Omeo District Health

2021 Annual Report

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.

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Omeo District Health is established under the Health Services Act 1988.

The responsible Minister for Health:

From 1 July 2020 to 26 September 2020

Jenny Mikakos MP

Minster for Health

Minister for Ambulance Services

From 26 September to 30 June 2021

The Hon Martin Foley MP

Minister for Ambulance Services

Minister for Equality

The responsible Minister for Mental Health:

From 1 July 2020 to 26 September

The Hon Martin Foley MP

Minister for Mental Health

Minister for Equality

From 26 Sept 2020 to 30 June 2021

The Hon James Merlino MP

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.

Front cover image:

The day Omeo District Health raised the Rainbow Flag. On IDAHOBIT Day, 17th May 2021.

Omeo District Health Leadership Management Team.

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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	7
Ann Ferguson	8
Natalie O'Connell	8
Kate Commins	10
Alastair McKenzie	5
Penny Barry	8
Therese Tierney	6
Joe Rettino	8
Leecia Angus	8
Lindsay Moss	5

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.

Committee Membership:

Nomination and Remuneration; Credentialing and Privileging.

Vice Chair

Natalie O'Connell

Executive Assistant at Catchment Management Authority

Natalie was appointed to the Board in July 2018 and was elected Vice Chair in December 2019. His appointment expired on June 3rd 2021.

Committee Membership:

Clinical Governance; Nomination and 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

Kate Commins

Director of Meringo Pastoral, Swifts Creek

Kate was appointed to the Board in July 2012. Her appointment expired on June 30th 2021.

Committee Membership:

Clinical Governance; Credentialing and Privileging; 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 Privileging

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

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

Lindsay Moss

Self Employed, Mount Hotham Skiing Company and Ambulance Victoria

Lindsay was appointed to the Board in March 2017. His appointment expired on June 30th 2021.

Committee Membership:

Community and Consumer Partnership Advisory

Our Board — 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.

Independent Members

Caroline Mildenhall

Ensay Community Health Service

Appointed 2015

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.

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.

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.

Credentialing and Privileging Committee

Ensuring that medical practitioners are appropriately qualified and experienced is an important role for this committee. Dr. Mau Wee, Director of Medical Services, supported by Mrs. Kelly Greenland (Executive Assistant), 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.

Our Executive Team

Chief Executive Officer

March 2020 — May 2021 Acting Interim CEO — ***Leanne Stedman***

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

Associate Professor Arish Naresh is the Chief Executive Officer role for Omeo District Health and joined in mid May 2021, after being the Program Director for Speciality Medicine at Royal Adelaide Hospital. Arish is originally from Fiji and has over 14 years of health experience, including 11 of those being in executive leadership. Arish held multiple senior roles in the health sector within New Zealand including being Chief of Allied Health for a workforce of 1300 in one of the largest tertiary hospitals in Wellington.

He is also the President of the International Oral Health Association and past Chairperson of New Zealand Dental and Oral Health Therapists Association. Helping and serving others is a core principle for Arish. He served as a Board Member of UNICEF New Zealand and has assisted many local, regional and international charities. He is also the Founder of OWDSOCKS – Opportunities without Discrimination; a social movement dedicated to promoting inclusion and diversity in society. Arish is committed to working to prevent violence against women and is also a White Ribbon ambassador. Arish was awarded New Zealand order of Merit in June 2020 as part of the royal honours for his services to community and dentistry and he continues to advocate for good oral health.

Arish's vision is to turn ODH into the centre of excellence for rural health by building high quality strategic partnerships; working hand in hand with the community and promoting the concept of having a champion team that strives for excellence on a daily basis. As such, this year's annual report features the Leadership Management Team (LMT) made up of our leaders from various parts of the organisation. Our leaders are supported by our brilliant reception and executive team. Our champion team is as below (minus a few that were on leave on the day photos were taken):

Our Year in Review

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

2019/20 was the year of the bushfires and beginning of the global pandemic and 2020/21 for ODH continued to test the health service and the community as we pivoted into further management of COVID-19 and rolling out the vaccinations.

ODH continued to work with the department to implement any changes in pandemic directions and ODH continued to test people with even the mildest symptoms through the tent set up in the community gym.

Our regular chronic diseases classes, youth group hangouts, Men's Shed get together and other activities that required people to gather in one room were disrupted. While ODH continued to provide virtual support to people and do regular check in's via phone calls; a much stronger restart of services is required in 2021/22 year to provide services that have been delayed due to the pandemic.

Our infection control team, reception staff, medical centre staff, nursing staff, cleaning staff and the wider ODH team all increased their hours to ensure ODH complied with the increased visitor screening, cleaning and wearing of PPE requirements.

ODH produced a quality account to capture highlights of the year even though this was not a requirement through Safer Care Victoria.

ODH participated in regular performance meetings with the departments and was actively engaged in sub regional and regional partnerships to ensure the organisation was always informed of any changes that were relevant as Victoria responded to one of the longest periods of lockdowns.

ODH provided additional education to staff around COVID-19 management and enrolled 5 of its staff members into the Australian College of Infection Prevention and Controls official program to further enhance the organisations capabilities in the area of infection prevention. A very timely education program that has been taken up by some of our willing staff.

ODH also had Associate Professor Pravin Hissaria, Medical Director, Vaccination program from the Royal Adelaide Hospital lead an education session on the development of the Pfizer and AstraZeneca vaccines. This was well received by the staff and the community.

Prof Toby Coates, Dr Maura Kenny and Dr Intesar Malik further delivered sessions to staff and community on management of chronic diseases in a pandemic, importance of mindfulness and responding to falls/ stroke in communities especially at in times when less people are visiting each other.

ODH received bushfire funding and was able to complete new fire panels, landscaping, installation of hydrant ring main, installation of roof anchor points and installation of drenchers. We also installed a new back -up generator.

The only outstanding item left is the installation of a 300,000L water tank which is vital to our response and the implementation for this is planned for the 2021/22 year. It is essential to be compliant with the recommendations that were provided to ODH post the black summer bushfires.

ODH was also successful in receiving RHIF grants to upgrade the flooring in Lewington House and a further $30,000 was received to run skin cancer clinics providing this vital service closer to our communities. This was very well received by the communities and the program will continue into the 2021/22 year.

To ensure we have good occupancy in our aged residential care facility, a marketing project was initiated, and community consultations were held to understand the needs of our future residents and while this project started with lot of enthusiasm; COVID-19 prevented the roll out of this initiative and we are hoping that by end of 2021; we should have something tangible to use for marketing. Having lower occupancy has an impact on our revenue.

Due to COVID-19, it was more difficult to get visiting medical officers to Omeo, especially for the doctors that live in other states, and while we continued to serve our communities; medical centre, aged care, community services and TCP occupancy declined resulting in loss of revenue for ODH.

Ambulance Victoria and ODH worked closely together in the past year in area of training and also to support sustainability of ambulance services in the region. ODH supports further recruitment of Ambulance Community Officers' and hopes that the current MICA role will be further enhanced.

ODH also supported the Cattlemen's Cycle Race and participated in the planning process of the Outer Gippsland Drought and Fire Mental Health and Wellbeing Partnership.

ODH had an active presence at Ensay and Swifts Creek Bush Nursing Centres AGM to further strengthen our linkages with our key partners.

ODH has now signed up to HotDoc GP booking system and this is well received by the community. We are now using this to book COVID-19 swabbing and vaccinations and the response to use of technology is great.

Lifeguard chronic management tool has also been rolled out at ODH through support of Gippsland PHN and the app is intended to further enhance the use of telehealth in rural area.

ODH participated in the People Matters Survey that run towards the end of the financial year and look forward to using the data received to further improve services at ODH.

ODH completed its internal audit requirements in partnership with RSM and our Finance, Audit and Risk Committee has signed off the internal audit program for the next 3 years to ensure we meet our compliance requirements.

Discussions with Bairnsdale Regional Health Services continue around having a sustainable medical model of care and this partnership has been further strengthened since the appointment of a joint Director of Medical Services. ODH and Bairnsdale Regional Health Service (BRHS) also conduct joint credentialing of our doctors and Orbost Regional Health (ORH) is to join the process from next financial year.

COVID-19 vaccinations roll out is going well and ODH has converted its day care space into a vaccination hub and is currently exploring other spaces for further vaccine roll out as the day care space is only available to ODH until December 2021.

Since the roll out has begun, the uptake of vaccinations has been great by the community, and it is estimated that 1/3 of the community have had at least one dose at the time of writing this report.

Recruitment of professionals remains a challenge in the region and one of the barriers is suitable accommodation and our accommodation working group is currently exploring options for better staff/student accommodation so we can attract and retain talent. We are having regular conversations with Housing Victoria to investigate leasing/purchasing of the currently empty public housing units.

With lockdown 4 and 5, the needs for COVID-19 testing in the alpine regions grew and ODH has since then run COVID-19 testing from 8am - 9pm, 7 days a week and this has resulted in more tests being carried out in that period than the previous 14 months of the pandemic.

A lot of positive feedback has been received by Alpine resort communities to our flexible testing hours and some of the businesses are now running active campaigns to donate equipment to ODH as a gesture of their appreciation.

ODH also went to every business in our region and delivered “pandemic response packs” so that our communities were kept safe and always wearing masks.

We also improved hospital signage and ran a beautification challenge to refresh the look of our facilities.

ODH put in an application for health worker wellbeing project and we have been successful in being one of the sites chosen by Safer Care Victoria and we look forward to this project starting in August 2021.

Weekly newsletters to staff and communities are now in place so people are always informed of what is happening at ODH.

ODH CEO has also been appointed as the Chair of the East Gippsland Primary Care Partnership. ODH has strengthened its partnership with Swifts Creek High School and offered scholarships to high school students to promote health careers.

ODH also issued 4 Barbara Shelton Scholarships this year.

ODH has started a regular lunch and learn session and as the sessions are run over zoom, the link is shared with Kilmore Health, BRHS, Orbost Regional Health, Seymour Health and Alpine Health Services.

In June, we experienced storm damage to our gym, carparks and some other parts of the hospital and insurance claims and repairs are currently underway.

The mental health issues in the community is on the rise and it is clear that a community wellbeing centre is required to assist in the post pandemic response to wellbeing. Grant applications are being prepared to be submitted in the next financial year.

Finally, it has been a challenging year but it has once again displayed the resilience of our workforce and our communities and displayed that rural communities make up what they lack in services through their passion and their sense of community.

