Omeo District Health

WE CARE

About creating a healthy community

2020

ANNUAL REPORT

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.

Table of Contents

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

The responsible ministers during the reporting period were:

Jenny Mikakos MP, Minister for Health

Minister for Ambulance Services

Martin Foley MP, Minister for Mental Health

Front cover image:

Lewington House Courtyard (Aged Care Facility) – in this photograph you can see the enjoyment residents get from having a cup of tea amongst the colourful spring flowers. Left to right: Leanne Appleby (Lifestyle Coordinator), Rose Gallagher, David Bock and Gavin O'Brien (residents of Lewington House).

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.

Acknowledgement of Country

Omeo District Health acknowledges the traditional owners of the lands on which we operate. We recognise and respect their cultural heritage, beliefs and relationship with the lands. We pay our respects to Elders past, present and emerging and thank them for their contribution to our health service.

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.

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Our Values – WE CARE

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 objectives. Our Strategic Plan for 2018 to 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
- Respite Care
- Post Discharge Support
- Transitional care program in the community
- Allied Health Assistant
- Community Transport
- Equipment Hire

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 and Community Care

- Home Respite
- Personal Care
- Domestic Assistance
- Home Maintenance
- Meals On Wheels
- Social Support Group

Medical Services

- Omeo Medical Centre

Dental Services

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

Use of Facilities

- Community Group Meetings
- Swifts Creek Community Centre

Allied Health and Community Services

- Chronic Disease Management
- Diabetes Education
- Counselling/Social Work
- Dietetics
- Podiatry
- Foot Care
- Health Promotion and Education
- Information and Referral
- Occupational Therapy
- Physiotherapy
- Speech Pathology
- Youth Program

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
- Cardiologist
- 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 Series Act 1988 include:

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

The Board is assisted in delivering these goals by receiving regular reports on the organisation's operations including Quality, Safety, Risk and Financial activities at bi-monthly Board meetings and through Board Director representation on various committees.

Board of Management Attendance

Member	# of meetings attended out of 10
Simon Lawlor	10
Ann Ferguson	7
Natalie O'Connell	8
Kate Commins	10
Alastair McKenzie	8
Penny Barry	9
Therese Tierney	10
Joe Rettino	7
Leecia Angus	10
Lindsay Moss	10

Chair of the Board
Simon Lawlor

Director of Upper Livingstone Farm, Omeo

Simon was appointed to the Board in March 2017 and was re-elected Chair in December 2019. His appointment expires on 30th June 2022.

Committee Membership

Nomination and Remuneration; Credentialing and Privileging

Vice President
Natalie O'Connell - Mitchell

Councillor – East Gippsland Shire Council. Teacher, Omeo

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

Committee Membership

Clinical Governance; Nomination and Remuneration

Treasurer
Alastair McKenzie

Finance Controller, Huhtamaki, Australia

Alastair was appointed to the Board in March 2017 and was elected Treasurer in April 2020 His appointment expires on 30th June 2022.

Committee Membership

Finance, Risk and Audit

Our Board - Directors

Kate Commins

Director of Meringo Pastoral, Swifts Creek

Kate was appointed to the Board in July 2012. Her appointment expires on 30th June 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 30th June 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 2017. Her appointment expires June 30th 2020.

Committee Membership

Finance, Risk and Audit; Community and Consumer Partnership Advisory

Joe Rettino

Partnership/Engagement Broker I Skills and Jobs Centre, Bairnsdale

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

Committee Membership

Finance, Risk and Audit - Chair

Ann Ferguson

Commercial Manager

Ann was appointed to the Board in March 2017. Her appointment expires on June 30th 2021.

Committee Membership

Finance Risk and Audit; Nomination and Remuneration

Resignation and new Appointments

There were two new appointments in the period; Ms Therese Tierney and Mr Joe Rettino; both terms 2019 – 2022.

There was one resignation in the period; Mr Reece Newcomen; Finance, Risk and Audit Committee; Independent Member – Chair.

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 members 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. David McConachy, 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 Year in Review

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

- Successful funding submissions for:
  - Extensive improvements to bushfire resilience infrastructure around ODH ($200K). With this funding, we installed a full drenching system, completed the hydrant ring main around the health service, and replaced landscaping around buildings with more fire resistant plants and surfaces. A large water tank to feed the drenching system is also to be installed.
  - Bushfire support funding, for extra staff required and extra costs incurred during the fires ($60k)
  - Aged Care Workforce Retention Payment funding to support our frontline workforce ($34k)
  - COVID-19 funding to offset the costs of extra Personal Protective Equipment and extra staffing, as well as loss of revenue as a result of COVID restrictions ($130k)
  - Community Grant funding for engaging vulnerable communities during COVID-19 ($30k)
  - Replacement of all floor coverings in Lewington House ($132k)
  - New swipe card system to replace key code door entry ($134k). This will not only improve security but will also provide more user-friendly access for our residents, increasing opportunities for independence.
  - One Good Community funding to support local community mental health initiatives ($4k)
  - Construction of a new storage shed at the High Country Men's Shed premises ($13.7k)
  - Funding from Gippsland Regional Integrated Cancer Services to conduct local skin cancer screening clinics from November 2020 to April 2021 ($30k)
- Full 3-year Aged Care Standards accreditation was achieved under an entirely new set of Aged Care Standards and a new accreditation system introduced following the Royal Commission into Aged Care. Assessors had very positive things to say about the care we provide.
- We completed a Residential Aged Care Marketing Plan and engaged a marketing company to help us gather community input on how we can improve access to our residential aged care service and provide community members with clearer and more useful information
- A new position of Aged Care Liaison Officer has been established to help individuals and their families navigate the process of entering residential aged care and provide them with support and advocacy throughout their entire relationship with ODH aged care services
- We completed a proposal to establish ODH as a Home Care Package Provider, enabling ODH to manage Home Care Packages on behalf of clients, as well as delivering services under those packages
- A full renovation of the Doctor's house has been begun in anticipation of establishing the new sustainable medical model of care and the rotation of new and existing GPs
- New By-Laws were approved by DHHS
- We completed a comprehensive Integrity Governance Framework Assessment and Action Plan to ensure that ODH has robust integrity management processes and oversight in place
- We achieved a staff influenza immunization rate of 94% (84% as at 30 June, 94% by 31 August)

Report of the Chair of the Board and Chief Executive

Welcome to our 2019-2020 Annual Report

It is with pleasure that we present the 128th Annual Report of operations for Omeo District Health (ODH), in accordance with the Financial Management Act 1994 for the year ending 30th June 2020.

The financial year of 2019-2020 has presented a series of extreme challenges for our organisation, our staff and our community.

Some of those challenges have been relatively new. On 1 October 2019, a State wide cyber-attack wiped out ODH's entire computer network for ten weeks, with many more weeks passing before all systems were brought back to full functionality.

Others have been endured before and are sadly familiar. This year our community's experience of bushfire was long, drawn out and exhausting with fires threatening continuously from November to March and constant smoke affecting everyone. Tragically, lives were lost and some community members experienced extensive property loss and damage.

Our close knit and resilient community had already begun making plans for fire recovery community events when COVID-19 hit. The word 'unprecedented' has been used almost to the point of becoming a cliché but that is the reality - that there are few people alive today who have experienced a global pandemic before, and certainly not in this era of fast and continuous travel ensuring the rapid spread of the virus around the world.

In March 2020, we farewelled our former CEO, Ward Steet, who has taken up the CEO position at Seymour Hospital to be closer to his family. Ward was instrumental in introducing many improvements to the governance and management structure of ODH and in establishing the partnership between ODH and the Royal Flying Doctor Dental Service. We acknowledge and thank Ward for his great contribution over the past three years.

The current Acting CEO, Leanne Stedman, stepped into the role on 16 March, the day the State of Emergency was first declared in Victoria for COVID-19.

COVID-19 required all of our staff to quickly learn about, and respond to, this new threat. We are fortunate to have a dedicated Infection Prevention and Control Coordinator, Penny Geyle, who has overseen our entry and screening processes as well as providing extensive training for staff and preparing the vast number of documents required for our COVID-safe Outbreak Management Plan.

