2021– 2022

Annual Report

Omeo District Health

WE CARE about creating a healthy community

Our Journey

***1851*— Gold was discovered in Omeo, dramatically changing the isolated communities of Omeo, Swifts Creek, Ensay and Benambra bringing an influx of new residents and visitors.**

***1891*— The Omeo District Hospital was incorporated in November to service a growing community.**

***1894*— Provision of care for the sick and injured commenced in August 1894.**

***1939* — Devastating bushfires destroyed the original Omeo District Hospital building, along with surrounding towns and landscapes.**

***1940* — A new 19 bed hospital was built on the Easton Street site.**

***1993* — Following reviews and funding changes in September, the number of beds was reduced to 4 acute beds, 1 urgent care centre and 10 nursing home places.**

***2005* — On 9 December a full redevelopment of the existing hospital buildings and service areas was completed and officially opened.**

***2012* — The High Country Men's Shed officially opened on 22 July, funded by the Victorian Department of Planning and Community Development and in partnership with the CFA Victoria.**

***2012* — The ODH Community Gym opened in March at Omeo. Later, the program expanded to Swifts Creek (May 2013) and Benambra (April 2017).**

***2016* — The ODH Harvest Exchange was launched in February, under the Omeo Region Healthy Food Futures 'Grow, Share, Create' Project.**

***2017* — A sustainable public dental service was established in partnership with the Royal Flying Doctor Service, operating out of ODH premises.**

***2019* — ODH provided extensive assistance to the community and kept residents safe as bushfires threatened local towns, including Omeo.**

***2020* — ODH was approved to become a Home Care Package Provider.**

ODH increased services and extended hours to accommodate COVID-19 testing and vaccinations.

Table of Contents

Omeo District Health is established under the Health Services Act 1988 (Vic)

The responsible Minister for Health:

From 1 July 2020 to 27 June 2022

The HON. Martin Foley, MP

Minster for Health

Minister for Ambulance Services

Minister for Equality

From 27 June to 30 June 2022

The HON. Mary—Anne Thomas, MP

Minister for Health

Minister for Ambulance Services

The responsible Minister for Mental Health:

From 1 July 2021 to 27 June 2022

The HON. James Merlino, MP

Minister for Mental Health

From 27 June to 30 June 2022

The HON. Gabrielle Williams, MP

Minister for Mental Health

Minister for Treaty and First Peoples

Our Vision

WE CARE about creating a healthy community

Our Mission

To promote and enhance the health and wellbeing of the people of the east Gippsland High Country

Acknowledgment of Country

Omeo District Health acknowledged the traditional owners of the lands on which we operate. We recognise and respect their cultural heritage, beliefs and relationship with the lands.

Diversity

Omeo District Health is committed to diversity in the workplace and to culturally safe and LGBTQI-inclusive practice. Omeo District Health fosters an inclusive environment that accepts each individual's difference, embraces their strengths and provides opportunities for all staff to achieve their full potential. Our staff understand and respect the differences in religion, race, ethnicity, cultural values, gender and thinking styles and embrace this in all aspects of the care we provide.

Omeo District Health
12 Easton Street
PO Box 42
Omeo VIC 3898

Telephone: (03) 5159 0100

Facsimile: (03) 5159 0194

Email: reception@omeohs.com.au

ABN: 24 479 149 504

Wellbeing	Maintain a healthy balance of work, rest and play
Empathy	Show compassion and understanding for the perspectives and experiences of others
Creativity	Encourage new ideas, explore ways to innovate
Accountability	Act with integrity. Take responsibility for our decisions and actions
Resourcefulness	Be responsive in overcoming challenges and changing circumstances
Excellence	Expect, recognise and reward excellence

Our Strategic Plan

Every five years we develop a Strategic Plan that reflects our vision, defines our mission, encapsulates our values and details how we will deliver our objective's. Our Strategic Plan for 2018—2023 contains six pillars which each contain Key Objectives.

Healthy Community

Reach out to our local rural community in the planning and delivery of our services.

- Formal and simple structures are established to seek broader community consultation, engagement, volunteering and participation;
- Plan services around existing and emerging community needs and demands, participate in community events and introduce regular periodic assessments of performance;
- Targeted promotion of available services through the use of print and online platforms.

People and Cultures

Build a highly engaged and skilled team of health care professionals and volunteers with a commitment to creating a culture of achievement and service excellence.

- Recruit, retain and develop key talent;
- A structured program for the reward and recognition of excellence in achievement and behaviour is in place;
- Create a constructive culture reflective and demonstrative of our core values where safety is paramount.

Effective Governance

Create a comprehensive and accessible governance framework that ensures compliance with our legislative, ethical and statutory obligations.

- Effective corporate and clinical governance frameworks are in place;
- Integrated systems and frameworks are in place to support effective decision making across all functions;
- Formalised assessments in place to review performance of Board and its committees.

Quality Care and Safety

Deliver first class care to our clients, community and key stakeholders.

- Evidence based models of care are in place to ensure excellent client outcomes;
- A person centred approach underpins our models of care aligned with our rural context;
- Consistent and safe delivery of all services at a level that meets government and community standards;

Sustainable Services

Develop a fully sustainable health care service model to fund future growth and investment in new markets and emerging technologies.

- A structured and considered prioritisation process is in place to assist in the best utilisation of resources;
- Adopt a diversified and agile funding approach;
- Fund new and alternate models of care to meet the needs of our community.

Collaborative Partnerships

Invest in strategic partnerships and alliances that allow us to achieve better outcomes for our service.

- Seek and nurture alliances where common objectives exist;
- Promote a reputation of collaboration with organisations and individuals; including community groups, who wish to assist us in achieving our strategic goals;
- Review and ensure all formal agreements are relevant and in place.

Our Services

Acute Care

- 4 acute beds for general medical care
- Urgent care centre

Residential Aged Care

- 10 high level care beds
- 4 low level care beds
- Diversional Therapy
- Respite care
- Virtual visiting program for residents
- Gentle exercise program for Residents
- Aged Care Family Liaison Officer

District Nursing Services

- Home Visiting
- Post– Acute Care Program
- Post Discharge Support
- Transitional Care program in the community

Ancillary Services

- Radiology
- Pathology

Subacute Care

- Transitional Care Program
- Rehabilitation
- Volunteer Program
- Community Gym and Exercise Classes
- Pre-employment physical testing program service
- In venue child day care programs

Home Based Services

- Home Respite
- Personal Care
- Domestic Assistance
- Home Maintenance
- Meals on Wheels
- Social Support Group
- Community Transport

Medical Services

- Omeo Medical Centre

Dental Services

- Royal Flying Doctor Service
    - Public dental Service
    - Private dental service

Use of Facilities

Community Group Meetings

Allied Health & Community Services

- Chronic Disease Management
- Diabetes Education
- Counselling/Social Work
- Equipment Loan
- Podiatry
- Foot Care
- Health Promotion and Education
- Information and Referral
- Occupational Therapy
- Physiotherapy
- Speech Pathology
- Youth Program
- Allied Health Assistant
- High Country Men's Shed
- Mental Health Nurse

Supporting Portfolios

- Administration
- Food and Environmental Services
- Infection Control
- Maintenance and Gardens
- Occupational Health and Safety
- Regional Assessment Service (RAS Assessor)
- Clinical Education

Visiting Services

- Continence Service
- Wound Consultant
- Gerontology Nurse Practitioner

Our Board

The goal of the Board is to ensure, through robust governance and a clear strategic direction, the provision of excellent care for our residents, patients and clients as well as ensuring a safe working environment for our staff.

Role of the Board of Directors

The Board of a public health service is responsible for its own governance. It is accountable to both Government and the community that it serves for ensuring the provision of agreed services with the resources provided.

Board Directors are appointed by the Governor in Council, upon the recommendation of the Minister For Health.

To fulfil its role, the Board should have Directors with a range of appropriate expertise and experience. The functions of the Board of Directors as determined by the Health Services Act 1988 include:

- To monitor the performance of the hospital; and
- To ensure the service provided by the hospital comply with the requirements of the Act and the aims of the organisation.

The Board is assists in delivering these goals by receiving regular reports on the organisations operations including Quality, Safety, Risk and Financial activities.

Board of Management Attendance

Member	# of meetings attended out of 10
Simon Lawlor	9
Ann Ferguson	8
Alastair McKenzie	3
Penny Barry	9
Therese Tierney	8
Joe Rettino	8
Leecia Angus	10
Harry Thomas	10
Marianne Shearer	10

Chair of the Board

Simon Lawlor

Director of Upper Livingstone Farm, Omeo

Simon was appointed to the Board in March 2017 and was re-elected Chair in December 2019. His appointment expires on June 30th 2022, however has successfully been reappointed for another term.

Committee Membership:

Community and Consumer Partnership Advisory; Clinical Governance; Nomination & Remuneration; Credentialing and Scope of Practice.

Vice Chair

Leecia Angus

Consultant, Managing Director of Snowy Advisory Pty Limited.

Leecia was appointed to the Board in July 2020. Her appointment expires on June 30, 2023.

Committee Membership:

Finance, Risk and Audit; Nomination & Remuneration

Treasurer

Joe Rettino

Partnership/Engagement Broker | Skills and Jobs Centre TAFE Gippsland

Joe was appointed to the Board in July 2019 and was elected Treasurer in December 2020. His appointment expires on June 30th 2022.

Committee Membership:

Finance, Risk and Audit—Chair.

Our Board — Directors

Marianne Shearer

Consultant and Board Director, building stronger health and education systems in Gippsland and across Victoria

Marianne was appointed to the Board in July 2021. Her appointment expires on June 30th 2024.

Committee Membership:

Clinical Governance – Chair; Credentialing and Scope of Practice; Community and Consumer Partnership Advisory

Therese Tierney

Consultant and Board Director

Therese was appointed to the Board in July 2019. Her appointment expires on June 30th 2022.

Committee Membership:

Clinical Governance; Credentialing and Scope of Practice.

Penny Barry

Director of Bindi Pty Ltd, Swifts Creek

Penny was appointed to the Board in March 2020. Her appointment expires on June 30th 2023.

Committee Membership:

Community and Consumer Partnership Advisory—Chair; Finance, Risk and Audit; Clinical Governance; Credentialing and Scope of Practice.

Ann Ferguson

Commercial Manager

Ann was appointed to the Board in March 2017. Her appointment expires on June 30th 2024.

Committee Membership:

Finance, Risk and Audit; Nomination & Remuneration.

Harry Thomas

Retired IT Executive

Harry was appointed to the Board in June 2021. His appointment expires on June 30th 2023.

Committee Membership:

Finance, Risk and Audit; Clinical Governance.

Alistair McKenzie

Senior Manager Business IT, South East Asia and Oceania

Alistair was appointed to the Board in June 2019. His appointment expires on June 30th 2022.

Committee Membership:

Finance, Risk and Audit; Nomination and Remuneration.

Our Board Sub Committees

Finance, Risk and Audit Committee

The Board endorses plans and strategies, and monitors the performance of ODH through appropriate budgetary processes to ensure compliance with Financial Framework requirements.

The Finance, Risk and Audit Committee meets bi-monthly and reports directly to the Board of Directors, led by Joe Rettino as Chairperson.

Nomination and Remuneration Committee

This committee was established in 2017 to assist in ensuring robust governance for ODH.

The primary focus is to ensure appropriate diversity and skills mix is considered in Board Director succession planning and ongoing training.

Ensuring appropriate oversight and recommendation to the Board regarding the ongoing professional development and strategic focus of the Executive Team and the recruitment, succession planning and performance review of the Chief Executive Officer position, led by Natalie O'Connell as Chairperson.

Clinical Governance Committee

The Clinical Governance Committee is responsible for oversight of the Clinical Governance Framework and the Quality Improvement Program, meeting on a quarterly basis with three Board Directors and a range of staff from across the organisation attending.

A quality improvement schedule informs the agenda and ensures the timely completion and evaluation of quality improvement activities, led by Marianne Shearer as Chairperson.

Community and Consumer Partnership Advisory Committee

Members of the community participate in an innovative and creative Community and Consumer Partnership Advisory Committee.

The Committee acts as an advocate to the Board of Directors on behalf of the community, consumers and carers.

The Committee plays an essential role in representing the community's perspective in the development of priority areas and strengthening effective consumer and community participation at all levels of service planning and delivery, led by Penny Barry as Chairperson.

Credentialing and Scope of Practice Committee

Ensuring that medical practitioners are appropriately qualified and experienced is an important role for this committee. Dr. Mau Wee, Director of Medical Services, select Board Directors, CEO, DON and OMC Practice Manager in collaboration with BRHS and ORH, review all medical practitioners' credentials, ensuring ODH is compliant with all credentialing requirements.

Reaccreditation of current medical practitioners is attended to and recommendations for appointments of new locums or visiting GP's are made to the Board of Directors for approval.

Report of the Chair of the Board and Chief Executive Officer

Welcome to our 2021—22 Annual Report

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

Signed:

Simon Lawlor

Board Chair
Omeo District Health
02/07/2022

It is with pleasure we present the 130th Annual Report Omeo District Health (ODH), in accordance with the Financial Management Act 1994 for the year ending 30th June 2022.

The financial year of 2021-2022 has again presented as a challenging year for not only our organisation but also for our communities.

Firstly we take this opportunity to acknowledge the efforts of Mr Arish Naresh, CEO, over the previous year. Arish has secured a position closer to Melbourne and we wish him well into the future and thank him for his contribution throughout the year.

The Board also acknowledges the assistance provided by Frank Megens as Interim CEO during the recruitment period towards a new CEO.

Under the shadow of COVID-19, the districts fire season in 2021 slipped by almost unnoticed largely due to the La Nina weather effect bring wetter than usual conditions. This was a welcome respite from previous seasons. Nevertheless, our communities continue to deal with the impact of COVID -19 and of recent emergence of influenza.

Despite the best efforts of staff and compliance with infection control practices within our hospital and community, ODH experienced an outbreak in April 2022. A high rate of vaccination within our resident and staff group ensured that ODH travelled through this outbreak with minimal resident impact.

The challenge however remains as we battle with continuity of service due to COVID-19 and seasonal influenza related illness within our staff group. The ODH experience is not unique and is being seen across the state however with an overlay of remoteness and small populations within our townships the challenge is considerable.

