 Volunteers form part of Moyne Health Services workforce
- 79% of our people work part time, supported by a flexible working arrangement
- 89% of our workforce is female

OUR PEOPLE ENGAGEMENT
Our people are key to our success. We are committed to creating a good understanding of our strategy, define what success looks like to our people, showing our people how it will be achieved, and how they fit into this. We are developing our leadership to align both horizontally and vertically across and within their teams.

MHS is committed to improving the work environment for our employees. We participate an annual Employee Engagement and Satisfaction Survey, where our people can contribute their ideas about aspects that could be improved and help with the implementation of those ideas. Delivering on results requires excellent leadership, people, culture, relationships and processes to be in place. Our success in this area can be measured by high employee engagement scores, attrition and employee perceptions of fairness and equity.

- 75% employee engagement score achieved in 2015-16
- 54% of our workforce participated in the People Matter Survey conducted in June 2016.
- 81% of our workforce believe that we are equal opportunity employer

OUR KEY PEOPLE ACHIEVEMENTS AND INDICATORS

- 10% of our workforce are in management roles
- 76% of our workforce feel a strong personal attachment to MHS
- 93% of our workforce believe that MHS provides high quality service to Victorian community
- 75% of our workforce recommend MHS as a good place to work
- 75% reduction in lost time injury days as compared to FY2015-16
- 0 work cover claims with an occupational violence cause per 100 FTE
- 0 accepted Workcover claims with lost time injury
- 75% of workplace inspection checklist completed by Manager and Health and Safety representatives
- 75% of our workforce received the flu vaccination
- 94% score achieved for QPS audit for Health and Safety
- 95% score achieved for QPS audit for Fire and Safety
- 90% of our vacancies filled internally
- 25 new employees joined MHS
- 62% of our employees have had a formal performance review
- 33% of our employees have attended mandatory training
- 75% of our workforce received the flu vaccination
- 83.20% retention rate is
- 25 of our employees were nominated by their peers for the Service Excellence Award
- 7 employees won the Service Excellence Award
- 40% of our vacancies filled internally
- 25 new employees joined MHS
HEALTH, SAFETY AND WELLBEING

Our leaders demonstrate their commitment to excellence in Occupational Health and Safety Management through provision and maintenance of a safe working environment and active promotion of the wellbeing of our people. A work environment that is safe and healthy, enables our people to deliver outstanding services that enable healthcare excellence for our customers. Moyne Health Services ensures that all managers and employees have ongoing opportunities to participate and contribute to the development, implementation and monitoring of regular health and safety activities and processes. Our policies and practices apply to everyone at any MHS site, or place of service delivery, including employees, contractors, volunteers’ visitors or members of the public who may be affected by its activities.

MHS does this through its Safe Way of Working system that is committed to the maintenance of health, safety and wellbeing focused on:
- Health and Wellbeing promotion
- Hazard identification and management
- Incident reporting, recording, investigation and management
- Occupational Rehabilitation provision.

OUR RESPONSIBILITIES

MHS is committed to complying with all relevant legislation, regulations, codes of practice and safe operating procedures. In particular, MHS acknowledges its responsibilities under the Health and Safety Act.

We equip our leaders and employees with the tools and knowledge that enables them to responsibly demonstrate their commitment to our Health, Safety and Wellbeing system and the team is committed to continuous improvement, actively monitoring practices and providing metrics to the Executive Team and Moyne Health Services Board. Our people understand that we all have a duty and responsibility to maintain our health, safety and wellbeing and that of our colleagues, to ensure that no action or inaction on their part causes themselves, or another person, harm.

A safe way of working

Health, Safety and Wellbeing System

Health and Wellbeing
Harm Prevention
Incident Management
Rehabilitation

We thank all of our staff for their input and contribution in our mission of providing “an excellent, sustainable, holistic health care service”.

5 YEARS +
Elliott, Sally 5
Covey, Michelle 5
Dean, Glynis 5
Huismann, Jillian 5
Finnigan, Lucia 5
Taconetti, Claire 5
Riddle, Sharon 5
Keane, Johanna 6
Jarrett, Valerie 6
Walker, Diane 6
Thurgood, William 6
O’Brien, Lorettta 6
Burris, Louise 6
Tanner, Karen 6

6 YEARS +
Wesley, Annette 7
Fawns, Wendy 7
Henderson, Holly 7
Coffey, Harry 7
Hall, Julie 7
Crowe, Carolyn 7
Stevens, Carolyn 7
Sheehan, Debbie 7
Dobson, Marita 7
Glennen, Oriel 7
Kearney, Amanda 7

7 YEARS +
Parker, Leigh 8
Crollithers, Tatiana 8
McCarthy, Maureen 8
Dyson, Glenda 8
Plant, Ilona 8
Potson, Suzanne 8
Lee, David 8
Leddin, Marie 9
Hull, Vikki 9
Parsons, Donna 9
Smith, Marilyn 9
Dempsey, Mary 9

10 YEARS +
Pullham, Melinda 10
Patterson, Christine 10
Keegan, Paula 10
Sproat, Sandra 10
Seronig, Lillian 10
Lee, Robbie 10
Ledkin, Lyn 10
Rees, Rosemary 10
Keane, Rebecca 10
Taylor, Lucy 10
Baxter, Trudi 10
Sutcliffe, Jacqui 11
Furston, Trudy 11
Ryan, Julie 11
Fitzgibbon, Tracey 11
Bankier, Deanna 11
Jans, Sandra 11

15 YEARS +
Arnold, Michelle 15
Kelly, Donna 15
Drake, Janet 15
Pevitt, Giro 15
Nettie, Cheryl 15
Todd, Donna 15
Fechete, Rachael 15
Hanke, Katrina 16
Quinn, Colleen 16
Jenkins, Heather 16
Coffey, Shelley 16

20 YEARS +
Brooke, Kathleen 12
Atkinson, Cassie 12
Murray, Gerys 12
Lynch, Helen 12
Dempsey, Louise 13
Langdon, Tammy 13
Peterson, Virginia 13
Gibson, Sonya 13
Fitzgerald, Diana 13
Westlake, Belinda 13
Howard, Julie 13
Jooen, Noeline 14
Ward, Anita 14

5 YEARS +
Hughes, Lynda 16
Mason, Lynette 16
Van Der Aa, Clare 17
Duncan, Carol 17

10 YEARS +
Haas, Sue 18
Goury, Tricia 19
Harman, Carol 19
Winner, Beverley 19

15 YEARS +
Beks, Lauren 20
Brian, Angela 20
Coffey, Shelley 20
Harrison, Robyn 20

20 YEARS +
Raymond, Annette 22
Lane, Susan 25
Ryan, Jenny 25
Cumber, Leanne 27
Ewen, Mary 27
Dodson, Alica 28
Freeman, Karin 28

20 YEARS +
McNamara, Kevan 29
Phillips, Joanne 29
Solomon, Josephine 29

30 YEARS +
Kimberly, Fren 30
Wright, Debbie 31
Martin, Michelle 32
Winner, Sandra 33
Lovell, Victoria 37
Hamilton, Hilary 42

We thank all our staff for their input and contribution in our mission of providing “an excellent, sustainable, holistic health care service”. 

Kovan McNamara, Home Care Packages Manager and Dolly Gahlout, Human Resources and OHS Manager demonstrating the Early Warning Inspection System (EWIS) at the Moyne Health Services Fire Indicator Panel.
PRINCIPAL OFFICERS

CHIEF EXECUTIVE OFFICER
David Lee  Dip. Law (LPAB) B Nurs (QUT), M Comm (UQ), PG Dip CSP, Grad Dip Legal Practice, GAICD. Admitted as an Australian Legal Practitioner in 2015

DIRECTOR OF MEDICAL SERVICES
Dr Bruce Warton  RDF, MB, BS, (Hons (Monash), BHA (UNSW), FRACGP, FRANZCOG, FRACMA, DM&H (JCU), Grad Dip Health and Medical Law (Melb)

EXECUTIVE DIRECTOR OF CARE SERVICES
Fran Kinnery RN, MRCNA

EXECUTIVE DIRECTOR OF CORPORATE SUPPORT SERVICES
Leigh Parker B.Business (Accounting), Advanced Diploma of Management, A.F.C.H.S.E. GAICD

EXECUTIVE DIRECTOR OF SAFETY, QUALITY AND INFORMATION SERVICES
Belinda Westlake B.App.Sc(HIM), Grad Cert SRM, MAE (Melb), F.A.A.Q.H.C. GAICD

VISITING MEDICAL STAFF
Dr. A. Gault  MBBS, FRACGP, Grad, Dip, Fam, Med
Dr. I. Sutherland  MBBS, FRACGP, Dip RANZCOG
Dr. C. McPherson  MBBS (Hons), FRACGP, FACRRM, Dip. RANZCOG, FARGP
Dr. E. Donelan  MBBS, FRACGP, BA, Dip Mus Prac
Dr M. Ryan, MB  BCh, BAO (Hons)
Dr B. Lee, MBBS  Dip Clin.Derr., MPH
Dr X. Pham  MBBS (Hons), B Med Sc, Dip RANZCOG

HUMAN RESOURCES & OCCUPATIONAL HEALTH & SAFETY MANAGER
Dolly Gahlout M.Com, MBA

ADMINISTRATION MANAGER
Jacqui Sutcliffe, Diploma Business, HR & Business Management

UNIT MANAGER – ACUTE SERVICES
Noelene Joosen, R.N.

UNIT MANAGER – AGED CARE – MOYNEYANA HOUSE
Glynis Dean, R.N. Cert of Perioperative Services

UNIT MANAGER – AGED CARE – BELFAST HOUSE
Ilona Plant, R.N.

ACFI CO-ORDINATOR
Lucy Finnigan, E.N.

UNIT MANAGER – COMMUNITY CARE
Jane Weir  B App Sc (Podiatry), Grad Dip Rehab., M Enters, Prof Cert HSM

DOMESTIC SERVICES SUPERVISOR
Robyn Harrison

FOOD SERVICES MANAGER
Sandra Winnen

MAINTENANCE SERVICES MANAGER
Stephen Sack

AGED CARE ADMINISTRATION MANAGER
Rebecca Ross  EEN, Dip. of Management, Cert IV in Training & Assessment, Cert in Business Administration

HOME CARE PACKAGES MANAGER
Kevan McNamara  E.N., Cert IV OH & S & Business Management, Diploma of Community Services

ACCOUNTANTS
Accounting and Audit Solutions Bendigo (AASB)

AGENT FOR THE AUDITOR GENERAL
Coffey, Hunt & Co

ARCHITECT
Health Science Planning Consultants

BANKERS
National Australia Bank (NAB)

WOODY’S MURRAY TO MOYNE EVENT ADMINISTRATOR
Maggie Leutton

FRIENDS OF MOYNEYANA PRESIDENT
Margaret Whitehead

YAMBUK AUXILIARY PRESIDENT
Marion Wright

DEPARTMENT OF HEALTH AND HUMAN SERVICES (BARWON-SOUTHWESTERN REGION) REGIONAL DIRECTOR
Margaret Kelly, Regional Director

SENIOR PROGRAM & SERVICE ADVISOR (BARWON-SOUTHWESTERN REGION)
Larry Neeson

OUR DONORS

A Starry Night
Ann & Michael Homewood
B & G Wolf
Barbara Phipps
Bev, Gary & Norma Hood
Carol Kemp
Carolyn Crow
Colin & Jennifer Crow
Colin, Jean & Glenda Paulited
Jenny Stephens
Joan Beagley
John Clue
Joseph Toal
Joyce Jeans
Julie Holcombe
Danielle Fitzgerald
E & P Roberts
Eleanor Donelan
Elizabeth Laidlaw
Ray & Judy Nayler
Lorna Roberts
Lorna Junck
Margaret & Chris Beaton
Margaret Whitehead
Maree Evans
Moyne Shire Council
Paul Armstrong
Pearl Trigger
Port Fairy Bowls Club
Port Fairy Hospital Ladies Auxiliary
Port Fairy Folk Festival
Port Fairy Team 1A (Murray to Moyne)
Ray & Judy Nayler
Roger & Chris Cussen
Rotary Club of Port Fairy
Warrnambool Trinity Women’s Guild
Water Aerobics Girls
OUR LIFE GOVERNORS

MOYNE HEALTH SERVICES
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
Bauch, Mrs R
Bauch, 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
Cylkner, Mrs Z
Coomber, Mr WS
Dalton, Mrs N
De Vries, Mr G
Dean, Miss L
Dempsey, Mrs J
Dowell, Mrs D
Dwyer, Mr G
Dwyer, Mrs V
Dyson, Miss J
Dyson, Mrs S
Elliott, 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
Hodgson, Mrs G
Hohrmuth, 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
Kool, Mrs J
Lairson, Mrs G
Leddin, Mr J
Leddin, Mrs M
Leishman, Mrs A
Leime, Mr K
Leime, 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’Keefe, Mr P
Ploenges, Mr J W
Ransley, Mrs B
Reed, Mrs B
Rendell, Mrs B
Ridout, Mrs S
Roberts, Mrs J
Robertson, Mr L W
Robertson, Mr S
Ryan, Mrs C
Ryan, Mrs H
Smith, Mrs C
Smith, Mrs M
Spence, Mrs D
Sproat, Mrs V
Stevens, Mr R
Stevens, Mrs K
Tennant, Mrs V
Terjeson, Mr S
Thomas, Mrs E
Thurston, 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, Mrs M

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
Glaire, Mr H V
Habberfield, 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
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STATEMENT OF CERTIFICATION

MOYNE HEALTH SERVICES

BOARD MEMBER’S, ACCOUNTABLE OFFICERS AND CHIEF FINANCE & ACCOUNTING OFFICER’S DECLARATION

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2016 and the financial position of Moyne Health Services at 30 June 2015.