The challenges presented by COVID-19 for staff, management and the Board have been enormous. They include how to manage uncertainty and fear in the community and among our residents, patients, clients and staff, while focusing on maintaining mental health and wellbeing. How to effectively implement constant, often daily, changes in Department of Health and Human Services directions covering every aspect of our operations. How to reduce the number of staff members working across different organisations, redeploy staff whose programs were suspended under COVID restrictions, manage compulsory flu vaccinations for staff in aged care, implement ordering under the newly formed State Supply system to ensure adequate Personal Protective Equipment for our staff, implement effective working from home arrangements where possible, manage restrictions on student placements and work with visiting GPs to reduce risk for all.

We would again like to acknowledge and thank our wonderful staff and volunteers, our cleaners, our kitchen staff, maintenance staff, administration, finance and payroll staff, allied health and community care team, medical centre team, lifestyle staff, activities staff, enrolled nurses and registered nurses alike, for without each and every one of you we could not serve our community as well as we do. Particularly during this unusual year, we deeply appreciate all of our staff and volunteers, for their continued commitment to our organisation and the safety and wellbeing of every person we serve.

Omeo District Health WE CARE Values underpin all behaviours and decision making processes to achieve the new ODH Vision that "WE CARE about creating a healthy community".

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.

It may take some time for our organisation, and our community, to recover from the events of this extraordinary year, but we will. In the meantime, we still have much to celebrate and much to look forward to.

The focus for the coming year will be on community recovery with an emphasis on mental health and wellbeing. We are pleased to have recently recruited a local Mental Health Nurse and ODH is an active partner in the newly created Outer Gippsland Drought and Fire Mental Health and Wellbeing Partnership. The Partnership is planning a number of mental health and wellbeing projects for the East Gippsland and Wellington regions.

ODH was recently successful in gaining funding for our One Good Community Yarn Bombing project and has applied for funding for a Family Outdoor Cinema program for 2020-21. We hope these initiatives will help bring some much needed joy to our community.

We would like to thank our key partners for their assistance in delivering quality care to the community. In particular, Swifts Creek and Ensay Bush Nursing Centres, Bairnsdale Regional Health Service, Gippsland Lakes Community Health, Orbost Regional Health, Ambulance Victoria (especially all the ACO volunteers), Benambra Neighbourhood House, RWAV and the East Gippsland Shire Council.

We also thank all the Board Directors for their dedication, stewardship, strong governance and direction over the year. Directorship during the 2019-20 year has presented a great number of new and unforeseen challenges and the Board has remained strong and united throughout.

The support we have received from our various funding bodies is essential to the future of healthcare for our region and we especially note and acknowledge the Victorian Department of Health and Human Services, The Commonwealth Department of Health, the East Gippsland Shire Council and the Gippsland Primary Health Network for their ongoing support of Omeo District Health and the East Gippsland High Country.

Thank you

Simon Lawlor
Board Chair

Leanne Stedman
Interim Chief Executive Officer

Clinical Services Report

Omeo District Health continues to provide a broad range of excellent clinical services to promote and enhance the wellbeing of the people of the East Gippsland High Country.

Aged Care

In late 2019 ODH was successfully reaccredited by the Aged Care Quality and Safety Commission until December 2022 after meeting all the performance criteria under the Aged Care Quality Standards. Consumer dignity and choice are central and it was affirming for the auditors to provide the following comments in their report:

- "Consumers described the ways their social connections are supported both inside and outside the service. Consumers said they feel heard when they tell staff what matters to them and are encouraged to make decisions about their life, even when it involves an element of risk. Consumers said the organisation protects the privacy and confidentiality of their information and are satisfied care and services, including personal care, are undertaken in a way that respects their privacy".
- "The organisation demonstrated consumers are treated with dignity and respect and the service actively promotes a culture of inclusion. Staff were observed interacting with consumers respectfully and could readily identify or access information on consumers' individual preferences and interests. The service promotes the value of culture and diversity in the wide range of activities it offers and in delivery of care that is tailored to the person".
- "Consumers said their direct engagement in the initial and ongoing assessment and planning of their care helps them to get the care and services they need. Consumers report feeling safe and confident that staff listen to their goals and preferences, and that the organisation gets input from other professionals to ensure consumers get the right care and services to meet their needs. Consumers report that consumers' care and services are regularly reviewed and that when something goes wrong, or their needs or preferences change, the organisation is quick to communicate with them and to respond".

Residents' activities have been limited with COVID-19

restrictions and our Diversional Therapist Leanne Appleby has been critical in supporting the wellbeing of our Residents. The virtual visiting program has allowed residents to stay in contact with relatives locally, interstate and overseas. In addition, support of telehealth by specialist for consults has been welcomed both by consumers and carers.

Education

It has been challenging this year to provide a variety of quality education to staff with the cyber-attack followed by the summer bushfires and the pandemic. Only one face to face training session was provided and a decision was made to focus on online modules. The majority of planned group education sessions were cancelled either due to safety concerns related to road closures or infection prevention and control restrictions.

Staff again should be applauded for achieving over 90% completion rates for on-line training with many departments achieving 100% for the first time. Administration received the inaugural trophy for mandatory training excellence. Special mention should also be extended to Home and Community Care and Food and Environmental Services.

Omeo District Health, aware of the benefits of rural placements both for students and our workforce, has continued to support student clinical placements to the extent possible under COVID restrictions and actively engages in the Better Placed Learning Environment framework to monitor our learning environment. We have received an increasing number of students undertaking the Entry Program for Internationally Qualified Registered Nurses that enables overseas trained nurses to adapt to Australian Health Care.

This year we have been involved in 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 Megan Herbstreit and Yann Gardin for 6 month rotations at our facility. They have been a valuable addition to our team engaging in quality improvements as part of their placement.

Nursing

It has been a challenging year for many reasons. In addition to our general demands we have been tested by a regional malware threat, overlapped by fire and, to finish the year, COVID-19 lockdown.

During the course of these trials it was fantastic for staff to receive accreditation from the Aged Care Quality and Safety Commission for three years. Central to meeting the criteria was the area of consumer dignity, choice and inclusion. This is an area that was very well demonstrated and a credit to the staff.

Our response to COVID-19 has been facilitated by our Infection Prevention Control Nurse Penny Geyle. Her commitment to the organisation and willingness to work long and flexible hours ensured that interventions were planned for and implemented in an ever-changing environment.

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 both our CEO, Ward Steet, and Interim CEO, Leanne Stedman, over this challenging period. I'm certain that staff were comforted by our leaders' willingness to lead and be onsite in very difficult times.

External support for staffing replacement from other facilities and agencies was greatly appreciated during the fires and we had the pleasure of sharing experiences with staff from Central Gippsland Health, Latrobe Regional Hospital and Rural Workforce Agency Victoria (RWAV). These staff travelled through a lot of the burnt area in an effort to support us at Omeo, obtaining passes to enable travel on top of traveling by road from as far as Melbourne with plumes of smoke arising from fires that continued to burn. In an effort to support our staffing, RWAV recruited a staff member from as far away as Queensland who nursed with us for a week, greatly relieving the pressure on our local staff members.

Our local and traveling staff are also to be commended for their commitment. We had staff traveling bush tracks and making extended trips through Melbourne and over Mt Hotham in an effort to attend for work. In addition, staff who were not able to travel home during certain periods stayed and worked, enabling other staff members to undertake asset preparation. Significantly, staff that were required to evacuate their homes and families as well as having their properties under direct threat chose to remain in staff quarters and contribute to staffing numbers, community activities and asset preparation activities around the health service. These efforts were truly amazing and words cannot convey the appreciation held for these individuals.

In what has been anything but a routine year I have greatly appreciated being able to undertake some leave. I would like to commend Anne Walker and Jackie Hughes 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 Directors, Volunteers and the Community.

Darren Fitzpatrick
Director of Nursing

Home Based Services and Allied Health Report 2019-2020

March 2020 saw a restructuring of the Community Health Services. The programs are now 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 restructure recognises the increasingly complex administrative demands of the Home Based Services programs including: Commonwealth Home Support Program (CHSP), the Home and Community Care Program for Younger People (HACC PYP) and the National Disability Insurance Scheme (NDIS).