We acknowledge the above and beyond efforts of our staff. We thank our staff for their extraordinary efforts in ensuring our service continues at all levels and that the highest level of care is maintained.

The Board of management continues to focus on those items set out in our Strategic Plan and Statement Priorities. As an organisation we recognise the need to work closely with our community to ensure the highest standard of care is delivered and that community and consumer expectations are met or exceeded.

Faced by the challenges of COVID-19 and the previous years Gippsland bushfires our preparedness systems and the ability to support the broader region have been tested and validated.

STRATEGIC INITIATIVES:

During the year progress continued to be made on meeting our Strategic Goals.

Healthy Community

Our services continue to be responsive to community needs and this is most evident in our COVID-19 response. Moving forward the organisation anticipates supporting the community with ongoing COVID-19 vaccinations as well as delivering an influenza immunisation service to respond to the rapidly rising cases of seasonal influenza.

Through our Health promotion work ODH continues to influence the longer term health improvements of our community. This is evident in our continuing regional involvement in meeting the outcomes of the Victorian public health and well being plan thereby ensuring all residents of all ages are afforded the opportunity for optimal health and wellbeing so they can participate fully in their community, in education and/or in employment.

Quality Care and Safety

ODH continues to respond to the needs of the community through further expansion of our Home Care programs. This program has a strong focus on person centred care and strives to provide care with the client's home. As a service ODH is able to provide entry level care through our Home support program that progress's with the client as their needs increase. We are pleased to see the increase in our Home Care packages as this demonstrates a desire for care in the home by a highly trained and dedicated workforce.

Further initiatives in the telehealth space including the use of My Emergency Doctor and improved linkages to other service providers will provide increasing support mechanisms to both our medical and nursing staff.

People and Culture

Little can be achieved without a dedicated and trained workforce. ODH actively promotes education for all staff to ensure contemporary practice is applied. Recruiting and retaining staff is a key focus of our HR service and underpins all of our efforts.

Considerable effort has been given this year to ensuring the culture of the workplace is positive and dynamic. We thank the staff for their active participation in this space and look forward to embedding our learnings in local practice.

Sustainable Services

Resource continue to be refreshed and built upon. This year further expansion of solar panels will see the organisation move to increased financial and environmental sustainability.

ODH recognises its position as a responsible community and corporate citizen and will actively continue to pursue sustainable delivery of services.

Identifying our community needs and responding to these needs through alternate models of care and services will be ongoing and evolving. We anticipate core services such as the medical clinic to continue its important service while being capably supported by allied health and home care services. ODH is an integrated service with each service working closely with each other to achieve best client health outcomes.

Effective Governance

Each health service requires adequate governance systems to ensure high quality leadership and health outcomes.

We acknowledge the contribution of our Board Members and subcommittee members in ensuring that the compliance requirements of the organisation through varying frameworks are achieved.

Effective clinical governance ensures oversight of our care and provides a high level of system improvement assurance. Monitoring clinical outcomes will be developed as we travel through the forthcoming year and build on already established safety systems.

Our governance systems also take a close interest in staff safety and welfare and we are pleased to announce that our OH&S systems and reporting indicate a very low level of injury within our staff. This is a credit to staff who accept the joint responsibility in achieving a safe work place. As was the case this year we look forward to ensuring this remains a high priority item into the future

Collaborative Partnerships

ODH remains a member of the Gippsland Health Service Partnership group that strives to maximise benefits across the region in collaborative working relationships. By leveraging through the work of the partnership ODH can access support not generally available to smaller services. As an organisation we are also able to contribute to the broader health system to maximise the potential for system improvement. It is vital that smaller health services participate in these partnerships to maximise the benefits for our communities. We look forward to being active participant in relevant activities.

We take this opportunity to recognise the work of our staff over a very challenging year and sincerely than them for their dedication to patient care.

The Year Ahead

2022-2023 will again be a challenging year as we revisit the strengths of our programs and build on the aspects that will deliver key achievements to our community.

We anticipate that our home care services will continue to grow as we provide support to local clients transitioning from other service providers.

Ensuring the service is well supported in rebuilding after a difficult year will also see our leadership structure reviewed with a strong focus on organisational culture. ODH expects to continue its investment in staff .

We anticipate successful recruitment to the Transition to practice program for novice enrolled nurses. As a remote facility practitioners have much to gain from a remote health service experience.

Maintaining accreditation status will also be a priority this year as we hope to showcase the facility as a provider of high level care that the community expects.

Thank you.

Frank Megens ***Simon Lawlor***

Interim Chief Executive Officer *Board Chair*

Our Year in Review

The past year has brought new opportunities and new challenges. Some key activities

2021—22 continued to test ODH with COVID-19 vaccinations, testing and reviewing local plans to reduce the chance of COVID-19 reaching our residential aged care area. We had great support from Allergists that provided general education and individual support to our staff and community in an effort to ensure vaccination uptake was successful. Two portable units were hired and one fitted out as an external urgent care centre to manage potential emergencies, swabbing and testing in a separate area to the main facility and minimise the risk to COVID-19 spreading to vulnerable people inside the facility.

The duplication of the urgent care centre was not the only equipment upgrade for the health service. The increasing uptake of videoconference consultation and meetings saw the introduction of a large portable videoconference unit in the Medical Centre area and a large fixed unit in our urgent care centre. Floor coverings have been completed throughout the facility including dementia friendly carpeting in the aged care area. We obtained a wheelchair weighing device and two new low low beds and mattresses through CAPEX funding and then were fortunate enough to be provided with another four hi low beds and mattresses. Extra solar panels have also been installed to further improve our energy footprint. Resident dining tables, lounge chairs and an upgrade of the resident garden has been undertaken to improve caring for our residents with dementia.

Other works that have been undertaken to improve the service include Refurbishment of our Transitional Care Room to improve the ability of clients to self-care and to practice preparing meals prior to returning home. The health service car park was resurfaced to reduce risk of falls from the uneven surface. Double glazed windows are currently being installed in older areas of the facility to reduce energy loss. Air conditioning units were upgraded and air purifiers provided to improve filtration and airflow to reduce potential spread of infection. Our ageing infrastructure for key padded doors has been replaced with the use of a fob system. Our community gym at the hospital was upgraded, again to reduce energy loss and our medical records archive room has also been refurbished. The facility has received a fresh coat of paint.

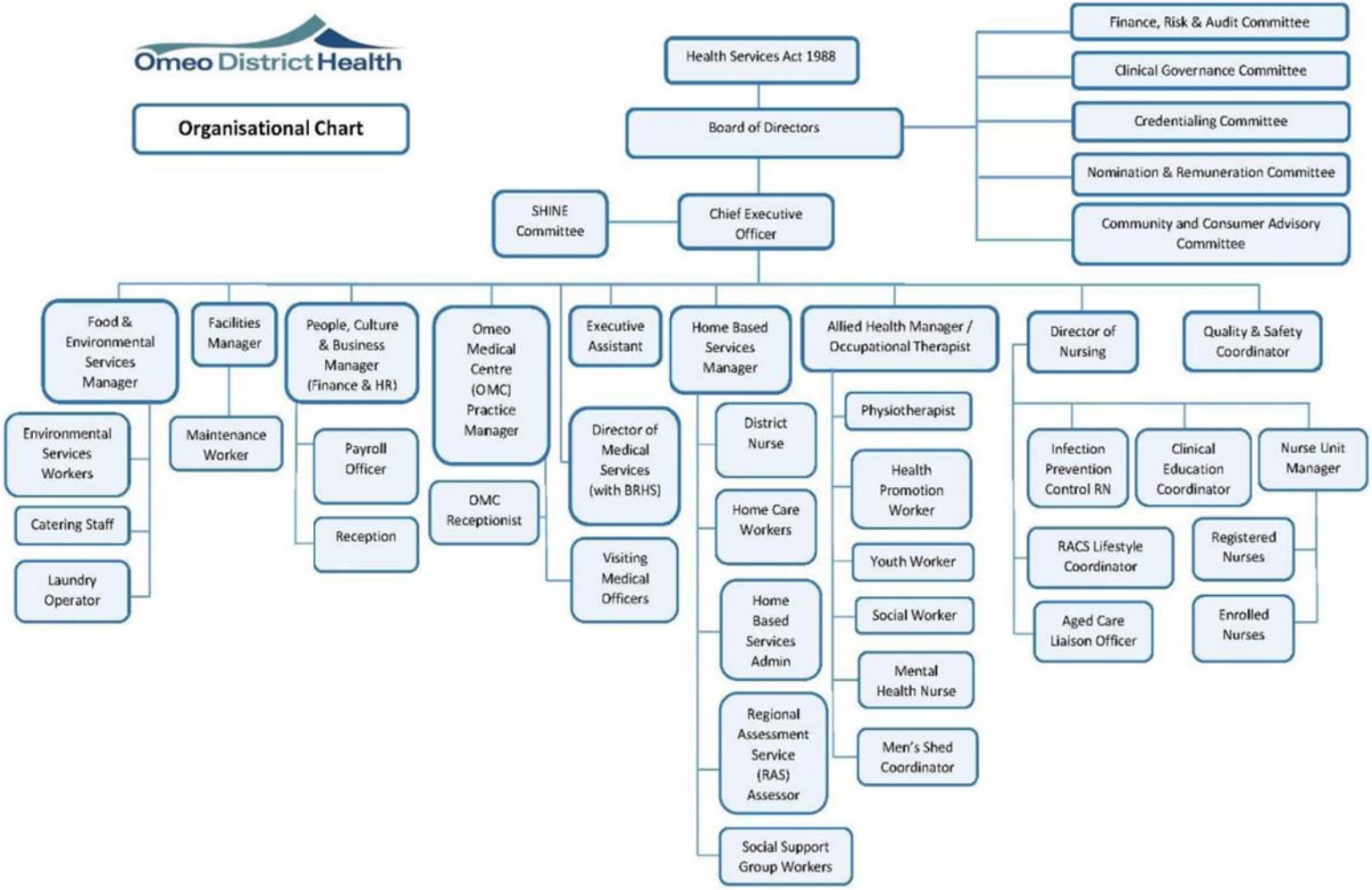
New services, activities and programmes pursued this year saw our GP outreach service visiting Benambra and Dinner Plain. A paediatrician made himself available for clinics at Omeo of which appointments have been well attended and has provided online education for staff. We supported our first known voluntary assisted dying patient with their final wishes. A go hard go early against cancer golf day was well attended despite uninviting weather. A grow our own recruitment program has seen staff working in different areas of interest than they were originally employed. A consultant has been appointed to undertake review with staff of the culture within the facility. A healthy parenting program has been developed to support community needs.

Again a challenging year however the resilience of our workforce and small community demonstrated their passion and commitment for the area.

Expectations for the future will focus on the improvement of our organisations' culture and leadership, staff recruitment, maintaining our aged care accreditation status and embedding learnings from our AGPAL and ACHS accreditation undertaken this year.

The appointment of a consultant to review workplace culture was well received and we expect to develop a list of acceptable behaviours in line with ODH's Values to be owned and practised by the staff. Recruitment of a new CEO is well underway and a preliminary review of our organisational chart has been undertaken with refinement to occur on the commencement of the CEO. Staff recruitment, in addition to the CEO, will focus on shortfalls across Departments. An application in conjunction with Orbost Regional Health and Bairnsdale Regional Health Service for the Enrolled Nurse Transition to Practice Program is expected to be successful and will expose newly graduated Enrolled Nurses to a greater variety of care delivery areas and provide greater support and education opportunities.

Organisaton Chart



Our Executive Team

Chief Executive Officer

(Interim) May 2022—current **Frank Megens** RN, RM, Cert NIC, Cert PIC, Cert Conflict Resolution (CSU), Cert Industrial Relations (CSU), MHA (UNE)

May 2021 — May 2022 **A/Prof Arish Naresh** J.P, MNZM, PhD, MHSc (Dist), PGHSM, PGHSc, Dent Therapy (Hons), Adv IT,FHSM CHE, NZRDTH, MIML

The Chief Executive Officer (CEO) is responsible for the executive leadership, operational and clinical management of Omeo District Health in accordance with its Statement of Priorities and Board of Management instructions. The CEO is responsible for implementing the Strategic Plan, including setting the culture of the organisation to achieve the Mission and Vision of ODH. In addition, the CEO oversees risk management, quality and safety and is accountable for implementing internal controls to prevent, detect and report fraud, corruption and other losses.

Director of Nursing

January 2017—current **Darren Fitzpatrick** RN

(Interim) October 2021 — June 2022 **Reena Reddy** RN

The Director of Nursing (DON) is an administrative role directly responsible to the Chief Executive Officer.

The DON is responsible for the provision and delivery of leadership and quality clinical care services to patients, consumers and clients within primary care, acute care, aged care, urgent care and community care at ODH.

Home Based Services Manager

March 2020 — current **Leanne McKenzie**

The Home Based Service Manager undertakes a diverse range of managerial and administrative functions to support the home based services within ODH. It is important in providing holistic, community based health and support services, enhancing quality of life in the home for the disabled, frail aged people and their carers, which assists avoiding inappropriate admission to long term residential care.

Allied Health Manager

March 2020 — current **Marijs Last;** EN, OT, RAS

The Allied Health Manager is to ensure the team deliver innovative, quality client centred care and effective therapeutic programs. The Allied Health department provides multi-disciplinary services to the community and patients, across a variety of clinical settings.

Quality Manager

February 2022— current **Alyce Richards** EN

May 2021 —December 2021 **Leanne Stedman**

The Quality Manager oversees and coordinates the efforts of all staff toward meeting and maintain the five sets of accreditation standards that apply to ODH activities.

As well as collating all evidence required to support each accreditation review, the role includes monitoring, collating and presenting monthly quality data, maintaining audit and improvement schedules, delivering staff education, managing the Rickman incident reporting portal as well as the PROMPT document management portal and preparing the annual Quality Account.

Clinical Services Report

Aged Care

COVID-19 has continued to be a major challenge for our residents, Nursing and environmental staff with infection reaching our community and staff. Residents activities have been at times interrupted as a result of COVID-19 restrictions and our Nursing and environmental staff have been instrumental in maintaining social interaction along with Lifestyle Coordinator Leanne Appleby who has been crucial in supporting the wellbeing of our Residents.

It has been exciting to see new residents interact and friendships develop and our staff have mourned the passing of some of our long term residents.