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

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

[Signatures]

Mr Ralph Leeton
Board Member

Mr David Lee
Accountable Officer

Mr Leigh Parke
Chief Finance & Accounting Officer

Port Fairy 15/8/2016
Port Fairy 15/8/2016
Port Fairy 15/8/2016
INDEPENDENT AUDITOR'S REPORT

To the Board Members, Moyne Health Services

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Moyne Health Services which comprises a comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board Member’s, Accountable Officer’s and Chief Finance and Accounting Officer’s declaration.

The Board Members’ Responsibility for the Financial Report

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

Auditor’s Responsibility

As required by the Audit Act 1964, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
COMPREHENSIVE OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

<table>
<thead>
<tr>
<th>Note</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Revenue from Operating Activities 2</td>
<td>13,814,916</td>
<td>14,015,501</td>
</tr>
<tr>
<td>Revenue from Non-Operating Activities 2</td>
<td>339,657</td>
<td>383,969</td>
</tr>
<tr>
<td>Employee Expenses 3</td>
<td>(9,995,984)</td>
<td>(9,769,800)</td>
</tr>
<tr>
<td>Non Salary Labour Costs 3</td>
<td>(782,672)</td>
<td>(702,096)</td>
</tr>
<tr>
<td>Supplies and Consumables 3</td>
<td>(1,004,874)</td>
<td>(926,549)</td>
</tr>
<tr>
<td>Other Expenses 3</td>
<td>(1,954,324)</td>
<td>(2,583,222)</td>
</tr>
<tr>
<td>Net Result Before Capital and Specific Items</td>
<td>416,719</td>
<td>417,804</td>
</tr>
</tbody>
</table>

Capital Purpose Income 2 | 3,076,145 | 830,974 |
Depreciation 4a | (1,737,244) | (1,685,906) |
Finance Costs 4b | (22,705) | (16,062) |
Expenditure Using Capital Purpose Income 3 | (144,597) | (88,281) |
Net Result after Capital and Specific Items | 1,588,318 | (541,491) |

Other economic flows included in net result
Net gain/(loss) on non-financial assets | 91,872 | (372,077) |
Revaluation of Long Service Leave | (33,062) | (37,932) |
Total other economic flows included in net result | 58,810 | (410,009) |

NET RESULT FOR THE YEAR | 1,647,128 | (951,500) |
Other Comprehensive Income
Items that will not be classified to net result
Changes in physical asset revaluation surplus 17 | 0 | 0 |
Total other comprehensive income | 0 | 0 |
COMPREHENSIVE RESULT | 1,647,128 | (951,500) |

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

BALANCE SHEET
AS AT 30 JUNE 2016

<table>
<thead>
<tr>
<th>Note</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>
| Current Assets
Cash and Cash Equivalents 5 | 4,220,444 | 611,617 |
Receivables 6 | 1,451,783 | 1,706,573 |
Investments and other Financial Assets 7 | 10,479,254 | 10,165,888 |
Inventory 8 | 3,829 | 1,947 |
Prepayments and Other Assets 9 | 93,314 | 75,501 |
Total Current Assets | 16,248,724 | 12,561,526 |

Non-Current Assets
Receivables 6 | 577,416 | 565,755 |
Property, Plant and Equipment 10 | 22,564,444 | 22,456,756 |
Investment Properties 11 | 0 | 400,000 |
Total Non-Current Assets | 23,141,860 | 22,842,513 |

TOTAL ASSETS | 39,390,584 | 35,406,039 |

Current Liabilities
Payables 12 | 1,459,493 | 524,737 |
Borrowings 13 | 167,109 | 113,054 |
Provisions 14 | 2,795,446 | 2,512,403 |
Other Liabilities 16 | 12,524,670 | 11,967,018 |
Total Current Liabilities | 16,184,718 | 12,117,212 |

Non-Current Liabilities
Borrowings 13 | 227,482 | 265,465 |
Provisions 14 | 268,822 | 302,926 |
Total Non-Current Liabilities | 496,304 | 568,391 |

TOTAL LIABILITIES | 17,681,022 | 15,685,603 |

NET ASSETS | 21,947,562 | 20,300,434 |

EQUITY
Property, Plant and Equipment Revaluation Surplus 17(a) | 14,271,521 | 14,271,521 |
Restricted Specific Purpose Surplus 17(a) | 1,871,139 | 276,503 |
Contributed Capital 17(b) | 4,386,517 | 4,386,517 |
Accumulated Surplus 17(c) | 1,418,385 | 1,365,893 |
TOTAL EQUITY | 21,947,562 | 20,300,434 |

Commitments 20 |  |  |
Contingent Assets and Contingent Liabilities 21 |  |  |

This Statement should be read in conjunction with the accompanying notes.
## Statement of Changes in Equity
### For the Year Ended 30 June 2016

<table>
<thead>
<tr>
<th></th>
<th>Property, Plant and Equipment</th>
<th>Restricted Specific Purpose</th>
<th>Contributions by Owners</th>
<th>Accumulated Surpluses/D (Deficits)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Note</strong></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Balance at 1 July 2014</strong></td>
<td>14,271,521</td>
<td>102,435</td>
<td>4,386,517</td>
<td>2,491,461</td>
<td>21,251,934</td>
</tr>
<tr>
<td><strong>Net result for the year</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(951,500)</td>
<td>(951,500)</td>
</tr>
<tr>
<td><strong>Transfer in/out of Accumulated Surplus</strong></td>
<td>0</td>
<td>174,068</td>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Other Comprehensive Income for the Year</strong></td>
<td>17a</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net result for the year</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,647,128</td>
<td>1,647,128</td>
</tr>
<tr>
<td><strong>Transfer in/out of Accumulated Surplus</strong></td>
<td>17a</td>
<td>1,594,636</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Other Comprehensive Income for the Year</strong></td>
<td>17a</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2016</strong></td>
<td>14,271,521</td>
<td>1,871,139</td>
<td>4,386,517</td>
<td>1,418,385</td>
<td>21,947,392</td>
</tr>
</tbody>
</table>

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

## Cash Flow Statement
### For the Year Ended 30 June 2016

### Cash Flows from Operating Activities

<table>
<thead>
<tr>
<th>Note</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inflows / (Outflows) Inflows / (Outflows)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Grants from Government</td>
<td>9,979,674</td>
<td>9,600,611</td>
</tr>
<tr>
<td>Capital Grants from Government</td>
<td>3,066,105</td>
<td>543,844</td>
</tr>
<tr>
<td>Patient and Resident Fees Received</td>
<td>2,530,655</td>
<td>2,661,427</td>
</tr>
<tr>
<td>Donations and Bequests Received</td>
<td>0</td>
<td>296,139</td>
</tr>
<tr>
<td>GST (Paid to) / received from ATO</td>
<td>(66,496)</td>
<td>(4,555)</td>
</tr>
<tr>
<td>Interest Received</td>
<td>361,990</td>
<td>386,489</td>
</tr>
<tr>
<td>Other Receipts</td>
<td>523,166</td>
<td>495,437</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td>16,384,194</td>
<td>13,841,492</td>
</tr>
<tr>
<td>Employee Expenses Paid</td>
<td>(11,849,972)</td>
<td>(11,814,595)</td>
</tr>
<tr>
<td>Non Salary Labour Costs</td>
<td>(792,672)</td>
<td>(702,095)</td>
</tr>
<tr>
<td>Payments for Supplies and Consumables</td>
<td>(1,006,856)</td>
<td>(896,646)</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>(22,705)</td>
<td>0</td>
</tr>
<tr>
<td>Other Payments</td>
<td>(1,149,325)</td>
<td>(2,029,912)</td>
</tr>
<tr>
<td><strong>Total Payments</strong></td>
<td>(12,741,667)</td>
<td>(12,830,150)</td>
</tr>
<tr>
<td><strong>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</strong></td>
<td>3,642,527</td>
<td>1,151,342</td>
</tr>
</tbody>
</table>

### Cash Flows from Investing Activities

<table>
<thead>
<tr>
<th>Note</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inflows / (Outflows)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of Investments</td>
<td>233,061</td>
<td>(233,061)</td>
</tr>
<tr>
<td>Proceeds from Accommodation Bonds</td>
<td>0</td>
<td>600,000</td>
</tr>
<tr>
<td>Purchase of Non-Financial Assets</td>
<td>(1,867,902)</td>
<td>(1,405,176)</td>
</tr>
<tr>
<td>Cash recognised from SWARH Alliance</td>
<td>110,289</td>
<td>0</td>
</tr>
<tr>
<td>Proceeds from sale of Non-Financial Assets</td>
<td>516,744</td>
<td>64,673</td>
</tr>
<tr>
<td><strong>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</strong></td>
<td>(1,008,708)</td>
<td>(972,564)</td>
</tr>
</tbody>
</table>

### Cash Flows from Financing Activities

<table>
<thead>
<tr>
<th>Note</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inflows / (Outflows)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from borrowings</td>
<td>16,072</td>
<td>0</td>
</tr>
<tr>
<td>Repayment of finance leases</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</strong></td>
<td>16,072</td>
<td>0</td>
</tr>
</tbody>
</table>

### Net Increase / (Decrease) in Cash and Cash Equivalents Held

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,649,891</td>
<td>178,778</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</strong></td>
<td>487,546</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</strong></td>
<td>3,137,437</td>
</tr>
<tr>
<td><strong>Non-cash financing and investing activities</strong></td>
<td></td>
</tr>
</tbody>
</table>
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These annual financial statements represent the audited general purpose financial statements for Moyne Health Services (ABN 30 586 278 991) for the period ended 30 June 2016. The purpose of the report is to provide users with information about the Health Services’ stewardship of resources entrusted to it.

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Financial Management Act 1994, and applicable AASB, which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB101 Presentation of Financial Statements.

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

The Health Service is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to “not-for-profit” Health Services under the AAS’s.

The annual financial statements were authorised for issue by the Board of Moyne Health Services on 15 August, 2016.

(b) Basis of accounting preparation and measurement

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016, and the comparative information presented in these financial statements for the year ended 30 June 2015.

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

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

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

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

• Non-current physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made and are re-assessed when new indices are published by the Valuer General to ensure that the carrying amounts do not materially differ from their fair values;

• Derivative financial instruments, managed investment schemes, certain debt securities, and investment properties after initial recognition, which are measured at fair value with changes reflected in the comprehensive operating statement (fair value through profit and loss); and

• Available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised (i.e. other comprehensive income - items that may be reclassified subsequent to net result).

• The fair value of assets other than land is generally based on their depreciated replacement value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

(b) Basis of accounting preparation and measurement (Continued)

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

Consistent with AASB 13 Fair Value Measurement, Moyne Health Services determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, investment properties and financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant FRDs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

• Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

• Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

The Value-General Victoria (VGV) is Moyne Health Services’s independent valuation agency.

Moyne Health Services, in conjunction with VGV, monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, relate to:

• the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1(j));

• superannuation expense (refer to Note 1(g)); and

• actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(i)).

(c) Reporting Entity

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

Its principal address is:

Viliera 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.

Objectives and funding

Moyne Health Services’s overall objective is to continue the tradition of excellence through the provision of flexible, reliable and holistic services in consultation with community needs, as well as to improve the quality of life of Victorians.

Moyne Health Services is predominantly funded by accrual based grant funding for the provision of outputs.
(d) Principles of Consolidation

Intersegment Transactions

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

Associates and joint ventures

Associates and joint ventures are accounted for in accordance with the policy outlined in Note 1(j) Financial Assets.

Jointly controlled assets or operations

Interest in jointly controlled assets or operations is not consolidated by Moyne Health Services, but are accounted for in accordance with the policy outlined in Note 1(j) Financial Assets.

(e) Scope and presentation of financial statements

Fund Accounting

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

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

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

Residential Aged Care Service

The Residential Aged Care Service operations are an integral part of Moyne Health Services and shares its resources. An apportionment of land and buildings has been made based on floor space. The results of the two operations have been segregated based on actual revenue earned and expenditure incurred by each operation in Note 2 & 3 to the financial statements.

Comprehensive operating statement

The comprehensive operating statement includes the subtotal entitled ‘Net result before Capital and Specific Items’ to enhance the understanding of the financial performance of Moyne Health Services. This subtotal reports the result excluding items such as capital grants, assets received or provided free of charge, depreciation, expenditure using capital purpose income and items of an unusual nature and amount such as specific income and expenses. The exclusion of these items is made to enhance matching of income and expenses so as to facilitate the comparability and consistency of results between years and Victorian Public Health Services. The ‘Net Result before Capital and Specific Items’ is used by the management of Moyne Health Services, the Department of Health and Human Services and the Victorian Government to measure the ongoing operating performance of Health Services.

Scope and presentation of financial statements (Continued)

Comprehensive operating statement (Continued)

Capital and specific items, which are excluded from this sub-total comprise:

* Capital purpose income, which comprises all tied grants, donations and bequests received for the purpose of acquiring non-current assets, such as capital works and plant and equipment.
* It also includes donations of plant and equipment (refer note 1(f)). Consequently the recognition of revenue as capital purpose income is based on the intention of the provider of the revenue at the time the revenue is provided.