The year has proven challenging with the cyber-attack bushfires and COVID 19 all impacting service provision to some extent.

During the cyber-attack, access to internet services was prevented for 10 weeks. On line resources and email communication are necessary tools in current service provision, and the ability to conduct administration tasks efficiently was significantly impaired. Mitigation strategies included conducting a greater proportion of service related communication face to face or by phone, rather than email, and by returning to paper based record keeping. Gippsland Health Alliance, our network provider, has since taken significant measures to install new security measures to protect the system.

Bushfire activity impacting the region led to the Great Alpine Road being closed or restricted, resulting in the inability of a number of staff members to travel to Omeo. This impacted several services including Physiotherapy, District Nursing, Social Work and Speech Pathology.

The ability of local direct care staff to attend ODH or client's homes for rostered duties was impacted on many occasions as local roads were deemed unsafe and staff were either defending their own properties from fire activity or enacting Leave Early plans which sometimes took them away from the region. In addition, some clients cancelled services as they were evacuated or chose to leave the local area.

On a positive note, ODH were able to provide a local response to the additional needs of community members affected by bushfire through engaging the services of past Social Work staff members Lesley Edwards and Bill Newcomen. Lesley and Bill provided assistance for community members to access available emergency and recovery support and offered counselling where needed.

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. Every effort has been made to ensure direct care staff have been provided with the personal protective equipment and the information and training required to work safely.

Other 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.

With this year's complications we have seen the need to change and adapt the way we deliver our services. We have developed new ways of delivering contactless services and thanks to funding through both Commonwealth Home Support Program (CHSP) and Home and Community Care Program for Younger People (HACC PYP) we were able to purchase a number of iPads. These iPads have been an integral part of our Speech Pathologist' work with HACC PYP clients. The iPad allows the students to access an app which has extensive reading and spelling activities designed for students with dyslexia. These activities are motivating for students; hence they are more likely to complete regular homework.

CHSP clients have been given the ability to FaceTime or Zoom appointments with both the Speech Pathologist and their Medical Specialists. Not to mention some seeing their interstate family and grandchildren for the first time in a long time.

Health Promotion programs (when permitted to operate) including the Harvest Exchange and the Community Gymnasiums located at Omeo, Swifts Creek, and Benambra continue to provide positive preventative health activities for the wider community. The Health Promotion program has had an increased role in keeping the community informed and updated through a broader Facebook presence in 2020.

Results from the Victorian Health Experience Survey (VHES) carried out in 2019 showed consistent support and appreciation by consumers of the range of community based services available through Omeo District Health.

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 and Human Services 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

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

- Chronic Disease Management Nurse
- Community Transport
- High Country Men's Shed
- Community Gyms – Omeo, Swifts Creek and Benambra

Omeo District Health hopes to have the opportunity to offer Kindy Gym again in Omeo, however this has presently been postponed until a dedicated space offered by Omeo Primary School is available to be used.

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' Diversional Therapy program
- Volunteer Supervisors for the Men's Shed program
- 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

Support Service Report

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. Not only has the service extended it has now expanded to both public and private clients at no cost.

The service was initially scheduled to be a monthly service but due to its success and the level of demand the RFDS has been providing weekly service and intends to do so until the demand reduces and the waitlist becomes manageable.

Food and Environmental Services

Our external food audit was conducted in March 2020, 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 2020, by an external food and safety auditor and the second on 24 May 2020 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 90.2% organisational wide compliance with cleaning standards in July 2020 demonstrated ODH's commitment to a very high standard of cleanliness.

Department	# of meals provided
Meals on Wheels	1,100
Residents and Patients	15,894
Staff Meals	2,450

Grace Elford

Catering and Environmental Services Manager

Facilities and Maintenance Services

Omeo District Health continues to receive a high level of service from Facilities Manager, Darryl Shepherd and long term employee Stephen Disney. Darryl and Steve endeavour to keep our facility running as smoothly as possible through our elaborate and wide ranging preventative maintenance schedule. We cover the needs of all departments, have built a good rapport across the entire facility and always try to provide our services in a friendly no-fuss manner.

2020 has been challenging for all at ODH. On numerous occasions we have lost all communications, not only within the facility but also throughout the region. We have been unable to leave or access the area we live in for a number of reasons and have, like the rest of the country, had to endure the ever changing environment we find ourselves in due to Covid-19. The 2019/20 bushfires once again showed the resilience of our community especially here at ODH.

Substantial funding received as a result of the bushfires was unexpected yet gratefully accepted. The managing and distribution of these monies has been a massive undertaking for our department and has seen numerous additions to our bushfire infrastructure, placing us in a greatly improved position should we face a similar event again. Stages 1 and 2 of landscape refurbishment are now completed, including new gardens where pine-bark has been replaced with decorative gravel and low maintenance, less fire prone plants. The area around the dental unit has been refurbished to be a feature upon entry. A new colorbond fence has been erected around the childcare centre, replacing the old fencing and hedge.

The ring-main that supplies our fire hydrant and sprinkler system is now complete and extra water storage options are being sought. A new Fire Indicator Panel has been fitted by Valley Fire Services and is interfaced with all facets of our fire protection system. Our manual drench system has been extended to take in the remainder of the North side of the building and now covers the West side including the meeting room, HACC offices and the student nurses' quarters. There have also been two additional Fire Hydrants and two additional hose reels added to the West side adjacent to the Medical Centre carpark.

An automatic door with keypad has been installed between the Medical Centre waiting room and the consulting rooms, for added privacy and security. An intercom system was installed at the Medical Centre Entrance to facilitate screening of patients for Covid-19 symptoms. Both waiting rooms now have chilled and room temperature water dispensers.

The two medical fridges and all fridges and freezers in the main kitchen are now remotely monitored and a daily log is accessible to nursing and kitchen management.

It was identified that vehicle speed through the car park presented a risk. We have therefore installed speed humps and extra signage to improve safety for residents, parents and children accessing the childcare facility and the general public.

A funding submission for new flooring and carpet throughout Lewington House was successful and we have begun the procurement process. This will include new carpet in all resident's rooms, new vinyl in all residents ensuites, vinyl in hallways and Lewington House dining room and carpet in Lewington House lounge-room.

The Doctors residence adjoining the hospital is undergoing a major refurbishment. This will include a modern kitchen, a complete bathroom refit, double glazed windows throughout, new carpet and new outdoor decking.

The Maintenance team also continues to provide home care assistance, including bushfire preparedness, access improvements and general safety maintenance.

Darryl Shepherd

Facilities Manager

Administrative Services

The structure of the administrative team has been proven to be very successful. The team consisting of 4 permanent members, Kelly Greenland (Executive Assistant to the CEO), Katie Van Heek (People, Culture and Business Manager), Merinda Sedgman (Payroll Officer) and Alyce Richards (Receptionist), have pulled together to form a close-knit, competent and high performing team, along with casual staff members Sonya Lawlor, Krystal Greenland, Arielle Dickson and Duncan Fitzgerald.

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.

The committee membership is open to all. ODH thanks these committed volunteers for their knowledge, dedication and support.

Donations

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

- Annie Greco
- Di Nicholas
- Barbara Sievers
- Kate Freestone
- I Junor
- Frances and Alan McKay
- Janet Cook
- Allan and Pauline Fox
- Brenda Flannagan
- Markus Kay
- Aaron and Natalie Mitchell
- Mountains Project, Drought Support Funding

Katie Van Heek

People, Culture and Business Manager

Medical Centre Report 2019/2020

This year proved to be an exceptionally difficult year to fill the GP roster at Omeo Medical Centre. We would like to extend our sincere thanks and appreciation to all of the Doctors that support and work at the Omeo Medical Centre to ensure that our patients are provided with top quality, consistent care.

We also extend our thanks and appreciation to Steve Voogt, our visiting Nurse Practitioner, who travelled to Omeo to provide support within his scope of practice when the GP roster could not be filled.

The cyber-attack in late 2019 prevented us from using our electronic patient records and we thank the community for their patience while we were forced to revert to paper records, phone and fax.

November 2019 was the start of the East Gippsland Bushfires, with local communities immediately impacted with wildfire and all of the Omeo region clouded in smoke until January 2020. We are continuing to support local community members as they recover from the impact and devastation witnessed.