Report of the Chair of the Board and Chief Executive Officer

Welcome to our 2020 - 21 Annual Report

It is with pleasure that we present the 129th Annual Report of operations for Omeo District Health (ODH), in accordance with the Financial Management Act 1994 for the year ending 30th June 2021.

The financial year of 2020-2021 has presented the whole world with a number of challenges due to the global pandemic. It can be better described as the "Year of the Pandemic and the Year of the Vaccinations".

2020 was the International Year of the Nurses and 2021 became the International Year of the Health workers but a health service is much more than our valuable clinicians so on behalf of the operational leadership team and the board; we would like to thank each and everyone of you for assisting in keeping our communities safe. We know we have succeeded so far because there has not been an active case of COVID-19 in our district and we have rolled out at least one dose of vaccinations to 1/3 of our catchment.

In March 2020, ODH fare welled our former CEO, Ward Steet, Acting CEO, Leanne Stedman, stepped into the role in mid March 2020 and continued in her role until mid May 2021 when Associate Professor Arish Naresh joined ODH in a permanent role. The board would like to thank Leanne for her work over her term as interim CEO.

ODH is on a trajectory to become the Centre of excellence for rural health and this is already in train with a number of projects and partnerships that will boost our infrastructure and human capital. Some of the projects underway and in the pipeline are:

- Upgrade to the ODH carpark
- New flooring and carpets for our aged residential care facilities
- Implementation of swipe card entry into the facility project
- Upgrade to the TCP room to include an ensuite and a kitchenette
- New flooring, industrial grade gym carpets and cupboards for the community gym
- Commissioning of artwork that bring our building to life through natural landscapes
- Upgrade to the west courtyard to turn it into a dementia friendly garden
- Upgrade to the front entrance with a sound retaining wall
- Awarding of 4 Barbara Shelton Scholarship (highest ever awarded in one year) and training 4 people in the area of infection control through Australian Infection Control and Prevention College.
- Pursuing a partnership with La Trobe University Rural Health School
- Having students here from Project Everest Ventures to deliver impact projects

The above list can go on for a bit longer but the aim of putting it together is to display to our staff and communities that the management and board are strongly invested in having future ready facilities with a workforce that is highly skilled and has the community spirit that allows ODH to thrive, not just survive.

ODH has a champion team and success is a given when the team shines together. Every department in ODH is just as important and through their collective contribution; we provide the community with the support and care they deserve. We are not just public servants; true service is about being with the community at every step of the way and being part of their dreams and aspirations.

Thank you too, to our community members, patients, clients, residents, families, friends and visitors for their understanding and flexibility and for their contribution to community safety – including assisting during the long fire season and joining in with our COVID-19 mask making project.

The effects of the global pandemic will be with us for a number of years and while we do not know how long this pandemic will last; what we can assure you is that the board and the management will keeping working with the ODH community to better the health and wellbeing of our people. We cannot do this without the continuous support of our partners such as BRHS, Orbost Regional Health, Gippsland PHN, Gippsland Health Alliance, East Gippsland Shire, Victorian Department of Health, The Commonwealth Department of Health, Swifts Creek and Ensay Bush Nursing Centres, Ambulance Victoria, Country Fire Authority, Gippsland Lakes Complete Health, Royal Flying Doctor Service, Benambra Neighbourhood House, Swifts Creek Secondary School, Omeo Primary School, RWAV, members of the SHINE committee and the many volunteers that contribute to our success on a daily basis.

Finally, we would like to thank the board of directors for their dedication, stewardship, commitment and direction in the 2020/21 financial year and we look forward to the board and the management forging a even stronger partnership in 2021/22 year to keep the people of the High Country well.

Clinical Services Report

Aged Care

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 Diversional Therapist Leanne Appleby who has been critical in supporting the wellbeing of our Residents.

We have seen many new faces in the last twelve months and it has been exciting to see new residents interact and friendships develop.

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.

Education

It has been another challenging year to provide a variety of quality education to staff as a result of the pandemic.

Omeo, aware of the benefits of rural placements both for students and our workforce, has continued to support student clinical placements and actively engages in the Better Placed Learning Environment framework to monitor our learning environment.

This year we maintained a partnership with Bairnsdale Regional Health to support the East Gippsland Collaborative Graduate Nurse Program that allows graduate nurses the opportunity to consolidate practice in various areas with exposure to a range of services and experiences. During the 12-month program we have been privileged to welcome two graduates. They have been a valuable addition to our team engaging in quality improvements as part of their placement.

The provision of education this year has been primarily driven by the requirements and restrictions of the pandemic. There was a focus COVID-19 awareness and infection prevention and control for both for online and face to face mandatory sessions for all staff, with smaller sessions held more frequently, inline with our COVID-19 safe plan. In spite of all the challenges of this year we were able to maintain our excellent compliance rate from last year with 89% of staff completing the required online training which shows a commitment to education at all levels which is assuring.

Rural student placements , put on hold in 2020, were approved for recommencement in April of 2021. We have seen a significant decrease in placement bookings for 21/22 but are working to strengthen relationships with existing Education Providers as well as exploring new relationships in order to reinstate our previous student facilitation capability. This is important because in addition to the financial, student placements provide a number of benefits for ODH including but not limited to: staff development; service provision to our clients; promoting diversity; potential staff recruitment and the promotion of rural health as an exciting and rewarding career option.

With the support of Dementia Training Australia we have been able to support a variety of dementia training for staff from all departments of the hospital. This has been a fantastic effort that shows that we are committed to improving the care and wellbeing of people living with dementia in our community and the wellbeing of staff delivering their care.

The CEO has introduced a “Lunch and Learn” series and this has been well attended. ODH has had presenters from various parts of the world present to our staff and we have shared our lectures with other health services.

We have also provided tablets to our nursing staff so they can further enhance their learning at their leisure

5 staff are undertaking infection prevention and control training through Australian College of Infection Prevention and Control to enhance ODH’s preparedness for pandemics and respond to current pandemic.

Scenario based learning is being planned for the upcoming year so we have our clinical and non clinical staff ready to manage patients who have suspected COVID-19 or other respiratory diseases that may manifest as COVID-19.

Nursing

It has been a year of challenges for many reasons. In addition to our general demands COVID-19 vaccination roll out, swabbing and reporting have taken up many resources. Changes to restrictions especially around visiting have alternated almost on a monthly basis and staff have endured and responded to monitoring and maintaining directives.

Responding to COVID-19 has been facilitated by our Infection Prevention Control Nurse Penny Geyle. Her commitment to the organisation with flexible work hours ensured that interventions were planned for and implemented in an ever-changing environment. Due to personal reasons Penny has resigned from this role and we are training a number of staff members to enable workload to be spread and consultation undertaken with staff to maintain their and our community's safety.

Much appreciation is extended to all staff 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 interim CEO, Leanne Stedman, over this challenging period. I'm certain that staff were comforted by our leader's willingness to lead and be onsite in very difficult times. In May we welcomed our new CEO, Arish Naresh, and the amount of energy, support and enthusiasm that he has brought has led to many positive changes to ODH and we look forward to his continued leadership in future.

Staffing has been an issue throughout COVID-19 because of limitations to working across facilities. 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 commitment by our workforce has led to many staff building up annual leave and are now well due for a break. To this end we have looked at agency nursing for the first time in Omeo and look forward to trialing this initiative.

In what has been anything like a routine year I have greatly appreciated being able to undertake some leave. I would like to commend Anne Walker for standing in for me during my absences.

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 pilot partnership between Omeo District health and the Royal Flying Doctor Services (RFDS) to provide a sustainable community dental service for the East Gippsland High Country (Omeo and district) proved very successful and the arrangement has now been made ongoing with the catchment extended to Dinner Plain and Hotham Heights.

The service provides a monthly service but due to COVID-19 restrictions; RFDS have been unable to provide services on an ongoing basis. RFDS is still providing virtual consults and onsite care are restrictions change. ODH and RFDS are also exploring options of having a OPG machine in Omeo.

Leadership of ODH and RFDS are also discussing strategies to mitigate COVID-19 restrictions and plan contingencies for when the lockdowns continue for a longer period.

Food and Environmental Services

Our external food audit was conducted in March 2021, achieved with high compliance, clearly demonstrating the continued delivery of excellent catering services and compliance with regulations. It is a requirement to conduct two external audits per calendar year. The first audit was conducted on 25 March 2021, by an external food and safety auditor and the second on 24 May 2021 by East Gippsland Shire Council. A further three internal audits were also conducted, indicating full compliance with food safety requirements.

Catering staff, under the supervision of the Food and Environmental Services Manager, Grace Elford, maintain a continuous quality improvement approach to all aspects of operations. We undertake an annual menu review with help from a Nutritionist, and we encourage the residents and patients input into the menu to include them in making choices around their own health and wellbeing.

This year the Food Services staff provided meals representing a range of different cultures, providing variety and diversity for the enjoyment of residents and this initiative has been very positively received.

It is a government requirement that internal cleaning audits be conducted at least annually. The latest result of 95.2% organisational wide compliance with cleaning standards in July 2021 demonstrated ODH's commitment to a very high standard of cleanliness.

This year we have also fare welled 3 very hard-working dedicated staff Merilyn Pendergast 23+ years, Coleen Thomas 11 years and Pauline Sim of 8 years of service. We thank them for their hard work and dedication over the many years here at ODH and wish them the very best for their endeavors in years to come.

Department	# of meals provided
Meals on Wheels	1, 030
Residents and Patients	14, 171
Staff meals	2, 450

Grace Elford

Catering and Environmental Services Manager

Home Based Services and Allied Health Report

ODH Community Health Services are delivered in two streams: Home Based Services, led by Home Based Services Manager Leanne McKenzie, and Allied Health Services, led by Allied Health Manager, Marijs Last.

The COVID-19 pandemic has considerably impacted Home Based and Allied Health Services provision, with a range of directives from Commonwealth and State Government altering permitted activities. ODH have endeavoured to continue 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.

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 Social Support Group, Men's Shed, Youth activities, the Community Gyms and exercise classes.

ODH contributes to the support of community based clients who have a disability by providing assessment services and documentation to those applying for the NDIS program and providing brokered services to those who have an approved NDIS plan.

We were lucky enough to fulfill a dream for the Social Support Group this year between COVID-19 lockdowns, an overnight trip! We have had a number of conversations with our Social Support Group about the possibility of an overnight trip for a number of years now and with COVID-19 isolating the community even more this last year, now was the time. With the support of the Coordinators we were able to arrange a Hotel in Lakes Entrance, a cruise to Metung with lunch at the Metung Hotel and return to Lakes Entrance. A leisurely shopping day and lunch in Lake Tyres before heading home, everyone was well and truly invigorated from all the socialisation and adventure. They have started to talk about their next adventure and planning has well and truly started.