The virtual visiting program has allowed residents to stay in contact with relatives locally, interstate and overseas. In addition, support of telehealth by specialist for consults has been welcomed both by consumers and carers. We have been blessed to have magnificent views from the facility and students and staff from multicultural backgrounds have shared virtual travelling around the world when we have needed to isolate our facility from the community.

Darren Fitzpatrick
Director of Nursing

Education

Another challenging year for our Education at Omeo District Health. Our community was directly impacted by the global pandemic this year, with several outbreaks within the community and the facility. Two facility outbreaks resulted in complete lockdowns for short periods of time to protect our residents and staff.

These impacts of the pandemic have also adversely affected our staffing, staff have worked across departments to ensure continuity of services and should be commended.

The departure of our long time Clinical Educator, Jackie Hughes, was also felt by the organisation, I would like to recognise the commitment Jackie made to our Education program over the years and thank her for her contribution to our organisation.

With these variables in mind, face to face training was very limited for the second year running. CPR updates were held for some staff in conjunction with local Ambulance Victoria Paramedics and other modes of delivery were trialled, such as questionnaires.

Online modules of learning were started later in the year with a completion rate of 25% organisation wide in only 4 months. Due to the late start in this area focus was concentrated on bullying & harassment, COVID-19 precautions and, for the nurses; safe medication and IV management.

Unfortunately, due to the COVID-19 environment, no graduate nurses or students completed placement with Omeo District Health this year, with students expected to return in October 2022.

Our staff have attended a range of external training sessions including recognising & responding to clinical deterioration, ECG interpretation, leadership, the importance of quality systems in the future of healthcare, ACHS Standard 5, central venous access device and MANAD training. A number of staff have also undertaken training to further their skills in their field such as Diploma of Accounting, Allied Health Assistance, Rural Urgent Care Nursing, Clinical Governance and Infection Prevention & Control.

Moving forward a new face-to-face training schedule is being developed in collaboration with Bairnsdale Regional Health Service, with consideration to the events of the last three years to maintain consistency and adaptability in a changing environment. A train the trainer system is also being developed to allow for training to be delivered by our own.

Nursing

COVID-19 vaccination, swabbing, infection, restrictions and reporting requirements whilst almost becoming the norm continues to significantly impact on our staff.

Much appreciation is extended to all staff and their families for their support and commitment to the facility and our community during very challenging circumstances and decisions. It would be remiss to not acknowledge the leadership of our CEO, Arish Naresh,

and the amount of energy, support and enthusiasm that he brought led to many positive changes to ODH and the community.

Staffing has been an issue throughout the year. We have managed to recruit some staff members to Omeo but travel limitations have hindered some commencement dates. Our local and traveling staff should be commended for their commitment and dedication to provide care for our residents and patients. Such dedication has seen many staff building up annual leave and we have been proactively encouraging staff to take well-earned breaks. Agency staff usage, previously never used, have been employed intermittently and recruitment of overseas staff have assisted in reducing shortfalls.

In what has been anything like a routine year I have greatly appreciated being able to undertake some extended leave. I would like to thank Reena Reddy for standing in for me during my absence and nursing staff for their support.

I wish to extend my gratitude and sincere appreciation for the support, encouragement and commitment of all our staff, Board of Management, Volunteers and the Community.

Darren Fitzpatrick
Director of Nursing

Support Services

Community Dental Services—Royal Flying Doctors Service Partnership

The successful partnership between Omeo District health and the Royal Flying Doctor Service (RFDS) has enabled the continued provision of dental services to communities in the East Gippsland High Country, including Omeo and 17 surrounding towns.

During the COVID-19 restrictions, ODH and the RFDS worked together to ensure dental treatment services were provided safely when possible. Virtual consultations were arranged when in person dental services were not allowed, and referrals to community dental clinics for eligible patients were provided for those requiring urgent treatment.

Since the easing of COVID-19 restrictions, RFDS has been able to resume its usual services and is aiming to provide treatment to patients every four weeks, including aged care visits.

Food and Environmental Services

The Catering and Environmental Services department has seen many changes and challenges. With previous manager Grace Elford taking maternity leave, 6 new staff joining the team and unfortunately 5 leaving us. Despite workforce changes and changing practices to align with COVID-19 direction the staff have adapted and continue to show commitment towards ensuring best practice service provision.

We have seen 6 new properties added to the portfolio for the purpose of accommodating surge staff and visiting professionals.

We have been working on the dietary component of the manual, producing standard recipe cards for the rotating menu, and allergen advice updates. With this modification a budget template was created. With the ability to cost all meal items. New implementation of safety protocols with clients personal needs and requirements.

We have been working closely with audit committees to ensure that all current procedures are relevant and up to date for the safety of our staff and clients. Also working with the Quality department on the focus of improving documentation across our department to better suit the audit requirements.

In all this the staff in the Catering and Environmental Department have over come every obstacle seen with dedication and hard work. The care and compassion they display to our clients in making their home warm and welcoming should be commended.

Department	# of meals provided
Meals on Wheels	1683
Residents and Patients	13 329
Staff meals	1556

Alisha Prowse-Brown

Acting Catering and Environmental Services Manager

Home Based Services Report

Community Health Service; Home Based Services, led by Home Based Services Manager Leanne McKenzie

The ongoing COVID-19 pandemic continued to impact Home Based Services, ODH continued with all allowable program services, albeit with some modified parameters. It has been challenging to keep both staff and clients up to date with the changing environment. ODH have ensured that direct care staff have been provided with the personal protective equipment and the information and training required to work safely.

We were able to schedule an overnight trip for the Social Support Group and with all the lockdowns and changes to services due to COVID-19 it was extra special this time! With the support of the Coordinators we were able to arrange an adventure over Mount Hotham to Milawa for a food and wine exploration. The group set off over Mount Hotham and stopped in Bright for morning tea and to stretch their legs. They arrived at a stunning Hotel overlooking the Vineyards and had a day of tasting the specialties of local area, condiments, cheese, bread and wine. The following day they had a leisurely breakfast together and made their way back to Bright where they had some freedom to wonder the shops and enjoy a spot of lunch. The group have been hoping to visit Milawa for 3 years now, feeling it was never achievable with road conditions and COVID, but we made it! It's a fantastic feeling to help achieve it this goal for our Social Support Group!

In August 2021 ODH became a Home Care Package Provider, with 2 clients signing up within the first month. With word spreading fast and community members wanting more localised support services has meant we have been busy! We currently have 5 HCP clients with 3 more active by end of July.

Home Support Services

The Commonwealth Home Support Program provides a range of entry-level aged care services for older people who need assistance with daily tasks to continue keep living independently at home and in their community.

- Domestic Assistance
- Personal Care
- Respite Care
- Home Maintenance/ Home Modification
- Meals on Wheels and assistance with meal preparation
- Social Support Group
- Home Based Nursing

In order to support these services, Omeo District Health provides independent assessment for clients through the Regional Assessment Service (RAS).

Other Services

- Community transport

Volunteers

Omeo District Health has a small but dedicated pool of volunteers. The Commonwealth Home Support Program and the Home and Community Care Program provides coordination funding to enable volunteer support and assistance in the following areas:

- Volunteer driving as part of the Community Transport program
- Assistance to the residents' Lifestyle and Leisure program
- Volunteer Supervisors for the Men's Shed program
- Volunteer Exercise Program facilitators
- Delivery of meals in the Meals on Wheels program
- The contribution our volunteers make is greatly appreciated and significantly supports and extends access to programs in the community.

Funding Sources

Omeo District Health Home Based Services receive funding from several sources:

Commonwealth

Department of Health for the Commonwealth Home Support Program (CHSP)

National Disability Insurance Scheme (NDIS)

State

Department of Health - Home and Community Care Program for Younger People (HACC PYP)

Local

East Gippsland Shire Council supplements the Home and Community Care program

Partnerships

ODH Community Health Services has strong links with the East Gippsland Shire at a regional level, and at a local level works in collaboration with such organisations as Swifts Creek Bush Nursing Centre, Ensay Bush Nursing Centre, Community Centre Swifts Creek, Benambra Neighbourhood House, Ambulance Victoria, Victoria Police and local schools and early childhood centers.

Streamlined client care continues to be coordinated through fortnightly case conferencing meetings with input from Community Health management and direct care staff, ODH acute nursing staff and medical practitioners from Omeo Medical Centre. These meetings have led to improved referral processes and streamlined care coordination for community based clients.

Leanne McKenzie

Home Based Services Manager

Allied Health

ODH Community Health Allied Health Services are led by Allied Health Manager, Marijs Last.

The COVID-19 pandemic has considerably impacted Allied Health Services provision, with a range of directives from Commonwealth and State Government altering permitted activities. It has been challenging to keep both staff and clients up to date with the changing environment. ODH have ensured that direct care staff have been provided with the personal protective equipment and the information and training required to work safely.

Some staff members usually based at Omeo District Health have been required to work off site, including some work from home arrangements.

Some programs have at times been prohibited to operate including Men's Shed, Youth activities, the Community Gyms and exercise classes. Alternative ways of providing service such as telephone consultation, video telehealth consultations and seeing clients in outdoor environments (weather permitting!) have been employed.

The Health Promotion program had a strong focus on the prevention of gender-based violence, with ODH taking a lead role in coordinating a regional approach in this field. Initiatives over the past 12 months have included Gender Equality and Respectful Relationship workshops with Early Years services and organisations, 16 Days of Activism, Orange Round football netball match (Round 11 Swifts Creek v Buchan match), supporting the roll out and promotion of campaigns including 'Hands up to change the story', 'Wear it Fridays' and 'Gippsland Let's Chat' and '16 Days of Activism'.

Other key focus areas for health promotion included the coordination of the 2021 Community Health Survey, partnership initiatives including Eat to play social marketing project and the Summer mixed netball program (ages 14 and adult). The Community Health Survey is an important opportunity for the local community to give feedback on their experience of health service provision at ODH and identify emerging needs. This information helps to inform strategic planning at both a local and regional level.

The Health Promotion program also played a key role in keeping the community informed and updated through weekly posts on the ODH Facebook page and in the local Omeo District Newssheet.

The youth program youth group known as "The Hangout" continued. This group operates on a weekly basis (COVID-19 permitting) after school at the Community Centre Swifts Creek. The program offers teenagers a social and recreational focus. A wide variety of activities and events were offered including: Virtual reality workshop, Hinnomunjie Races hat making, drumming therapy, Junk/recycling dress making, lantern making and macramé with the Great Alpine Gallery, screen printing, picnic to a local alpaca farm, day trip to Buchan Caves, All Ages Tour- band at Bruthen Inn, IDAHOBIT Day (H.E.Y. Project tie-dying and badge making), Pool Party at Swifts Creek Memorial Pool and Winter Festival stall at Cassilis Recreation reserve.

The GLA:D Physiotherapy group program (Good Life with osteoArthritis: Denmark) continued operating in 2021-2022, GLA:D is an evidence based program to treat hip and knee pain. This program has seen some very positive results for participants.

The Primary Mental Health Nurse position continued into its second year. This three day per week role, fund-

ed by Gippsland Primary Health Network is targeted to assist community members with low to moderate mental health issues, including anxiety and depression. A locally based nurse has filled the position. A key benefit of the role is the ability to coordinate care between clients, GP's and regional mental health services.

Mental wellness continued as a focus for ODH through the Doing Ok in the High Country Project. Activities included Community Conversation Sessions, Let's Talk: R U OK? education and the completion of the R U OK Yarn Bomb – community arts project. These activities were supported by our Social Worker, Community Mental Health Nurse and Health Promotion Worker.

Streamlined client care continues to be coordinated through fortnightly case conferencing meetings with input from Allied Health, Home Based Services, ODH acute nursing staff and medical practitioners and nursing staff from Omeo Medical Centre. These meetings ensure improved referral processes and streamlined care coordination for community based clients.

Recruitment continues to ensure the gaps are filled and services can continue in 2022—23.

Allied Health Services Provided:

- Allied Health Assistant
- Health Promotion
- Occupational Therapy
- Physiotherapy
- Podiatry/Foot Care
- Social Work
- Speech Pathology
- Youth Services
- Chronic Disease Care Nurse
- High Country Men's Shed
- Community Gyms – Omeo, Swifts Creek and Benambra

Funding Sources

Omeo District Health Allied Health Services is funded primarily from the Commonwealth Government via Gippsland Primary Health Network Place Based Flexible Funding program.

Marijs Last

Allied Health Manager

Facilities and Maintenance Services

Omeo District health has been thrown many challenges throughout 2021/22, with COVID-19 protocols and lockdowns. Along with our preventative maintenance across all departments we have seen the completion of numerous projects.

The resurfacing of all carparks and roadways and the diversion of groundwater was a great disruption to the daily commute for everyone. A credit to all staff who took this in their stride.

New floor coverings throughout Lewington House was a massive undertaking. All new vinyl in the main hallway, dining room and that of each ensuite was replaced, along with new carpet in all resident bedrooms and the main lounge area. There has also been the addition of new lounge and dining furniture.

The dementia friendly garden for residents is another great asset, this was a long drawn out process due to above average wet weather.

Another disruption to staff and residents was the instillation and commissioning of the new door FOB entry and security system by ATR Communications.

ATR and the Maintenance department worked together to see a smooth transition and training was provided to administration.

The refurbishment of our TCP Room was long overdue , however with a successful application for funding tenders were sought. Daniel Ploughman was successful and his workmanship has provided us with a comfortable, workable and aesthetically pleasing asset to transition patients back into their own homes.

Our department has also overseen the renovation project of both bathrooms in the Crisp Street house and the removal and replacement of the flood damaged retaining wall.

The facilities old generator room has been remodelled into our archive room after a firefighting sprinkler head blew out and flooded our original archive room.

Insurance monies were used to repair the old archive room and in addition build an extra storage room.

There has been many areas inside and out that have received a much needed coat of paint which has breathed new life into our tired old building. Double glazed windows have arrived and at present are being

stored at the doctor's house. Anthony Williamson has started the instillation process and once complete it will give sound insulation both in summer and winter, saving on heating and cooling costs. Our department has also taken delivery of a new Ferris zero turn mower.

It has been a very busy year, however we are proud of the improvements that have taken place and look forward to the next year.