It has been unfortunate that we have not been able to support Medical Students placements due to gaps in the Doctor's roster, as all medical students are required to be supervised, but we hope to be able to restart this support.

Our Practice / Chronic Disease Nurse, Annie Kissane, commenced her Long Service leave in February 2020 and

has kept busy during lockdown with achieving some of those 'never get around to' jobs like home renovations. Annie celebrated her 30th year at Omeo District Health on 23rd July 2020, 12 of those years being in the Medical Centre. I have enjoyed working with her at the Medical Centre, she is a caring nurse and has always shown empathy to our patients.

Annie's long service leave absence has been covered by Michelle Olton, Brenda Flannagan, Jackie Hughes and Michelle Grogg and we thank each of them for their assistance.

The Medical Centre is supported by a great administration team. Throughout the year and in particular during the COVID-19 pandemic, Duncan Fitzgerald and Krystal Greenland have provided administrative support to the practice as well as support to patients and GPs.

I will be taking long service leave and annual leave from January 2021 for 8-9 months. 1st February 2021 will be my 19th year anniversary at the Medical Centre, so I will be looking forward to spending time with my family in Victoria and hopefully Western Australia (restrictions permitting).

We are just over half way through 2020 and the COVID-19 Pandemic is challenging us all. I look forward to a non COVID-19 future and hope it is very soon.

Tracey AhSam

Omeo Medical Centre Practice Manager

Our People

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

HOSPITALS	JUNE		JUNE	
Labour Category	Current Month FTE		YTD FTE	
	2020	2019	2020	2019
Nursing	17.24	15.81	17.21	15.61
Admin and Clerical	4.73	5.31	5.73	4.21
Medical Support	1.60	1.62	1.56	1.87
Hotel and Allied Services	8.76	6.88	8.09	7.53
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)	7.62	12.58	9.07	12.13

**FTE stands for Full Time Equivalent. All employees have been correctly classified in workforce date collections*

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.

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 Ms Lisa Airs, Ms Lisa Mitchell and Ms Margie Worcester who were available to provide representation for staff with OHS concerns.

The CEO, Mr Ward Steet, was the OHS management representative and the teams have worked effectively together to initiate OHS improvements and continue to monitor issues in the workplace.

Assessments and Measures Undertaken to Improve Employee OHS

The ODH OHS plan outlines the organisation's occupational h ealth and safety framework, reporting to the Board monthly.

- Organisational wide work area OHS inspections were conducted.
- Influenza vaccination is offered to all staff and residents with documented uptake.
- Home Based Services has staff safety procedures in place as follows:

A pre-visit telephone call is made and the Pre-visit Safety Assessment completed prior to any Home Support Workers and District Nurses visiting. An Environmental Home Risk Assessment is completed during the initial visit prior to commencement of service. Community Care staff follow the Home Visit/Off Site Policy and contact the ODH office for the Completion of Shift Check. ODH vehicles have been fitted with Cel-fi go Mobile Phone Range Boosters to improve mobile phone connectivity. Home Based Services workers have all been allocated a Personal Locator Beacon (PLB) and will carry SafeTCard – personal safety alarms (duress alarm). There are two spare units of the PLB and the duress alarm located in reception of ODH and the Community Care office. These are for any staff member making a home visit to clients in the community and must be signed for then returned at completion of the shift.

- Organisation wide mandatory training days for all staff covering Manual Handling/No Lift, Infection Control including COVID-19, Fire Safety training and Emergency Response scheduled on a regular basis.
- ODH is a member of the Victorian Network of Smoke free Health Services

Occupational Violence Statistics

Definitions

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.

Accepted WorkCover claims – Nil WorkCover claims were lodged in 2019-20.

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.

	2019-2020
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	1
Number of occupational violence incidents reported per 100FTE	2.3
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

Leanne McKenzie

Occupational Health and Safety Coordinator

Our Executive Team

Chief Executive Officer

Ward Steet 01-07-2019 – 27-03-2020,
Leanne Stedman (Acting) 16-03-2020 – 30-06-2020

The Chief Executive Officer (CEO) is responsible for the executive leadership, operational and clinical management of Omeo District Health in accordance with its Statement of Priorities and Board of Director instructions. The CEO is responsible for

implementing the Strategic Plan including setting the culture of the organisation to achieve the Mission and Vision of ODH. In addition, the CEO oversees risk management, quality and safety and is accountable for implementing internal controls to prevent, detect and report fraud, corruption and other losses.

Director of Nursing

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

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

Community Care Manager / Home Based Services Manager

Marijs Last 01-07-2019 – 14-02-2020
Leanne McKenzie 17-02-2020 – 30-06-2020

The Home Based Services Manager (formerly Community Care Manager) undertakes a diverse range of managerial and administrative functions to support the Home Based Services within Omeo District Health.

Omeo Home Based Services program provides holistic, community based health maintenance and support services for frail aged people, people with a disability and their carers. The services support people to be more independent at home and in the community, thereby enhancing quality of life and avoiding inappropriate admission to long-term residential care.

These services are provided in a flexible, coordinated and timely manner, across our diverse rural and remote communities. The program is funded from a variety of sources including Commonwealth and State government and Not for Profit organisations. The Home Based Services Manager manages the administrative operations of the program and coordinates service provision to both consumers and brokerage agencies.

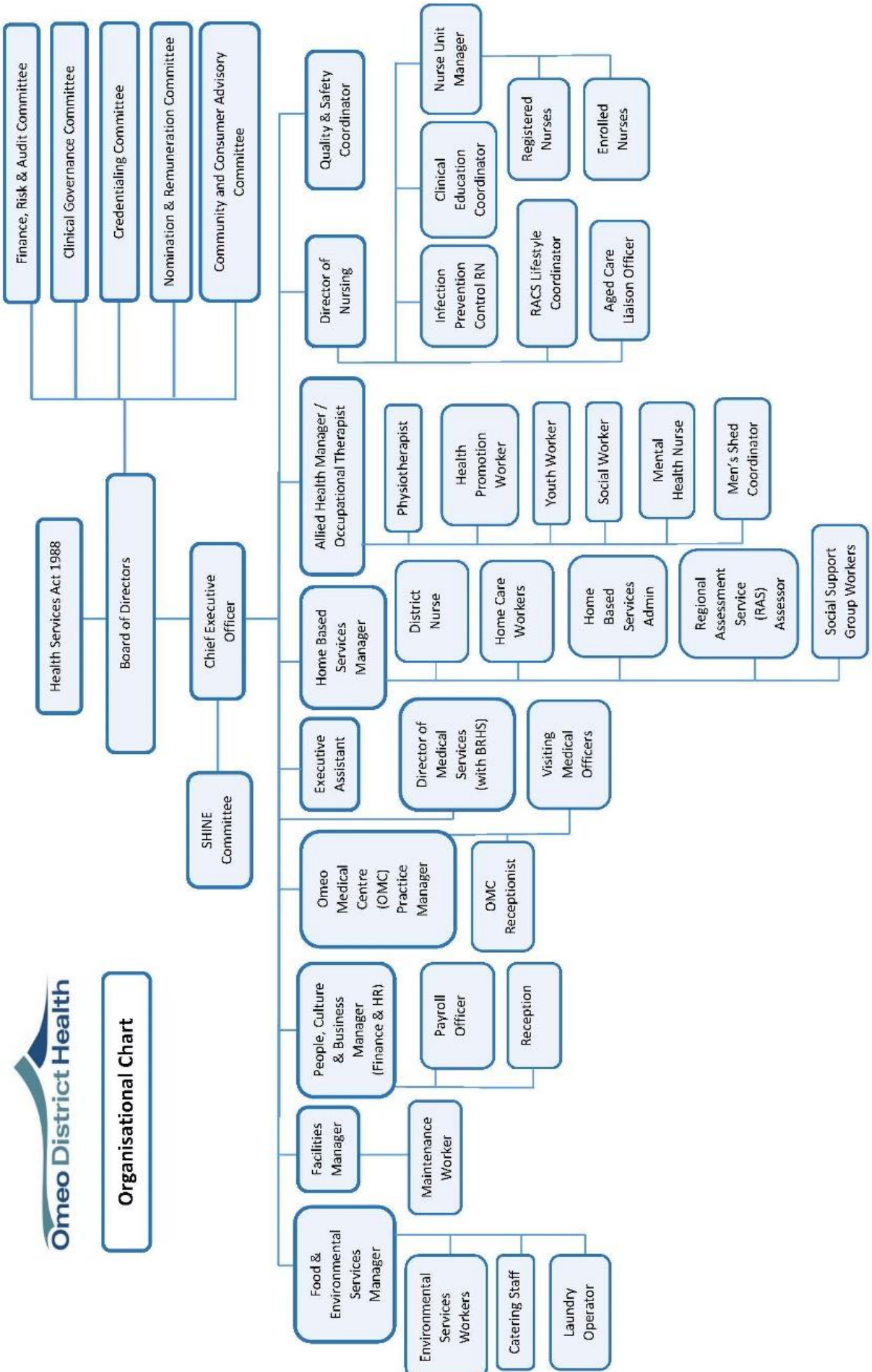
Quality and Safety Coordinator

Leanne Stedman 01/07/2019 - 13/03/2020
Jackie Hughes (Acting) 16/03/2020-30/06/2020