* Specific income/expense, comprises the following items, where material:
  * Voluntary departure packages
  * Write-down of inventories
  * Non-current asset revaluation increments/decrements
  * Non-current assets sold or found
  * Forfeitures of loans
  * Reversals of provisions
  * Voluntary changes in accounting policies (which are not required by an accounting standard or other authoritative pronouncement of the Australian Accounting Standards Board);

* Impairment of financial and non-financial assets, includes all impairment losses (and reversal of previous impairment losses), which have been recognised in accordance with note 1(j);

* Depreciation as described in note 1(g);

* Assets provided or received free of charge (refer to Note 1(f)); and

* Expenditure using capital purpose income, comprises expenditure which either falls below the asset capitalisation threshold or doesn’t meet asset recognition criteria and therefore does not result in the recognition of an asset in the balance sheet, where funding for that expenditure is from capital purpose income.

Other economic flows; are changes arising from market remeasurements. They include:

* gains and losses from disposals of non-financial assets;
* revaluations and impairments of non-financial physical and intangible assets;
* remeasurement arising from defined benefit superannuation plans; and
* fair value changes of financial instruments.

Balance sheet

Assets and liabilities are categorised either as current or non-current (non-current being those assets or liabilities expected to be recovered/settled more than 12 months after reporting period), are disclosed in the notes where relevant.

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity from the opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements under AASB 107 Statement of Cash Flows.

For the cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current borrowings in the balance sheet.

Rounding

All amounts shown in the financial statements are expressed to the nearest $1.

Minor discrepancies in totals between totals and sum of components are due to rounding.
NOTES TO THE FINANCIAL STATEMENTS
FORTHE YEAR ENDED 30 JUNE 2016

(f) Income from transactions
Income is recognised in accordance with AASB 118 Revenue and is recognised as to the extent that it is probable that the economic benefits will flow to Moyne Health Services and the income can be reliably measured at fair value. Unearned income at reporting date is reported as income received in advance.

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

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

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

Indirect Contributions from the Department of Health and Human Services
- Insurance is recognised as revenue following advice from the Department of Health and Human Services.
- Long Service Leave (LSL) - Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 05/2013.

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

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

Revenue from commercial activities
Revenue from commercial activities such as provision of meals to external users is recognised at the time the invoices are raised.

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

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

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

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

(g) Expense recognition
Expenses are recognised as they are incurred and reported in the financial year to which they relate.

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

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

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

Employees of Moyne Health Services are entitled to receive superannuation benefits and Moyne Health Services contributes to both the defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

The name and details of the major employee superannuation funds and contributions made by Moyne Health Services are disclosed in Note 15: Superannuation.

Depreciation
All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated (i.e. excludes land assets held for sale, and investment properties). Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

Intangible assets with finite lives are depreciated as an expense from transactions on a systematic basis over the asset’s useful life. Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually and adjustments made as appropriate. This depreciation charge is not funded by the Department of Health and Human Services.

Assets with a cost in excess of $1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.
NOTES TO THE FINANCIAL STATEMENTS
FORTHE YEAR ENDED 30 JUNE 2016

(g) Expense recognition (Continued)
The following table indicates the expected useful lives of non-current assets on which the depreciation charges are based.

<table>
<thead>
<tr>
<th>Buildings</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Structure Shell Building Fabric</td>
<td>19 to 41 years</td>
<td>19 to 41 years</td>
</tr>
<tr>
<td>- Site Engineering Services and Central Plant</td>
<td>17 to 23 years</td>
<td>17 to 23 years</td>
</tr>
<tr>
<td>Central Plant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Fr Out</td>
<td>6 to 7 years</td>
<td>6 to 7 years</td>
</tr>
<tr>
<td>- Trunk Reticulated Building Systems</td>
<td>3 to 7 years</td>
<td>3 to 7 years</td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>3 to 7 years</td>
<td>3 to 7 years</td>
</tr>
<tr>
<td>Medical Equipment</td>
<td>7 to 10 years</td>
<td>7 to 10 years</td>
</tr>
<tr>
<td>Computers and Communication</td>
<td>3 years</td>
<td>3 years</td>
</tr>
<tr>
<td>Furniture and Fittings</td>
<td>13 years</td>
<td>13 years</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>3.5 years</td>
<td>3.5 years</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>3 years</td>
<td>3 years</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>6 to 7 years</td>
<td>6 to 7 years</td>
</tr>
</tbody>
</table>

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

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

Finance costs
Finance costs are recognised as expenses in the period in which they are incurred.

Finance costs include interest on bank overdrafts (interest expense is recognised in the period in which it is incurred).

Grants and Other Transfers
Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies and personal benefit payments made in cash to individuals.

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

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

Bad and Doubtful Debts
Refer to note 1 (j) Impairment of financial assets.

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

NOTES TO THE FINANCIAL STATEMENTS
FORTHE YEAR ENDED 30 JUNE 2016

(h) Other economic flows included in net result
Other economic flows are changes in the volume or value of assets or liabilities that do not result from transactions.

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

Net gain/(loss) on Disposal of Non-Financial Assets
Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is the difference between proceeds and the carrying value of the asset at the time.

Impairment of Non-Financial Assets
Goodwill and intangible assets with indefinite useful lives (and intangible assets not available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Refer to Note 1 (j) Assets.

Other gains/(losses) from other economic flows
Other gains/(losses) include:
- a. The revaluation of the present value of the long service leave liability due to changes in the bond interest rates, this will include the impact of changes related to the impact of moving from the 2004 long service leave model; and
- b. Transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

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 Moynie Health Services activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments
Reclassification of financial instruments at fair value through profit or loss
Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

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

Loans and receivables category includes cash and deposits (refer to Note 1(i)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.
(i) Financial instruments (Continued)

Held-to-maturity investments

If the Health Service has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest rate method, less any impairment losses.

The Health Service makes limited use of this classification because any sale or reclassification of more than an insignificant amount of held-to-maturity investments not close to their maturity, would result in the whole category being classified as available-for-sale. The Health Service would also be prevented from classifying investment securities as held-to-maturity for the current and the following financial years.

The held-to-maturity category includes certain term deposits and debt securities for which the Health Service concerned intends to hold to maturity.

Reclassification of available-for-sale financial assets

Available-for-sale financial instrument assets that meet the definition of loans and receivables may be classified into the loans and receivables category if there is the intention and ability to hold them for the foreseeable future or until maturity.

(ii) Assets

Cash and Cash Equivalents

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

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the balance sheet.

Receivables

Receivables consist of:

- Contractual receivables, which includes mainly debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables; and
- Statutory receivables, which includes predominantly amounts owing from the Victorian Government and Goods and Services Tax ("GST") input tax credits recoverable.

Receivables that are contractual are classified as financial instruments and categorised as loans and receivables. Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectibility of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

Investments and other financial assets

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

Investments are classified in the following categories:

- Financial assets at fair value through profit or loss;
- Held-to-maturity;
- Loans and receivables; and
- Available-for-sale financial assets.

The Health Service uses the fair value method of accounting for all assets and liabilities.
Assets (Continued)
Revaluations of non-current physical assets

Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103F. Non-current physical assets. This revaluation process normally occurs at least every five years, based upon the asset’s Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values.

Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increments or decrements arise from differences between an asset’s carrying value and fair value.

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

Revaluation decrements are recognised in ‘other comprehensive income’ to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment.

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

Revaluation surplus is not transferred to accumulated funds on derecognition of the relevant asset.

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

Investment Properties
Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the health service.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Health Service.

Subsequent to initial recognition at cost, investments properties are revalued to fair value, determined annually by independent valuers. Fair values are determined based on a market comparable approach that reflects recent transaction prices for similar properties. Investment properties are neither depreciated nor tested for impairment.

Rental revenue from leasing of investment properties is recognised in the comprehensive operating statement in the periods in which it is receivable on a straight-line basis over the lease term.

Prepayments

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Disposal of Non-Financial Assets
Any gain or loss on the sale of non-financial assets is recognised in the comprehensive operating statement. Refer to note 1(l) - ‘other comprehensive income’.

Revision of Non-Financial Assets

Goodwill and intangible assets with indefinite lives and intangible assets not yet available for use are tested annually for impairment (as described below) and whenever there is an indication that the asset may be impaired.

All other non-financial assets are assessed annually for indications of impairment, except for:
- inventories;
- investment properties that are measured at fair value;
- non-current physical assets held for sale; and
- assets arising from construction contracts.

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

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

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Investments in jointly controlled assets and operations
In respect of any interest in jointly controlled assets, Moyne Health Services recognises in the financial statements:
- its share of jointly controlled assets;
- any liabilities that it had incurred;
- its share of liabilities incurred jointly by the joint venture;
- any income earned from the selling or using of its share of the output from the joint venture; and
- any expenses incurred in relation to being an investor in the joint venture.

For jointly controlled operations Moyne Health Services recognises:
- the assets that it controls;
- the liabilities that it incurs;
- expenses that it incurs; and
- the share of income that it earns from selling outputs of the joint venture.

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:
- the rights to receive cash flows from the asset have expired; or
- the Health Service retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass through’ arrangement; or
- the Health Service has transferred its rights to receive cash flows from the asset and either:
  (a) has transferred substantially all the risks and rewards of the asset; or
  (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Health Service has neither transferred nor retained substantially all the risks and rewards transferred control, the asset is recognised to the extent of the Health Service’s continuing involvement in the asset.
(j) Assets (Continued)

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

Receivables are assessed for bad and doubtful debts on a regular basis. Bad debts considered as written off and allowances for doubtful receivables are expensed. Bad debt written off by mutual consent and the allowance for doubtful debts are classified as ‘other comprehensive income’ in the net result.

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

Where the fair value of an investment in an equity instrument at balance date has reduced by 20 percent or more than its cost price or where its fair value has been less than its cost price for a period of 12 or more months, the financial asset is treated as impaired.

In order to determine an appropriate fair value as at 30 June 2016 for its portfolio of financial assets, Moyné Health Services obtained a valuation based on the best available advice using an estimated market value through a reputable financial institution. This value was compared against valuation methodologies provided by the issuer as at 30 June 2016. These methodologies were critiqued and considered to be consistent with standard market valuation techniques.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materially using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

Net Gain/(Loss) on Financial Instruments
Net Gain/(Loss) on financial instruments includes:
- realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading;
- impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets and derecognition of financial liabilities.

(k) Liabilities (Continued)

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

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee Benefits
This provision arises for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

Wages and Salaries, Annual Leave and Accrued Days Off
Liabilities for wages and salaries, including non-monetary benefits, annual leave, and are all recognised in the provision for employee benefits as ‘current liabilities’, because the health service does not have an unconditional right to defer settlement of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and are measured at:
- Undiscounted value – if the health service expects to wholly settle within 12 months; or
- Present value – if the health service does not expect to wholly settle within 12 months.

Long Service Leave (LSL)
Liability for LSL is recognised in the provision for employee benefits.

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

The components of this current LSL liability are measured at:
- Undiscounted value – if the health service expects to wholly settle within 12 months; and
- Present value – if the health service does not expect to wholly settle within 12 months.

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

Any gain or loss 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 bond interest rates for which it is then recognised as a transaction in the operating statement.

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

The health service recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.
(k) Liabilities (Continued)

On-Costs
Provision for on-costs, such as payroll tax, workers compensation, superannuation are recognised together with the provisions for employee benefits.

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

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

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

For service concession arrangements, the commencement of the lease term is deemed to be the date the asset is commissioned.

All other leases are classified as operating leases.

Finance leases
Entity as lessee
Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is accounted for as a non-financial physical asset and is depreciated over the shorter of the estimated useful life of the asset or the term of the lease. If there is certainty that the health service will own the ownership of the lease asset by the end of the lease term, the asset shall be depreciated over the useful life of the asset. If there is no reasonable certainty that the lessee will own the asset by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life. Minimum lease payments are apportioned between reduction of the outstanding lease liability, and the periodic finance expense which is calculated using the interest rate implicit in the lease, and charged directly to the comprehensive operating statement.

Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Finance leases are regarded as a financial accommodation and under Section 30 of the Health Services Act 1988, the Minister for Health and the Treasurer must declare a registered funded agency to be an approved borrower for the purposes of this section.

Moynie Health Services has received such approval prior to 30 June 2016, in a joint letter for all Health Services impacted by finance leases either directly or via a Jointly Controlled entity. The specific values approved for Moynie Health Services total $594,991.

(m) Equity

Contributed Capital
Consistent with Australian Accounting Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities and FRD 119A Contributions by Owners, appropriations for additions to the net asset base have been designated as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners, that have been designated as contributed capital are also treated as contributed capital.

Transfers of net assets arising from administrative restructurings are treated as contributions by owners. Transfers of net liabilities arising from administrative restructurings are to go through the comprehensive operating statement.

Property, Plant and Equipment Revaluation Surplus
The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current physical assets.

(n) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to note 20) at their nominal value and are inclusive of the goods and services tax (“GST”) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

(o) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

(p) Goods and Services Tax (“GST”)

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

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

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

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

(q) AASIs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for 30 June 2016 reporting period. DPT assesses the impact of all these new standards and addresses Moynie Health Services of their applicability and early adoption where applicable.

As at 30 June 2016, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Moynie Health Services has not and does not intend to adopt these standards early.