Darryl Shepherd

Facilities Manager

Administrative Services

The structure of the administrative team has been proven to be very successful. The team consists of; Katie Van Heek (People, Culture and Business Manager), Kelly Greenland (Omeo Medical Centre Practice Manager), Arielle Flannagan (Executive Assistant to CEO), Merinda Domegracia (Payroll Officer), Alyce Richards (Quality Manager), Duncan Fitzgerald (Omeo Medical Centre Receptionist), Danielle Overall (Omeo Medical Centre Receptionist), Sonya Lawlor (Receptionist), Krystal Hansson (Receptionist) and Madhulesh Lakhan (Receptionist)

Together this team form a close-knit, competent and high performing team in a rapidly changing environment.

SHINE

ODH again acknowledges the ongoing support enjoyed by the organisation from the SHINE committee. This committee meets through the year and plans social and fundraising events that benefit the residents and patients of Omeo District Health.

SHINE this year has purchased items identified by staff that make a positive impact on the care needs of our clientele.

Katie Van Heek

People, Culture and Business Manager

Medical Centre Report

The past year has continued to challenge the medical centre and the wider community with COVID-19, with it having a more direct impact on the local community this year compared to the past years.

The medical centre took proactive steps in assisting the community in getting their COVID-19 vaccines with running of extended vaccination sessions into the evening, having two separate occasions of open vaccination days on a weekend to provide easier access for those that work during the week. We are very grateful to the community stepping up and getting vaccinated to help protect our more vulnerable community members.

There has been a continued struggle to find medical staff in practice nurses and doctors. There have been times where this has meant that we have not been able to provide our usual practice nurse services. We would like to thank Michelle Olton, Reena Reddy and Anne O'Brien for stepping in to take bloods and provide immunisation when have been short of nursing staff. The use of telehealth has become more common for the medical centre this year and with the One Good Community Grant this has meant other digital services being enacted. We have had a couple doctors run completely remote medical services to the community. This has ensured access to Doctors continues to be provided to our community.

ODH have had the fortunate ability to be able provide specialists services this past year to our community with Dr Jenny Schlager, again, providing Skin Check Clinics, Dr Noel Cranswick a paediatrician from the Royal Children's Hospital holding clinics once a month and Dr Adriana Le an allergy and immunology specialist assisting with COVID-19 questions and conducting consultations around allergy and immune conditions. We have again been able to host medical students from Melbourne University with Kiran Fernandes and Toni Zhang spending time here in Omeo over a two month period. We plan to have more students into the future as life continues to normalise following the past three years.

Tracey Ah Sam, following the completion of her long service leave, decided it was time to move on from 20 years as practice manager and focus more on her family and assisting on the farm. Tracey's extensive knowledge of the service will be missed. We however wish her luck and continue on with a lot of the work that Tracey started.

We will also be saying goodbye to two of our doctors that have supported our local community with their expertise, with Dr Myles Chapman and Dr Elizabeth Boyd deciding that is time for them to retire and enjoy time with their family. We and the community will miss them greatly and we wish them a happy retirement doing all the things they enjoy.

We would like to thank all past and present team members that have assisted through out this past year and it has been a pleasure to work with you all.

Duncan Fitzgerald

Omeo Medical Centre Receptionist

Workforce Data

Omeo District Health recognizes staff as its greatest asset and acknowledges the dedication and commitment of all staff to residents, patients and the community.

Equal Employment Opportunity (EEO)

Omeo District Health is subject to the requirements of the Equal Opportunity Act 1995 and applies appropriate merit and equity principles in its management of staff. The Health Service expects all staff to take responsibility for fair, non-discriminatory behaviour.

Application of Employment and Conduct Principles

The Omeo District Health is an equal employment opportunity employer and promotes and applies the public sector principles, developed by the former Victorian State Services Authority (SSA), to its employment practices. ODH supports the Victorian Public Sector Commission's (formerly SSA) Code of Conduct for public sector employees and expects all employees to abide by this Code. All new employees receive a copy of the Code of Conduct on commencement of employment.

HOSPITALS	JUNE		JUNE	
Labour Category	Current Month Full Time Equivalent		Year to Date Full Time Equivalent	
	2021	2022	2021	2022
Nursing	14.33	16.69	15.74	15.51
Admin & Clerical	7.31	11.2	7.02	10.34
Medical Support	3.49	1.75	2.80	2.53
Hotel & Allied Services	7.74	8.77	8.38	7.57
Medical Officers	1.0	1.0	1.0	1.0
Hospital Medical Officers	N/A	N/A	N/A	N/A
Sessional Clinicians	N/A	N/A	N/A	N/A
Ancillary Staff (Allied Health)	8.95	7.75	8.89	8.98

Employees have been correctly classified in workforce data collections

Occupational Health and Safety

Occupational Health and Safety (OHS) is monitored through the Occupational Health and Safety Committee. Regular OHS Committee meetings are held, with minutes of the meeting reported through the Quality and Safety Committee to the Board. The Board also receives an OHS report directly via the Leadership Management Team Report. Review of incidents and identified risks from across the organisation result in changes, upgrades or education as appropriate. This process is assisted by the electronic 'Riskman' incident reporting program.

Each work discipline has the opportunity to escalate any concerns to one of the elected Health and Safety Representatives (HSRs).

This year, HSRs were Margie Worcester, Louise Travis and Leanne McKenzie who were available to provide representation for staff with OHS concerns.

Leanne McKenzie was the OHS management representative and the teams have worked effectively together to initiate OHS improvements and continue to monitor issues in the workplace.

Occupational Health and Safety Statistics	2021—22	2020—21	2019—20
The number of reported hazards/incidents for the year per 100 FTE	517.196	631.13	354.37
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	5.17	6.30	0
The average cost per WorkCover claim for the year ('000)	$15 343	$7, 908	0

Assessments and Measures Undertaken to Improve Employee OHS

The ODH OHS plan outlines the organisation's occupational health and safety framework, reporting to the Board bi-monthly.

- A total reset of online training modules allowed for only 6 months for staff to complete the required modules. Mandatory training modules were completed online for Bullying & harassment with an organisation wide completion rate of 41% over a 6 month period and 25% completion over the same time period for Manual Handling/ No lift training. ODH is a member of the Victorian Network of Smoke free Health Services
- Influenza vaccination is offered to all staff and residents with documented uptake
- COVID-19 vaccination and boosters are offered to all eligible staff and residents with documented uptake

Occupational Violence Statistics

Definitions of occupational violence

- **Occupational violence –** any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- **Incident –** an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- **Accepted Workcover claims –** accepted Workcover claims that were lodged in 2021-22.
- **Lost time –** is defined as greater than one day.
- **Injury, illness or condition –** this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

	2021—22
WorkCover accepted claims with an occupational violence cause per 100FTE	0
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	20
Number of occupational violence incidents reported per 100FTE	51.71
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

Attestations and declarations

Financial Management Compliance

I, Simon Lawlor, on behalf of the Responsible Body, certify that Omeo District Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Signed:

Simon Lawlor

Board Chair person

Omeo District Health

02/07/2022

Data Integrity Declaration

I, Frank Megens certify that Omeo District Health has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Omeo District Health has critically reviewed these controls and processes during the year.

Signed:

Frank Megens

Interim Chief Executive Officer

Omeo District Health

04/07/2022

Conflict of Interest

I, Frank Megens certify that Omeo District health has put in place appropriate internal controls and processes to ensure that it complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Omeo District Health and members of the Board, and all declared conflicts have been addressed and are being managed. Conflict of Interest is a standard agenda item for declaration and documenting at each executive Board meeting.

Signed:

Frank Megens

Interim Chief Executive Officer

Omeo District Health

04/07/2022

Integrity, Fraud and Corruption

I, Frank Megens certify that Omeo District Health has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Omeo District Health during the year.

Signed:

Frank Megens

Interim Chief Executive Officer

Omeo District Health

04/07/2022

Statement of Priorities (SoP) – Part A; Strategic priorities

For financial year 2021-22 there have been no individual deliverables that constitutes SoP Part A. Due to the COVID-19 pandemic the Minister for Health provided all health services with the below SoP Part A priorities to be focused on during the pandemic.

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

Omeo District Health in conjunction with the regional Public Health Unit has developed effective responses and systems to deal with COVID-19 outbreaks. The facility is well resourced with equipment and expertise to ensure outbreak responses meet the safety needs of our clients and community. This can be demonstrated through the successful management of the May 2022 outbreak and through integrated inpatient and community testing and vaccine programs resulting in high levels of community, resident and staff participation.

Weekly information has been provided to the community regarding COVID-19 safe practices and resources available for community testing and isolation and management of positive conditions – made available on the ODH Facebook page and in the Omeo Newsheet.

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

ODH continues to be an active member of the Gippsland Health Service Partnership and has strong collaboration with our local health services as evidenced through the sharing of staffing resources where applicable. ODH continues to work closely with BRHS and ORH to share resources and the appointment of a joint DMS is an example of ODH working collaboratively. ODH have been active participants in the East Gippsland Primary Care Partnership and the range of prevention focused, region wide programs that are priorities for this partnership.

Engage with your community to address the needs of patients, especially our vulnerable Victorians whose care has been delayed due to the pandemic and provide the necessary "catch-up" care to support them to get back on track. Work collaboratively with your Health Service Partnership to implement the Better at Home initiative to enhance in-home and virtual models of patient care when it is safe, appropriate and consistent with patient preference.

Our Home and Community Care team are actively transitioning clients from alternate service providers into our local service through the expansion of Home Care Packages. The ability to care for clients that are managed locally will ensure that needs are responded to in a timely way with improved levels of satisfaction.

To bring healthcare to more remote communities ODH set up two outreach clinics.

ODH is currently reviewing the provision of telehealth through our Urgent Care Centre and Medical clinic. With improved technology and equipment, the ability to connect to remote practitioners for advance support provides an additional safety net for our community and staff.

Strong collaborative relationships have been formed with Latrobe psychiatric consultation liaison nurse practitioner, allowing enhanced access to specialist assessment and treatment for local clients with mental health conditions.

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

ODH is fortunate to have the services of an experienced mental health nurse to support the community in addressing mental health needs. The project is completing its pilot year and we look forward to embedding the service into the future as a core service item.

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

ODH has successfully held a raising the flag ceremony and now proudly flies the Aboriginal and Torres Strait Islander flags. The Aboriginal and Torres Strait Islander flag was raised in conjunction with the rainbow flag on IDAHOBIT Day. Unfortunately, ODH wasn't able to have an aboriginal representative present on the day.

BRHS have been cooperative in assisting ODH with Koorie liaison officers to provide cultural awareness sessions for the mandatory training on site sessions. Unfortunately due to COVID-19 restrictions, these have been cancelled. ODH also sent down 3 staff members to participate in: Building Cultural Awareness and Safety – Cultural Journey Workshop; Building Cultural Awareness and Safety – Aboriginal Cultural Safety for GPs and their Practices.

ODH has locally produced aboriginal artwork and has been incorporated on display in the main waiting room areas to enhance a culturally welcoming environment.

Statement of Priorities – Part B; Performance priorities

High quality and safe care

Key performance measure	Target	Result
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	85%	N/A
Percentage of healthcare workers immunised for influenza	92%	86%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 1	95%	*Full compliance
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	*Full compliance
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	*Full compliance

** Insufficient data was collected due to the relative size of the health service*

Strong Governance, Leadership and Culture

People Matters Survey

Results from People Matters survey conducted in mid-2021 with results published in August 2021.

Key performance indicator	Target	Result
Governance, Leadership and Culture		
Safety Culture Among Healthcare Workers	62%	64%

Effective Financial Management

Key performance indicator	Target	Result
Operating result ($m)	$0.00	$0.00
Average number of days to pay trade creditors	60 days	31 days
Average number of days to receive patient fee debtors	60 days	9 days
Adjusted current asset ratio (ACAR)	0.7 or 3% improvement from health service base target	1.51%
Actual number of days available cash, measured on the last day of each month.	14 days	87.1
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June 2022.	Variance ≤ $250,000	Not achieved

Statement of Priorities – Part C; Activity

Funding type	2021—22 Activity achievement
Small Rural	
Small Rural Acute	26 NWAU
Small Rural Primary Health & HACC	688
Small Rural Residential Care	5 062

Summary of the Financial Results for the year

Financial Information

	2022 $000	2021 $000	2020 $000	2019 $000	2018 $000
OPERATING RESULT*	0	8	-125	-80	-97
Total revenue	8, 911	6, 803	6,357	5,772	5,465
Total expenses	9, 215	7, 244	6,655	6,372	5,832
Net result from transactions	-304	-441	-298	-600	-367
Total other economic flows	86	61	8	1	40
Net result	-218	-380	-290	-599	-327
Total assets	10, 163	10, 151	10,084	9,998	7,642
Total liabilities	2, 577	3, 248	2,801	2,425	1,528
Net assets/Total equity	7, 586	6, 903	7,283	7,573	6,114

** The Operating result is the result for which the health service is monitored in its Statement of Priorities*

Reconciliation of Net Result from Transactions and Operating

	2021-22 ($000)
OPERATING RESULT*	**0**
Capital purpose income	450
Specific income	0
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	152
State supply items consumed up to 30 June 2022	-152
Assets provided free of charge	0
Assets received free of charge	21
Expenditure for capital purpose	-36
Depreciation and amortisation	-739
Impairment of non-financial assets	0
Finance costs (other)	0
Net result from transactions	-304

Details of consultancies (under $10 000)

In 2021-22, there were no consultancies where the total fees payable to the consultants were less than $10 000.

Details of consultancies (valued at $10 000 or greater)

In 2021-22 there was one consultancy where the total fees payable to the consultant was $10 000 or greater. The total expenditure incurred during 2021-22 in relation to this consultancy was $77,497 (excl. GST). Details of individual consultancy is below.

Consultant	Purpose of Consultancy	Start Date	End Date	Expenditure 2021 2022	Future expenditure (excl GST)
Provider Assist	ACFI Assessment	01.07.2021	30.06.2022	$77,497	$0.00

Significant Changes in financial position during the year

Omeo District Health recorded a Net Operating Result for the year of $0. As a result, there were no significant changes in the financial position during 2021/22.

The current asset ratio at 30 June 2022 has decreased slightly to 1.51 (2020-21: 1.53). However, Omeo District Health is still in a healthy financial position, with adequate cash resources to meet liabilities as they fall due.