The Quality Coordinator oversees and co-ordinates the efforts of all staff toward meeting and maintaining the five sets of accreditation standards that apply to ODH activities.

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

Organisational Chart



Attestations

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 2020.

Signed: 

Simon Lawlor

Chair, Board of Directors

Omeo, 20th November 2020

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, 20th November 2020

Data Integrity

I, Leanne Stedman 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: 

Leanne Stedman

Interim Chief Executive Officer

Omeo, 20th November 2020

Integrity, Fraud and Corruption

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

Signed: 

Leanne Stedman

Interim Chief Executive Officer

Omeo, 20th November 2020

Conflict of Interest

I, Leanne Stedman 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: 

Leanne Stedman

Interim Chief Executive Officer

Omeo, 20th November 2020

Statement of Priorities – Part A; Strategic priorities – Health 2040

In 2019-20 ODH will contribute to the achievement of the Government's commitments within *Health 2040: Advancing health, access and care* as follows:

Better Health

Goals:	Strategies:
A system geared to prevention as much as treatment Everyone understands their own health and risks Illness is detected and managed early Healthy neighbourhoods and communities encourage healthy lifestyles	Reduce State-wide Risks Build Healthy Neighbourhoods Help people to stay healthy Target health gaps

Deliverable:

- As a health promoting organisation, ODH will create a healthier environment and promote healthy eating by aligning staff and visitor food menus with the Healthy Choice policy guidelines.

Outcome:
Achieved

- Staff and visitor catering menus and meal portion size and content has been reviewed using 'FoodChecker' and catering menus now meet the Healthy Choice guidelines. Key changes include smaller serving plates for staff meals and swapping some food items to low fat/reduced salt options.
- ODH continues to work with the Health Eating Advisory Service to implement the Healthy Choices program, as part of the ODH Workplace Achievement Program Healthy Eating Benchmark;
- A Healthy Eating and Catering Policy has been drafted using the Healthy Choices Guidelines.

Deliverable:
ODH provides prevention oriented clinical care through support of tobacco free living and will implement the ABCD approach to support patients and staff who smoke.

Outcome:
Achieved

- ODH adopted the ABCD smoking cessation approach to support staff and clients. Doctors providing care in the Omeo Medical Centre are encouraged to use the ABCD approach with all clients at consultations;
- ODH staff have access to nicotine patches/spray free of charge;
- ODH has a smoke free policy;
- ODH is a registered under the Workplace Achievement Program which includes smoking cessation as a priority Benchmark;
- The ODH Medical Centre now reports to the Quality and Safety Committee on the percentage of patients who have their smoking status recorded in their medical record, with a minimum compliance requirement of 75%.

Better Access

Goals:	Strategies:
Care is always being there when people need it Better access to care in the home and community People are connected to the full range of care and support they need Equal access to care	Plan and invest Unlock innovation Provide easier access Ensure fair access

Deliverable:

- Investigate options and develop a plan for sustainable models of care for the East Gippsland High Country (Omeo and District) region, to achieve improved continuity of care delivered closer to home.

Outcome:
Achieved

Rural Generalist Medical Model of Care

- The ODH Board has endorsed the Business Case for the Rural Generalist medical model of care in partnership with BRHS to improve both continuity of care and sustainability.
- The establishment of ODH's Rural Generalist Medical Model of Care is dependent upon:
  - The availability of suitable VMOs to be rotated to ODH from the BRHS Rural Generalist Training Program; and
  - Significant additional grant monies being received from DHHS.
- Both pre-conditions have been very significantly affected by the COVID-19 pandemic. Issues have included travel restrictions impacting the availability of international and interstate VMOs, increased workloads for funding bodies and BRHS limiting their capacity to engage in negotiations and financial strain on Department and program budgets.
- Despite these major challenges, ODH remains in regular communication with BRHS and in particular the Director of Medical Services of both ODH and BRHS, to maintain momentum in this project and begin the introduction of a hybrid model (as endorsed by the ODH Board) as soon as practicable.

Primary Mental Health Nurse

- Funding has been secured for a full-time Primary Mental Health Nurse position to deliver mental health services across the continuum of mild to severe for children through to adults. Recruitment to the position was completed in June 2020.

Deliverable:

- Establish ODH as a Home Care Package provider and assist local community members to receive care tailored to their needs.

Outcome:
Achieved

- The Community Care Department has been restructured to create a new Home Care Manager position to facilitate the introduction of ODH as a Home Care Package provider. Position currently under recruitment.
- The Home Care Manager position was filled in late February 2020. The Home Care Manager has begun work to establish ODH as a Home Care Package Provider, subject to Board endorsement. This work included:
  - Establishing the software required to manage Home Care packages and organising and undergoing training in this system;
  - Registering as Home Care Package Provider;

- Arranging training for home care workers in the new approach to service provision that will be required by ODH as a Home Care Package Provider;
- Preparing a presentation for discussion at the Community and Consumer Partnership Advisory Committee (CCPAC) on the move to establish ODH as a Home Care Package Provider; and
- Advising ODH's existing home care clients, 85% of whom are currently on packages with different providers, that they will be able to transfer management of their package to ODH and explaining the benefits to the client of doing this.

Better Care

Goals:	Strategies:
Targeting zero avoidable harm	Put quality First
Healthcare that focusses on outcomes	Join up care
Patients and carers are active partners in care	Partner with patients
Care fits together around people's needs	Strengthen the workforce
	Embed evidence
	Ensure equal care

Deliverable:

- Introduce and embed a new operational Quality and Safety Committee, in addition to the Board Clinical Governance Committee, and align key performance indicator reporting to relevant acute and aged care standards.

Outcome:
Achieved

- The new monthly operational Quality and Safety Committee commenced at the start of FY20;
- The Board Quality and Safety Committee was retitled as the Clinical Governance Committee and meets quarterly;
- The Clinical Governance Committee oversees implementation of ODH's Clinical Governance Framework and Clinical Risk Register;
- The operational Quality and Safety Committee retains responsibility for initial review of incident reports and quality indicators and provides collated reports to the Clinical Governance Committee for oversight;
- A new hand hygiene quality indicator has been added under Standard 3 of the National Safety and Quality Health Service Standards;
- A suit of new quality indicators has been added under the Royal Australian College of General Practitioner Standards.

Deliverable:
ODH as part of its commitment to the Safer Care Victoria Partnering in Healthcare Framework will develop a strategy to improve health literacy that will include training in health literacy to Board Directors and staff.

Outcome:
Achieved

- The Board has received two training sessions in health literacy;
- Health literacy training for all staff was included in the ODH mandatory training program for FY20;
- ODH has established a Health Literacy and Communication Working Group, reporting up to the Leadership Management Team. The Working Group includes a range of line managers, the CEO and a representative member from the Community and Consumer Partnership Advisory Committee (CCPAC);

- The ODH Health Literacy and Communication Working Group has completed the Gippsland Primary Care Partnerships Mini Health Literacy Self-Assessment Checklist and developed an Action Plan;
- The Health Literacy Action Plan includes the following actions and work on these has commenced:
    - Develop an organisation-wide Style Guide based on health literacy principles;
    - Convene a small focus group of consumers and community members to conduct a walk-through health literacy audit of ODH's physical environment, with results to inform further action;
    - Convene a small focus group of consumers and community members to complete an exercise to assess how consumers find information about ODH services, with results to inform further action.