<table>
<thead>
<tr>
<th>Standard / Interpretation</th>
<th>Summary</th>
<th>Applicable for reporting periods beginning on</th>
<th>Impact on Health Service’s Annual Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>AASB 9 Financial Instruments</td>
<td>The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.</td>
<td>January 2018</td>
<td>The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.</td>
</tr>
</tbody>
</table>
NOTES TO THE FINANCIAL STATEMENTS
FORTHYEARD ENDED 30 JUNE 2016

(g) AASIs issued that are not yet effective (Continued)

<table>
<thead>
<tr>
<th>Standard / Interpretation</th>
<th>Summary</th>
<th>Applicable for reporting periods beginning on</th>
<th>Impact on Health Service's Annual Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</td>
<td>The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities, the change in fair value is accounted for as follows: - The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and - Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</td>
<td>January 2018</td>
<td>The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI). Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge. For entities with significant lending activities, an overhaul of related systems and processes may be needed.</td>
</tr>
<tr>
<td>AASB 15 Revenue from Contracts with Customers</td>
<td>The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.</td>
<td>January 2018</td>
<td>The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening retained earnings if there are no former performance obligations outstanding.</td>
</tr>
<tr>
<td>AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 &amp; AASB 138]</td>
<td>Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to: - establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; - prohibit the use of revenue-based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset.</td>
<td>1 January 2016</td>
<td>The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.</td>
</tr>
<tr>
<td>AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9</td>
<td>Amends various AASIs to incorporate the consequential amendments arising from the issuance of AASB 9.</td>
<td>1 January 2018</td>
<td>The assessment has indicated there will be no significant impact for the public sector.</td>
</tr>
<tr>
<td>AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 &amp; 128]</td>
<td>Amends AASB 127 Separate Financial Statements to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.</td>
<td>1 January 2016</td>
<td>The assessment indicates that there is no expected impact as the entity will continue to account for the investments in subsidiaries, joint ventures and associates using the cost method as mandated if separate financial statements are presented in accordance with FRD 113A.</td>
</tr>
<tr>
<td>AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 &amp; AASB 128]</td>
<td>AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates to ensure consistent treatment in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that: - a full gain or loss to be recognised by the investor when a transaction involves a business (whether it is housed in a subsidiary or not); and - a partial gain or loss to be recognised by the parent when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.</td>
<td>1 January 2016</td>
<td>The assessment has indicated that there is limited impact, as the revisions to AASB 10 and AASB 128 are guidance in nature.</td>
</tr>
</tbody>
</table>

NOTES TO THE FINANCIAL STATEMENTS
FORTHYEARD ENDED 30 JUNE 2016

(g) AASIs issued that are not yet effective (Continued)
NOTES TO THE FINANCIAL STATEMENTS
FORTHYEARS ENDED 30 JUNE 2016

(a) AASls issued that are not yet effective (Continued)

<table>
<thead>
<tr>
<th>Standard / Interpretation</th>
<th>Summary</th>
<th>Applicable for reporting periods beginning on</th>
<th>Impact on Health Service’s Annual Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities (AASB 110)</td>
<td>The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.</td>
<td>January 2016</td>
<td>The amending standard will result in extended disclosures on the entity’s key management personnel (KMP), and the related party transactions.</td>
</tr>
<tr>
<td>AASB 2015-6 Amendments to Australian Accounting Standards – Effective Date of AASB 15</td>
<td>This standards defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.</td>
<td>January 2018</td>
<td>This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.</td>
</tr>
<tr>
<td>AASB 16 Leases</td>
<td>The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.</td>
<td>January 2019</td>
<td>The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. No change for lessors.</td>
</tr>
</tbody>
</table>

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2015-16 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]
- AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141]
- AASB 2015-9 Amendments to Australian Accounting Standards - Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1067]
- AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128
- AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative - Amendments to AASB107

(g) Category Groups
Moyne Health Services has used the following category groups for reporting purposes for the current and previous financial years.

- Admitted Patient Services (Admitted Patients) comprises all acute and subacute admitted patients services, where services are delivered in public hospitals.
- Aged Care comprises a range of in home, specialist geriatric, residential care and community based programs and support services, such as Home and Community Care (HACC) that are targeted to older people, people with a disability, and their carers.
- Primary, Community and Dental Health comprises a range of home based, community based, community, primary health and dental services including health promotion and counselling, physiotherapy, speech therapy, podiatry and occupational therapy and a range of dental health services.
- Residential Aged Care including Mental Health (RAC incl. Mental Health) referred to in the past as psychogeriatric residential services, comprises those Commonwealth-licensed residential aged care services in receipt of supplementary funding from the department under the mental health program. It excludes all other residential services funded under the mental health program, such as mental health funded community care units and secure extended care units.
- Other Services not reported elsewhere (Other) comprises services not separately classified above, including: Public Health Services including laboratory testing, blood borne viruses / sexually transmitted infections clinical services, Koors liaison officers, immunisation and screening services, drugs services including drug withdrawal, counselling and the needle and syringe program, Disability services including aids and equipment and flexible support packages to people with a disability, Community Care programs including sexual assault support, early parenting services, parenting assessment and skills development, and various support services. Health and Community Initiatives also falls in this category group.
### Notes to the Financial Statements

#### For the Year Ended 30 June 2016

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government Grants</strong></td>
<td>3,658,817</td>
<td>4,520,176</td>
<td>1,805,954</td>
<td>0</td>
<td>9,984,947</td>
</tr>
<tr>
<td><strong>Indirect Contributions by Department of Health and Human Services</strong></td>
<td>18,362</td>
<td>9,346</td>
<td>1,587</td>
<td>0</td>
<td>29,295</td>
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<tr>
<td><strong>Patient and Resident Fees</strong></td>
<td>288,343</td>
<td>2,022,416</td>
<td>248,933</td>
<td>0</td>
<td>2,558,294</td>
</tr>
<tr>
<td><strong>Catering</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Fundraising Activities</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Property Income</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>South West Alliance of Rural Health</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Other Revenue from Operating Activities</strong></td>
<td>78,307</td>
<td>76,159</td>
<td>133,871</td>
<td>4,275</td>
<td>312,412</td>
</tr>
<tr>
<td><strong>Total Revenue from Operating Activities</strong></td>
<td>4,044,429</td>
<td>6,628,097</td>
<td>2,208,147</td>
<td>594,243</td>
<td>13,814,916</td>
</tr>
<tr>
<td><strong>Interest and Dividends</strong></td>
<td>9,406</td>
<td>328,023</td>
<td>2,228</td>
<td>0</td>
<td>339,657</td>
</tr>
<tr>
<td><strong>Total Revenue from Non-Operating Activities</strong></td>
<td>9,406</td>
<td>328,023</td>
<td>2,228</td>
<td>0</td>
<td>339,657</td>
</tr>
<tr>
<td><strong>Capital Purpose Income (excluding interest)</strong></td>
<td>0</td>
<td>83,276</td>
<td>557</td>
<td>2,962,372</td>
<td>3,066,105</td>
</tr>
<tr>
<td><strong>Capital Interest</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>10,040</td>
<td>10,040</td>
</tr>
<tr>
<td><strong>Total Capital Purpose Income</strong></td>
<td>0</td>
<td>83,276</td>
<td>557</td>
<td>2,992,312</td>
<td>3,076,145</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>4,053,835</td>
<td>7,039,396</td>
<td>2,210,932</td>
<td>3,926,555</td>
<td>17,230,718</td>
</tr>
</tbody>
</table>

**Note 2: Analysis of Revenue by Source (Continued)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government Grants</strong></td>
<td>3,582,076</td>
<td>4,288,771</td>
<td>1,738,124</td>
<td>0</td>
<td>9,608,976</td>
</tr>
<tr>
<td><strong>Indirect Contributions by Department of Health and Human Services</strong></td>
<td>152,223</td>
<td>7,955</td>
<td>1,033</td>
<td>0</td>
<td>161,411</td>
</tr>
<tr>
<td><strong>Patient and Resident Fees</strong></td>
<td>460,775</td>
<td>1,874,549</td>
<td>181,041</td>
<td>0</td>
<td>2,506,385</td>
</tr>
<tr>
<td><strong>Catering</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>149,893</td>
</tr>
<tr>
<td><strong>Fundraising Activities</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>129,721</td>
</tr>
<tr>
<td><strong>Property Income</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>120,881</td>
</tr>
<tr>
<td><strong>South West Alliance of Rural Health</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,126,223</td>
</tr>
<tr>
<td><strong>Other Revenue from Operating Activities</strong></td>
<td>21,282</td>
<td>21,806</td>
<td>156,014</td>
<td>2,029</td>
<td>212,033</td>
</tr>
<tr>
<td><strong>Total Revenue from Operating Activities</strong></td>
<td>4,206,356</td>
<td>6,202,981</td>
<td>2,077,417</td>
<td>1,528,747</td>
<td>14,015,501</td>
</tr>
<tr>
<td><strong>Interest and Dividends</strong></td>
<td>10,684</td>
<td>370,754</td>
<td>2,531</td>
<td>0</td>
<td>383,969</td>
</tr>
<tr>
<td><strong>Total Revenue from Non-Operating Activities</strong></td>
<td>10,684</td>
<td>370,754</td>
<td>2,531</td>
<td>0</td>
<td>383,969</td>
</tr>
<tr>
<td><strong>Capital Purpose Income (refer note 2)</strong></td>
<td>0</td>
<td>11,904</td>
<td>0</td>
<td>716,017</td>
<td>827,921</td>
</tr>
<tr>
<td><strong>Capital Interest</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3,093</td>
</tr>
<tr>
<td><strong>Total Capital Purpose Income</strong></td>
<td>0</td>
<td>11,904</td>
<td>0</td>
<td>719,070</td>
<td>830,974</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>4,217,040</td>
<td>6,685,639</td>
<td>2,079,948</td>
<td>2,247,817</td>
<td>15,230,444</td>
</tr>
</tbody>
</table>

Department of Health and Human Services makes certain payments on behalf of the Health Service. These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.
### NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 2a: NET GAIN(LOSS) ON DISPOSAL OF NON-FINANCIAL ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from Disposal of Non-Current Assets</td>
<td>$479,926</td>
<td>$0</td>
</tr>
<tr>
<td>- Investment Property</td>
<td>$36,818</td>
<td>$64,673</td>
</tr>
<tr>
<td>Total Proceeds from Disposal of Non-Current Assets</td>
<td>$516,744</td>
<td>$64,673</td>
</tr>
<tr>
<td>Less: Written Down Value of Non-Current Assets Sold</td>
<td>$(424,872)</td>
<td>$(436,750)</td>
</tr>
<tr>
<td>- Buildings &amp; Investment Properties</td>
<td>$(35,250)</td>
<td>$(35,250)</td>
</tr>
<tr>
<td>Total Written Down Value of Non-Current Assets Sold</td>
<td>$(424,872)</td>
<td>$(436,750)</td>
</tr>
<tr>
<td><strong>NET GAIN(LOSS) ON DISPOSAL OF NON-FINANCIAL ASSETS</strong></td>
<td>$91,872</td>
<td>$(372,077)</td>
</tr>
</tbody>
</table>

**Note 3: ANALYSIS OF EXPENSE BY SOURCE**

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Admitted Patients</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Expenses</td>
<td>$2,188,004</td>
<td>$1,600,843</td>
<td>$1,612,828</td>
<td>$94,309</td>
<td>$9,995,984</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non Salary Labour Costs</td>
<td>$175,959</td>
<td>$122,250</td>
<td>$484,513</td>
<td>$0</td>
<td>$782,672</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies and Consumables</td>
<td>$291,670</td>
<td>$601,193</td>
<td>$68,245</td>
<td>$4,766</td>
<td>$1,004,874</td>
<td></td>
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</tr>
<tr>
<td>Administration Expenses</td>
<td>$457,171</td>
<td>$667,407</td>
<td>$140,695</td>
<td>$8,326</td>
<td>$1,273,599</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Other Expenses</td>
<td>$150,676</td>
<td>$370,652</td>
<td>$130,632</td>
<td>$26,485</td>
<td>$680,725</td>
<td></td>
<td></td>
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<tr>
<td><strong>Total Expenditure from Operating Activities</strong></td>
<td>$3,263,430</td>
<td>$7,861,625</td>
<td>$2,436,913</td>
<td>$175,886</td>
<td>$13,737,854</td>
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<td></td>
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</tr>
<tr>
<td>Depreciation (refer note 4)</td>
<td>$0</td>
<td>$0</td>
<td>$1,737,344</td>
<td>$1,737,344</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Finance Costs (refer note 4b)</td>
<td>$0</td>
<td>$0</td>
<td>$22,705</td>
<td>$22,705</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure Using Capital Purpose Income</td>
<td>$0</td>
<td>$0</td>
<td>$144,597</td>
<td>$144,597</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Expenses</strong></td>
<td>$0</td>
<td>$0</td>
<td>$1,804,546</td>
<td>$1,804,546</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$3,263,430</td>
<td>$7,861,625</td>
<td>$2,436,913</td>
<td>$15,642,400</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**2015**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2015</th>
<th>2015</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Admitted Patients</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Expenses</td>
<td>$2,011,188</td>
<td>$5,831,763</td>
<td>$1,474,367</td>
<td>$452,462</td>
</tr>
<tr>
<td>Non Salary Labour Costs</td>
<td>$175,335</td>
<td>$125,462</td>
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<tr>
<td>Supplies and Consumables</td>
<td>$271,974</td>
<td>$551,312</td>
<td>$60,479</td>
<td>$42,784</td>
</tr>
<tr>
<td>Administration Expenses</td>
<td>$365,798</td>
<td>$537,816</td>
<td>$172,007</td>
<td>$32,762</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>$232,795</td>
<td>$362,228</td>
<td>$177,344</td>
<td>$72,072</td>
</tr>
<tr>
<td><strong>Total Expenditure from Operating Activities</strong></td>
<td>$3,057,090</td>
<td>$7,408,601</td>
<td>$2,285,495</td>
<td>$1,290,480</td>
</tr>
<tr>
<td>Depreciation (refer note 4)</td>
<td>$0</td>
<td>$0</td>
<td>$1,685,906</td>
<td>$1,685,906</td>
</tr>
<tr>
<td>Finance Costs (refer note 4b)</td>
<td>$0</td>
<td>$0</td>
<td>$16,082</td>
<td>$16,082</td>
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<tr>
<td>Expenditure Using Capital Purpose Income</td>
<td>$0</td>
<td>$0</td>
<td>$88,281</td>
<td>$88,281</td>
</tr>
<tr>
<td><strong>Total Other Expenses</strong></td>
<td>$0</td>
<td>$0</td>
<td>$1,790,269</td>
<td>$1,790,269</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$3,057,090</td>
<td>$7,408,601</td>
<td>$2,285,495</td>
<td>$3,020,749</td>
</tr>
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</table>
### TOTÁL CASH AND CASH EQUIVALENTS