Operational and budgetary objectives and performance against objectives

Omeo District Health prepares an annual operational budget with the aim being to meet the strategic objectives of the Health Service. In 2021-22 a balanced budget was prepared.

As noted above, Omeo District Health came in on budget for the year with a Net Operating Result from

Transactions for the 2021/22 year of $0.

The Net Result from Transactions for the current 2021-22 financial year was a deficit of $304k.

The Comprehensive Result, after Other Economic Flows, for the 2021-22 year was a surplus of $683k.

Subsequent events

Apart from the global pandemic and known operational challenges of running a small rural health service, there have been no events subsequent to balance day which may have a significant effect on operations in subsequent years.

Information and communication technology (ICT) expenditure

The total ICT expenditure incurred during 2021-22 is $1.029 million (excluding GST) with the details shown below:

Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure		
Total (excluding GST)	Total=Operational expenditure and Capital Expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
$0.537 million	$0.492 million	$0.326 million	$0.166 million

Legislation

Freedom of Information Act 1982

Omeo District Health is subject to the *Freedom of Information Act (Victoria) 1982*. All health service records are accessible to the limitations imposed by the Act. The public may seek access to such records by making a written request to the Chief Executive Officer. In the year ended 30 June 2022, five (5) applications for access to documents under the Freedom of Information Act were received.

Building Act 1993

In the year ended 30 June 2022, all buildings of Omeo District Health were fully compliant with the Building Act 1993 and Building Regulations 2006.

National Competition Policy

In accordance with the national competition principles agreed by the Federal and State Governments in April 1995, Omeo District Health has implemented policies and procedures to ensure compliance with the National Competition Policy. These programs and policies include tendering for the provision of goods and services as per obligations within Health Purchasing Victoria Procurement policy. ODH underwent audit against Health Purchasing Victoria procurement policies and procedures and are implementing a range of minor improvements to our processes to ensure compliance with the policies.

Public Interest Disclosures Act 2012

Omeo District Health has in place appropriate procedures for disclosure in accordance with the Public Interest Act. No disclosures were made under the Act in 2021-2022.

Carers Recognition Act 2012 Statement

The Carers Recognition Act 2012 recognises, promotes and values the role of people in care relationships. Omeo District Health understands the different needs of persons in care relationships and that care relationships bring benefits to the patients, their carers and to the community. Omeo District Health service takes all practicable measures to ensure that its employees, agents and carers have an awareness and understanding of the care relationship principles and this is reflected in our commitment to a model of patient and family centered care and to involving carers in the development and delivery of our services.

Safe Patient Care Act 2015

Omeo District Health has no matters to report in relation to its obligations under the Safe Patient Care Act 2015.

Gender Equality Act 2020

Omeo District Health is a defined entity under the gender Equality Act 2020. Under this Act, a defined entity has an obligation to its staff and community to promote and demonstrate gender equality in the workplace. Part of this promotion includes developing a Gender Equality Action Plan for review annually and renewal every four years. Development of the Action Plan has commenced with baseline data being submitted to the Department for analysis. Based on data already analyzed, Omeo District Health has been found to be compliant with the obligations under the Act. Omeo District Health believes reducing inequality creates an environment of security, safety and trust. Further development of the Plan will include consultation with community and stakeholders to establish key focus areas to maintain the integrity of our organisation and services.

Local Jobs First Act 2003

In 2021-2022 there were no contracts requiring disclosure under the Local Jobs First Policy.

Additional Information

Details in respect of the items listed below have been retained by the health service and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

- Declarations of pecuniary interests have been duly completed by all relevant officers;
- Details of shares held by senior officers as nominee or held beneficially;
- Details of publications produced by the entity about itself, including annual Aboriginal cultural safety reports and plans, and how these can be obtained;
- Details of changes in prices, fees, charges, rates and levies charged by the Health Service;
- Details of any major external reviews carried out on the Health Service;
- Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations;
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services;
- Details of assessments and measures undertaken to improve the occupational health and safety of employees;
- A general statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations;
- A list of major committees sponsored by the Health Service, including any Aboriginal advisory or governance committees, the purposes of each committee and the extent to which those purposes have been achieved;
- Details of all consultancies and contractors including: (i) consultants/contractors engaged; (ii) services provided; (iii) and expenditure committed for each engagement.

Summary of Omeo District Health Environmental Performance

	2019/20	2020/21	2021/22
Total greenhouse gas emissions (tonnes CO2e)			
Scope 1	96	115	103
Scope 2	152	153	159
Total	**248**	**267**	**262**
NORMALISED GREENHOUSE GAS EMISSIONS			
Emissions per unit of floor space (kgCO2e/m2)	54.72	59.05	57.83
Emissions per unit of Separations (kgCO2e/Separations)	7,078.22	11,138.99	13, 091.93
Emissions per unit of bed-day (LOS+Aged Care OBD) (kgCO2e/OBD)	52.24	57.10	56.74
STATIONARY ENERGY			
Total stationary energy purchased by energy type (GJ)			
Electricity	536	561	629
Liquified Petroleum Gas	1,581	1,891	1,699
Total	**2,117**	**2,452**	**2,327**
Normalised stationary energy consumption			
Energy per unit of floor space (GJ/m2)	0.47	0.54	N/A
Energy per unit of Separations (GJ/Separations)	60.48	102.16	N/A
Energy per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)	0.45	0.52	N/A
Total embedded generation			
Solar Power	166	N/A	N/A
Total	**166**	**N/A**	**N/A**
Normalised water consumption by type (kL)			
Class A Recycled Water	0.51	0.43	
Potable Water	2,298	1,947	1,972
Reclaimed Water	N/A	N/A	N/A
Normalised expenditure rates (Electricity, natural gas, potable water in Buildings)			
Expenditure per unit of floor space ($ thousand/m^2)	0.011	0.012	0.013
Expenditure per unit of Separation ($ thousand/separation)	1.474	2.242	2.954
Expenditure per unit of bed-day ($ thousand/*LOS+AgedCareOBD))	0.011	0.011	0.013
Expenditure per unit of Aged Care Bed Day ($ thousand/Aged Care OBD)	0.012	0.012	0.013

Disclosure Index

The annual report of Omeo District Health is prepared in accordance with all relevant Victorian legislation. This index has been prepare to facilitate identification of the Departments compliance with statutory disclosure requirements.

Legislation	Requirement	Page Reference
Ministerial Directions		
Report of Operations		
Charter and Purpose		
FRD 22	Manner of establishment and the relevant Ministers	4
FRD 22	Purpose, functions, powers and duties	7
FRD 22	Nature and range of services provided	6
FRD 22	Activities, programs and achievements for the reporting period	12
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Management and Structure		
FRD 22	Organisational structure	13
FRD 22	Workforce data/employment and conduct principles	20
FRD 22	Occupational Health and Safety	20
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FRD 22	Operational and budgetary objectives and performance against objectives	27
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FRD 25	Local Jobs First Act disclosures	28

Legislation	Requirement	Page Reference
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Attestation on Data Integrity		23
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• Reporting of compliance regarding Car Parking Fees (if applicable)		


Omeo District Health

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Omeo District Health

Opinion	I have audited the financial report of Omeo District Health (the health service) which comprises the: • balance sheet as at 30 June 2022 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance & accounting officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
27 December 2022

Dominika Ryan
as delegate for the Auditor-General of Victoria

Financial Statements
Financial Year ended 30 June 2022

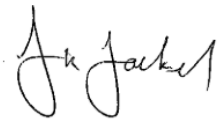
Board member's, accountable officer's, and chief finance & accounting officer's declaration

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2022 and the financial position of Omeo District Health at 30 June 2022.

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

We authorise the attached financial statements for issue on 29th November, 2022.

Board member	**Accountable Officer**	**Chief Finance & Accounting Officer**
		
Simon Lawlor	Mary Manescu	Steven Jackel
Chair	Chief Executive Officer	Chief Finance and Accounting Officer
Omeo 29th November, 2022	Omeo 29th November, 2022	Omeo 29th November, 2022

Omeo District Health
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2022

	Note	Total 2022 $	Total 2021 $
Revenue and income from transactions			
Operating activities	2.1	8,896,914	6,807,545
Non-operating activities	2.1	13,672	12,187
Total revenue and income from transactions		**8,910,586**	**6,819,732**
Expenses from transactions			
Employee expenses	3.1	(6,071,017)	(5,018,302)
Supplies and consumables	3.1	(417,190)	(267,382)
Finance costs	3.1	(27,135)	(7,036)
Depreciation and amortisation	3.1	(739,359)	(664,478)
Other administrative expenses	3.1	(1,673,342)	(1,114,589)
Other operating expenses	3.1	(286,912)	(189,241)
Total Expenses from transactions		**(9,214,955)**	**(7,261,028)**
Net result from transactions - net operating balance		**(304,369)**	**(441,296)**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.2	59,469	77,715
Other gain/(loss) from other economic flows	3.2	27,013	(16,700)
Total other economic flows included in net result		**86,482**	**61,015**
Net result for the year		**(217,887)**	**(380,281)**
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.3	**901,251**	-
Total other comprehensive income		**901,251**	**-**
Comprehensive result for the year		**683,364**	**(380,281)**

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

Omeo District Health
Balance Sheet
As at 30 June 2022

	Note	Total 2022 $	Total 2021 $
Current assets			
Cash and cash equivalents	6.2	2,693,816	4,113,512
Receivables and contract assets	5.1	649,719	298,794
Prepaid expenses		109,512	139,489
Total current assets		**3,453,047**	**4,551,795**
Non-current assets			
Receivables and contract assets	5.1	112,516	73,345
Property, plant and equipment	4.1(a)	6,528,908	5,444,124
Right of use assets	4.2 (a)	68,931	81,676
Total non-current assets		**6,710,355**	**5,599,145**
Total assets		**10,163,402**	**10,150,940**
Current liabilities			
Payables and contract liabilities	5.2	858,717	707,742
Borrowings	6.1	71,822	31,950
Employee benefits	3.3	877,208	787,805
Other liabilities	5.3	690,000	1,451,247
Total current liabilities		**2,497,747**	**2,978,744**
Non-current liabilities			
Borrowings	6.1	10,581	78,795
Employee benefits	3.3	68,722	190,411
Total non-current liabilities		**79,303**	**269,206**
Total liabilities		**2,577,050**	**3,247,950**
Net assets		**7,586,352**	**6,902,990**
Equity			
Property, plant and equipment revaluation surplus	4.3	6,008,600	5,107,349
Restricted specific purpose reserve	SCE	106,508	106,508
Contributed capital	SCE	1,793,235	1,793,235
Accumulated surplus/(deficit)	SCE	(321,989)	(104,102)
Total equity		**7,586,354**	**6,902,990**

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

Omeo District Health
Statement of Changes in Equity
For the Financial Year Ended 30 June 2022

Total	Note	Property, Plant and Equipment Revaluation Surplus $	Restricted Specific Purpose Reserve $	Contributed Capital $	Accumulated Surplus/ (Deficits) $	Total $
Balance at 30 June 2020		**5,107,349**	**106,508**	**1,793,235**	**276,179**	**7,283,271**
Net result for the year		-	-	-	(380,281)	(380,281)
Balance at 30 June 2021		**5,107,349**	**106,508**	**1,793,235**	**(104,102)**	**6,902,990**
Net result for the year		-	-	-	(217,887)	(217,887)
Other comprehensive income for the year		901,251	-	-	-	901,251
Balance at 30 June 2022		**6,008,600**	**106,508**	**1,793,235**	**(321,989)**	**7,586,354**

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

Omeo District Health
Cash Flow Statement
For the Financial Year Ended 30 June 2022

	Note	Total 2022 $	Total 2021 $
Cash Flows from operating activities			
Operating grants from government - Commonwealth		1,427,458	1,627,429
Operating grants from government - State		4,487,786	3,528,618
Capital grants from government - State		268,132	182,102
Patient fees received		567,197	498,887
GST received from ATO		30,777	9,452
Interest and investment income received		13,672	66,187
Other receipts		1,586,688	1,281,929
Total receipts		**8,381,710**	**7,194,604**
Employee expenses paid		(6,010,669)	(5,054,269)
Payments for supplies and consumables		(214,076)	(295,544)
Payments for medical indemnity insurance		(7,123)	(6,087)
Payments for repairs and maintenance		(181,454)	(80,026)
Finance Costs		(27,135)	(7,036)
Other payments		(1,741,700)	(1,233,360)
Total payments		**(8,182,157)**	**(6,676,322)**
Net cash flows from/(used in) operating activities	8.1	**199,553**	**518,282**
Cash Flows from investing activities			
Purchase of property, plant and equipment		(889,132)	(268,060)
Proceeds from disposal of property, plant and equipment		59,469	77,715
Net cash flows from/(used in) investing activities		**(829,663)**	**(190,345)**
Cash flows from financing activities			
Repayment of borrowings		(28,339)	(18,153)
Receipt of accommodation deposits		-	154,784
Repayment of accommodation deposits		(761,247)	-
Net cash flows from /(used in) financing activities		**(789,586)**	**136,631**
Net increase/(decrease) in cash and cash equivalents held		**(1,419,696)**	**464,568**
Cash and cash equivalents at beginning of year		4,113,512	3,648,944
Cash and cash equivalents at end of year	6.2	**2,693,816**	**4,113,512**

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

Omeo District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

Note 1: Basis of preparation

Structure

Omeo District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

Note 1: Basis of preparation

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

This section explains the basis of preparing the financial statements.

Note 1.1: Basis of preparation of the financial statements

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

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

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

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

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

The financial statements have been prepared on a going concern basis (refer to Note 8.9 Economic Dependency).

The financial statements are in Australian dollars.

Omeo District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

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

The annual financial statements were authorised for issue by the Board of Omeo District Health and its controlled entities on 29th November, 2022.

Note 1.2 Impact of COVID-19 pandemic

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

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

In response to the ongoing COVID-19 pandemic, Omeo District Health has:

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

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

- Note 2: Funding delivery of our services
- Note 3: The cost of delivering services.
- Note 4: Key assets to support service delivery
- Note 5: Other assets and liabilities
- Note 6: How we finance our operations.