Specific priorities for 2019-20

In 2019-20 ODH contributed to the achievement of the Government's priorities as follows:

Supporting the Mental Health System

Improve service access to mental health treatment to address the physical and mental health needs of consumers.

Deliverable:

- In partnership with the Gippsland Primary Health Network, ODH to introduce a Primary Mental Health Nurse position to facilitate a mental health outreach model of care for the East Gippsland High Country (Omeo and District).

Outcome:

Achieved

- Funding has been secured for a full-time Primary Mental Health Nurse position to deliver mental health services across the continuum of mild to severe for children through to adults. Recruitment to the position was completed in June 2020.

Addressing Occupational Violence

Foster an organisational wide occupational health and safety risk management approach, including identifying security risks and implementing controls, with a focus on prevention and improved reporting and consultation.

Implement the department's security training principles to address identified security risks.

Deliverable:

- Occupational violence training is incorporated into the ODH mandatory training program to increase awareness of occupational violence security risks in the work place.

Outcome:

Achieved

- Mandatory training now includes:
    - a one-hour session on family and occupational violence presented by the ODH Social Worker; and
    - an online module on Strengthening Hospital Responses to Family Violence;
    - an online module on Work Health and Safety Fundamentals, including workplace bullying and harassment.
- Seven staff members were booked for Health and Safety Representative training to take place starting 1 April 2020 through Federation TAFE. The training was unfortunately cancelled due to COVID-19 restrictions but some staff have since completed training online and all staff will be attending as soon as the training becomes available.
- The nature of public access through the Omeo Medical Centre was identified as a potential security risk. In response, ODH has installed (a) an intercom with remote door control and (b) a keypad operated sliding door between the waiting room and consultation rooms.

Addressing Bullying and Harassment

Actively promote positive workplace behaviours, encourage reporting and action on all reports.

Implement the department's *Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination* and *Workplace culture and bullying, harassment and discrimination training: guiding principles for Victorian health services*.

Deliverable:

- ODH supports a positive workplace culture and will implement a whole of organisation Bullying and Harassment education, training and practice strategy aligned to the Framework, and the Workplace culture and bulling harassment and discrimination training: guiding principles for Victorian health services.

Outcome:

Achieved

- The ODH People, Culture and Business Manager is rolling out the Know Better, Be Better bullying and harassment program across the organisation which is based on the Framework.
- An extensive Self-Assessment, Gap Analysis and Action Plan has been completed under *the Framework for promoting a positive workplace culture*. As a result:
    - The ODH recruitment process has been improved in line with organisation values. All referee checks are now conducted using a standard template that encompasses the ODH 'WE–CARE' Values;
    - ODH has improved its Orientation Procedure for staff and volunteers. Specific policies including the Bullying, Harassment and Discrimination Policy are included in the new employment pack and discussed with each new staff member or volunteer during orientation;
    - ODH has introduced a Managing Unsatisfactory Behaviour Policy and Procedure which sets out 'below the line' behaviours and the procedure for management response. This procedure aims to support a positive workplace culture be discouraging inappropriate behaviour before it escalates into bullying, harassment or discrimination;
    - ODH has both an internal Peer Support Program and an external Employee Assistance Program (EAP). During 2019/20, the EAP was extended to ensure that all staff and their family members can access the EAP directly and confidentially.

Supporting Vulnerable Patients

Partner with patients to develop strategies that build capability within the organisation to address the health needs of communities and consumers at risk of poor access to health care.

Deliverable:

- Ensure the Community and Consumer Partnership Advisory Committee (CCPAC) is engaged and has input into the planning and design of a new sustainable medical model of care and a home care package program to improve local self-sufficiency, access and continuity of care and reduce the burden of travel through the delivery of care closer to home, especially for those vulnerable clients that can least afford to travel to access the care they need.

Outcome:

Achieved

- Due to the bushfires the CCPAC did not meet in Q2 but met in Q3 and Q4. The new sustainable medical model of care was discussed and an abridged version of the business case was presented. The CCPAC is very supportive of this initiative. It was agreed that running a hybrid model in the short to medium term would be beneficial. Some members of the CCPAC remember the creation of the original 'Grumpy Old Docs' ('GOD') medical model, which the new sustainable model will eventually replace. CCPAC voted to have a plaque created to honour the initiators of the original 'GOD' model to acknowledge the benefits the original model brought to the community at the time. The home care package presentation was scheduled for the following meeting.

Supporting Aboriginal Cultural Safety

Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices across all parts of the organisation to recognise and respect Aboriginal culture and deliver services that meet the needs, expectations and rights of Aboriginal patients, their families, and Aboriginal staff.

Deliverable:

- ODH will undertake a whole of organisation cultural competence self-assessment and develop a whole of organisation cultural improvement strategy.

Outcome:

Achieved

- The Self-assessment, Gap Analysis, Strategy and Action Plan have been completed. Under the completed Action Plan:
    - ODH has arranged for Aboriginal Cultural Awareness training to be delivered by Dr Aunty Doris Paton over three sessions. These were originally scheduled to take place during the first half of 2020. Due to bushfires, then COVID-19 restrictions on gatherings, the sessions will now be scheduled to begin as soon as possible in the second half of 2020 or first half of 2021.
    - Funding was secured for the purchase of local Aboriginal artworks to value of $2000, to be displayed at each entry point to ODH premises. Artworks were selected and purchased and plaques are currently being made.

Addressing Family Violence

Strengthen responses to family violence in line with the *Multiagency Risk Assessment and Risk Management Framework* (MARAM) and assist the government in understanding workforce capabilities by championing participation in the census of workforces that intersect with family violence.

Deliverable:

- ODH is actively engaged in the Strengthening Hospital Response to Family Violence (SHRFV) program and has a target of at least 80 per cent of staff completing the SHRFV training. ODH will review and revise its Risk Management Framework to ensure it aligns with the Multiagency Risk Assessment and Risk Management Framework (MARAM).

Outcome:

Achieved

- Strengthening Hospital Response to Family Violence (SHRFV) training has been included in staff mandatory training for FY20. SHRFV training completion rate was 69% as at 5 June 2020;
- Review of ODH Risk Management Framework against the Multiagency Risk Assessment and Risk Management Framework (MARAM) Checklist has been completed;
- ODH Leadership Management Team has reviewed and approved the following new policy and procedures:
    - ODH Family Violence Response (Clients and Staff) Policy;
    - ODH Family Violence Clinicians Identification and Response Procedure;
    - ODH Family Violence Staff Workplace Support Procedure.
- ODH coordinates the Omeo Region Prevention of Violence Working Group. This work focuses on delivering preventative actions to reduce family violence. Current work includes:
    - Being an Active Bystander;
    - Gender Equality Focus in Early Years and Schools.

Implementing Disability Action Plans

Continue to build upon last year's action by ensuring implementation and embedding of a disability action plan which seeks to reduce barriers, promote inclusion and change attitudes and practices to improve the quality of care and employment opportunities for people with disability.

Deliverable:

ODH will educate the Board, the Community and Consumer Partnership Advisory Committee, staff and volunteers on the Disability Action Plan and seek feedback. This will inform actions and will assist in the implementation and embedding of strategies and actions within the Plan into the fabric of ODH. The four key goals within the plan are:

- The provision of appropriate and holistic care
- To provide accessible services and facilities to people with a disability
- Our staff will provide services that promote and enhance the wellbeing of people with a disability, without discrimination and in alignment with our values
- Promote and actively support employment and volunteer opportunities for people with a disability.

Outcome:

Achieved

- A presentation on, and discussion of, ODH's Disability Action Plan took place at the August CCPAC meeting;
- ODH has established a scooter charging bay that is available to the general public and visitors to the facility. Signage is in place. The charging bay is registered on the 'Recharge Point' website;
- As part of ODH's current Health Literacy and Communication Project, consumers and community members with disabilities are being invited to participate in accessibility audit exercises under the Health Literacy and Communication Action Plan;
- An accessibility audit of ODH premises and services is conducted annually from June 2020 onwards by consumers and community members, facilitated by ODH and arranged in conjunction with the newly appointed ODH physiotherapist.