Health Promotion programs were impacted by COVID-19 restrictions on public gatherings, however when permitted, the Harvest Exchange program was well attended. The community gymnasiums were unable to be used for unsupervised gym programs however group exercise classes were able to operate in the Benambra and Swifts Creek locations when permitted. When needed, exercise classes transitioned to outdoor only activities.

The Health Promotion program had a strong focus on prevention of family violence, and ODH acted as a lead agency in coordinating a regional approach in this field. The Health Promotion program also played a key role in keeping the community informed and updated through the ODH Facebook page and regular community updates in the local Omeo District Newssheet.

With the return of school students to face to face learning, the youth program was able to commence a regular youth group known as "The Hangout". This group operates on a weekly basis (COVID-19 permitting) after school from the Community Centre Swifts Creek. The program offers teenagers a welcome after school social and recreational focus.

A new ongoing Physiotherapy group program was introduced in 2021. The GLA:D program (Good Life with osteoArthritis: Denmark), is an evidence based program to treat hip and knee pain. This program has seen some very positive results in participants.

This year saw the commencement of a new community based position: the Primary Mental Health Nurse. This three day per week role, funded 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.

The Kindy Gym program, offered by ODH in the past is now facilitated by the district "Schools as Hubs" project.

Home Based Services has been working hard this year to get ODH registered to become a Home Care Package Provider and we already have two clients waitlisted ready to go live in August.

Funding Sources

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

Commonwealth

Gippsland Primary Health Network Place Based Flexible Funding program (Allied Health Services)

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

Services Provided Allied Health

Allied Health Assistant

Health Promotion

Occupational Therapy

Physiotherapy

Podiatry/Foot Care

Social Work

Speech Pathology

Youth Services

Chronic Disease Care Nurse

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

High Country Men's Shed

Community Gyms –

Omeo, Swifts Creek and Benambra

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.

Partnerships

ODH Community Health Services has strong links with the East Gippsland Primary Care Partnership and 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 centres.

Outreach services including Physiotherapy and Footcare are provided out of the Swifts Creek Bush Nursing Centre on a regular basis.

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

Marijs Last

Allied Health Manager

Facilities and Maintenance Services

The year 2020/21 has been another year of high demand for the Maintenance Department here at Omeo District Health. Projects that have been completed include complete refurbishment of the Doctors House (now the CEO residence). Southern Generators have installed and commissioned our new 115kva back-up generator. This was at no cost to Omeo District Health as we were chosen as one of six sites across the state who were seen to be most at risk of power failure in a remote setting. The generator is now situated outside the meeting room. ODH Medical Centre waiting room has received a much need coat of fresh paint.

ODH has added two Ausco transportable medical treatment rooms for the purpose of COVID-19 testing, both symptomatic and A-symptomatic. The Pink Palace has been temporarily set up as our COVID-19 Vaccination Clinic. A colorbond fence has been erected around the Pink Palace as part of the ongoing works associated with grant monies received from the impact of the 2019/20 bushfires. Extra static water storage will be the final purchase from these funds and options are still being sought. Both the Doctors vehicle and the CEO vehicle have been replaced through Vicfleet. The Maintenance Department ute was also replaced although with a dual-cab so as to be used as an extra pool vehicle if needed. All vehicles replaced were sold at auction through Pickles Group and monies transferred to ODH.

Maintenance Department is working alongside local builder, Cody Graske, in refurbishing the Community Gym following a recent weather event which saw flooding throughout the gym. The same weather event washed away the embankment at the Easton St main entrance. Lakes Entrance company Groundcover Landscapes have created a neat and compact garden bed that has softened the visual impact on approaching our facility. All of these works have been under an insurance claim at no cost to ODH.

There has been extensive reshuffling of offices and

along with this comes the challenge of shifting desks, filing cabinets, bookshelves etc. I imagine this to continue for some time. In the meantime, Great Alpine Landscapes will commence the dementia friendly garden landscape project in the first week of September. Secured through RHIF funding the project will include a water feature, children's playground and various seating areas. After significant consultation with SHINE and all department's involved and liaison with residents and their families, Aggenbach Floors will commence the floor covering replacement project in Lewington House in the last week of August. Cranes asphalting will commence full resurfacing of all carparks in the first week of October. Another successful RHIF grant will see works on an upgrade of our TCP room begin Oct/Nov, this will include a kitchenette and ensuite to increase the skills and independence of patients to ensure their safe return to home. We will also see the commencement in Oct/Nov of double glazing all of the older part of the facility, taking in CEO, Admin, Doctors Consulting Rooms, Medical Centre, HACC offices and the students quarters.

Darryl Shepherd

Facilities Manager

Administrative Services

The structure of the administrative team has been proven to be very successful. The team consist of; Katie Van Heek (People, Culture and Business Manager), Kelly Greenland (Executive Assistant to CEO), Arielle Flannagan (Acting Executive Assistant to CEO), Merinda Sedgman (Payroll Officer), Sonya Lawlor (Receptionist) and Krystal Greenland (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 regularly 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.

Donations

Omeo District Health gratefully acknowledges the kind donations made by the community towards the purchase of equipment and items for residents and patients.

- Country Woman's Association—High Country Branch
- David Bock and Annie Birnie
- Conrad Bock

Katie Van Heek

People, Culture and Business Manager

Medical Centre Report

This year was defined by external events that challenged our resilience, but also brought out the very best in all of us, with displays of kindness and care for our community and residents as we worked through the continued impacts of the bushfires in 2019/20 and the continued effects of COVID-19 pandemic.

The 2020-2021 year was also a very challenging one for our communities, where the COVID-19 pandemic dominated the year and influenced how we provided services to our communities. This unprecedented event has affected every aspect of the health service and some of these impacts will be long lasting.

Omeo Medical Centre responded quickly to the COVID –19 Pandemic, establishing systems and structures for the prevention, detection, and control of the virus. This included the establishment of a dedicated COVID-19 Vaccination Clinic located outside of the main building at the Pink Palace, and a dedicated COVID-19 Testing Clinic also located outside of the main building in two separated portable buildings.

Despite the significant impact of the events of 2020/2021 OMC have moved forward with positively and had a productive year, delivering extensive range of service improvements focused on safe, reliable and responsive care.

In the context of the challenging COVID-19 pandemic environment, we continued to provide a comprehensive range of services in our role as a Medical Centre and where ageing and chronic illness are significant drivers of service demand. This year's activities continue to be impacted by COVID-19 and inability to attached doctors for all clinic rosters however, we introduced new models of care, and increased telehealth sessions were implemented in response to the changed environment.

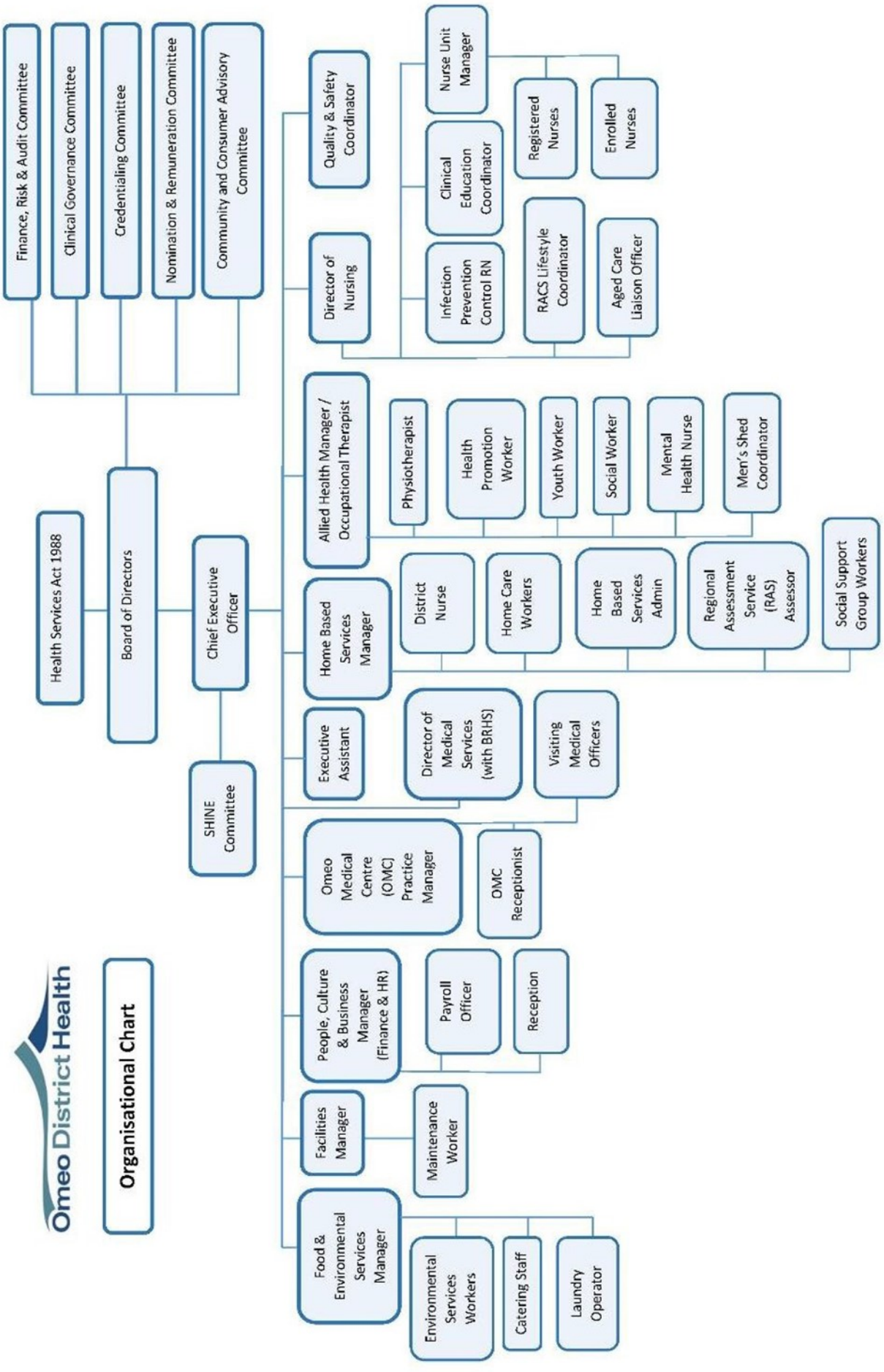
OMC was successful in receiving a grant from Primary Health Network to support the One Good Community Program; this program will assist the practice to improve our digital health services to the community and provide the community with better health outcomes.