Omeo District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

Note 1.3 Abbreviations and terminology used in the financial statements
The following table sets out the common abbreviations used throughout the financial statements:

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

Note 1.4 Joint arrangements

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

Omeo District Health has the following joint arrangements:

- Gippsland Health Alliance

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

Note 1.5 Key accounting estimates and judgements
Management make estimates and judgements when preparing the financial statements.

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

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

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

Omeo District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2022

Note 1.6 Accounting standards issued but not yet effective

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

Standard	Ad ption Date		Impact
AASB 17: *Insurance Contracts*	Reporting periods or	or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2021-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	Reporting periods or	or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2021-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2021 and Other Amendments	Reporting periods or	or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2022-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.	Reporting periods or	or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-6: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards.	Reporting periods or	or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-7: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.	Reporting periods or	or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.

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

Note 1.7 Goods and Services Tax (GST)

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

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

Note 1.7 Goods and Services Tax (GST) (continued)

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

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

Note 1.8 Reporting Entity

The financial statements include all the controlled activities of Omeo District Health.

Its principal address is:

Easton Street
Omeo, Victoria 3898

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

Note 2: Funding delivery of our services

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

Structure

2.1 Revenue and income from transactions
2.2 Fair value of assets and services received free of charge or for nominal consideration

Telling the COVID-19 story

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

Additional revenue was received to fund:

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

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 2.1 Revenue and income from transactions

	Total 2022 $	Total 2021 $
Operating activities		
Revenue from contracts with customers		
Government grants (Commonwealth) - Operating	1,342,291	1,380,148
Patient and resident fees	582,290	533,931
Commercial activities [1]	467,915	362,103
Total revenue from contracts with customers	**2,392,496**	**2,276,182**
Other sources of income		
Government grants (State) - Operating	4,916,004	3,454,723
Government grants (State) - Capital	268,132	182,102
Assets received free of charge or for nominal consideration	221,272	33,136
Other revenue from operating activities (including non-capital donations)	1,099,010	861,402
Total other sources of income	**6,504,418**	**4,531,363**
Total revenue and income from operating activities	**8,896,914**	**6,807,545**
Non-operating activities		
Income from other sources		
Other interest	13,672	12,187
Total other sources of income	**13,672**	**12,187**
Total income from non-operating activities	**13,672**	**12,187**
Total revenue and income from transactions	**8,910,586**	**6,819,732**

1. Commercial activities represent business activities which Omeo District Health enter into to support their operations.

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

	Total 2022 $'000	Total 2022 $'000
Omeo District Health disaggregates revenue by the timing of revenue recognition.		
Goods and services transferred to customers:		
At a point in time	1,924,581	1,914,079
Over time	467,915	362,103
Total revenue from contracts with customers	**2,392,496**	**2,276,182**

How we recognise revenue and income from transactions

Government operating grants

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

When both these conditions are satisfied, the health service:

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

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

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

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

This policy applies to each of Omeo District Health's revenue streams, with information detailed below relating to Omeo District Health's signficant revenue streams:

Government grant	Performance obligation
Commonwealth Aged Care	Funding is provided for the provision of care for aged care residents within facilities at Omeo District Health. The performance obligations include provision of residential accommodations and care from nursing staff and personal care workers. Revenue is recognised at the point in time when the service is provided within the residential aged care facility.

Capital grants

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

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

Patient and resident fees

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

Commercial activities

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

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

	Total 2022 $	Total 2021 $
Cash donations and gifts	48,465	-
Plant and equipment	21,020	-
Personal protective equipment	151,787	33,136
Total fair value of assets and services received free of charge or for nominal consideration	**221,272**	**33,136**

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

Personal protective equipment

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

Generally, the State Supply Arrangement stipulates that Health Purchasing Victoria (trading as HealthShare Victoria) sources, secures and agrees terms for the purchase of PPE. The purchases are funded by the Department of Health, while Monash Health takes delivery and distributes an allocation of the products to health services. Omeo District Health received these resources free of charge and recognised them as income.

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of Omeo District Health as follows:

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Omeo District Health which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health Hospital Circular.

Note 3: The cost of delivering our services

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

Structure

3.1 Expenses from transactions
3.2 Other economic flows
3.3 Employee benefits in the balance sheet
3.4 Superannuation

Telling the COVID-19 story

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

Additional costs were incurred to deliver the following additional services:

- establish facilities within Omeo District Health for the treatment of suspected and admitted COVID patients
- implement COVID safe practices throughout Omeo District Health including increased cleaning, increased
- assist with COVID-19 case management, contact tracing and outbreak management contributing to an increase
- establish vaccination clinics to administer vaccines to staff and the community resulting in an increase in

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 3.1 Expenses from transactions

	Note	Total 2022 $	Total 2021 $
Salaries and wages		4,963,585	4,063,104
On-costs		462,114	384,887
Agency expenses		133,427	86,151
Fee for service medical officer expenses		479,411	446,451
Workcover premium		32,480	37,709
Total employee expenses		**6,071,017**	**5,018,302**
Drug supplies		37,311	13,042
Medical and surgical supplies		218,352	94,433
Other supplies and consumables		161,527	159,907
Total supplies and consumables		**417,190**	**267,382**
Finance costs		27,135	7,036
Total finance costs		**27,135**	**7,036**
Expenses related to Gippsland Health Alliance		862,507	435,216
Other administrative expenses		810,835	679,373
Total other administrative expenses		**1,673,342**	**1,114,589**
Fuel, light, power and water		98,335	103,128
Repairs and maintenance		181,454	80,026
Medical indemnity insurance		7,123	6,087
Total other operating expenses		**286,912**	**189,241**
Total operating expense		**8,475,596**	**6,596,550**
Depreciation and amortisation	4.4	739,359	664,478
Total depreciation and amortisation		**739,359**	**664,478**
Total non-operating expense		**739,359**	**664,478**
Total expenses from transactions		**9,214,955**	**7,261,028**

Note 3.1 Expenses from transactions (continued)

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings (interest expense is recognised in the period in which it is incurred)
- finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases* .

Other operating expenses

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

- Fuel, light and power
- Repairs and maintenance
- Other administrative expenses
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of $1,000).

The Department of Health also makes certain payments on behalf of Omeo District Health. These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue and also recording the related expense.

Non-operating expenses

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

Note 3.2 Other economic flows included in net result

	Total 2022 $	Total 2021 $
Net gain/(loss) on disposal of property plant and equipment	59,469	77,715
	59,469	**77,715**
Total net gain/(loss) on non-financial assets		
Net gain/(loss) arising from revaluation of long service liability	27,013	(16,700)
Total other gains/(losses) from other economic flows	**27,013**	**(16,700)**
Total gains/(losses) from other economic flows	**86,482**	**61,015**

How we recognise other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions.

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 and
- any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Other gains/(losses) from other economic flows include the gains or losses from:

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

Note 3.3 Employee benefits in the balance sheet

	Total 2022 $	Total 2021 $
Current employee benefits and related on-costs		
Accrued days off		
Unconditional and expected to be settled wholly within 12 months [i]	16,009	5,148
	16,009	**5,148**
Annual leave		
Unconditional and expected to be settled wholly within 12 months [i]	323,311	384,405
	323,311	**384,405**
Long service leave		
Unconditional and expected to be settled wholly within 12 months [i]	51,346	90,000
Unconditional and expected to be settled wholly after 12 months [ii]	392,604	232,619
	443,950	**322,619**
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months [i]	43,622	50,011
Unconditional and expected to be settled after 12 months [ii]	50,316	25,622
	93,938	**75,633**
Total current employee benefits and related on-costs	**877,208**	**787,805**
Non-current provisions and related on-costs		
Conditional long service leave [ii]	60,864	172,131
Provisions related to employee benefit on-costs [ii]	7,858	18,280
Total non-current employee benefits and related on-costs	**68,722**	**190,411**
Total employee benefits and related on-costs	**945,930**	**978,216**

[i] The amounts disclosed are nominal amounts.
[ii] The amounts disclosed are discounted to present values.

Note 3.3 (a) Employee benefits and related on-costs

	Total 2022 $	Total 2021 $
Current employee benefits and related on-costs		
Unconditional accrued days off	17,788	5,695
Unconditional annual leave entitlements	359,251	425,229
Unconditional long service leave entitlements	500,169	356,881
Total current employee benefits and related on-costs	**877,208**	**787,805**
Conditional long service leave entitlements	68,722	190,411
Total non-current employee benefits and related on-costs	**68,722**	**190,411**
Total employee benefits and related on-costs	**945,930**	**978,216**

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

Carrying amount at start of year	978,216	972,795
Additional provisions recognised	459,331	386,056
Net (gain)/loss arising from revaluation of long service leave	(27,013)	16,700
Amounts incurred during the year	(464,604)	(397,335)
Carrying amount at end of year	**945,930**	**978,216**

How we recognise employee benefits

Employee benefit recognition

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

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

Annual leave and accrued days off

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

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

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

Note 3.3 (b) Provision for related on-costs movements schedule (continued)

Long service leave

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the Omeo District Health does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

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

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

Provision for on-costs related to employee benefits

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

Note 3.4 Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total 2022 $	Total 2021 $	Total 2022 $	Total 2021 $
Defined contribution plans:				
Aware Super	304,365	247,869	-	-
Hesta	77,351	86,808	-	-
Other	37,127	25,053	-	-
Total	**418,843**	**359,730**	**-**	**-**

[i] The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

How we recognise superannuation

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

Defined benefit superannuation plans

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

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

The DTF discloses the State's defined benefits liabilities in its disclosure for administered items. However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of Omeo District Health.

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

Defined contribution superannuation plans

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

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

Note 4: Key assets to support service delivery

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

Structure

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment and investment properties	Omeo District Health obtains independent valuations for its non-current assets at least once every five years. If an independent valuation has not been undertaken at balance date, the health service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices. Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.
Estimating useful life and residual value of property, plant and equipment	Omeo District Health assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset. The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. Omeo District Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Identifying indicators of impairment	At the end of each year, Omeo District Health assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering: ▪ If an asset's value has declined more than expected based on normal use ▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset ▪ If an asset is obsolete or damaged ▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life ▪ If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.

Note 4.1 Property, Plant and Equipment
Note 4.1 (a) Gross carrying amount and accumulated depreciation

	Total 2022 $	Total 2021 $
Land at fair value - Freehold	375,000	273,000
Total land at fair value	**375,000**	**273,000**
Buildings at fair value	4,644,641	5,329,000
Less accumulated depreciation	-	(989,073)
Total buildings at fair value	**4,644,641**	**4,339,927**
Leasehold improvements at fair value	268,530	99,423
Less accumulated depreciation	(24,078)	(23,918)
Total leasehold improvements at fair value	**244,452**	**75,505**
Works in progress at fair value	**12,566**	**-**
Total land and buildings	**5,276,659**	**4,688,432**
Plant and equipment at fair value	1,907,432	1,471,430
Less accumulated depreciation	(1,023,907)	(895,827)
Total plant and equipment at fair value	**883,525**	**575,603**
Motor vehicles at fair value	63,761	134,873
Less accumulated depreciation	(22,884)	(76,388)
Total motor vehicles at fair value	**40,877**	**58,485**
Furniture and fittings at fair value	769,486	532,696
Less accumulated depreciation	(441,639)	(411,092)
Total furniture and fittings at fair value	**327,847**	**121,604**
Total plant, equipment, furniture, fittings and vehicles at fair value	**1,252,249**	**755,692**
Total property, plant and equipment	**6,528,908**	**5,444,124**

Note 4.1 (b) Reconciliations of the carrying amounts of each class of asset

	Note	Land $	Buildings $	Leasehold Improvements $	Building works in progress $	Plant & equipment $	Motor vehicles $	Furniture & Fittings $	Total $
Balance at 1 July 2020		**273,000**	**4,834,463**	**-**	**3,636**	**484,013**	**111,853**	**122,588**	**5,829,553**
Additions		-	-	-	71,869	197,159	-	17,884	286,912
Disposals		-	-	-	-	-	(18,852)	-	(18,852)
Net transfers between classes		-	-	75,505	(75,505)	-	-	-	-
Depreciation	4.4	-	(494,536)	-	-	(105,569)	(34,516)	(18,868)	(653,489)
Balance at 30 June 2021	4.1 (a)	**273,000**	**4,339,927**	**75,505**	**-**	**575,603**	**58,485**	**121,604**	**5,444,124**
Additions		-	-	193,024	12,566	467,767	-	236,790	910,147
Revaluation increments/(decrements)		102,000	799,251	-	-	-	-	-	901,251
Depreciation	4.4	-	(494,537)	(24,077)	-	(159,845)	(17,608)	(30,547)	(726,614)
Balance at 30 June 2022	4.1 (a)	**375,000**	**4,644,641**	**244,452**	**12,566**	**883,525**	**40,877**	**327,847**	**6,528,908**

Land and Buildings Carried at Valuation

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

How we recognise property, plant and equipment

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

Initial recognition

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

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

Subsequent measurement

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

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

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

Note 4.1 (b) Reconciliations of the carrying amounts of each class of asset

Revaluation

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

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

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

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

- increase in fair value of land of 37% ($102,000)
- increase in fair value of buildings of 20%. ($799,251)

As the cumulative movement was greater than 10% for land and buildings since the last revaluation a managerial revaluation adjustment was required as at 30 June 2022.

Revaluation increases (increments) arise when an asset's fair value exceeds its carrying amount. In comparison, revaluation decreases (decrements) arise when an asset's fair value is less than its carrying amount. Revaluation increments and revaluation decrements relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

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

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of property, plant and equipment. Otherwise, the decrement is recognised as an expense in the net result.

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

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

	Note	Right-of-use - Vehicles $'000	Total $'000
Balance at 1 July 2021		**32,452**	**32,452**
Additions		60,213	60,213
Depreciation	4.4	(10,989)	(10,989)
Balance at 30 June 2022	4.2 (a)	**81,676**	**81,676**
Depreciation	4.4	(12,745)	(12,745)
Balance at 30 June 2022	4.2 (a)	**68,931**	**68,931**

How we recognise right-of-use assets

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

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

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

Class of right-of-use asset	Lease term
Leased vehicles	2 to 5 years

Initial recognition

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

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

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

Subsequent measurement

Right-of-use assets are subsequently measured at fair value, with the exception of right-of-use asset arising from leases with significantly below-market terms and conditions, which are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses where applicable.