Supporting Environmental Sustainability

Contribute to improving the environmental sustainability of the health system by identifying and implementing projects and/or processes to reduce carbon emissions.

Deliverable:

- ODH will undertake an analysis of options to implement a grey water system for the health service.

Outcome:

Deferred

- The Facilities Manager has not yet commenced this process due to bushfire recovery and resilience work taking precedence, as outlined below:
  - In March 2020, ODH applied for funds to undertake capital works to improve future bushfire resilience. Funds were received in April.
  - These works include: replacement of some landscaping with more fire-retardant features, installation of roof drencher system to all parts of the main building, installation of extra water tank to support roof drencher system, extension and upgrading of hydrant system, roof anchor points, extra hose reels and replacement control panel.
  - The Facilities Manager is currently engaged in project-managing these works and will return to investigation of the grey water system as soon as possible.

Deliverable:

- ODH will prepare cost options for the replacement of single-glazed windows with double glazed windows to achieve efficiencies in heating and cooling, to maintain a regulated temperature for a safe work environment,

and an enhanced level of comfort and safety for aged care residents, especially during the extremes of temperature experienced in Omeo during both winter and summer.

Outcome

Achieved

- Double glazing of windows has been completed for the Visiting Medical Officers' (VMOs') accommodation.
- Quotes have been received for double glazing of the ODH building, to be added to the 2021 CAPEX budget.

Statement of Priorities – Part B

Performance Priorities

The *Victorian Health Services Performance monitoring framework* outlines the Government's approach to overseeing the performance of Victorian health services.

Changes to the key performance measures in 2019-20 strengthen the focus on high quality and safe care, organisational culture, patient experience and access and timeliness in line with Ministerial and departmental priorities. Further information is available at www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability

High quality and safe care

Key performance measure	Target	Results
Accreditation		
Compliance with Aged Care Standards	Full Compliance	Full Compliance
Infection prevention and control		
Percentage of healthcare workers immunised for influenza	84%	86%[1]
Patient experience		
Victorian Healthcare Experience Survey – data submission	Full Compliance	Full Compliance[2]
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 1	95%	Full Compliance
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	Full Compliance
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	Full Compliance
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 1	75%	Full Compliance
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 2	75%	Full Compliance
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 3	75%	Full Compliance
Victorian Healthcare Experience Survey – patient's perception of cleanliness – Quarter 1	70%	Full Compliance
Victorian Healthcare Experience Survey – patient's perception of cleanliness – Quarter 2	70%	Full Compliance
Victorian Healthcare Experience Survey – patient's perception of cleanliness – Quarter 3	70%	Full Compliance*

[1] 86% as at 30 June, 94% by end of August.

[2] Less than 42 Acute VHES responses were received for the period due to the relative size of the Health Service. Therefore, the results of the Community VHES have been used.

Key performance measure	Target	Results
Adverse events		
Sentinel events – root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	Achieved

Strong governance, leadership and culture

Key performance measure	Target	Results
Organisational culture		
People matter survey - percentage of staff with an overall positive response to safety and culture questions	80%	94%
People matter survey – percentage of staff with a positive response to the question, "I am encouraged by my colleagues to report any patient safety concerns I may have"	80%	98%
People matter survey – percentage of staff with a positive response to the question, "Patient care errors are handled appropriately in my work area"	80%	96%
People matter survey – percentage of staff with a positive response to the question, "My suggestions about patient safety would be acted upon if I expressed them to my manager"	80%	92%
People matter survey – percentage of staff with a positive response to the question, "The culture in my work area makes it easy to learn from the errors of others"	80%	94%
People matter survey – percentage of staff with a positive response to the question, "Management is driving us to be a safety-centred organisation"	80%	100%
People matter survey – percentage of staff with a positive response to the question, "This health service does a good job of training new and existing staff"	80%	88%
People matter survey – percentage of staff with a positive response to the question, "Trainees in my discipline are adequately supervised"	80%	89%
People matter survey – percentage of staff with a positive response to the question, "I would recommend a friend or relative to be treated as a patient here"	80%	95%

Effective financial management

Key performance measure	Target	Results
Operating result ($m)	-$0.14	-$0.12
Average number of days to pay trade creditors	60 days	50 days
Average number of days to receive patient fee debtors	60 days	16 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.81
Forecast number of days available cash (based on end of year forecast)	14 days	151.9 days

Key performance measure	Target	Results
Actual number of days available cash, measured on the last day of each month.	14 days	Achieved
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ $250,000	Achieved

Activity and funding – Part C:

The performance and financial framework within which state government-funded organisations operate is described in 'Volume 2: Health operations 2019-20 of the *Department of Health and Human Services Policy and funding guidelines 2019.*

The *Policy and funding guidelines* are available at https://www2.health.vic.gov.au/about/policy-and-funding-guidelines

Further information about the Department of Health and Human Services' approach to funding and price setting for specific clinical activities, and funding policy changes is also available at

https://www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability/pricing-funding-framework/funding-policy

Funding type	Activity	Units
Small Rural		
Small Rural Acute	65	WIES Equivalent
Small Rural Primary Health and HACC		
- Counselling	708	Hours
- Occupational Therapy	254	Hours
- Physiotherapist	164	Hours
- Chronic Disease Management	505	Hours
- Youth work	260	Hours
- Allied Health Assistant	679	Hours
- Health Promotion	575	Hours
- Podiatry	43	Hours
- Speech Pathology	266	Hours
- HACC Assessment	54	Hours
- Delivered Meals on Wheels	135	Hours
- Domestic Assistance	135	Hours
- Nursing	8	Hours
- Personal Care	31	Hours
- Social Support Group	171	Hours
- Property Maintenance	4	Hours
- Respite	28	Hours
Small Rural Residential Care	4464	Bed Days

Summary of Financial Results

	2020 $,000	2019 $,000	2018 $,000	2017 $,000	2016 $,000
Operating result	-125	-80	-97	28	52
Total Revenue	6,357	5,772	5,465	5,219	5,323
Total Expenses	6,655	6,372	5,832	5,710	5,619
Net Result from Transactions	-298	-600	-367	-491	-296
Total other economic Flows	8	1	40	-1	1
Net Results	-290	-599	-327	-492	-295
Total Assets	10,084	9,998	7,642	6,480	6,972
Total Liabilities	2,801	2,425	1,528	1,544	1,525
Net Assets / Total Equity	7,283	7,573	6,114	6,480	6,972

	2020 $,000
Net Operating Result *	**(125)**
Capital and specific items	
Specific Purpose income	475
Specific income	0
Assets provided free of charge	0
Assets received free of charge	0
Expenditure for capital purpose	0
Depreciation and amortization	(648)
Impairment of non-financial assets	0
Finance costs (other)	0
Net Results from transactions	(298)

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

Operational and Budgetary Objectives and Performance against Objectives

Omeo District Health projected an operating deficit of $140k for the year and an overall net result from transaction deficit of $748k. The Health Service is operating under tight monetary constraints but continues to provide a broad range of services to the community.

Audited Financial Results

The financial results for 2020 reflect a net surplus before capital and specific items of $97,177 (2019 $28,011) and an overall deficit before asset revaluation movements of $366,486 (2017 deficit $491,053). The results are unfavorable against budget however the Health Service remains positive in key areas such as cash flow.

The financial results for 2020 reflect a net operating deficit of $125k and a net overall result from transactions deficit of $298k. The results are favorable against budget with the Health Service also remaining positive in key areas such as cash flow.

Summary of Major Changes or Factors Affecting Achievement of Operational Objectives

Decreased occupancy with Residential Aged Care has reflected unfavorably on overall financial results for Omeo District Health. The Medical Clinic incurred a deficit of $12k for the year (projected deficit of $20k).

Events Subsequent to Balance Day, which may have significant effect on Operations in Subsequent Years

There have been no events subsequent to balance day which may have a significant effect on operations in subsequent years.