The Medical Centre is supported by a dedicated team of administration officers, nurses and General Practitioners. It has again proven to be a difficult year to attract Medical Officers and without the continued support of our doctors, travelling Nurse Practitioners, nurse and administration team we would not have been able to provide continuous care to our community and Nursing Home Residents; we Thank each and everyone of you.

Kelly Greenland

Acting Practice Manager

Organisation Chart



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	2020	2021	2020
Nursing	14.33	17.24	15.74	15.61
Admin & Clerical	7.31	4.73	7.02	5.73
Medical Support	3.49	1.60	2.80	1.56
Hotel & Allied Services	7.74	8.76	8.38	8.09
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	7.62	8.89	9.07

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, Maureen Lord, 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	2020—21	2019—20	2018—19
The number of reported hazards/incidents for the year per 100 FTE	631.13	354.37	394.87
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	6.30	0	0
The average cost per WorkCover claim for the year ('000)	$7, 908	0	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.

- Organisation wide mandatory training days for all staff covering Manual Handling/No Lift, Infection Control including COVID-19, Basic Life Support and Bullying and Harassment scheduled on a regular basis.
- 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 is 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 2020-21.
- 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.

	2020—21
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	4
Number of occupational violence incidents reported per 100FTE	8.4
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

Attestations

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

Chair, Board of Directors

Omeo, 17th August 2021

Responsible Bodies Declaration

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 2021.

Signed: 

Simon Lawlor

Chair, Board of Directors

Omeo, 17th August 2021

Data Integrity Declaration

I, Associate Professor Arish Naresh 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: 

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

Chief Executive Officer

Omeo, 17th August 2021

Conflict of Interest

I, Associate Professor Arish Naresh 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: 

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

Chief Executive Officer

Omeo, 17th August 2021

Integrity, Fraud and Corruption

I, Associate Professor Arish Naresh certify that Omeo District Health as 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: 

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

Chief Executive Officer

Omeo, 17th August 2021

Statement of Priorities – Part A; Strategic priorities

For financial year 2020-21 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 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

> Achieved – Omeo District Health catchment has not had any positive COVID-19 cases and since the fourth lockdown, ODH has provided 7-day COVID-19 testing services and the hours of operation have also been extended from 8am—5pm to 8am—9pm. Multiple education sessions have been held to update the community and staff on vaccine safety and further support is being planned as the speed of the roll out increases. An incident management structure is in place and the incident management team meet regularly to ensure that our COVID-19 responsiveness and vaccination roll out is on track. ODH has also provided pandemic packs to businesses as part of its wider public health remit and has been providing COVID-19 swabbing on school sites to ensure students and their families are not disrupted further from their learning journeys.

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.

> Achieved – A ramping up exercise is underway to increase our response to chronic diseases, youth wellbeing, men's health and other group activities that were delayed by COVID-19 . Operational targets have been set and additional staffing brought on board to ensure people will be able to have the catch-up care required. To further strengthen our response, a dedicated telehealth room is being set up at Omeo Medical Centre so community members who experience difficulties in seeing their consultants in person due to lockdowns can come to our premises and use our technology to access high quality care closer to their communities.

As providers of care, respond to the recommendations of the Royal Commission into Victoria's Mental health System and the Royal Commission into Aged Care Quality and Safety.

> Achieved – ODH complies with industrial instruments currently in place for aged care facilities and provides all the necessary allied health supports that is possible in a rural community. ODH is actively participating in forums/working groups around the mental health work program and the aged care work program to ensure we are set up for success over the coming years. ODH recognises that both these pieces of work are challenging and will require additional supports from state and commonwealth over a sustained period to ensure all recommendations are implemented as intended.

Develop and foster your local health partner relationships, which have been strengthened during the pandemic response, to continue delivering collaborative approaches to planning, procurement and service delivery at scale. This extends to prioritising innovative ways to deliver health care through shared expertise and workforce models, virtual care, co-commissioning services and surgical outpatient reform to deliver improved patient care through greater integration.

> Achieved – ODH has built good relationships with the community, business groups, schools and other relevant stakeholders to facilitate its pandemic response. 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 is exploring a shared medical model of care with BRHS to ensure we have long term solutions to medical workforce shortages in our region. ODH is also actively participating in health services partnership work program which is currently in its infancy.

Statement of Priorities – Part B; Performance priorities

High quality and safe care

Key performance measure	Target	Result
Infection prevention and control		
Percentage of healthcare workers immunised for influenza	90%	94%
Patient experience		
Victorian Healthcare Experience Survey – data submission	Full compliance	Full compliance
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 1	95%	NA*
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	NA*
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	NA*
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 1	75%	NA*
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 2	75%	NA*
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 3	75%	NA*

Effective financial management

Key performance measure	Target	Result
Operating result ($m)	$0.00	$0.01
Average number of days to pay trade creditors	60 days	39 days
Average number of days to receive patient fee debtors	60 days	14 days
Adjusted current asset ratio (ACAR)	0.7 or 3% improvement from health service base target	1.71%
Actual number of days available cash, measured on the last day of each month.	14 days	158.5 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ $250,000	Achieved

Statement of Priorities – Part C; Activity

Funding type	Activity
Small Rural Acute	49.65
Health Workforce	5 students
Small Rural Residential Care	315 bed days

	Actual Value
Small Rural HACC	
Assessment	23.33
Counselling at Centre	122.83
Counselling at Home	0.5
Domestic Assistance	164
Nursing Received at Home	19
Occupational Therapy at Centre	16.83
Physiotherapy at Centre	19
Planned Activity Group—Core	104.5
Property Maintenance	4.17

Summary of the Financial Results for the year

Financial Information

	2021 $000	2020 $000	2019 $000	2018 $000	2017 $000
OPERATING RESULT*	8	-125	-80	-97	28
Total revenue	6, 803	6,357	5,772	5,465	5,219
Total expenses	7, 244	6,655	6,372	5,832	5,710
Net result from transactions	-441	-298	-600	-367	-491
Total other economic flows	61	8	1	40	-1
Net result	-380	-290	-599	-327	-492
Total assets	10, 151	10,084	9,998	7,642	6,480
Total liabilities	3, 248	2,801	2,425	1,528	1,544
Net assets/Total equity	6, 903	7,283	7,573	6,114	6,480

Reconciliation of Net Result from Transactions and Operating Result

	2020-21 ($000)
Net operating result *	**8**
Capital purpose income	215
Specific income	0
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	33
State supply items consumed up to 30 June 2021	-33
Assets provided free of charge	0
Assets received free of charge	0
Expenditure for capital purpose	0
Depreciation and amortisation	(664)
Impairment of non-financial assets	0
Finance costs (other)	0
Net result from transactions	(441)

** The Net operating result is the result which the health service is monitored against in its Statement of Priorities*

Details of consultancies (under $10 000)

There we no consultancies costing less than $10 000 during the financial year.

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

There we no consultancies costing more than $10 000 during the financial year.

Significant Changes in financial position during the year

Omeo District Health achieved an $8k Net Operating Result for the year - basically break-even, as a result, there were no significant changes in the financial position during 2020/21.

The current asset ratio at 30 June 2021 has decreased slightly to 1.53 (2019-20: 1.62). 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 2020-21 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 2020/21 year of $8k.

The Net Result from Transactions for the current 2020-21 financial year was a deficit of $441k.

The Comprehensive Result, after Other Economic Flows, for the 2020-21 year was a deficit of $380k.

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 2020-21 is $0.711 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)
$0.711 million	$0.437 million	$0.435 million	$0.002 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 2021, four (4) applications for access to documents under the Freedom of Information Act were received.

Building Act 1993

In the year ended 30 June 2021, all buildings of Omeo District Health were fully compliant with the Building Act 1993.

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 2020-2021.

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.

Car Parking Fees

Not applicable for Omeo District Health.

Local Jobs First Act 2003

In 2020-2021 there were no contracts requiring disclosure under the Local Jobs First Policy.

Gender Equality Act 2020

Omeo District Health is working on completing the gender equality action plan in response to the Gender Equality Act and aims to meet the December 2021 timeline set by DH. Although it is challenging to complete this piece of work while managing a pandemic response, ODH recognises the importance of this Act and its implications for the current and future workforces.

Additional Information

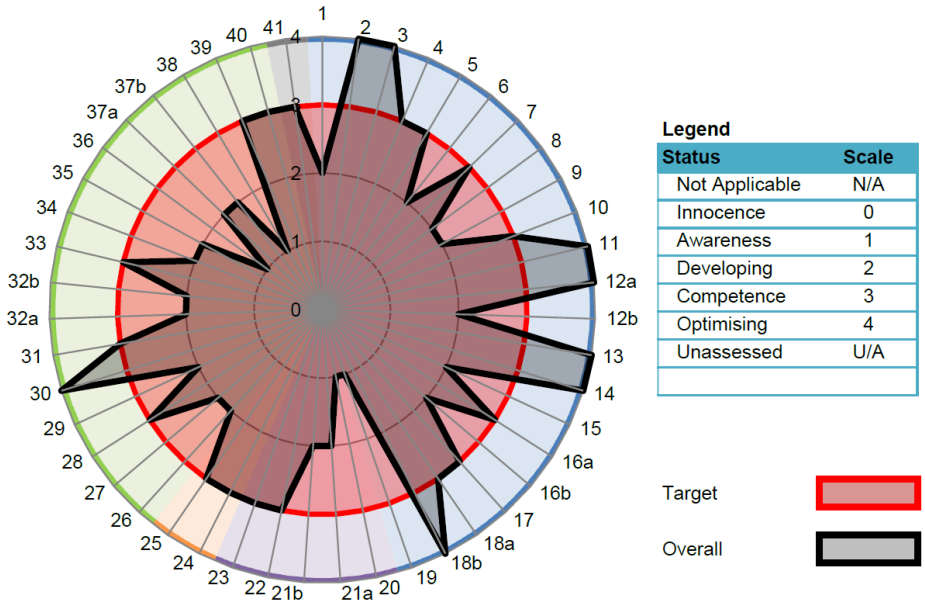
Details in respect of the items listed below have been retained by the health service and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

- 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 consultants/contractors engaged, services provided, and expenditure committed for each engagement;

Asset Management Accountability Framework

The following sections summarise Omeo District Health assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework).

Omeo District Health target maturity rating is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.