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

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

Note 4.2 Right-of-use assets

Note 4.2(a) Gross carrying amount and accumulated depreciation

	Total 2022 $'000	Total 2021 $'000
Right of use vehicles at fair value	93,579	93,579
Less accumulated depreciation	(24,648)	(11,903)
Total right of use vehicles at fair value	**68,931**	**81,676**
Total right of use vehicles at fair value	**68,931**	**81,676**
Total right of use assets	**68,931**	**81,676**

Note 4.3 Revaluation Surplus

	Note	Total 2022 $	Total 2021 $
Balance at the beginning of the reporting period		5,107,349	5,107,349
Revaluation increment			
- Land	4.2 (b)	102,000	-
- Buildings	4.2 (b)	799,251	-
Balance at the end of the Reporting Period*		**6,008,600**	**5,107,349**
*** Represented by:**			
- Land		373,000	271,000
- Buildings		5,635,600	4,836,349
		6,008,600	**5,107,349**

Note 4.3 Revaluation Surplus

	Note	Total 2022 $	Total 2021 $
Balance at the beginning of the reporting period		5,107,349	5,107,349
Revaluation increment			
- Land	4.2 (b)	102,000	-
- Buildings	4.2 (b)	799,251	-
Balance at the end of the Reporting Period*		**6,008,600**	**5,107,349**
*** Represented by:**			
- Land		373,000	271,000
- Buildings		5,635,600	4,836,349
		6,008,600	**5,107,349**

Note 4.4 Depreciation

	Total 2022 $	Total 2021 $
Depreciation		
Buildings	494,537	494,536
Plant and equipment	150,063	97,403
Motor vehicles	17,608	34,516
GHA Assets	9,782	8,166
Furniture and fittings	30,547	18,869
Leasehold Improvements	24,077	-
Total depreciation - property, plant and equipment	**726,614**	**653,490**
Right-of-use assets		
Right of use - vehicles	12,745	10,988
Total depreciation - right-of-use assets	**12,745**	**10,988**
Total depreciation	**739,359**	**664,478**

How we recognise depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value over its estimated useful life.

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

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

	2022	2021
Buildings		
- Structure shell building fabric	20 to 40 years	20 to 40 years
- Site engineering services and central plant	20 to 37 years	20 to 37 years
Central Plant		
- Fit Out	10 to 21 years	10 to 21 years
- Trunk reticulated building system	10 to 21 years	10 to 21 years
Plant and equipment	3 to 13 years	3 to 13 years
Furniture and fitting	10 to 13 years	10 to 13 years
Motor Vehicles	3 to 7 years	3 to 7 years

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

Note 4.5: Impairment of assets

How we recognise impairment

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

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

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

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

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

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

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

Omeo District Health did not record any impairment losses for the year ended 30 June 2022.

Note 5: Other assets and liabilities

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

Structure

5.1 Receivables and contract assets
5.2 Payables and contract liabilities
5.3 Other liabilities

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 5.1 Receivables and contract assets

	Notes	Total 2022 $	Total 2021 $
Current receivables and contract assets			
Contractual			
Inter hospital debtors		30,063	545
Trade receivables		177,558	65,129
Accrued revenue		26,539	194,201
Amounts receivable from governments and agencies		415,559	25,985
Total contractual receivables		**649,719**	**285,860**
Statutory			
GST receivable		-	12,934
Total statutory receivables		**-**	**12,934**
Total current receivables and contract assets		**649,719**	**298,794**
Non-current receivables and contract assets			
Contractual			
Long service leave - Department of Health		112,516	73,345
Total contractual receivables		**112,516**	**73,345**
Total non-current receivables and contract assets		**112,516**	**73,345**
Total receivables and contract assets		**762,235**	**372,139**
(i) Financial assets classified as receivables and contract assets (Note 7.1(a))			
Total receivables and contract assets		762,235	372,139
GST receivable		-	(12,934)
Total financial assets	7.1(a)	**762,235**	**359,205**

Note 5.1 Receivables and contract assets (continued)

How we recognise receivables

Receivables consist of:

- **Contractual receivables**, which mostly includes debtors in relation to goods and services. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.

- **Statutory receivables**, which includes Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

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

Impairment losses of contractual receivables

Refer to Note 7.1 (a) for Omeo District Health's contractual impairment losses.

Note 5.2 Payables and contract liabilities

	Note	Total 2022 $	Total 2021 $
Current payables and contract liabilities			
Contractual			
Trade creditors		194,845	131,942
Accrued salaries and wages		119,982	98,406
Accrued expenses		67,852	81,578
Department of Health		50,000	135,318
Contract Liabilities		306,517	205,015
Amounts payable to governments and agencies		18,000	15,850
Total contractual payables		**757,196**	**668,109**
Statutory			
Australian Taxation Office		101,521	39,633
Total statutory payables		**101,521**	**39,633**
Total current payables and contract liabilities		**858,717**	**707,742**
(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))			
Total payables and contract liabilities		858,717	707,742
Australian Taxation Office		(101,521)	(39,633)
Total financial liabilties	7.1(a)	**757,196**	**668,109**

How we recognise payables and contract liabilities
Payables consist of:

- Contractual payables, which mostly includes payables in relation to goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Omeo District Health prior to the end of the financial year that are unpaid.

- **Statutory payables** comprises Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The normal credit terms for accounts payable are usually Net 60 days.

Note 5.2 (a) Contract liabilities

	Total 2022 $	Total 2021 $
Opening balance of contract liabilities	205,015	-
Grant consideration for sufficiently specific performance obligations received during the year	101,502	205,015
Revenue recognised for the completion of a performance obligation	-	-
Total contract liabilities	**306,517**	**205,015**
*** Represented by:**		
- Current contract liabilities	306,517	205,015
	306,517	**205,015**

How we recognise contract liabilities

Contract liabilities include consideration received in advance for the Commonwealth Home Support Programme (CHSP). The balance of contract liabilities was significantly higher than the previous reporting period due to this being the first year this fundings was unspent at year end.

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

Note 5.3 Other liabilities

	Notes	Total 2022 $	Total 2021 $
Current monies held it trust			
Refundable accommodation deposits		690,000	1,451,247
Total current monies held in trust		**690,000**	**1,451,247**
Total other liabilities		**690,000**	**1,451,247**
*** Represented by:**			
- Cash assets	6.2	690,000	1,451,247
		690,000	**1,451,247**

How we recognise other liabilities

Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

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

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

Note 6: How we finance our operations

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

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

Structure

6.1 Borrowings
6.2 Cash and cash equivalents
6.3 Commitments for expenditure
6.4 Non-cash financing and investing activities

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	Omeo District Health applies significant judgement to determine if a contract is or contains a lease by considering if the health service: • has the right-to-use an identified asset • has the right to obtain substantially all economic benefits from the use of the leased asset and • can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	Omeo District Health applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	Omeo District Health discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Omeo District Health uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Omeo District Health is reasonably certain to exercise such options. Omeo District Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: • If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. • If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. • The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1 Borrowings

	Note	Total 2022 $	Total 2021 $
Current borrowings			
Lease liability [(i)]	6.1 (a)	71,822	19,021
Advances from government [(ii)]		-	12,929
Total current borrowings		**71,822**	**31,950**
Non-current borrowings			
Lease liability [(i)]	6.1 (a)	10,581	78,795
Total non-current borrowings		**10,581**	**78,795**
Total borrowings		**82,403**	**110,745**

[i] Secured by the assets leased.

[ii] These are secured loans which bear no interest.

How we recognise borrowings

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

Initial recognition

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

Subsequent measurement

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

Maturity analysis

Please refer to Note 7.2(b) for the maturity analysis of borrowings.

Defaults and breaches

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

Note 6.1 (a) Lease liabilities

Omeo District Health's lease liabilities are summarised below:

	Total 2022 $	Total 2021 $
Total undiscounted lease liabilities	84,104	101,314
Less unexpired finance expenses	(1,701)	(3,498)
Net lease liabilities	**82,403**	**97,816**

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

	Total 2022 $	Total 2021 $
Not longer than one year	73,523	21,118
Longer than one year but not longer than five years	10,581	80,196
Minimum future lease liability	**84,104**	**101,314**
Less unexpired finance expenses	(1,701)	(3,498)
Present value of lease liability	**82,403**	**97,816**
*** Represented by:**		
- Current liabilities	71,822	19,021
- Non-current liabilities	10,581	78,795
	82,403	**97,816**

How we recognise lease liabilities
A lease is defined as a contract, or part of a contract, that conveys the right for Omeo District Health to use an asset for a period of time in exchange for payment.

To apply this definition, Omeo District Health ensures the contract meets the following criteria:

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

Omeo District Health's lease arrangements consist of the following:

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

All leases are recognised on the balance sheet, with the exception of low value leases (less than $10,000 AUD) and short term leases of less than 12 months. The following low value, short term and variable lease payments are recognised in profit or loss:

Note 6.1 (a) Lease liabilities

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

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

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

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

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

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

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

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

Note 6.2 Cash and Cash Equivalents

	Note	Total 2022 $	Total 2021 $
Cash on hand (excluding monies held in trust)		205	205
Cash at bank (excluding monies held in trust)		170,643	384,802
Cash at bank - CBS (excluding monies held in trust)		1,832,968	2,277,258
Total cash held for operations		**2,003,816**	**2,662,265**
Cash at bank (monies held in trust)		690,000	1,451,247
Total cash held as monies in trust		**690,000**	**1,451,247**
Total cash and cash equivalents	7.1 (a)	**2,693,816**	**4,113,512**

How we recognise cash and cash equivalents

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

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

Note 6.3 Commitments for expenditure

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

Note 6.4 Non-cash financing and investing activities

	Total 2022 $'000	Total 2021 $'000
Acquisition of plant and equipment by means of Leases	-	60,213
Total non-cash financing and investing activities	**-**	**60,213**

Note 7: Risks, contingencies and valuation uncertainties

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

Structure

7.1 Financial instruments
7.2 Financial risk management objectives and policies
7.3 Contingent assets and contingent liabilities
7.4 Fair value determination

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Key judgements and estimates (continued)

Key judgements and estimates	Description
Measuring fair value of non-financial assets	Omeo District Health uses a range of valuation techniques to estimate fair value, which include the following: ▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Omeo District Health's [specialised land, non-specialised land, non-specialised buildings, investment properties and cultural assets] are measured using this approach. ▪ Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Omeo District Health's [specialised buildings, furniture, fittings, plant, equipment and vehicles] are measured using this approach. ▪ Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Omeo District Health does not this use approach to measure fair value. The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes: ▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Omeo District Health does not categorise any fair values within this level. ▪ Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Omeo District Health categorises non-specialised land and right-of-use concessionary land in this level. Level 3, where inputs are unobservable. Omeo District Health categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.

Note 7.1: Financial instruments

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

Note 7.1 (a) Categorisation of financial instruments

Total 30 June 2022	Note	Financial Assets at Amortised Cost $	Financial Liabilities at Amortised Cost $	Total $
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	2,693,816	-	2,693,816
Receivables and contract assets	5.1	762,235	-	762,235
Total Financial Assets [i]		**3,456,051**	**-**	**3,456,051**
Financial Liabilities				
Payables	5.2	-	757,196	757,196
Borrowings	6.1	-	82,403	82,403
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	690,000	690,000
Total Financial Liabilities [i]		**-**	**1,529,599**	**1,529,599**

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

Total 30 June 2021	Note	Financial Assets at Amortised Cost $	Financial Liabilities at Amortised Cost $	Total $
Contractual Financial Assets				
Cash and cash equivalents	6.2	4,113,512	-	4,113,512
Receivables and contract assets	5.1	359,205	-	359,205
Total Financial Assets [i]		**4,472,717**	**-**	**4,472,717**
Financial Liabilities				
Payables	5.2	-	668,109	668,109
Borrowings	6.1	-	110,745	110,745
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	1,451,247	1,451,247
Total Financial Liabilities [i]		**-**	**2,230,101**	**2,230,101**

[i] The carrying amount excludes statutory receivables (i.e. GST receivable and DH receivable) and statutory payables (i.e. Revenue in Advance and DH payable).

How we categorise financial instruments

Categories of financial assets

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

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

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

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

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

Financial assets at amortised cost

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

- the assets are held by Omeo District Health solely to collect the contractual cash flows and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

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

Omeo District Health recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)

Categories of financial liabilities

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

Financial liabilities at amortised cost

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

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

Omeo District Health recognises the following liabilities in this category:

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

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

Offsetting financial instruments

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

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

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired or
- Omeo District Health 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
- Omeo District Health has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.

Note 7.2: Financial risk management objectives and policies

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

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

Omeo District Health's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. Omeo District Health manages these financial risks in accordance with its financial risk management policy.

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

Note 7.2 (a) Credit risk

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

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

In addition, Omeo District Health does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, Omeo District Health'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 Omeo District Health will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debtors that are more than 60 days overdue, and changes in debtor credit ratings.

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

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

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

Note 7.2 (a) Credit risk

Impairment of financial assets under AASB 9

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

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

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

Contractual receivables at amortised cost

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

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

Note 7.2 (b) Contractual receivables at amortised cost

30 June 2022		**Current**	**Less than 1 month**	**1–3 months**	**3 months –1 year**	**1–5 years**	**Total**
Expected loss rate		0.0%	0.0%	0.0%	0.0%	0.0%	
Gross carrying amount of contractual receivables	5.1	590,782	4,421	3,536	50,980	112,516	**762,235**
Loss allowance		-	-	-	-	-	-

30 June 2021	**Note**	**Current**	**Less than 1 month**	**1–3 months**	**3 months –1 year**	**1–5 years**	**Total**
Expected loss rate		0.0%	0.0%	0.0%	0.0%	0.0%	
Gross carrying amount of contractual receivables	5.1	238,774	7,015	2,036	38,035	73,345	**359,205**

Loss allowance	-	-	-	-	-	-

Note 7.2 (b) Contractual receivables at amortised cost (continued)

Statutory receivables and debt investments at amortised cost

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

Omeo District Health also has investments in five-year government bonds and debentures.

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, no loss allowance has been recognised.

