

Newsletter

ISSUE 2, DECEMBER 2020



**DERBARL
YERRIGAN**
HEALTH SERVICE

(under special administration)

Dear members and other interested people

Our names are Jack James and Paula Smith and we are from Rodgers Reidy in Perth. On 6 November 2020, the Registrar of Indigenous Corporations appointed us special administrators of Derbarl Yerrigan Health Service Aboriginal Corporation (DYHSAC).

During the special administration, we will keep you informed of progress through regular newsletters and information meetings.

All newsletters and meeting notices will be available on the public Register of Indigenous Corporations at **oric.gov.au**—use the ‘find a corporation’ tool, enter ‘Derbarl’ and follow the link to ‘documents’.

Progress of special administration

We are now well advanced in stage 2 of the special administration, which is aiming to restore good operational order:

- | | | |
|---|---|-------------|
| 1 | Take control of the assets, including bank accounts; build a complete picture of issues and challenges; and establish a clear plan of action. | COMPLETE |
| 2 | Restore good operational order. | IN PROGRESS |
| 3 | Prepare the corporation for return to members control. | |

We will hold our second information meeting as follows:

Date: Monday 11 January 2021

Time: 5.00 pm (WST)

Place: The RISE
28 Eighth Avenue
Maylands WA 6051

Information meetings are open to all members and other interested people to attend, except for media. They provide the opportunity to hear from the special administrators about work being done and allow people to ask questions.

Selwyn Button, the Registrar, will attend and be available to answer any questions you may have.

SEE THE ATTACHED MEETING NOTICE.

Operational matters

Funding

DYHSAC is continuing to operate on a business-as-usual basis. DYHSAC receives funding from the Commonwealth Department of Health and the West Australian Country Health Service to deliver a number of important health services and programs. Those services and programs have continued without interruption during the special administration.

During our appointment we have met regularly with the funding agencies to discuss the ongoing operations of DYHSAC. These meetings have been constructive, and we are pleased to advise that DYHSAC has the ongoing support of the funding agencies.

Operations

We are working with the CEO, Tracey Brand, and the executive management group to review a number of aspects of DYHSAC operations including, but not limited to:

- Medicare revenue and patient numbers
- motor vehicle fleet
- management reporting.

Money story

A summary of DYHSAC's recent financial information is set out below.

Assets and liabilities	30 June 2019 (audited)	30 June 2020 (audited)	31 October 2020 (unaudited)
Current assets	4,237,715	5,475,089	7,523,712
Non-current assets	2,209,169	3,448,315	3,453,292
Total assets	6,446,884	8,923,404	10,977,004
Current liabilities	2,292,633	3,963,338	5,567,331
Non-current liabilities	246,077	811,137	1,058,369
Total liabilities	2,538,710	4,774,475	6,625,699
Equity	3,908,174	4,148,929	4,351,305

Income and expenses	30 June 2019 (audited)	30 June 2020 (audited)	31 October 2020 (unaudited)
Grant income	11,850,552	12,193,064	4,077,326
Health income	3,836,078	4,054,838	1,440,349
Other income	541,465	168,309	169,768
Total income	16,228,095	16,416,211	5,687,443
Administration & property expenses	2,613,197	2,152,344	673,049
Repairs & maintenance	140,076	197,181	81,696
Program supplies	450,438	544,272	154,950
Depreciation	356,943	649,913	130,509
Motor vehicle expenses	128,454	107,476	41,066
Staff training	145,289	171,506	39,625
Staff expenses	12,332,402	12,352,765	4,364,172
Total expenses	16,166,798	16,175,456	5,485,067
Surplus	61,297	240,755	202,376

We make the following comments about DYHSAC's money story:

- The income and expenses statement for the period ended 31 October 2020 records a net surplus of \$202,376.
- Current liabilities at 31 October 2020 include unexpended grants.
- The corporation has net assets of \$4,351,305 and a current ratio of 1.35. Anything over 1 means DYHSAC has sufficient assets to pay its liabilities.

As such, DYHSAC is in a good financial position.

2019–20 audited financial statements

The audit of the 2019–20 financial statements has been completed. The audit report was unqualified, which is a great result for DYHSAC. It means the auditor is satisfied in all material respects that the statements are fair and presented in accordance with accounting standards.

We have lodged a copy of the financial statements with ORIC and they are available on the DYHSAC website.

2020–21 annual report

Tracey Brand and the executive management group are working on the 2019–20 annual report. It is expected to be finalised in January 2021.

Advisory group

We are pleased that many people expressed an interest in being a member of the advisory group. We reviewed the applications and have selected the following people as advisors

- Michael Blurton
- Gordon Cole
- Sandra Eades
- Leanne Milligan *
- Danial McAullay
- Donna Nelson
- Laurel Sellers
- Joclyn Tass

* Leanne Milligan is an independent member of the advisory group who has significant executive level experience in the health sector and corporate governance experience with Aboriginal corporations.

We have had two meetings with the advisory group to discuss the rule book and suggested changes to improve the governance structure at DYHSAC. These meetings have been very constructive.

We are aiming to give members details of recommended changes to the rule book in early-to-mid January 2021. At that time, we will ask members to provide any comments they may have.

What will happen next?

Our next steps will include the following (amongst other things):

- continue discussions with funders in respect to ongoing operations at DYHSAC
- continue with our review of operational matters
- continue working with the advisory group in reviewing the rule book and governance structure.

Shutdown period

East Perth clinic will remain open between Christmas and the new year other than public holidays. Maddington, Midland and Mirrabooka clinics close on 24 December and reopen on 4 January 2021.

We wish all members and staff of DYHSAC and their families a happy and safe Christmas and new year.

More information

The Registrar has a fact sheet, *Special Administrations: what members and directors need to know*. You can find this and other fact sheets on corporate governance on the ORIC website: oric.gov.au.

SPECIAL ADMINISTRATORS



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HEALTH SERVICE

(under special administration)

Notice of information meeting

Members and other interested people are invited to an information meeting

On 6 November 2020, the Registrar of Indigenous Corporations appointed us as the special administrators of Derbarl Yerrigan Health Service.

We are holding our second information meeting about the special administration and invite all members of the corporation and interested parties to come.

To respect the privacy of those attending, the media will be unable to attend.

Selwyn Button, the Registrar, will also be at the meeting and available to answer questions.

Details of the meeting are as follows:

Date: Monday 11 January 2021

Time: 5.00 pm (WST)

**Place: The RISE
28 Eighth Avenue
Maylands WA 6051**

This is your opportunity to discuss the special administration and your corporation's future. Please come along.

Light refreshments will be served.

Agenda:

1. Update on the special administration
2. DYHSAC's money story
3. Rule book review
4. Next steps in the special administration
5. Questions.

Jack and Paula