Summary of Omeo District Health Environmental Performance

	2018/19	2019/20	2020/21
Total greenhouse gas emissions (tonnes CO2e)			
Scope 1	112	96	115
Scope 2	185	152	153
Total	297	248	267
NORMALISED GREENHOUSE GAS EMISSIONS			
Emissions per unit of floor space (kgCO2e/m2)	65.53	54.72	59.05
Emissions per unit of Separations (kgCO2e/Separations)	5,816.96	7,078.22	11,138.99
Emissions per unit of bed-day (LOS+Aged Care OBD) (kgCO2e/OBD)	59.64	52.24	57.10
STATIONARY ENERGY			
Total stationary energy purchased by energy type (GJ)			
Electricity	622	536	561
Liquified Petroleum Gas	1,842	1,581	1,891
Total	2,465	2,117	2,452
Normalised stationary energy consumption			
Energy per unit of floor space (GJ/m2)	0.54	0.47	0.54
Energy per unit of Separations (GJ/Separations)	48.33	60.48	102.16
Energy per unit of bed-day (LOS+Aged Care OBD) (GJ/OBD)	0.50	0.45	0.52
Total embedded generation			
Solar Power	110	166	N/A
Total	110	166	N/A
Normalised water consumption (Potable + Class A)			
Water per unit of floor space (kL/m2)	0.68	0.51	0.43
Water per unit of Separations (kL/Separations)	60.26	65.65	81.62
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.62	0.48	0.42
WASTE			
Total waste generated (kg clinical waste+kg general waste+kg recycling waste)	138	180	223
Total waste to landfill generated (kg clinical waste+kg general waste)	138	180	223
Total waste to landfill per patient treated ((kg clinical waste+kg general waste)/PPT)	0.03	0.04	0.05

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.

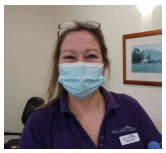
Legislation	Requirement	Page Reference
Ministerial Directions		
Report of Operations		
Charter and Purpose		
FRD 22I	Manner of establishment and the relevant Ministers	4
FRD 22I	Purpose, functions, powers and duties	7
FRD 22I	Nature and range of services provided	6
FRD 22I	Activities, programs and achievements for the reporting period	11
FRD 22I	Significant changes in key initiatives and expectations for the future	10
Management and Structure		
FRD 22I	Organisational structure	21
FRD 22I	Workforce data/ employment and conduct principles	22
FRD 22I	Occupational Health and Safety	22
Financial Information		
FRD 22I	Summary of the financial results for the year	27
FRD 22I	Significant changes in financial position during the year	28
FRD 22I	Operational and budgetary objectives and performance against objectives	28
FRD 22I	Subsequent events	28
FRD 22I	Details of consultancies under $10,000	27
FRD 22I	Details of consultancies over $10,000	27
FRD 22I	Disclosure of ICT expenditure	28
Legislation		
FRD 22I	Application and operation of *Freedom of Information Act 1982*	28
FRD 22I	Compliance with building and maintenance provisions of Building Act 1993	28
FRD 22I	Application and operation of *Public Interest Disclosure Act*	28

Legislation	Requirement	Page Reference
FRD 22I	Statement on National Competition Policy	29
FRD 22I	Application and operation of *Carers Recognition Act 2012*	29
FRD 22I	Summary of the entities environmental performance	31
FRD 22I	Additional information available on request	30
Other relevant reporting directives		
FRD 25D	Local Jobs First Act disclosures	29
SD 5.1.4	Financial Management Compliance attestation	24
SD 5.2.3	Declaration in report of operations	24
Attestations		
Attestation on Data Integrity		24
Attestation on managing Conflicts of Interest		24
Attestation on Integrity, Fraud and Corruption		24
Other reporting requirements		
• Reporting of outcomes from Statement of Priorities 2020 – 21 • Occupational Violence reporting • Gender Equality Act • Asset Management Accountability Framework • Reporting obligations under the Safe Patient Care Act 2015 • Reporting of compliance regarding Car Parking Fees		25—26 23 29 30 29 29

Omeo District Health

We acknowledge the traditional land owners and we pay our respects to elders both past and present and thank them for their contribution to the development of the health service.







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 2021 • 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 2021 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
4 November 2021

Dominika Ryan
as delegate for the Auditor-General of Victoria

Financial Statements
Financial Year ended 30 June 2021

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 2021 and the financial position of Omeo District Health at 30 June 2021.

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 28th October 2021.

Board member

Simon Lawlor

Chair

Omeo
28/10/2021

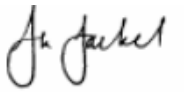
Accountable Officer

Arish Naresh

Chief Executive Officer

Omeo
28/10/2021

Chief Finance & Accounting Officer



Steven Jackel

Chief Finance and Accounting Officer

Omeo
28/10/2021

Omeo District Health
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2021

	Note	Total 2021 $	Total 2020 $
Revenue and income from transactions			
Operating activities	2.1	6,807,545	6,317,094
Non-operating activities	2.1	12,187	40,172
Total revenue and income from transactions		**6,819,732**	**6,357,266**
Expenses from transactions			
Employee expenses	3.1	(5,018,302)	(4,575,290)
Supplies and consumables	3.1	(267,382)	(152,748)
Finance costs	3.1	(7,036)	(1,553)
Depreciation and amortisation	3.1	(664,478)	(653,753)
Other administrative expenses	3.1	(1,114,589)	(1,070,542)
Other operating expenses	3.1	(189,241)	(201,866)
Total Expenses from transactions		**(7,261,028)**	**(6,655,752)**
Net result from transactions - net operating balance		**(441,296)**	**(298,486)**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.4	77,715	14,200
Other gain/(loss) from other economic flows	3.4	(16,700)	(5,561)
Total other economic flows included in net result		**61,015**	**8,639**
Net result for the year		**(380,281)**	**(289,847)**
Comprehensive result for the year		**(380,281)**	**(289,847)**

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

Omeo District Health
Balance Sheet
As at 30 June 2021

	Note	Total 2021 $	Total 2020 $
Current assets			
Cash and cash equivalents	6.2	4,113,512	3,648,944
Receivables and contract assets	5.1	298,794	386,121
Prepaid expenses		139,489	106,846
Total current assets		**4,551,795**	**4,141,911**
Non-current assets			
Receivables and contract assets	5.1	73,345	79,822
Property, plant and equipment	4.1(a)	5,525,800	5,862,005
Total non-current assets		**5,599,145**	**5,941,827**
Total assets		**10,150,940**	**10,083,738**
Current liabilities			
Payables and contract liabilities	5.2	707,742	462,524
Borrowings	6.1	31,950	22,166
Employee benefits	3.2	787,805	770,251
Other liabilities	5.3	1,451,247	1,296,463
Total current liabilities		**2,978,744**	**2,551,404**
Non-current liabilities			
Borrowings	6.1	78,795	46,519
Employee benefits	3.2	190,411	202,544
Total non-current liabilities		**269,206**	**249,063**
Total liabilities		**3,247,950**	**2,800,467**
Net assets		**6,902,990**	**7,283,271**
Equity			
Property, plant and equipment revaluation surplus	4.1(f)	5,107,349	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	(104,102)	276,179
Total equity		**6,902,990**	**7,283,271**

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 2021

Total	Note	Property, Plant and Equipment Revaluation Surplus $	Restricted Specific Purpose Reserve $	Contributed Capital $	Accumulated Surplus/ (Deficits) $	Total $
Balance at 30 June 2019		**5,107,349**	**106,508**	**1,793,235**	**566,026**	**7,573,118**
Net result for the year		-	-	-	(289,847)	(289,847)
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**

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

Omeo District Health
Cash Flow Statement
For the Financial Year Ended 30 June 2021

	Note	Total 2021 $	Total 2020 $
Cash Flows from operating activities			
Operating grants from government - Commonwealth		1,627,429	1,427,458
Operating grants from government - State		3,528,618	2,803,807
Capital grants from government - State		182,102	210,634
Patient fees received		498,887	480,618
GST received from ATO		9,452	(10,198)
Interest and investment income received		66,187	40,172
Other receipts		1,281,929	1,378,289
Total receipts		**7,194,604**	**6,330,780**
Employee expenses paid		(5,054,269)	(4,498,109)
Payments for supplies and consumables		(295,544)	(14,264)
Payments for medical indemnity insurance		(6,087)	(5,242)
Payments for repairs and maintenance		(80,026)	(89,965)
Finance Costs		(7,036)	(1,553)
Other payments		(1,233,360)	(1,229,043)
Total payments		**(6,676,322)**	**(5,838,176)**
Net cash flows from/(used in) operating activities	8.1	**518,282**	**492,604**
Cash Flows from investing activities			
Purchase of property, plant and equipment		(268,060)	(153,756)
Proceeds from disposal of property, plant and equipment		77,715	14,200
Proceeds from disposal of investments		-	1,234,325
Net cash flows from/(used in) investing activities		**(190,345)**	**1,094,769**
Cash flows from financing activities			
Repayment of borrowings		(18,153)	30,533
Receipt of accommodation deposits		154,784	128,793
Net cash flows from /(used in) financing activities		**136,631**	**159,326**
Net increase/(decrease) in cash and cash equivalents held		**464,568**	**1,746,699**
Cash and cash equivalents at beginning of year		3,648,944	1,902,245
Cash and cash equivalents at end of year	6.2	**4,113,512**	**3,648,944**

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

Notes to the Financial Statements

Omeo District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Note 1: Basis of preparation

Structure

Omeo District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Note 1: Basis of preparation

These financial statements represent the audited general purpose financial statements for Omeo Distrcit Health for the year ended 30 June 2021. The report provides users with information about Omeo Distrcit Health's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements and identifies the key accounting estimates and judgements.

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 Distrcit 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 Omeo Distrcit Health operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. The Omeo Distrcit Health's Capital and Specific Purpose Funds include donation and fundraising funds

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 2021

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 Distrcit Health and its controlled entities on 28th October 2021.

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. Since this date, to contain the spread of COVID-19 and prioritise the health and safety of our community, Omeo Distrcit Health was required to comply with various directions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Omeo Distrcit Health operates.

Omeo Distrcit Health introduced a range of measures in both the prior and current year, including

- introducing restrictions on non-essential visitors
- greater utilisation of telehealth services
- implementing reduced visitor hours
- performing COVID-19 testing
- administering COVID-19 vaccinations
- implementing work from home arrangements where appropriate.

As restrictions have eased towards the end of the financial year, Omeo Distrcit Health has been able to revise some measures where appropriate including returning to work onsite and opening access for visitors during periods where we are able.

The financial impacts of the pandemic are disclosed at:

- 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 2021

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
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 Distrcit Health's financial statements, its share of assets and liabilities and any revenue and expenses of such joint arrangements.