For the purposes of the Cash Flow Statement, cash assets includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

### Note 3a: Analysis of Expense and Revenue by Internally Managed and Restricted Specific Purpose Funds

<table>
<thead>
<tr>
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<th>2015</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision of Meals</td>
<td>141,151</td>
<td>139,377</td>
<td>119,543</td>
<td>149,899</td>
</tr>
<tr>
<td>Other Expenditure</td>
<td>34,735</td>
<td>14,339</td>
<td>104,906</td>
<td>122,910</td>
</tr>
<tr>
<td>Other Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising</td>
<td>0</td>
<td>33,860</td>
<td>0</td>
<td>129,721</td>
</tr>
<tr>
<td>TOTAL</td>
<td>175,986</td>
<td>187,576</td>
<td>224,349</td>
<td>402,524</td>
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</table>

### Note 4: Depreciation

<table>
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<tr>
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<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

### Note 4b: Finance Costs

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

### Note 5: Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash assets includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

### Note 6: Receivables

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade Debtors</td>
<td>92,246</td>
<td>43,694</td>
</tr>
<tr>
<td>Patient Fees</td>
<td>270,546</td>
<td>242,907</td>
</tr>
<tr>
<td>Accrued Investment Income</td>
<td>90,521</td>
<td>91,924</td>
</tr>
<tr>
<td>Receivables - South West Alliance of Rural Health</td>
<td>815,265</td>
<td>104,603</td>
</tr>
<tr>
<td>Accommodation Bond Debtors</td>
<td>0</td>
<td>1,057,000</td>
</tr>
<tr>
<td>Less Allowance for Doubtful Debts</td>
<td>(4,000)</td>
<td>0</td>
</tr>
<tr>
<td>Statutory</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GST Receivable - Health Service</td>
<td>136,268</td>
<td>69,772</td>
</tr>
<tr>
<td>Accrued Grants - Department of Health / Department of Human Services</td>
<td>87,000</td>
<td>95,000</td>
</tr>
<tr>
<td>Department of Health / Department of Human Services &amp; Ageing</td>
<td>3,027</td>
<td>1,673</td>
</tr>
<tr>
<td>TOTAL CURRENT RECEIVABLES</td>
<td>207,558</td>
<td>198,445</td>
</tr>
</tbody>
</table>

### Note 7: Investment Other Financial Assets

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and Receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term Deposit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aust. Dollar Term Deposits &gt; 3 Months</td>
<td>10,479,254</td>
<td>10,165,888</td>
</tr>
<tr>
<td>Total Current Other Financial Assets</td>
<td>10,479,254</td>
<td>10,165,888</td>
</tr>
<tr>
<td>TOTAL OTHER FINANCIAL ASSETS</td>
<td>10,479,254</td>
<td>10,165,888</td>
</tr>
</tbody>
</table>

### Note 8: Investment Other Financial Assets

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>REPRESENTED BY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash for Health Service Operations (as per cash flow statement)</td>
<td>3,137,437</td>
<td>487,546</td>
</tr>
<tr>
<td>Cash for Mines held in Trust</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Patients Trust (note 16)</td>
<td>13,724</td>
<td>13,782</td>
</tr>
<tr>
<td>- Accommodation Bonds (note 16)</td>
<td>1,069,283</td>
<td>0</td>
</tr>
<tr>
<td>South West Alliance of Rural Health</td>
<td>0</td>
<td>110,289</td>
</tr>
<tr>
<td>TOTAL CASH AND CASH EQUIVALENTS</td>
<td>4,220,444</td>
<td>611,617</td>
</tr>
</tbody>
</table>

---

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2016**

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MOYNE HEALTH SERVICES
### NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)

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

<table>
<thead>
<tr>
<th>Land</th>
<th>Buildings &amp; Improvements</th>
<th>Plant &amp; Equipment</th>
<th>Furniture &amp; Fittings</th>
<th>Motor Vehicles</th>
<th>Leased Assets</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Balance at 1 July 2014</td>
<td>2,325,000</td>
<td>18,908,038</td>
<td>967,538</td>
<td>152,892</td>
<td>316,389</td>
<td>23,889,898</td>
</tr>
<tr>
<td>Additions</td>
<td>230,000</td>
<td>977,734</td>
<td>57,835</td>
<td>29,130</td>
<td>110,477</td>
<td>1,495,176</td>
</tr>
<tr>
<td>Revaluation increments/(decrements)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Buildings Transferred from Investment Properties</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>South West Alliance of Rural Health</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disposals</td>
<td>0</td>
<td>(401,500)</td>
<td>0</td>
<td>0</td>
<td>(36,250)</td>
<td>(437,750)</td>
</tr>
<tr>
<td>Transfers Between Classes</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Depreciation</td>
<td>0</td>
<td>(1,276,218)</td>
<td>(177,005)</td>
<td>(41,296)</td>
<td>(83,526)</td>
<td>(1,627,087)</td>
</tr>
<tr>
<td>Balance at 30 June 2015</td>
<td>2,555,000</td>
<td>19,239,054</td>
<td>1,038,317</td>
<td>140,836</td>
<td>309,032</td>
<td>25,519,756</td>
</tr>
<tr>
<td>Additions</td>
<td>0</td>
<td>1,495,594</td>
<td>84,694</td>
<td>12,572</td>
<td>71,885</td>
<td>1,693,856</td>
</tr>
<tr>
<td>South West Alliance of Rural Health</td>
<td>0</td>
<td>0</td>
<td>1,268</td>
<td>0</td>
<td>0</td>
<td>1,268</td>
</tr>
<tr>
<td>Disposals</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>24,872</td>
<td>24,872</td>
</tr>
<tr>
<td>Transfers Between Classes</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Depreciation</td>
<td>0</td>
<td>(1,288,818)</td>
<td>(153,946)</td>
<td>(30,467)</td>
<td>(79,195)</td>
<td>(1,811,466)</td>
</tr>
<tr>
<td>Balance at 30 June 2016</td>
<td>2,555,000</td>
<td>18,445,830</td>
<td>770,333</td>
<td>122,921</td>
<td>275,770</td>
<td>23,984,444</td>
</tr>
</tbody>
</table>

Land and buildings carried at valuation

An independent valuation of the Health Service’s property, plant and equipment was performed by the Valuer-General Victoria to determine the fair value of the land and buildings. The valuation also determined the fair value of assets carried at cost. The valuation was based on independent appraisals.

### The effective date of the independent valuation was 30 June 2014.

#### (c) Fair value measurement hierarchy for assets as at 30 June 2016

<table>
<thead>
<tr>
<th>Carrying amount as at 30 June 2016</th>
<th>Fair value measurement at end of reporting period using:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1 ($)</td>
</tr>
<tr>
<td>Land at fair value</td>
<td></td>
</tr>
<tr>
<td>Specialised Land</td>
<td>2,555,000</td>
</tr>
<tr>
<td>Total of land at fair value</td>
<td>2,555,000</td>
</tr>
<tr>
<td>Buildings at fair value</td>
<td>16,020,464</td>
</tr>
<tr>
<td>Total of building at fair value</td>
<td>16,020,464</td>
</tr>
<tr>
<td>Plant and equipment at fair value</td>
<td>100,490,962</td>
</tr>
<tr>
<td>Total of plant and equipment at fair value</td>
<td>100,490,962</td>
</tr>
<tr>
<td>Assets under construction at fair value</td>
<td>2,425,366</td>
</tr>
<tr>
<td>Total assets under construction at fair value</td>
<td>2,425,366</td>
</tr>
</tbody>
</table>
NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)

Fair value measurement hierarchy for assets as at 30 June 2015
Carrying amount as at 30 June 2015
Fair value measurement at end of reporting period using:

<table>
<thead>
<tr>
<th></th>
<th>Level 1 ($)</th>
<th>Level 2 ($)</th>
<th>Level 3 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land at fair value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialised land</td>
<td>2,555,000</td>
<td>0</td>
<td>2,555,000</td>
</tr>
<tr>
<td>Total of land at fair value</td>
<td>2,555,000</td>
<td>0</td>
<td>2,555,000</td>
</tr>
<tr>
<td>Buildings at fair value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialised buildings</td>
<td>17,309,282</td>
<td>0</td>
<td>17,309,282</td>
</tr>
<tr>
<td>Total of buildings at fair value</td>
<td>17,309,282</td>
<td>0</td>
<td>17,309,282</td>
</tr>
<tr>
<td>Plant and equipment at fair value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>308,032</td>
<td>0</td>
<td>308,032</td>
</tr>
<tr>
<td>- Vehicles (i)</td>
<td>979,153</td>
<td>0</td>
<td>979,153</td>
</tr>
<tr>
<td>Total of plant, equipment and vehicles at fair value</td>
<td>1,287,185</td>
<td>0</td>
<td>1,287,185</td>
</tr>
<tr>
<td>Assets under construction at fair value</td>
<td>928,772</td>
<td>0</td>
<td>928,772</td>
</tr>
<tr>
<td>Total assets under construction at fair value</td>
<td>928,772</td>
<td>0</td>
<td>928,772</td>
</tr>
</tbody>
</table>

(i) Classified in accordance with the fair value hierarchy, see Note 1
(ii) Vehicles are categorised to Level 3 if the depreciated replacement cost is used in estimating the fair value. Where a market approach is considered appropriate due to an active resale market, a Level 2 categorisation for such vehicles is applied.

There have been no transfers between levels during the period.

Specialised land and specialised buildings
The market approach is also used for specialised land and specialised buildings although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, undepreciable 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 line with 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 to be significant undepreciable inputs, specialised land would be classified as Level 3 assets.

For the health services, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered to be significant and undepreciable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of the Health Service’s specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2014.

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

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

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

For all assets measured at fair value, the current use is considered the highest and best use.
### NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Valuation technique</th>
<th>Significant unobservable inputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialed land</td>
<td>Market Approach</td>
<td>Community Service Obligation (CSO)</td>
</tr>
<tr>
<td>Specialed Buildings</td>
<td></td>
<td>Depreciated Replacement Cost</td>
</tr>
<tr>
<td>Plant and equipment at fair value</td>
<td></td>
<td>Cost per Unit</td>
</tr>
<tr>
<td>Assets Under Construction</td>
<td></td>
<td>Depreciated Replacement Cost</td>
</tr>
</tbody>
</table>

#### Level 1 (i)
- **Balance at Beginning of Period**
  - $400,000

#### Level 2 (i)
- **Additions**
  - $0
- **Disposals of Investment Property**
  - $0
- **Transfers to/from Property Plant and Equipment**
  - $0

#### Level 3 (i)
- **Balance at End of Period**
  - $400,000

#### (b) Fair value measurement hierarchy for Investment properties as at 30 June 2016

<table>
<thead>
<tr>
<th>Carrying amount as at 30 June 2016</th>
<th>Fair value measurement at end of reporting period using:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1 (i)</td>
</tr>
<tr>
<td>Investment Properties</td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

#### Fair value measurement hierarchy for Investment properties as at 30 June 2015

<table>
<thead>
<tr>
<th>Carrying amount as at 30 June 2015</th>
<th>Fair value measurement at end of reporting period using:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1 (i)</td>
</tr>
<tr>
<td>Investment Properties</td>
<td></td>
</tr>
<tr>
<td>400,000</td>
<td>0</td>
</tr>
</tbody>
</table>

There have been no transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2016.

For Investment properties measured at fair value, the current use of the asset is considered the highest and best use.

The fair value of the Health Service’s investment properties at 30 June 2015 have been arrived on the basis of an independent valuation carried out by the Valuer General Victoria. The valuation was determined by reference to market evidence of transaction processes for similar properties with no significant unobservable adjustments, in the same location and condition and subject to similar lease and other contracts.

### NOTE 11: INVESTMENT PROPERTIES

(a) Movements in carrying value for investment properties as at 30 June 2016

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at Beginning of Period</strong></td>
<td>$400,000</td>
<td>$400,000</td>
</tr>
<tr>
<td><strong>Additions</strong></td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Disposals of Investment Property</strong></td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Transfers to/from Property Plant and Equipment</strong></td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Balance at End of Period</strong></td>
<td>$400,000</td>
<td>$400,000</td>
</tr>
</tbody>
</table>

(b) Fair value measurement hierarchy for Investment properties as at 30 June 2016

There have been no transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2016.

For Investment properties measured at fair value, the current use of the asset is considered the highest and best use.

The fair value of the Health Service’s investment properties at 30 June 2015 have been arrived on the basis of an independent valuation carried out by the Valuer General Victoria. The valuation was determined by reference to market evidence of transaction processes for similar properties with no significant unobservable adjustments, in the same location and condition and subject to similar lease and other contracts.

### NOTE 12: PAYABLES

#### (a) Maturity analysis of payables

Please refer to note 19(c) for the ageing analysis of payables.