Note 7.2 (c) Liquidity risk

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

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

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

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

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

Note 7.2 (b) Payables and borrowings maturity analysis

Total 30 June 2022	Note	Carrying Amount $	Nomin Amour $	Less than 1 Month $	1-3 Mon $
		757,196	757,	757,196	
Payables	5.2	82,403	82,	1,230	2,
Borrowings	6.1	690,000	690,		
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	**1,529,599**	**1,529,**	**758,426**	**2,**
Total Financial Liabilities					

				Maturity Dates				
Total 30 June 2021	Note	Carrying Amount $	Nominal Amount $	Less than 1 Month $	1-3 Months $	3 months - 1 Year $	1-5 Years $	Over 5 years
Financial Liabilities at amortised cost								
		668,109	668,109	668,109	-	-		
Payables	5.2	110,745	110,745	1,195	2,399	28,356	78	
Borrowings	6.1	1,451,247	1,451,247	-	-	1,451,247		
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	**2,230,101**	**2,230,101**	**669,304**	**2,399**	**1,479,603**	**78**	
Total Financial Liabilities								

[i] Ageing analysis of financial liabilities excludes statutory financial liabilities (i.e. GST payable).

Note 7.3: Contingent assets and contingent liabilities

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

Note 7.4: Fair Value Determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Financial assets and liabilities at fair value through net result
- Financial assets and liabilities at fair value through other comprehensive income
- Property, plant and equipment
- Right-of-use assets
- Lease liabilities

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

Valuation hierarchy

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

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Omeo District Health determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been no transfers between levels during the period.

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

Note 7.4 (a) Fair value determination of non-financial physical assets

	Note	Total carrying amount 30 June 2022 $	Fair value measurement at end of reporting period using: Level 1 [i] $	Level 2 [i] $	Level 3 [i] $
Non-specialised land		125,000	-	125,000	-
Specialised land		250,000	-	-	250,000
Total land at fair value	4.1 (a)	**375,000**	**-**	**125,000**	**250,000**
Non-specialised buildings		297,292	-	297,292	-
Specialised buildings		4,347,349	-	-	4,347,349
Total buildings at fair value	4.1 (a)	**4,644,641**	**-**	**297,292**	**4,347,349**
Plant and equipment at fair value	4.1 (a)	883,525	-	-	883,525
Motor vehicles at fair value	4.1 (a)	40,877	-	58,485	-
Furniture and fittings at fair value	4.1 (a)	327,847	-	-	327,847
Total plant, equipment, furniture, fittings and vehicles at fair value		**1,252,249**	**-**	**58,485**	**1,211,372**
Right of use assets at fair value	4.2 (a)	68,931	-	-	68,931
Total right-of-use assets at fair value		**68,931**	**-**	**-**	**68,931**
Total non-financial physical assets at fair value		**6,340,821**	**-**	**480,777**	**5,877,652**

		Total carrying amount 30 June 2021 $	Fair value measurement at end of reporting period using: Level 1 [i] $	Level 2 [i] $	Level 3 [i] $
Non-specialised land		118,000	-	118,000	-
Specialised land		155,000	-	-	155,000
Total land at fair value	4.1 (a)	**273,000**	**-**	**118,000**	**155,000**
Non-specialised buildings		260,359	-	260,359	-
Specialised buildings		4,079,568	-	-	4,079,568
Total buildings at fair value	4.1 (a)	**4,339,927**	**-**	**260,359**	**4,079,568**
Plant and equipment at fair value	4.1 (a)	575,603	-	-	575,603
Motor vehicles at fair value	4.1 (a)	58,485	-	58,485	-
Furniture and fittings at fair value	4.1 (a)	121,604	-	-	121,604
Total plant, equipment, furniture, fittings and vehicles at fair value		**755,692**	**-**	**58,485**	**697,207**
Right of use assets at fair value	4.2 (a)	81,676	-	-	81,676
Total right-of-use assets at fair value		**81,676**	**-**	**-**	**81,676**
Total non-financial physical assets at fair value		**5,450,295**	**-**	**436,844**	**5,013,451**

[i] Classified in accordance with the fair value hierarchy.

Note 7.4 (a) Fair value determination of non-financial physical assets (continued)

How we measure fair value of non-financial physical assets

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

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

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

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

Non-specialised land, non-specialised buildings

Non-specialised land and non-specialised buildings are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2019.

Specialised land and specialised buildings

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

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

The market approach is also used for specialised land although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, unobservable adjustments; therefore, these assets are classified as Level 3 under the market based direct comparison approach.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For Omeo District Health, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of Omeo District Health's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2019.

Note 7.4 (a) Fair value determination of non-financial physical assets (continued)

Vehicles

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

Furniture, fittings, plant and equipment

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

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

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

Total	Note	Land[i] Level 1 i $	Buildings[i] $	Plant and Equipment[i] Level 1 i $	Furniture & fittings[i] $	Right-of-use plant, equipment, furniture, fittings and vehicles $
Balance at 1 July 2020		**155,000**	**4,559,285**	**484,013**	**122,588**	**32,452**
Additions/(Disposals)		-	-	197,159	17,884	60,213
- Depreciation and amortisation		-	(479,717)	(105,569)	(18,868)	(10,989)
Balance at 30 June 2021	7.4 (a)	**155,000**	**4,079,568**	**575,603**	**121,604**	**81,676**
Additions/(Disposals)		-	-	467,767	236,790	-
- Depreciation and Amortisation		-	(479,716)	(159,845)	(30,547)	(12,745)
- Revaluation		95,000	554,473	-	-	-
Balance at 30 June 2022	7.4 (a)	**250,000**	**4,347,349**	**883,525**	**327,847**	**68,931**

[i] Classified in accordance with the fair value hierarchy, refer Note7.4.

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Non-specialised land	Market approach	N/A
Specialised land (Crown/freehold)	Market approach	Community Service Obligations Adjustments[(i)]
Non-specialised buildings	Market approach	N/A
Specialised buildings	Depreciated replacement cost approach	- Cost per square metre - Useful life
Vehicles	Market approach Depreciated replacement cost approach	N/A - Cost per unit - Useful life
Plant and equipment	Depreciated replacement cost approach	- Cost per unit - Useful life

(i) A community service obligation (CSO) of 20-30% was applied to the Omeo District Health's specialised land.

Note 8: Other disclosures

This section includes additional material disclosures

Structure

8.1 Reconciliation of net result for the year to net cash flow from operating activities
8.2 Responsible persons disclosure
8.3 Remuneration of executives
8.4 Related parties
8.5 Remuneration of auditors
8.6 Events occurring after the balance sheet date
8.7 Jointly controlled operations
8.8 Equity
8.9 Economic dependency

Telling the COVID-19 story

Our other disclosures were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

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

	Note	Total 2022 $	Total 2021 $
Net result for the year		(217,887)	(380,281)
Non-cash movements:		(59,469)	(77,715)
(Gain)/Loss on sale or disposal of non-financial assets	3.2	739,359	664,478
Depreciation and amortisation of non-current assets	4.4	(21,020)	-
Assets and services received free of charge	2.2		
Movements in Assets and Liabilities:		(390,096)	93,804
(Increase)/Decrease in receivables and contract assets		29,977	(32,643)
(Increase)/Decrease in prepaid expenses		150,975	245,218
Increase/(Decrease) in payables and contract liabilities		(32,286)	5,421
Increase/(Decrease) in employee benefits			
		199,553	**518,282**
Net cash inflow from operating activities			

Note 8.2 Responsible persons

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

	Period
Minister for Health	
The Honourable Martin Foley	1 Jul 2021 - 27 Jun 2022
The Honourable Mary-Anne Thomas	27 Jun 2022 - 30 Jun 2022
Minister for Ambulance Services	
The Honourable Martin Foley	1 Jul 2021 - 27 Jun 2022
The Honourable Mary-Anne Thomas	27 Jun 2022 - 30 Jun 2022
Minister for Mental Health	
The Honourable James Merlino	1 Jul 2021 - 27 Jun 2022
The Honourable Gabrielle Williams	27 Jun 2022 - 30 Jun 2022
Minister for Disability, Ageing and Carers	
The Honourable Luke Donnellan	1 Jul 2021 - 11 Oct 2021
The Honourable James Merlino	11 Oct 2021 - 06 Dec 2021
The Honourable Anthony Carbines	06 Dec 2021 - 27 Jun 2022
The Honourable Colin Brooks	27 Jun 2022 - 30 Jun 2022
Governing Boards	
Mr. S. Lawlor	1 Jul 2021 - 30 Jun 2022
Mr. A. McKenzie	1 Jul 2021 - 30 Jun 2022
Mrs. M. Ferguson	1 Jul 2021 - 30 Jun 2022
Mr. J. Sternson	1 Jul 2021 - 30 Jun 2022
Mrs T Tierney	1 Jul 2021 - 30 Jun 2022
Mr J Rettino	1 Jul 2021 - 30 Jun 2022
Mrs. M Shearer	1 Jul 2021 - 30 Jun 2022
Ms. P Barry	1 Jul 2021 - 30 Jun 2022
Mr H Thomas	1 Jul 2021 - 30 Jun 2022
Mrs. L Angus	1 Jul 2021 - 30 Jun 2022
Mrs. M Ryan	1 Jul 2021 - 30 Jun 2022
Accountable Officers	
Mr Arish Naresh (Chief Executive Officer)	1 Jul 2021 - 5 June 2022
Mr Frank Megens (Acting Chief Executive Officer)	6 Jun 2022 - 30 Jun 2022

Note 8.2 Responsible persons (continued)

Remuneration of Responsible Persons

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

Income Band	Total 2022 No	Total 2021 No
$0 - $10,000	11	11
$10,000 - $19,999	1	-
$30,000 - $39,999	-	1
$120,000 - $129,999	-	1
$610,000 - $619,999	1	-
Total Numbers	**13**	**13**

	Total 2022 $	Total 2021 $
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$636,114**	**$169,339**

Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report.

Note 8.3 Remuneration of executives

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)	Total Remuneration 2022 $	2021 $
Short-term benefits	207,937	130,923
Post-employment benefits	21,653	12,238
Other long-term benefits	1,552	1,508
Termination benefits	-	-
Total remuneration [i]	**231,142**	**144,669**
Total number of executives	2	1
Total annualised employee equivalent [ii]	1.0	1.0

i The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Omeo District Health under AASB 124 Related Party Disclosures and are also reported within Note 8.4 Related Parties.

[ii] Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

Note 8.4: Related Parties

The Board of Directors, Chief Exectuive Officer and the Executive Directors of Omeo District Health are deemed to be KMPs.

Entity	KMPs	Position Title
Omeo District Health	Mr. S. Lawlor	Board Chair
Omeo District Health	Mr. A. McKenzie	Board Member
Omeo District Health	Mrs. M. Ferguson	Board Member
Omeo District Health	Mr. J. Sternson	Board Member
Omeo District Health	Mrs T Tierney	Board Member
Omeo District Health	Mr J Rettino	Board Member
Omeo District Health	Mrs. M Shearer	Board Member
Omeo District Health	Ms. P Barry	Board Member
Omeo District Health	Mr H Thomas	Board Member
Omeo District Health	Mrs. L Angus	Board Member
Omeo District Health	Mrs. M Ryan	Board Member
Omeo District Health	Mr Arish Naresh	Chief Executive Officer (1 Jul 2021 - 5 June 2022)
Omeo District Health	Mr Frank Megens	Acting Chief Executive Officer (6 Jun 2022 - 30 Jun 2022)
Omeo District Health	Mr Darren Fitzpatrick	Director of Nursing (1 Jul 2021 - 21 Nov 2021)
Omeo District Health	Mrs Reena Reddy	Acting Director of Nursing (22 Nov 2021 - 30 Jun 2022)

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

	Total 2022 $	Total 2021 $
Compensation - KMPs		
Short-term Employee Benefits[i]	811,081	282,752
Post-employment Benefits	45,223	26,259
Other Long-term Benefits	1,552	4,997
Termination Benefits	9,400	-
Total [ii]	**867,256**	**314,008**

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

[ii] KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Note 8.5: Remuneration of Auditors

	Total 2022 $	Total 2021 $
Victorian Auditor-General's Office		
Audit of the financial statements	15,850	15,850
Total remuneration of auditors	**15,850**	**15,850**

Note 8.6: Events occurring after the balance sheet date

The COVID-19 pandemic continues to create unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Omeo District Health at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the impact of the pandemic after the reporting date on Omeo District Health, its operations, its future results and financial position.

No other matters or circumstances have arisen since the end of the financial year which significantly affect or may affect the operations of Omeo District Health, the results of the operations or the state of affairs of Omeo District Health in the future financial years.

Note 8.7 Joint arrangements

	Principal Activity	Ownership Interest 2022 %	Ownership Interest 2021 %
Gippsland Health Alliance	Information Technology	2.35	2.39

Omeo District Health's interest in the above joint arrangements are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2022 $	2021 $
Current assets		
Cash and cash equivalents	73,825	119,662
Receivables	121,054	123,184
Total current assets	**194,879**	**242,846**
Non-current assets		
Property, plant and equipment	25,506	30,173
Total non-current assets	**25,506**	**30,173**
Total assets	**220,385**	**273,019**
Current liabilities		
Payables	26,016	34,578
Right of Use Lease Liability - Current	5,202	4,494
Total current liabilities	**31,218**	**39,072**
Non-current liabilities		
Right of Use Lease Liability - Current	10,581	12,175
Total non-current liabilities	**10,581**	**12,175**
Total liabilities	**41,799**	**51,247**
Net assets	**178,586**	**221,772**
Equity		
Accumulated surplus	178,586	221,772
Total equity	**178,586**	**221,772**

Omeo District Health's interest in revenues and expenses resulting from joint arrangements are detailed below:

	2022 $	2021 $
Revenue		
Revenue from Operating Activities	503,114	430,985
Total revenue	**503,114**	**430,985**
Expenses		
Other Expenses from Continuing Operations	536,518	435,216
Depreciation	9,782	8,166
Total expenses	**546,300**	**443,382**
Net result	**(43,186)**	**(12,397)**

Contingent liabilities and capital commitments

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

Note 8.8: Equity

Contributed capital

Contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Omeo District Health.

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

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

Specific restricted purpose reserves

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

Note 8.9: Economic dependency

Omeo District Health is wholly dependent on the continued financial support of the State Government and in particular, the Department of Health.

The Department of Health has provided confirmation that it will continue to provide the Omeo District Health adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to September 2022. On that basis, the financial statements have been prepared on a going concern basis.