Omeo Distrcit 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 2021

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 Distrcit Health and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	Impact
AASB 17: *Insurance Contracts*	Reporting periods on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-8: *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*	Reporting periods on or after 1 January 2021.	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 Distrcit 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.

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.

Omeo District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Note 1.8 Reporting Entity
The financial statements include all the controlled activities of Omeo Distrcit Health.

Its principal address is:

Easton Street
Omeo, Victoria 3898

A description of the nature of Omeo Distrcit 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 Distrcit Health's overall objective is to provide quality health service that support and enhance the wellbeing of all Victorians. Omeo Distrcit Health is predominantly funded by grant funding for the provision of outputs. Omeo Distrcit 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
2.3 Other income

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 Distrcit 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 Distrcit 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 Distrcit 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 Distrcit 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 2021 $	Total 2020 $
Operating activities		
Revenue from contracts with customers		
Government grants (Commonwealth) - Operating	1,380,148	1,427,458
Patient and resident fees	533,931	480,618
Commercial activities [1]	362,103	379,728
Total revenue from contracts with customers	**2,276,182**	**2,287,804**
Other sources of income		
Government grants (State) - Operating	3,454,723	2,858,293
Government grants (State) - Capital	182,102	210,634
Assets received free of charge or for nominal consideration	33,136	-
Other revenue from operating activities (including non-capital donations)	861,402	960,363
Total other sources of income	**4,531,363**	**4,029,290**
Total revenue and income from operating activities	**6,807,545**	**6,317,094**
Non-operating activities		
Income from other sources		
Other interest	12,187	40,172
Total other sources of income	**12,187**	**40,172**
Total income from non-operating activities	**12,187**	**40,172**
Total revenue and income from transactions	**6,819,732**	**6,357,266**

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

How we recognise revenue and income from transactions
Government operating grants

To recognise revenue, Omeo Distrcit Health assesses 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.

The types of government grants recognised under AASB 15: *Revenue from Contracts with Customers* includes:

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 Distrcit 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 Distrcit 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.

Non-cash contributions from the Department of Health

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

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Omeo Distrcit 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 2.2 Fair value of assets and services received free of charge or for nominal consideration

	Total 2021 $	Total 2020 $
Personal protective equipment	33,136	-
Total fair value of assets and services received free of charge or for nominal consideration	**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.

Contributions

Omeo Distrcit Health may receive assets for nil or nominal consideration to further its objectives. The assets are recognised at their fair value when Omeo Distrcit Health obtains control over the asset, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

On initial recognition of the asset, Omeo Distrcit Health recognises related amounts being contributions by owners, lease liabilities, financial instruments, provisions and revenue or contract liabilities arising from a contract with a customer.

Omeo Distrcit Health recognises income immediately in the profit or loss as the difference between the initial fair value of the asset and the related amounts.

The exception to this policy is when an asset is received from another government agency or department as a consequence of a restructuring of administrative arrangements, in which case the asset will be recognised at its carrying value in the financial statements of Omeo Distrcit Health as a capital contribution transfer.

Note 2.3 Other income

	Total 2021 $	Total 2020 $
Interest	12,187	40,172
Total other income	**12,187**	**40,172**

How we recognise other income

Interest Income

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

Note 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 Employee benefits in the balance sheet
3.3 Superannuation
3.4 Other economic flows

Telling the COVID-19 story

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

Additional costs were incurred to deliver the following additional services:

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	Omeo Distrcit Health applies significant judgment when measuring and classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Omeo Distrcit 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 Distrcit 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. The health service also 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. All other entitlements are measured at their nominal value.

Note 3.1 Expenses from transactions

	Note	Total 2021 $	Total 2020 $
Salaries and wages		4,063,104	3,721,706
On-costs		384,887	335,527
Agency expenses		86,151	52,963
Fee for service medical officer expenses		446,451	427,981
Workcover premium		37,709	37,113
Total employee expenses		**5,018,302**	**4,575,290**
Drug supplies		13,042	20,782
Medical and surgical supplies		94,433	42,824
Other supplies and consumables		159,907	89,142
Total supplies and consumables		**267,382**	**152,748**
Finance costs		7,036	1,553
Total finance costs		**7,036**	**1,553**
Expenses related to Gippsland Health Alliance		435,216	385,970
Other administrative expenses		679,373	684,572
Total other administrative expenses		**1,114,589**	**1,070,542**
Fuel, light, power and water		103,128	106,659
Repairs and maintenance		80,026	89,965
Medical indemnity insurance		6,087	5,242
Total other operating expenses		**189,241**	**201,866**
Total operating expense		**6,596,550**	**6,001,999**
Depreciation and amortisation	4.2	664,478	653,753
Total depreciation and amortisation		**664,478**	**653,753**
Total non-operating expense		**664,478**	**653,753**
Total expenses from transactions		**7,261,028**	**6,655,752**

Note 3.1 Expenses from transactions

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)
- amortisation of discounts or premiums relating to borrowings
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings and
- 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 Distrcit 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 Employee benefits in the balance sheet

	Total 2021 $	Total 2020 $
Current provisions		
Accrued days off		
Unconditional and expected to be settled wholly within 12 months [i]	5,148	6,958
	5,148	**6,958**
Annual leave		
Unconditional and expected to be settled wholly within 12 months [i]	384,405	375,883
	384,405	**375,883**
Long service leave		
Unconditional and expected to be settled wholly within 12 months [i]	90,000	90,000
Unconditional and expected to be settled wholly after 12 months [ii]	232,619	223,463
	322,619	**313,463**
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months [i]	50,011	49,298
Unconditional and expected to be settled after 12 months [ii]	25,622	24,649
	75,633	**73,947**
Total current employee benefits	**787,805**	**770,251**
Non-current provisions		
Conditional long service leave	172,131	183,099
Provisions related to employee benefit on-costs	18,280	19,445
Total non-current employee benefits	**190,411**	**202,544**
Total employee benefits	**978,216**	**972,795**

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

Note 3.2 Employee benefits in the balance sheet

How we recognise employee benefits
Employee benefit recognition

Provision is made for benefits accruing to 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.

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

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

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

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the Omeo Distrcit 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 Distrcit Health expects to wholly settle within 12 months or
- Present value – if Omeo Distrcit 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.

Termination benefits

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

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

Note 3.2 (a) Employee benefits and related on-costs

	Total 2021 $	Total 2020 $
Unconditional accrued days off	5,695	7,697
Unconditional annual leave entitlements	425,229	415,802
Unconditional long service leave entitlements	356,881	346,752
Total current employee benefits and related on-costs	**787,805**	**770,251**
Conditional long service leave entitlements	190,411	202,544
Total non-current employee benefits and related on-costs	**190,411**	**202,544**
Total employee benefits and related on-costs	**978,216**	**972,795**
Carrying amount at start of year	972,795	923,728
Additional provisions recognised	386,056	347,659
Unwinding of discount and effect of changes in the discount rate	16,700	5,561
Amounts incurred during the year	(397,335)	(304,153)
Carrying amount at end of year	**978,216**	**972,795**

Note 3.3 Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total 2021 $	Total 2020 $	Total 2021 $	Total 2020 $
Defined contribution plans:				
First State Super	384,887	335,527	-	-
Total	**384,887**	**335,527**	**-**	**-**

[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 Distrcit 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 Distrcit Health to the superannuation plans in respect of the services of current Omeo Distrcit 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 Distrcit 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 Distrcit Health.

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

Note 3.4 Other economic flows included in net result

	Total 2021 $	Total 2020 $
Net gain/(loss) on disposal of property plant and equipment	77,715	14,200
Total net gain/(loss) on non-financial assets	**77,715**	**14,200**
Net gain/(loss) arising from revaluation of long service liability	(16,700)	(5,561)
Total other gains/(losses) from other economic flows	**(16,700)**	**(5,561)**
Total gains/(losses) from other economic flows	**61,015**	**8,639**

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 and
- reclassified amounts relating to equity instruments from the reserves to retained surplus/(deficit) due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

Note 4: Key assets to support service delivery

Omeo Distrcit 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 Distrcit Health to be utilised for delivery of those outputs.

Structure

4.1 Property, plant & equipment
4.2 Depreciation

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

	Total 2021 $	Total 2020 $
Land at fair value - Freehold	273,000	273,000
Total land at fair value	**273,000**	**273,000**
Buildings at fair value	5,329,000	5,329,000
Less accumulated depreciation	(989,073)	(494,536)
Total buildings at fair value	**4,339,927**	**4,834,464**
Leasehold improvements at fair value	99,423	23,918
Less accumulated depreciation	(23,918)	(23,918)
Total leasehold improvements at fair value	**75,505**	**-**
Works in progress at fair value	**-**	**3,636**
Total land and buildings	**4,688,432**	**5,111,100**
Plant and equipment at fair value	1,471,430	1,282,437
Less accumulated depreciation	(895,827)	(798,424)
Total plant and equipment at fair value	**575,603**	**484,013**
Motor vehicles at fair value	134,873	265,074
Less accumulated depreciation	(76,388)	(153,221)
Total motor vehicles at fair value	**58,485**	**111,853**
Furniture and fittings at fair value	532,696	555,557
Less accumulated depreciation	(411,092)	(432,969)
Total furniture and fittings at fair value	**121,604**	**122,588**
Right of use plant, equipment, furniture, fittings and vehicles at fair value	93,579	33,366
Less accumulated depreciation	(11,903)	(915)
Total right of use plant, equipment, furniture, fittings and vehicles at fair value	**81,676**	**32,451**
Total plant, equipment, furniture, fittings and vehicles at fair value	**837,368**	**750,905**
Total property, plant and equipment	**5,525,800**	**5,862,005**

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 $	Right of use - PE, FF&V $	Total $
Balance at 1 July 2019		**273,000**	**5,329,000**	**-**	**-**	**476,030**	**155,853**	**128,119**	**-**	**6,362,002**
Additions		-	-	-	3,636	104,824	-	11,930	33,366	153,756
Depreciation	4.2	-	(494,536)	-	-	(96,841)	(44,000)	(17,461)	(915)	(653,753)
Balance at 30 June 2020	4.1 (a)	**273,000**	**4,834,464**	**-**	**3,636**	**484,013**	**111,853**	**122,588**	**32,451**	**5,862,005**
Additions		-	-	-	71,869	197,159	-	17,884	60,213	347,125
Disposals		-	-	-	-	-	(18,852)	-	-	(18,852)
Net Transfers between classes		-	-	75,505	(75,505)	-	-	-	-	-
Depreciation	4.2	-	(494,536)	-	-	(105,569)	(34,516)	(18,868)	(10,989)	(664,478)
Balance at 30 June 2021	4.1 (a)	**273,000**	**4,339,928**	75,505	-	**575,603**	**58,485**	**121,604**	**81,675**	**5,525,800**

Land and Buildings and Leased Assets Carried at Valuation

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

How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by Omeo Distrcit 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.