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

Please refer to note 19(c) for the nature and extent of risks arising payables.
NOTE 13: BORROWINGS

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Dollar Borrowings</td>
<td>16/-100</td>
<td>113,094</td>
</tr>
<tr>
<td>- Finance Lease Liability (South West Alliance of Rural Health)</td>
<td>16/-100</td>
<td>113,094</td>
</tr>
</tbody>
</table>

TOTAL CURRENT

<table>
<thead>
<tr>
<th>Description</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Dollar Borrowings</td>
<td>227,442</td>
</tr>
<tr>
<td>- Finance Lease Liability (South West Alliance of Rural Health)</td>
<td>265,485</td>
</tr>
<tr>
<td>TOTAL NON CURRENT</td>
<td>394,591</td>
</tr>
<tr>
<td>TOTAL BORROWINGS</td>
<td>394,591</td>
</tr>
</tbody>
</table>

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

(a) Maturity analysis of borrowings
Please refer to note 19(b) for the ageing analysis of borrowings.

(b) Nature and extent of risk arising from borrowings
Please refer to note 19(b) for the nature and extent of risks arising from borrowings.

(c) Defaults and breaches
During the current and prior year, there were no defaults and breaches of any of the borrowings.

NOTE 14: PROVISIONS

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Provisions</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Employee Benefits (Note 14(a))</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued Wages, ADO &amp; Annual Leave (Note 14(a))</td>
<td>1,053,110</td>
<td>992,419</td>
</tr>
<tr>
<td>- unconditional and expected to be settled within 12 months (ii)</td>
<td>80,000</td>
<td>0</td>
</tr>
<tr>
<td>- unconditional and expected to be settled after 12 months (iii)</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Long Service Leave (Note 14(a))</td>
<td>1,170,764</td>
<td>1,063,050</td>
</tr>
<tr>
<td>- unconditional and expected to be settled within 12 months (ii)</td>
<td>2,453,874</td>
<td>2,306,489</td>
</tr>
<tr>
<td>Provisions related to employee benefit on-costs</td>
<td>138,461</td>
<td>131,042</td>
</tr>
<tr>
<td>- unconditional and expected to be settled within 12 months (ii)</td>
<td>203,111</td>
<td>173,982</td>
</tr>
<tr>
<td>- unconditional and expected to be settled after 12 months (iii)</td>
<td>341,834</td>
<td>346,054</td>
</tr>
<tr>
<td>Total Current Provisions</td>
<td>2,756,446</td>
<td>2,512,400</td>
</tr>
<tr>
<td>Non-Current Provisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Benefits (i) (Note 14(a))</td>
<td>237,208</td>
<td>267,350</td>
</tr>
<tr>
<td>Provisions related to employee benefit on-costs (Note 14(a) and Note 14(b))</td>
<td>35,278</td>
<td>35,278</td>
</tr>
<tr>
<td>Total Non-Current Provisions</td>
<td>266,482</td>
<td>302,628</td>
</tr>
<tr>
<td>Total Provisions</td>
<td>3,064,268</td>
<td>2,815,331</td>
</tr>
</tbody>
</table>

(a) Employee Benefits and Related On-Costs
Current Employee Benefits and Related On-Costs
South West Alliance of Rural Health Entitlements | 98,204 | 88,685 |
| Annual Leave Entitlements | 833,667 | 793,592 |
| Accrued Salaries and Wages | 331,896 | 223,830 |
| Accrued Days Off | 19,404 | 18,744 |
| Unconditional Long Service Leave Entitlements | 1,512,275 | 1,386,942 |
| Total | 2,785,444 | 2,512,403 |

Non-Current Employee Benefits and Related On-Costs
South West Alliance of Rural Health Entitlements | 19,179 | 21,984 |
| Conditional Long Service Leave Entitlements (ii) | 249,643 | 266,944 |
| Total | 268,822 | 302,928 |

Total Employee Benefits and Related On-Costs | 3,064,268 | 2,815,331 |

(b) Movements in Provisions
Movement in Long Service Leave:

Balance at start of year | 1,669,886 | 1,669,886 |
| Provision made during the year | | |
| - Revaluations | 33,062 | 37,992 |
| - Expense Recognising Employee Service | 210,848 | 314,262 |
| Settlement made during the year | (151,916) | (352,214) |
| Balance at end of year | 1,761,918 | 1,669,886 |

Notes:
(i) Employee benefits consist of annual leave and long service leave accrued by employees. On-costs such as payroll tax and workers' compensation insurance are not employee benefits and are reflected as a separate provision.
(ii) The amounts disclosed are at nominal values.
(iii) The amounts disclosed are at present values.
NOTE 15: SUPERANNUATION
Employees of the Health Service are entitled to receive superannuation benefits and the Health Service contributes to both defined benefit and defined contribution plans. The defined benefit plans(s) provides benefits based on years of service and final average salary.

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

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Health Service. The name, details and amounts expense in relation to the major employee superannuation funds and contributions made by the Health Services are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined Benefit Plans</td>
<td>$16,312</td>
<td>$86,200</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Defined Contribution Plans</td>
<td>$631,191</td>
<td>$616,049</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

NOTE 16: OTHER LIABILITIES

CURRENT
- Medical Services in Trust* - Patients Trust - Home Care Packages Funds Held for Clients - Accommodation Bonds (Refundable Entrance Fees)

$13,724 $102,026 $90,076 $13,198,320 $11,860,160

TOTAL OTHER LIABILITIES
$12,524,670 $11,967,019

* Total Medical Services in Trust
Represented by the following assets:
- Cash Assets (refer to Note 5) - Receivables (refer to Note 6) - Investments and other Financial Assets (refer to Note 7) - Land & Buildings

$1,083,007 $10,393,827 $962,459 $962,459

TOTAL
$12,524,670 $11,967,019

NOTE 17: EQUITY

(a) Surplus on Property, Plant and Equipment Revaluation Surplus
Balance at beginning of the reporting period
- Land $1,405,000 $1,405,000
- Buildings $12,466,521 $12,466,521
Revaluation Increment (Decrease) - Land $0 $0
- Buildings $0 $0
Balance at the end of the reporting period
$14,271,521 $14,271,521

Represented by:
- Land $1,405,000 $1,405,000
- Buildings $12,466,521 $12,466,521

(1) The property, plant and equipment asset revaluation surplus arises on the revaluation of property, plant and equipment.

Restricted Specific Purpose Surplus
Balance at beginning of the reporting period $276,503 $102,435
Transfer to Restricted Specific Purpose Surplus $1,034,636 $174,068
Balance at the end of the reporting period $1,311,139 $276,503

Total Surpluses $16,142,660 $14,546,024

(b) Contributed Capital
Balance at the beginning of the reporting period $4,386,517 $4,386,517
Capital Contribution received from Victorian Government $0 $0
Balance at the end of the reporting period $4,386,517 $4,386,517

(c) Accumulated Surplus/(Deficit)
Balance at the beginning of the reporting period $1,365,893 $2,491,461
Net Result for the Year $1,647,128 $(951,500)
Transfer to Restricted Specific Purpose Surplus $(1,559,656) $(174,068)
Balance at the end of the reporting period $1,418,385 $1,365,893

Total Equity at end of financial year $21,947,552 $20,300,434
NOTES TO THE FINANCIAL STATEMENTS
FORTHE YEAR ENDED 30 JUNE 2016

NOTE 19: FINANCIAL INSTRUMENTS
(a) Financial Risk Management Objectives and Policies
The Mayne Health Services principal financial instruments comprise of:
- Cash Assets
- Term Deposits
- Receivables (excluding statutory receivables)
- Payables (excluding statutory payables)

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

The Health Service’s main financial risks include credit risk, liquidity risk and interest rate risk. The Health Service manages these financial risks in accordance with its financial risk management policy.

The Health Service uses different methods to measure and manage the different risks to which it is exposed, primarily on the basis of the classification and maturity of financial assets and liabilities. The primary responsibility for the identification and management of financial risks rests with the audit and risk committee of the Health Service.

The main purpose in holding financial instruments is to prudently manage Mayne Health Services’ financial risk within the government policy parameters.

### Categorisation of financial instruments

#### 2016

<table>
<thead>
<tr>
<th>Financial Instruments</th>
<th>Contractual financial assets/liabilities designated at fair value through profit/(loss)</th>
<th>Contractual financial assets/liabilities held-for-use at fair value through profit/(loss)</th>
<th>Contractual financial assets - loans and receivables</th>
<th>Contractual financial assets - available for sale</th>
<th>Contractual financial liabilities at amortised cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contractual Financial Assets</strong></td>
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#### 2015

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<th>Contractual financial assets/liabilities designated at fair value through profit/(loss)</th>
<th>Contractual financial assets/liabilities held-for-use at fair value through profit/(loss)</th>
<th>Contractual financial assets - loans and receivables</th>
<th>Contractual financial assets - available for sale</th>
<th>Contractual financial liabilities at amortised cost</th>
<th>Total</th>
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</thead>
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<tr>
<td><strong>Contractual Financial Assets</strong></td>
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<td>0</td>
<td>0</td>
<td>394,591</td>
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<tr>
<td>Monies Held in Trust</td>
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<td>12,817,367</td>
</tr>
</tbody>
</table>

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. GST input tax credit recoverable)
(ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes payable)

### Ongoing arrangements

<table>
<thead>
<tr>
<th>Description</th>
<th>Contractual financial instruments</th>
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</thead>
<tbody>
<tr>
<td><strong>Accounting</strong></td>
<td></td>
</tr>
<tr>
<td>Net holding gain/(loss)</td>
<td>Total interest income/(expenses)</td>
</tr>
<tr>
<td><strong>2015 Financial Assets</strong></td>
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</tr>
<tr>
<td>Cash and cash equivalents</td>
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</tr>
<tr>
<td>Loans and Receivables</td>
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</tr>
<tr>
<td><strong>Total Financial Assets</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>Financial Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>At amortised cost</td>
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</tr>
<tr>
<td><strong>Total Financial Liabilities</strong></td>
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</tr>
<tr>
<td><strong>2016 Financial Assets</strong></td>
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<tr>
<td>Cash and cash equivalents</td>
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<tr>
<td>Loans and Receivables</td>
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</tr>
<tr>
<td><strong>Total Financial Assets</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>Financial Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>At amortised cost</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Financial Liabilities</strong></td>
<td>0</td>
</tr>
</tbody>
</table>

NOTE 19: FINANCIAL INSTRUMENTS (Continued)
(a) Financial Risk Management Objectives and Policies (Continued)

Credit risk arises from the contractual financial assets of the Health Service, which comprise cash and deposits, non-statutory receivables and available-for-sale contractual financial assets. The Health Service’s exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Health Service. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Health Service’s contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the Health Service’s policy to only deal with entities with high credit ratings of at least A or the minimum Triple B rating, and to obtain sufficient collateral or credit enhancements, where appropriate.

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

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

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Mayne Health Services’ maximum exposure to credit risk without taking into account the value of any collateral obtained.
NOTES TO THE FINANCIAL STATEMENTS
FORTHE YEAR ENDED 30 JUNE 2016

NOTE 19: FINANCIAL INSTRUMENTS (Continued)
(b) Credit Risk (Continued)

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

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
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</thead>
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<tr>
<td></td>
<td>Financial</td>
<td>Other</td>
</tr>
<tr>
<td></td>
<td>Institutions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Min B B credit rating)</td>
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</tr>
<tr>
<td>Financial Assets</td>
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</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>4,105,533</td>
<td>1,000</td>
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<tr>
<td>- Trade Debtors</td>
<td>0</td>
<td>322,792</td>
</tr>
<tr>
<td>- Other Receivables</td>
<td>0</td>
<td>901,796</td>
</tr>
<tr>
<td>- Term Deposit</td>
<td>10,479,254</td>
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<tr>
<td>Total Financial Assets</td>
<td>14,984,789</td>
<td>1,322,588</td>
</tr>
</tbody>
</table>

TOTAL

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

NOTES TO THE FINANCIAL STATEMENTS
FORTHE YEAR ENDED 30 JUNE 2016

NOTE 19: FINANCIAL INSTRUMENTS (Continued)
(b) Credit Risk (Continued)

Aging analysis of financial assets as at 30 June

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<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying Amount</td>
<td>Not Past Due and not impaired</td>
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<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>4,220,444</td>
<td>4,220,444</td>
</tr>
<tr>
<td>- Trade Debtors</td>
<td>322,792</td>
<td>321,772</td>
</tr>
<tr>
<td>- Other Receivables</td>
<td>901,796</td>
<td>901,796</td>
</tr>
<tr>
<td>- Term Deposit</td>
<td>10,479,254</td>
<td>10,479,254</td>
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<tr>
<td>Total Financial Assets</td>
<td>15,824,280</td>
<td>15,933,286</td>
</tr>
</tbody>
</table>

TOTAL

(i) Aging analysis of financial assets excludes the types of statutory financial assets (i.e. GST input tax credit).

Contractual financial assets that are neither past due or impaired

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

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

(c) Liquidity Risk

Liquidity risk is the risk that the Health Service would be unable to meet its financial obligations as and when they fall due. The Health Service operates under the Governments fair payments policy of setting financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Health Service’s maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Health Service manages its liquidity risk as follows:

- Term Deposits and cash held at financial institutions are managed with variable maturity dates and take into consideration cashflow requirements of the Health Service from month to month.
NOTES TO THE FINANCIAL STATEMENTS
FORTHE YEAR ENDED 30 JUNE 2016

NOTE 19: FINANCIAL INSTRUMENTS (Continued)
(d) Market Risk

Moyne Health Services has insignificant exposure to interest rate, foreign currency and other price risks.

Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

Currency Risk

Moyne Health Services is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement.

Interest Rate Risk

Exposure to interest rate risk is insignificant. Minimisation of risk is achieved by mainly holding fixed rate or non-interest bearing financial instruments. For financial liabilities the Health Service mainly undertakes financial liabilities with relatively even maturity profiles.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Health Service has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits and bank overdrafts that are at floating rate.

The Health Service manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded for cash at bank and bank overdraft, as financial assets that can be left at floating rate without necessarily exposing the Health Service to significant bad risk, management monitors movements in interest rates on a daily basis.

Other Price Risk

The Health Service is exposed to normal prior price fluctuations from time to time through market forces. Where adequate notice is provided by suppliers, additional purchases are made for long term goods. Supplier contracts are also in place for major product lines purchased by the Hospital on a monthly basis. These contracts have set price arrangements and are reviewed on a regular basis.
NOTE 19: FINANCIAL INSTRUMENTS (Continued)

(d) Market Risk (Continued)

Sensitivity Disclosure Analysis

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

- A shift of +1% and -1% in market interest rates (AUD) from year-end rates of 6%; and
- A parallel shift of +1% and -1% in inflation rate from year-end rates of 2%.

The following table discloses the impact on net operating result and equity for each category of interest bearing financial instrument held by Moyne Health Services at year-end as presented to key management personnel, if changes in the relevant risk occur.

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<tr>
<th></th>
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Comparison between carrying amount and fair value

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<td>Loans and Receivables</td>
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<tr>
<td>- Trade Debtors</td>
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<td>386,601</td>
<td>320,792</td>
<td>386,601</td>
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<td>- Other Receivables</td>
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</tr>
<tr>
<td>At amortised cost</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
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<td>513,719</td>
<td>1,459,499</td>
<td>513,719</td>
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<td>Borrowings</td>
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<td>384,591</td>
<td>384,591</td>
<td>384,591</td>
<td>384,591</td>
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<tr>
<td>Other Financial Liabilities</td>
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<td>- Monies Held in Trust</td>
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<td>12,524,670</td>
<td>11,967,018</td>
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<td>14,378,775</td>
<td>14,275,729</td>
<td>14,378,775</td>
<td>14,275,729</td>
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</tbody>
</table>

(i) The carrying amount excludes types of statutory financial assets and liabilities (i.e. GST input tax credit and GST payable).
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 20: COMMITMENTS FOR EXPENDITURE

2016 2015
(a) Commitments Payable
Capital Expenditure Commitments Payable:
Land and buildings 2,673,411 0
Total capital expenditure commitments 2,673,411 0

Lease commitments
Commitments in relation to leases contracted for at the reporting date:
Finance Leases (South West Alliance of Rural Health) 384,591 378,519
Total lease commitments 384,591 378,519

Finance Leases
Commitments in relation to finance leases are payable as follows:
Current 181,862 138,262
Non-current 233,839 234,858
Minimum lease payments 415,685 462,000
Less future finance charges 20,684 84,401
Total finance lease commitments 384,591 378,519
Total lease commitments 384,591 378,519

Total Commitments (inclusive of GST) 3,266,002 378,519

(b) Commitments payable
Non-cancellable 2016 2015
Capital expenditure commitments payable Less than 1 year 2,673,411 0
Total Capital expenditure commitments 2,673,411 0

Lease commitments payable
Less than 1 year 183,820 124,359
Longer than 1 year but not longer than 5 years 201,020 202,012
Total lease commitments 434,850 418,371

Total Commitments (inclusive of GST) 3,307,461 418,371
Less GST recoverable from the Australian Tax Office 300,019 27,852
Total Commitments (exclusive of GST) 3,006,763 378,519

NOTE 21: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Details of estimates of maximum amounts of Contingent Assets or Contingent Liabilities are as follows:

Contingent Liabilities
Quantifiable $ 0
Legal Proceedings and Disputes
Total Quantifiable Contingent Liabilities 0 $ 75,000
Non-Quantifiable Nil

NOTE 22: OPERATING SEGMENTS

<table>
<thead>
<tr>
<th></th>
<th>ACUTE CARE</th>
<th>RAC</th>
<th>OTHER SERVICES</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>REVENUE</td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>External Segment Revenue</td>
<td>$9,390,345</td>
<td>8,845,307</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$9,390,345</td>
<td>8,845,307</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>EXPENSES</td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>External Segment Expenses</td>
<td>$(7,782,777)</td>
<td>$(8,401,298)</td>
<td>$(7,846,123)</td>
<td>$(7,406,601)</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$(7,782,777)</td>
<td>$(8,401,298)</td>
<td>$(7,846,123)</td>
<td>$(7,406,601)</td>
</tr>
<tr>
<td>Net Result from ordinary activities</td>
<td>$2,197,568</td>
<td>$(598,299)</td>
<td>$(622,925)</td>
<td>$(722,022)</td>
</tr>
<tr>
<td>Interest Income</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net Result for Year</td>
<td>$2,197,568</td>
<td>$(598,299)</td>
<td>$(622,925)</td>
<td>$(722,022)</td>
</tr>
</tbody>
</table>

OTHER INFORMATION

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of property, plant and equipment</td>
<td>1,432,174</td>
<td>1,171,665</td>
</tr>
<tr>
<td>Depreciation &amp; amortisation expense</td>
<td>980,254</td>
<td>819,018</td>
</tr>
<tr>
<td>Non cash expenses other than depreciation</td>
<td>14,805</td>
<td>14,805</td>
</tr>
</tbody>
</table>

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

Business Segments
Acute
Acute Hospital services
Aged Care services
Primary Health services
Residential Aged Care
Nursing Home facilities
Hostel facilities

Geographical Segment
Moyne Health Services operates predominantly in Port Fairy, Victoria. More than 90% of revenue, net surplus from ordinary activities and segment assets relate to operations in Port Fairy, Victoria.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 23: JOINTLY CONTROLLED OPERATIONS AND ASSETS

<table>
<thead>
<tr>
<th>Name of Entity</th>
<th>Principal Activity</th>
<th>Ownership Interest 2016</th>
<th>Ownership Interest 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>South West Alliance of Rural Health</td>
<td>Information Systems</td>
<td>5.46</td>
<td>5.46</td>
</tr>
</tbody>
</table>

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

- **Current Assets**
  - Cash and Cash Equivalents: 113,911, 110,289
  - Receivables: 815,265, 104,653
  - Inventories: 3,929, 1,947
  - Prepayments: 15,695, 0
  - **Total Current Assets**: 340,830, 218,035

- **Non Current Assets**
  - Property, Plant and Equipment: 406,782, 13,437
  - **Total Non Current Assets**: 420,795, 14,474

- **Total Assets**: 1,365,892, 232,509

- **Current Liabilities**
  - Payables: 814,460, 91,094
  - Borrowings: 167,109, 0
  - Employee Provisions: 98,904, 88,688
  - **Total Current Liabilities**: 1,079,375, 179,879

- **Non Current Liabilities**
  - Borrowings: 227,482, 0
  - Employee Provisions: 19,179, 21,984
  - **Total Non Current Liabilities**: 246,661, 21,984

- **Total Liabilities**: 1,326,024, 201,863

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

- **Revenues**
  - Operating Activities: 1,225,663, 1,126,233
  - **Total Revenues**: 1,225,663, 1,126,233

- **Expenses**
  - Employee Expenses: 334,000, 316,993
  - Maintenance Contracts and IT Support: 644,669, 511,567
  - Operating Lease Costs: 255,584, 0
  - Other Expenses: 38,724, 39,446
  - **Total Operating Expenses**: 1,215,023, 1,122,732

- **Finance Lease Charges**: 20,705, 0
- Depreciation and Amortisation: 187,361, 2,518
- **Total Non Operating Expenses**: 210,066, 2,518
- **Total Expenses**: 1,425,089, 1,125,250
- **Net Result**: 564,575

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

**Contingent Liabilities and Capital Commitments**

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

The financial results included for SWARH are unaudited at the date of signing the financial statements.

### Income Band

<table>
<thead>
<tr>
<th>Income Band</th>
<th>Total Remuneration 2016</th>
<th>Total Remuneration 2015</th>
<th>Base Remuneration 2016</th>
<th>Base Remuneration 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>$0 - $9,999</td>
<td>8</td>
<td>9</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>$100,000 - $199,999</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>$200,000 - $299,999</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Numbers</strong></td>
<td><strong>$195,711</strong></td>
<td><strong>$189,268</strong></td>
<td><strong>$195,711</strong></td>
<td><strong>$189,268</strong></td>
</tr>
</tbody>
</table>

Amounts relating to Responsible Ministers are reported in the financial statements of the Department of Premier and Cabinet.

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

<table>
<thead>
<tr>
<th>Responsible Person</th>
<th>Related Party</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>K. Foster</td>
<td>C2 Media</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

P. O'Kearney has provided project management services to the Health Service during the construction of the Community Health building on normal commercial terms and conditions. Mr O'Kearney took leave of absence from the board effective 29/02/2016 to 30/06/2016 whilst undertaking this position.

Mr D. Lee occupies a residential property owned by the health service and pays rent on normal commercial terms and conditions.

### NOTE 24C: EXECUTIVE OFFICER DISCLOSURES

**Executive Officers’ Remuneration**

The numbers of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands.

The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.

<table>
<thead>
<tr>
<th>Executive Officer</th>
<th>Total Remuneration 2016</th>
<th>Total Remuneration 2015</th>
<th>Base Remuneration 2016</th>
<th>Base Remuneration 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>No.</td>
<td>No.</td>
<td>No.</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$110,000 - $119,999</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>$120,000 - $129,999</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>$130,000 - $139,999</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>$140,000 - $149,999</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>$150,000 - $159,999</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$315,000</strong></td>
<td><strong>$348,000</strong></td>
<td><strong>$315,000</strong></td>
<td><strong>$348,000</strong></td>
</tr>
<tr>
<td><strong>Total Remuneration</strong></td>
<td><strong>$416,712</strong></td>
<td><strong>$490,245</strong></td>
<td><strong>$416,712</strong></td>
<td><strong>$490,245</strong></td>
</tr>
</tbody>
</table>
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.

**Note:** This Disclosure Index consists of 2 pages, and is not required to be completed by denominational hospitals.

### LEGISLATION REQUIREMENT PAGES

<table>
<thead>
<tr>
<th>MINISTERIAL DIRECTIONS</th>
<th>Report of Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charter and purpose</td>
<td></td>
</tr>
<tr>
<td>FRD 22G</td>
<td>Manner of establishment and the relevant Ministers</td>
</tr>
<tr>
<td>FRD 22G</td>
<td>Purpose, functions, powers and duties</td>
</tr>
<tr>
<td>FRD 22G</td>
<td>Initiatives and key achievements</td>
</tr>
<tr>
<td>FRD 22G</td>
<td>Nature and range of services provided</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Management and structure</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FRD 22G</td>
<td>Organisational structure</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial and other information</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FRD 10A</td>
<td>Disclosure index</td>
</tr>
<tr>
<td>FRD 11A</td>
<td>Disclosure of exgratia expenses</td>
</tr>
<tr>
<td>FRD 12A</td>
<td>Disclosure of major contracts</td>
</tr>
<tr>
<td>FRD 21B</td>
<td>Responsible person and executive officer disclosures</td>
</tr>
<tr>
<td>FRD 22G</td>
<td>Application and operation of Protected Disclosure 2012</td>
</tr>
<tr>
<td>FRD 22G</td>
<td>Application and operation of Carers Recognition Act 2012</td>
</tr>
<tr>
<td>FRD 22G</td>
<td>Application and operation of Freedom of Information Act 1992</td>
</tr>
<tr>
<td>FRD 22G</td>
<td>Compliance with building and maintenance provisions of Building Act 1993</td>
</tr>
<tr>
<td>FRD 22G</td>
<td>Details of consultancies over $10,000</td>
</tr>
<tr>
<td>FRD 22G</td>
<td>Details of consultancies under $10,000</td>
</tr>
<tr>
<td>FRD 22G</td>
<td>Employment and conduct principles</td>
</tr>
<tr>
<td>FRD 22G</td>
<td>Major changes or factors affecting performance</td>
</tr>
<tr>
<td>FRD 22G</td>
<td>Occupational health and safety</td>
</tr>
<tr>
<td>FRD 22G</td>
<td>Operational and budgetary objectives and performance against objectives</td>
</tr>
<tr>
<td>FRD 24C</td>
<td>Reporting of office-based environmental impacts</td>
</tr>
<tr>
<td>FRD 22G</td>
<td>Significant changes in financial position during the year</td>
</tr>
</tbody>
</table>
LEGISLATIVE COMPLIANCE

Moyne Health Services (MHS) incorporates the Port Fairy Hospital. MHS is a public hospital and is listed as an incorporated body in Schedule 1 of the Health Services Act 1988.

The Federal Minister for Health and Minister for Aged Care is the Hon Sussan Ley MP. The Assistant Federal Minister for Social Services is the Hon Christian Porter MP.

The State Minister for Health and Minister for Ambulance Services is Hon Jill Hennessy MP. The State Minister for Mental Health and Minister for Housing, Disability and Ageing is Hon Martin Foley MP.

BUILDING AND MAINTENANCE

MHS complies fully with the building and maintenance provisions of the Building Act 1993- Guidelines issued by the Minister for Finance for publically owned buildings.

Projects undertaken by MHS have invoked the 10-year liability cap under the building permit process by use of registered building practitioners.