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

Subsequent measurement

Items of property, plant and equipment (excluding right-of-use assets) 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 below.

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 Distrcit 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 Distrcit Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of Omeo Distrcit 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 2021 indicated an overall:

- increase in fair value of land of less than 3%.
- increase in fair value of buildings of less than 10%.

As the cumulative movement was less than 10% for land and buildings since the last revaluation a managerial revaluation adjustment was not required as at 30 June 2021.

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

Impairment

At the end of each financial year, Omeo Distrcit Health assesses if there is any indication that an item of property, plant and equipment may be impaired by considering internal and external sources of information. If an indication exists, Omeo Distrcit Health estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. An impairment loss of a revalued asset is treated as a revaluation decrease as noted above.

Omeo Distrcit Health has concluded that the recoverable amount of property, plant and equipment which are regularly revalued is expected to be materially consistent with the current fair value. As such, there were no indications of property, plant and equipment being impaired at balance date.

How we recognise right-of-use assets

Where Omeo Distrcit 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 Distrcit 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 plant, equipment, furniture, fittings and vehicles	2 to 5 years

Presentation of right-of-use assets

Omeo Distrcit Health presents right-of-use assets as ‘property plant equipment’ unless they meet the definition of investment property, in which case they are disclosed as ‘investment property’ in the balance sheet.

Initial recognition

When a contract is entered into, Omeo Distrcit 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(a).

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.

Omeo Distrcit Health’s vehicle lease agreements contain purchase options which the health service is not reasonably certain to exercise at the completion of the lease.

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

Omeo Distrcit Health holds lease agreements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. The health service has applied temporary relief and continues to measure those right-of-use asset at cost. Refer to Note 6.1 for further information regarding the nature and terms of the concessional lease, and Omeo Distrcit Health's dependency on such lease arrangements.

Subsequent measurement

Right-of-use assets 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).

Impairment

At the end of each financial year, Omeo Distrcit Health assesses if there is any indication that a right-of-use asset may be impaired by considering internal and external sources of information. If an indication exists, Omeo Distrcit Health estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised.

Omeo Distrcit Health performed an impairment assessment and noted there were no indications of its right-of-use assets being impaired at balance date.

Note 4.1 (c) Fair value measurement hierarchy for assets

	Note	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**
Total property, plant and equipment at fair value		**5,368,619**	**-**	**436,844**	**4,931,775**

		Total carrying amount 30 June 2020 $	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		275,179	-	275,179	-
Specialised buildings		4,559,285	-	-	4,559,285
Total buildings at fair value	4.1 (a)	**4,834,464**	**-**	**275,179**	**4,559,285**
Plant and equipment at fair value	4.1 (a)	484,013	-	-	484,013
Motor vehicles at fair value	4.1 (a)	111,853	-	111,853	-
Furniture and fittings at fair value	4.1 (a)	122,588	-	-	122,588
Total plant, equipment, furniture, fittings and vehicles at fair value		**718,454**	**-**	**111,853**	**606,601**
Total Property, Plant and Equipment		**5,825,918**	**-**	**505,032**	**5,320,886**

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

4.1 (d): Reconciliation of level 3 fair value measurement

Total	Note	Land [i] $	Buildings [i] $	Plant and Equipment [i] $	Furniture & fittings [i] $
Balance at 1 July 2019	4.1 (c)	**155,000**	**5,039,000**	**476,030**	**128,119**
Additions/(Disposals)	4.1 (b)	-	-	104,824	11,930
- Depreciation and amortisation	4.2	-	(479,715)	(96,841)	(17,461)
Balance at 30 June 2020	4.1 (c)	**155,000**	**4,559,285**	**484,013**	**122,588**
Additions/(Disposals)	4.1 (b)	-	-	197,159	17,884
- Depreciation and Amortisation	4.2	-	(479,717)	(105,569)	(18,868)
Balance at 30 June 2021	4.1 (c)	**155,000**	**4,079,568**	**575,603**	**121,604**

[i] Classified in accordance with the fair value hierarchy, refer Note 4.1(c).

Note 4.1 (e) Property, plant and equipment (fair value determination)

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	N/A
	Depreciated replacement cost approach	- 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 Distrcit Health's specialised land.

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.

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

In addition, Omeo Distrcit 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. In the prior year, there is a transfer between non-specialised land and specialised land to reflect the correct fair value as per the independent revaluation in 2019.

The Valuer-General Victoria (VGV) is Omeo Distrcit Health’s independent valuation agency.

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

Valuation hierarchy

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

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

Note 4.1 (e) Property, plant and equipment (fair value determination)

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.

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

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

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

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 and cultural assets

Non-specialised land, non-specialised buildings and cultural assets 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.

Note 4.1 (e) Property, plant and equipment (fair value determination)

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

Vehicles

The Omeo Distrcit 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 2021.

Note 4.1 (f) Property, plant and equipment revaluation reserve

	Note	Total 2021 $	Total 2020 $
Balance at the beginning of the reporting period		5,107,349	5,107,349
Balance at the end of the Reporting Period*		**5,107,349**	**5,107,349**
*** Represented by:**			
- Land		271,000	271,000
- Buildings		4,836,349	4,836,349
		5,107,349	**5,107,349**

Note 4.2 Depreciation

	Total 2021 $	Total 2020 $
Depreciation		
Buildings	494,536	494,536
Plant and equipment	97,403	91,790
Motor vehicles	34,516	44,000
GHA Assets	8,166	5,051
Furniture and fittings	18,869	17,461
Right of use - plant, equipment, furniture, fittings and motor vehicles	10,988	915
Total depreciation	**664,478**	**653,753**

How we recognise depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under assets held for sale, land and investment properties) 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.

How we recognise amortisation

Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

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

	2021	2020
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 5: Other assets and liabilities

This section sets out those assets and liabilities that arose from Omeo Distrcit 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 Distrcit Health uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring deferred capital grant income	Where Omeo Distrcit 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 Distrcit 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 Distrcit 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 2021 $	Total 2020 $
Current receivables and contract assets			
Contractual			
Inter hospital debtors		545	5,519
Trade debtors		65,129	260,989
Accrued investment income		-	54,000
Accrued revenue		194,201	33,223
Amounts receivable from governments and agencies		25,985	10,004
Total contractual receivables		**285,860**	**363,735**
Statutory			
GST receivable		12,934	22,386
Total statutory receivables		**12,934**	**22,386**
Total current receivables and contract assets		**298,794**	**386,121**
Non-current receivables and contract assets			
Contractual			
Long service leave - Department of Health		73,345	79,822
Total contractual receivables		**73,345**	**79,822**
Total non-current receivables and contract assets		**73,345**	**79,822**
Total receivables and contract assets		**372,139**	**465,943**
(i) Financial assets classified as receivables and contract assets (Note 7.1(a))			
Total receivables and contract assets		372,139	465,943
GST receivable		(12,934)	(22,386)
Total financial assets	7.1(a)	**359,205**	**443,557**

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 mostly includes amounts owing from the Victorian Government and 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 Distrcit 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 Distrcit Health's contractual impairment losses.

Note 5.2 Payables and contract liabilities

	Note	Total 2021 $	Total 2020 $
Current payables and contract liabilities			
Contractual			
Trade creditors		131,942	124,364
Accrued salaries and wages		98,406	83,279
Accrued expenses		81,578	149,304
Department of Health		135,318	26,129
Contract Liabilities		205,015	-
Amounts payable to governments and agencies		15,850	-
Total contractual payables		**668,109**	**383,076**
Statutory			
Australian Taxation Office		39,633	79,448
Total statutory payables		**39,633**	**79,448**
Total current payables and contract liabilities		**707,742**	**462,524**
(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))			
Total payables and contract liabilities		707,742	462,524
Australian Taxation Office		(39,633)	(79,448)
Total financial liabilties	7.1(a)	**668,109**	**383,076**

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 Distrcit Health prior to the end of the financial year that are unpaid.

- **Statutory payables**, which most includes amount payable to the Victorian Government and 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 2021 $	Total 2020 $
Opening balance of contract liabilities	-	-
Payments received for performance obligations not yet fulfilled	205,015	-
Revenue recognised for the completion of a performance obligation	-	-
Total contract liabilities	**205,015**	**-**
*** Represented by:**		
- Current contract liabilities	205,015	-
	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 2021 $	Total 2020 $
Current monies held it trust			
Refundable accommodation deposits		1,451,247	1,296,463
Total current monies held in trust		**1,451,247**	**1,296,463**
Total other liabilities		**1,451,247**	**1,296,463**
*** Represented by:**			
- Cash assets	6.2	1,451,247	1,296,463
		1,451,247	**1,296,463**

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 Distrcit 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 Distrcit Health during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Omeo Distrcit 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 because the health service's response was funded by Government.

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 Distrcit 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 Distrcit 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 Distrcit 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 Distrcit 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 Distrcit Health is reasonably certain to exercise such options. Omeo Distrcit 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 2021 $	Total 2020 $
Current borrowings			
Lease liability [(i)]	6.1 (a)	19,021	9,236
Advances from government [(ii)]		12,929	12,930
Total current borrowings		**31,950**	**22,166**
Non-current borrowings			
Lease liability [(i)]	6.1 (a)	78,795	33,652
Advances from government [(ii)]		-	12,867
Total non-current borrowings		**78,795**	**46,519**
Total borrowings		**110,745**	**68,685**

[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, service concession arrangements 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 Distrcit Health has categorised its liability as either 'financial liabilities designated at fair value through profit or loss', 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 Distrcit Health's lease liabilities are summarised below:

	Total 2021 $	Total 2020 $
Total undiscounted lease liabilities	101,314	45,925
Less unexpired finance expenses	(3,498)	(3,037)
Net lease liabilities	**97,816**	**42,888**

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

	Total 2021 $	Total 2020 $
Not longer than one year	21,118	10,384
Longer than one year but not longer than five years	80,196	35,541
Minimum future lease liability	**101,314**	**45,925**
Less unexpired finance expenses	(3,498)	(3,037)
Present value of lease liability	**97,816**	**42,888**
*** Represented by:**		
- Current liabilities	19,021	9,236
- Non-current liabilities	78,795	33,652
	97,816	**42,888**

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

To apply this definition, Omeo Distrcit 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 Distrcit Health and for which the supplier does not have substantive substitution rights
- Omeo Distrcit 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 Distrcit Health has the right to direct the use of the identified asset throughout the period of use and
- Omeo Distrcit 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 Distrcit Health's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased plant, equipment, furniture, fittings and 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 Distrcit 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 2021 $	Total 2020 $
Cash on hand (excluding monies held in trust)		205	205
Cash at bank (excluding monies held in trust)		384,802	252,651
Cash at bank - CBS (excluding monies held in trust)		2,277,258	2,099,625
Total cash held for operations		**2,662,265**	**2,352,481**
Cash at bank (monies held in trust)		1,451,247	1,296,463
Total cash held as monies in trust		**1,451,247**	**1,296,463**
Total cash and cash equivalents	7.1 (a)	**4,113,512**	**3,648,944**

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 2021 (2020 $Nil)

Note 6.4 Non-cash financing and investing activities

	Total 2021 $'000	Total 2020 $'000
Acquisition of plant and equipment by means of Leases	60,213	33,366
Total non-cash financing and investing activities	**60,213**	**33,366**

Note 7: Risks, contingencies and valuation uncertainties

Omeo Distrcit 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

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 Distrcit 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 2021	Note	Financial Assets at Amortised Cost $	Financial Assets at Fair Value Through Net Result $	Financial Assets at Fair Value Through Other Comprehensive Income $	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**

Note 7.1 (a) Categorisation of financial instruments

Total 30 June 2020	Note	Financial Assets at Amortised Cost $	Financial Assets at Fair Value Through Net Result $	Financial Assets at Fair Value Through Other Comprehensive Income $	Financial Liabilities at Amortised Cost $	Total $
Contractual Financial Assets						
Cash and cash equivalents	6.2	3,648,944	-	-	-	3,648,944
Receivables and contract assets	5.1	443,557	-	-	-	443,557
Total Financial Assets [i]		**4,092,501**	**-**	**-**	**-**	**4,092,501**
Financial Liabilities						
Payables	5.2	-	-	-	383,076	383,076
Borrowings	6.1	-	-	-	68,685	68,685
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	-	-	1,296,463	1,296,463
Total Financial Liabilities [i]		**-**	**-**	**-**	**1,748,224**	**1,748,224**

[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 Distrcit Health becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Omeo Distrcit 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

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 Distrcit 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 Distrcit 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 Distrcit 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 Distrcit 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

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 Distrcit 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 Distrcit 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 Distrcit 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 Distrcit 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 Distrcit Health has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Omeo Distrcit 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 Distrcit 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 Distrcit 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 Distrcit 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 Distrcit 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 Distrcit 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 Distrcit 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 Distrcit Health's credit risk profile in 2020-21.

Note 7.2 (a) Credit risk

Impairment of financial assets under AASB 9

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

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

Note 7.2 (a) Contractual receivables at amortised cost

30 June 2021		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		-	-	-	-	-	-

30 June 2020	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	350,485	5,420	1,749	6,081	79,822	**443,557**
Loss allowance		-	-	-	-	-	-

Note 7.2 (a) Contractual receivables at amortised cost

Statutory receivables and debt investments at amortised cost

Omeo Distrcit 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 Distrcit 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 (b) Liquidity risk

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

Omeo Distrcit 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 Distrcit 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 Distrcit 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

				Maturity Dates				
Total		**Carrying Amount**	**Nominal Amount**	**Less than 1 Month**	**1-3 Months**	**3 months - 1 Year**	**1-5 Years**	**Over 5 years**
30 June 2021	**Note**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Payables	**5.2**	707,742	707,742	707,742	-	-	-	-
Borrowings	**6.1**	110,745	110,745	1,195	2,399	28,356	78,795	-
Other Financial Liabilities - Refundable Accommodation Deposits	**5.3**	1,451,247	1,451,247	-	-	1,451,247	-	-
Total Financial Liabilities		**2,269,734**	**2,269,734**	**708,937**	**2,399**	**1,479,603**	**78,795**	**-**

				Maturity Dates				
Total		**Carrying Amount**	**Nominal Amount**	**Less than 1 Month**	**1-3 Months**	**3 months - 1 Year**	**1-5 Years**	**Over 5 years**
30 June 2020	**Note**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Financial Liabilities at amortised cost								
Payables	**5.2**	462,524	462,524	462,524	-	-	-	-
Borrowings	**6.1**	68,685	68,685	440	1,326	20,400	46,519	-
Other Financial Liabilities - Refundable Accommodation Deposits	**5.3**	1,296,463	1,296,463	-	-	1,296,463	-	-
Total Financial Liabilities		**1,827,672**	**1,827,672**	**462,964**	**1,326**	**1,316,863**	**46,519**	**-**

[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 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 2021 $	Total 2020 $
Net result for the year		(380,281)	(289,847)
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets	3.4	(77,715)	(14,200)
Depreciation and amortisation of non-current assets	4.2	664,478	653,753
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		93,804	(21,480)
(Increase)/Decrease in prepaid expenses		(32,643)	(51,842)
Increase/(Decrease) in payables and contract liabilities		245,218	167,153
Increase/(Decrease) in employee benefits		5,421	49,067
Net cash inflow from operating activities		**518,282**	**492,604**

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
The Honourable Martin Foley:	
Minister for Mental Health	1 Jul 2020 - 29 Sep 2020
Minister for Health	26 Sep 2020 - 30 Jun 2021
Minister for Ambulance Services	26 Sep 2020 - 30 Jun 2021
Minister for the Coordination of Health and Human Services: COVID-19	26 Sep 2020 - 9 Nov 2020
The Honourable Jenny Mikakos:	
Minister for Health	1 Jul 2020 - 26 Sep 2020
Minister for Ambulance Services	1 Jul 2020 - 26 Sep 2020
Minister for the Coordination of Health and Human Services: COVID-19	1 Jul 2020 - 26 Sep 2020
The Honourable Luke Donnellan:	
Minister for Child Protection	1 Jul 2020 - 30 Jun 2021
Minister for Disability, Ageing and Carers	1 Jul 2020 - 30 Jun 2021
The Honourable James Merlino:	
Minister for Mental Health	29 Sep 2020 - 30 Jun 2021
Governing Boards	
Mr. S. Lawlor	1 Jul 2020 - 30 Jun 2021
Mrs. K. Commins	1 Jul 2020 - 30 Jun 2021
Ms N O'Connell	1 Jul 2020 - 30 Jun 2021
Mr. A. McKenzie	1 Jul 2020 - 30 Jun 2021
Mrs. M. Ferguson	1 Jul 2020 - 30 Jun 2021
Mrs. P. Barry	1 Jul 2020 - 30 Jun 2021
Mrs T Tierney	1 Jul 2020 - 30 Jun 2021
Mr J Rettino	1 Jul 2020 - 30 Jun 2021
Mr L Moss	1 Jul 2020 - 30 Jun 2021
Ms M Shearer	30 Jun 2021 - 30 Jun 2021
Mr H Thomas	30 Jun 2021 - 30 Jun 2021
Accountable Officers	
Ms Leanne Stedman (Acting Chief Executive Officer)	1 Jul 2020 - 16 May 2021
Mr Arish Naresh (Chief Executive Officer)	17 May 2021 - 30 Jun 2021

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 2021 No	Total 2020 No
$0 - $10,000	11	8
$30,000 - $39,999	1	-
$40,000 - $49,999	-	1
$120,000 - $129,999	1	1
Total Numbers	**13**	**10**

	Total 2021 $	Total 2020 $
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$169,339**	**$162,131**

Note 8.3 Remuneration of executives

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)	Total Remuneration 2021 $	Total Remuneration 2020 $
Short-term benefits	130,923	134,067
Post-employment benefits	12,238	12,533
Other long-term benefits	1,508	1,462
Termination benefits	-	-
Total remuneration [i]	**144,669**	**148,062**
Total number of executives	1	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 Distrcit Health are deemed to be KMPs.

Entity	KMPs	Position Title
Omeo District Health	Mr. S. Lawlor	Board Chair
Omeo District Health	Mrs. K. Commins	Board Member
Omeo District Health	Ms N O'Connell	Board Member
Omeo District Health	Mr. A. McKenzie	Board Member
Omeo District Health	Mrs. M. Ferguson	Board Member
Omeo District Health	Mrs. T Tierney	Board Member
Omeo Distrcit Health	Mrs. P. Barry	Board Member
Omeo Distrcit Health	Mr. J Rettino	Board Member
Omeo Distrcit Health	Mr L Moss	Board Member
Omeo Distrcit Health	Ms M shearer	Board Member
Omeo Distrcit Health	Mr H Thomas	Board Member
Omeo Distrcit Health	Ms. Leanne Stedman	Acting Chief Executive Officer
Omeo Distrcit Health	Mr Arish Naresh	Chief Executive Officer

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

	Total 2021 $	Total 2020 $
Compensation - KMPs		
Short-term Employee Benefits [i]	282,752	278,793
Post-employment Benefits	26,259	26,900
Other Long-term Benefits	4,997	4,500
Termination Benefits	-	-
Total [ii]	**314,008**	**310,193**

[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 2021 $	Total 2020 $
Victorian Auditor-General's Office		
Audit of the financial statements	15,850	16,300
Total remuneration of auditors	**15,850**	**16,300**

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 2021 %	Ownership Interest 2020 %
Gippsland Health Alliance	Information Technology	2.39	2.35

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

	2021 $	2020 $
Current assets		
Cash and cash equivalents	119,662	143,689
Receivables	123,184	99,727
Total current assets	**242,846**	**243,416**
Non-current assets		
Property, plant and equipment	30,173	19,580
Total non-current assets	**30,173**	**19,580**
Total assets	**273,019**	**262,996**
Current liabilities		
Payables	34,578	18,431
Right of Use Lease Liability - Current	4,494	3,894
Total current liabilities	**39,072**	**22,325**
Non-current liabilities		
Right of Use Lease Liability - Current	12,175	6,502
Total non-current liabilities	**12,175**	**6,502**
Total liabilities	**51,247**	**28,827**
Net assets	**221,772**	**234,169**
Equity		
Accumulated surplus	221,772	234,169
Total equity	**221,772**	**234,169**

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

	2021 $	2020 $
Revenue		
Revenue from Operating Activities	430,985	406,688
Total revenue	**430,985**	**406,688**
Expenses		
Other Expenses from Continuing Operations	435,216	385,970
Depreciation	8,166	5,051
Total expenses	**443,382**	**391,021**
Net result	**(12,397)**	**15,667**

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