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

<table>
<thead>
<tr>
<th>Building Works</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Works in construction and subject to mandatory inspection</td>
<td>1</td>
</tr>
<tr>
<td>Occupancy Permits</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Maintenance</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notices issued for rectification of sub-standard buildings requiring urgent attention</td>
<td>0</td>
</tr>
<tr>
<td>Involving major expenditure and urgent attention</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Conformity</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of buildings conforming with standards brought into conformity this year</td>
<td>0</td>
</tr>
</tbody>
</table>

COMPLAINTS RESOLUTION

At MHS we always strive to resolve issues. If issues are not resolved to the satisfaction of clients then a client may refer the matter to an independent authority.

For Health Service issues:
Health Services Commissioner
Level 30, 570 Bourke Street, Melbourne Vic 3000
Phone 1800 136 066

For Aged Care issues:
Aged Care Complaints Investigation Scheme
Department of Social Services
GPO Box 9548, Melbourne Vic 3000
Phone 1800 550 552

For Privacy issues:
Privacy Commissioner
GPO Box 5057, Melbourne Vic 3001
Phone 1300 666 444
www.privacy.vic.gov.au

CONSULTANCIES

Consultancies costing greater than $10,000 per consultancy

<table>
<thead>
<tr>
<th>Consultancies costing greater than $10,000 per consultancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of consultancies</td>
</tr>
<tr>
<td>Total value of consultancies</td>
</tr>
</tbody>
</table>

Consultancies costing less than $10,000 per consultancy

<table>
<thead>
<tr>
<th>Consultancies costing less than $10,000 per consultancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of consultancies</td>
</tr>
<tr>
<td>Total value of consultancies</td>
</tr>
</tbody>
</table>

DETAILS OF GOVERNMENT ADVERTISING

There has been no government advertising with a total media of $100,000 or greater for the year under review.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2015-16 is $1,277,485.00 (excluding GST) with the following details:

<table>
<thead>
<tr>
<th>LEGISLATION</th>
<th>REQUIREMENT</th>
<th>PAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRD 22G</td>
<td>Statement on National Competition Policy</td>
<td>116</td>
</tr>
<tr>
<td>FRD 22G</td>
<td>Subsequent events</td>
<td>112</td>
</tr>
<tr>
<td>FRD 22G</td>
<td>Summary of the financial results for the year</td>
<td>18,19</td>
</tr>
<tr>
<td>FRD 22G</td>
<td>Workforce Data Disclosures including a statement on the application of employment and conduct principles</td>
<td>117</td>
</tr>
<tr>
<td>FRD 25B</td>
<td>Victorian Industry Participation Policy disclosures</td>
<td>117</td>
</tr>
<tr>
<td>FRD 29A</td>
<td>Workforce Data disclosures</td>
<td>48,49,16,117</td>
</tr>
<tr>
<td>SD 4.2(g)</td>
<td>Specific information requirements</td>
<td>116</td>
</tr>
<tr>
<td>SD 4.2(j)</td>
<td>Sign-off requirements</td>
<td>17,117</td>
</tr>
<tr>
<td>SD 3.4.13</td>
<td>Attestation on data integrity</td>
<td>117</td>
</tr>
<tr>
<td>SD 4.5.5.1</td>
<td>Ministerial Standing Direction 4.5.5.1 compliance attestation</td>
<td>117</td>
</tr>
<tr>
<td>SD 4.5.5</td>
<td>Risk management compliance attestation</td>
<td>117</td>
</tr>
</tbody>
</table>

**Financial Statements**

Financial statements required under Part 7 of the FMA

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>SD 4.2(a)</td>
<td>Statement of changes in equity</td>
</tr>
<tr>
<td>SD 4.2(b)</td>
<td>Comprehensive operating statement</td>
</tr>
<tr>
<td>SD 4.2(b)</td>
<td>Balance sheet</td>
</tr>
<tr>
<td>SD 4.2(b)</td>
<td>Cash flow statement</td>
</tr>
</tbody>
</table>

Other requirements under Standing Directions 4.2

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>SD 4.2(a)</td>
<td>Compliance with Australian accounting standards and other authoritative pronouncements</td>
</tr>
<tr>
<td>SD 4.2(c)</td>
<td>Accountable officer’s declaration</td>
</tr>
<tr>
<td>SD 4.2(c)</td>
<td>Compliance with Ministerial Directions</td>
</tr>
<tr>
<td>SD 4.2(d)</td>
<td>Rounding of amounts</td>
</tr>
</tbody>
</table>

Legislation

<table>
<thead>
<tr>
<th>Act</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freedom of Information Act 1982</td>
<td>1982</td>
</tr>
<tr>
<td>Protected Disclosure Act 2012</td>
<td>2012</td>
</tr>
<tr>
<td>Carers Recognition Act 2012</td>
<td>2012</td>
</tr>
<tr>
<td>Building Act 1993</td>
<td>1993</td>
</tr>
<tr>
<td>Financial Management Act 1994</td>
<td>1994</td>
</tr>
</tbody>
</table>
FREEDOM OF INFORMATION REQUESTS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No of requests</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>4</td>
</tr>
</tbody>
</table>

INDUSTRIAL RELATIONS

There were no lost days in 2015/16 through industrial accidents or disputes.

MERIT AND EQUITY

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

NATIONAL COMPETITION POLICY

MHS supports the National Competition Policy (as amended) and the Victorian Government’s ‘Competitive Neutrality Policy Victoria’ (as amended). There were no disclosures in the year under review.

OUTSTANDING DEBTORS AS AT 30TH JUNE, 2016

<table>
<thead>
<tr>
<th>Outstanding Debtors as at 30 June 2016</th>
<th>2015/16</th>
<th>2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30 days</td>
<td>$246,025</td>
<td>$261,046</td>
</tr>
<tr>
<td>31 to 60 days</td>
<td>$30,647</td>
<td>$7,270</td>
</tr>
<tr>
<td>61 to 90 days</td>
<td>$28,165</td>
<td>$19,223</td>
</tr>
<tr>
<td>Over 90 days</td>
<td>$31,422</td>
<td>$16,363</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$336,259</td>
<td>$286,601</td>
</tr>
</tbody>
</table>

PUBLICATIONS

All publications produced by MHS and available to the public include:
- Annual Report
- Quality of Care Report
- Resident and Patient Information Booklets.

These publications can be obtained by contacting the Health Information Manager, telephone: 5688 0100.

REPORTING REQUIREMENTS

The information requirements listed in the Financial Management Act 1994, the Standing Directions of the Minister for Finance and the Financial Reporting Directions have been prepared, to the extent applicable, and are available to the relevant Minister, Members of Parliament or the public upon request by contacting:

Chief Executive Officer
Moyne Health Services
PO Box 93, Port Fairy Vic 3384
Telephone: (03) 5688 0100
Email dlee@moynehealth.vic.gov.au

VICTORIAN INDUSTRY PARTICIPATION POLICY ACT

There was one contract in 2015/16 to which the Victorian Industry Participation Policy Act 2003 applied.

PROTECTED DISCLOSURE ACT 2012

MHS cannot receive and investigate protected disclosures under the Protected Disclosure Act 2012 (the Act), this can only be done by the Independent Broad-based Anti-Corruption Commission.

MHS has put in place appropriate procedures for disclosures in accordance with the Act. No protected disclosures were made under the Act in 2015/16.

CARERS RECOGNITION ACT 2012

The Carers Recognition Act 2012 recognises, promotes and values the role of people in care relationships. MHS understands the different needs of persons in care relationships brings benefits to the patients, their carers and to the community. MHS takes all practical measures to ensure that its employees, agents and carers have an awareness and understanding of 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.

REVENUE INDICATORS

<table>
<thead>
<tr>
<th>Average Collection Days</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private</td>
<td>76</td>
<td>61</td>
</tr>
<tr>
<td>TAC</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>VWA</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Other compensable</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Psychiatric</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Residential Aged Care</td>
<td>32</td>
<td>46</td>
</tr>
</tbody>
</table>

n/a = not applicable
OUR BEQUESTS AND GIFTS PROGRAM

BEQUESTS FOR GIFTS UNDER A WILL OR CODICIL

A gift specified in your will is a bequest. A bequest can leave an enduring gift – an investment for life.

A bequest can be for general purposes, enabling Moyne Health Services to use the funds for priority projects, or nominated for a specific purpose. Moyne Health Services does not pay income tax and is a registered charitable institution. We will ensure that each gift is distributed in accordance with the donor’s instructions.

Making a bequest is as simple as adding a codicil to your existing will. We recommend that you seek advice from your solicitor or trustee company.

Bequests made to Moyne Health Services will be used for capital development projects, education, replacement of equipment and health or aged care service programs.

Moyne Health Services encourages prospective donors to provide for their loved ones first and is very aware of the need to look after your family. Once you have done this, please consider a bequest to Moyne Health Services.

We have provided some bequest wording as a guide to you and your adviser. The exact wording will depend on the type of bequest.

GENERAL BEQUEST

I.......................................................................................................................................................................... give, devise and bequeath to Moyne Health Services, a charitable institution ABN 30 586 278 991 of Villiers Street, Port Fairy (the whole of my Estate, or the sum of $......................... or .........................% of my Estate) for its general purposes, free from all duties and deductions and direct that the receipt of the Chief Executive Officer or any proper officer of Moyne Health Services shall be sufficient discharge of my Trustee or executor for the Bequest.

A general purpose bequest will overcome any future difficulties in the allocation of funds that may arise as a result of changes in the program and services of Moyne Health Services.

SPECIFIC BEQUEST

I.......................................................................................................................................................................... give, devise and bequeath to Moyne Health Services, a charitable institution ABN 30 586 278 991 of Villiers Street, Port Fairy (the whole of my Estate, or the sum of $......................... or .........................% of my Estate) free from all duties and deductions, to be used for the purpose of ........................................... or (if that purpose is no longer able to be pursued appropriately) for any other purpose chosen by Moyne Health Services that is as close as possible to it.

I direct that the receipt of the Chief Executive Officer or any proper officer of Moyne Health Services shall be sufficient discharge of my Trustee or Executor for the Bequest.
GLOSSARY OF TERMS

ACHS Australian Council on Healthcare Standards.
ACSSA Aged Care Standards and Accreditation Agency.
ADASS Adult Day Activity and Support Service.
Aged Care Reforms The Living Longer Living Better aged care reform package was announced on 20 April 2012. The package encompasses a comprehensive ten year plan to reshape aged care.
ARA Australasian Reporting Awards.
Attestation on Data Accuracy An assurance that Moyne Health Services has appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance.
Average length of stay Is determined by dividing the total number of inpatient bed days by the total number of inpatient separations.
BACeS Board Assurance on Compliance e-System.
Best practice A comprehensive, integrated and cooperative approach to the continuous improvement of all areas of healthcare delivery.
BOM Board of Management.
CACPs Community Aged Care Packages.
CEO Chief Executive Officer.
Clinical Governance A systematic approach for improving and maintaining the quality of resident and patient care.
Consumer Directed Care CDC is a way of delivering services that allows consumers and their carers to have greater control over their own lives.
Current asset ratio A measure that indicates how much current assets exceeds current liabilities.
DMS Director of Medical Services.
DOH Department of Health.
DON Director of Nursing.
DVA Department of Veterans Affairs.
EACH Extended Aged Care in the Home.
Ecofootprint Is a measure of how many resources you use and tells you whether you tread heavily or lightly on the planet.
ED Emergency Department.
EFT Equivalent Full Time.
Financial Management Compliance Framework A mechanism for Government to review and monitor compliance with the Standing Directions of the Minister of Finance.
FOI Freedom of Information.
GP General Practitioner.
GSERP Government Sector Executive Remuneration Panel.
HACC Home and Community Care.
HR Human Resources.
ICT Information, Communication and Technology.
KPI Key Performance Indicator.
KRA Key Result Area.
MHS Moyne Health Services.
OH&S Occupational Health and Safety.
OPD Outpatients Department.
PfMC Port Fairy Medical Clinic.
QOC Quality of Care Report.
QPI Quality Performance Indicator.
QPS Quality Performance System.
ResourceSmart A healthcare program established by Sustainability Victoria, Department of Health and Department of Sustainability and Environment to assist healthcare agencies with environmental management.
Responsible Bodies Declaration A Report on Operations provided in accordance with the Financial Management Act 1994.
Risk Attestation Statement A requirement to provide a risk statement in the Annual Report in accordance with Standing Direction 4.5.5. of the Minister of Finance.
RN Registered Nurse.
Separation The process by which an episode of care for an admitted patient ceases.
SWARH South West Alliance of Rural Hospitals is an IT alliance of hospitals and multipurpose agencies.
VHA Victorian Healthcare Association.
VMIA Victorian Managed Insurance Authority.
VMO Visiting Medical Officer.
VPFSM Victorian Patient Satisfaction Monitor.
WEIS Weighted Equivalent Inlier Separations. A formula applied to the resource weight to determine the WEIS for recovery of funding.
Working Capital This is the amount of funds available when current liabilities are subtracted from current assets.
MOYNE HEALTH SERVICES

Moyneyana House
31 College Street,
Port Fairy, VIC 3284
Phone (03) 5568 0163
Fax (03) 5568 0027

Port Fairy Hospital
30-36 Villiers Street,
Port Fairy, VIC 3284
Phone (03) 5568 0100
Fax (03) 5568 0158

Belfast House
97 Regent Street,
Port Fairy, VIC 3284
Phone (03) 5568 0126
Fax (03) 5568 0120

Spring Park
33 Mill Street,
Koroit, VIC 3282
Phone (03) 5564 9500
Fax (03) 5564 9599

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