Consultancies costing in excess of $10,000 (ex GST)

There were no consultancies costing in excess of $10,000 during the financial year.

Consultancies costing less than $10,000 (ex GST)

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

ICT Expenditure

The total ICT expenditure incurred during 2019-20 is $0.617 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)
$0.232 million	$0.385 million	$0.385 million	$0

Aged Care

ODH is bound by the Schedule of Resident Fees as set down by the Commonwealth Department of Health and Ageing on a quarterly basis. Fees for clients include daily care fees, accommodation charges, income tested fees and accommodation deposits or charges.

Admitted and Non-Admitted Patients

ODH is bound by the Victorian Department of Health and Human Services Fees Manual for admitted public, private, DVA, WorkCover and TAC patients. The DHS Fees Manual also provides information on charges for non-admitted patients, referred to by ODH for Physiotherapy and Outpatient Facility Fees.
Facilitated exercise programs attract a nominal fee.

Home and Community Care

ODH refers to the 'Schedule of Costs for Services provided' as set down by the Victorian Department of Health and Human Services. Fees to other health agencies include post-acute care, home care for DVA clients, home care and respite for supported clients. Fees to clients include home care, home maintenance and District Nursing Service visits.

Other

ODH may also charge a small fee to clients for items that are not directly funded, nor specified in the Fees Manual, by the Victorian Department of Health and Human Services or the Commonwealth Department of Health and Ageing. Fees to clients include rental of Health Service equipment, rental of Health Service buildings, and outpatient charges for procedures, starter packs and interventions. ODH does not charge fees for afterhours urgent care services to eligible clients.

Statutory Compliance

Building Act 1993

In the year ended 30 June 2020, all buildings of Omeo District Health were fully compliant with the Building Act 1993.

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 2020, five (5) applications for access to documents under the Freedom of Information Act were received.

Implementation and Compliance with 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.

Protecting Your Privacy

ODH complies with the provisions of the Health Services Act 1988 (No.49/1988), the Health Records Act 2001 (No.2/2001) and the Information Privacy Act 2000 (No.98/2000) relating to confidentiality and privacy by ensuring that all employees do not disclose any information or records concerning Omeo District Health's patients, clients, staff and customers acquired in the course of their employment, other than for any authorised or lawful purpose.

Protected Disclosure Act 2012

Omeo District Health has in place appropriate procedures for disclosure in accordance with the Protected Disclosure Act 2012. No protected disclosures were made under the Act in 2019-2020.

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.

Local Jobs First Act disclosures

In 2019-2020 there were no contracts requiring disclosure under the Local Jobs First Policy.

Office Based Environmental Statement

ODH remains committed to environmental sustainability and improving environmental performance through the implementation of organisation-wide strategies in environmental sustainability and climate change adaptation.

The organisation actively strives to integrate environmental design into new and existing facilities with the aim of saving energy and reduce greenhouse gas emissions. We achieve this through reducing natural resource usage such as water, power and gas and minimising waste generation.

Redevelopment of facilities focuses on engineered environmental solutions whereby energy saving opportunities are sought through the installation of efficient insulation and double glazing in all reconstruction works. ODH has successfully acquired a 50kW system in total as part of the Gippsland Region Solar Program bulk procurement and has been installed.

	2019 /20	2018 /19	2017 /18	2016 /17
Total energy consumption by energy type (GJ)				
Electricity	528	622	688	730
Natural gas and LPG	1581	1,586	1,995	1,919
Normalised water consumption				
Water per unit of floor space (kL/m^2)	0.51	0.72	0.56	0.50
Normalised greenhouse gas emissions				
Emissions per unit of floor space ($kgCO^2e/m^2$)	54.2	62	72	84
Emissions per unit of activity ($kgCO^2e$/bed-day)	48.5	61	80	88

Additional Information

Consistent with FRD 22H section 5.19 requires agencies to provide the following statement:

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, 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, 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.
- Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

Disclosure Index

The Annual Report of the Omeo District Health Service is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory requirements.

Ministerial Directions

Legislation	Requirement	Page
Charter and Purpose		
FRD 22H	Manner of establishment and the relevant Ministers	3
FRD 22H	Purpose, functions, powers and duties	3
FRD 22H	Nature and range of services provided	5
FRD 22H	Activities, programs and achievements for the reporting period	9
FRD 22H	Significant changes in key initiatives and expectations for the future	9
Management and structure		
FRD 22H	Organisational structure	22
FRD 22H	Workforce data/ employment and conduct principles	19
FRD 22H	Occupational Health and Safety	20
Financial Information		
FRD 22H	Summary of the financial results for the year	34
FRD 22H	Significant changes in financial position during the year	34
FRD 22H	Operational and budgetary objectives and performance against objectives	34
FRD 22H	Subsequent events	34
FRD 22H	Details of consultancies under $10,000	35

FRD 22H	Details of consultancies over $10,000	34
FRD 22H	Disclosure of ICT expenditure	35
Legislation		
FRD 22H	Application and operation of *Freedom of Information Act 1982*	35
FRD 22H	Compliance with building and maintenance provisions of *Building Act 1993*	35
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FRD 22H	Statement on National Competition Policy	35
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FRD 22H	Additional information available on request	36
Other relevant reporting directives		
FRD 25D	Local Jobs First Act disclosures	36
SD 5.1.4	Financial Management Compliance attestation	23
SD 5.2.3	Declaration in report of operations	23

Report of Operations

Attestations	
Attestation on Data Integrity	23
Attestation on managing Conflicts of Interest	23
Attestation on Integrity, Fraud and Corruption	23
Other reporting requirements	
Reporting of outcomes from Statement of Priorities 2019–20	24
Occupational Violence reporting	20
Reporting obligations under the Safe Patient Care Act 2015	36
Reporting of compliance regarding Car Parking Fees (if applicable)	N/A

FS= Financial Statements

Board members', 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 2020 and the financial position of Omeo District Health at 30 June 2020.

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 11 November 2020.

Mr Simon Lawlor
Board President
Omeo
12/11/2020

Ms Leanne Stedman
Acting Chief Executive Officer
Omeo
12/11/2020

Mr Steven Jackel
Chief Finance and Accounting Officer
Omeo
12/11/2020

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 2020 • 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 2020 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
20 November 2020

Travis Derricott
as delegate for the Auditor-General of Victoria

Omeo District Health
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2020

		Total 2020 $	Total 2019 $
Income from transactions			
Operating activities	2.1	6,317,094	5,707,946
Non-operating activities	2.1	40,172	64,040
Total Income from Transactions		**6,357,266**	**5,771,986**
Expenses from Transactions			
Employee expenses	3.1	(4,575,290)	(4,350,680)
Supplies and consumables	3.1	(152,748)	(136,017)
Finance costs	3.1	(1,553)	(2,204)
Depreciation and amortisation	4.3	(653,753)	(674,288)
Other administrative expenses	3.1	(1,070,542)	(1,020,416)
Other operating expenses	3.1	(201,866)	(188,682)
Total Expenses from Transactions		**(6,655,752)**	**(6,372,287)**
Net Result from Transactions - Net Operating Balance		**(298,486)**	**(600,301)**
Other Economic Flows included in Net Result			
Net Gain/(Loss) on sale of non-financial assets	3.2	14,200	-
Other Gain/(Loss) from other economic flows	3.2	(5,561)	1,135
Total Other Economic Flows included in Net Result		**8,639**	**1,135**
Net Result for the year		**(289,847)**	**(599,166)**
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in property, plant and equipment revaluation surplus	4.2(b)	-	2,058,021
Total Other Comprehensive Income		**-**	**2,058,021**
Comprehensive Result for the Year		**(289,847)**	**1,458,855**

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

Omeo District Health
Balance Sheet as at 30 June 2020

	Note	Total 2020 $	Total 2019 $
Current Assets			
Cash and cash Equivalents	6.2	3,648,944	1,902,245
Receivables	5.1	386,121	359,626
Other financial assets	4.1	-	1,234,325
Other Assets		106,846	55,004
Total Current Assets		**4,141,911**	**3,551,200**
Non-Current Assets			
Receivables	5.1	79,822	84,837
Property, plant and equipment	4.2 (a)	5,862,005	6,362,002
Total Non-Current Assets		**5,941,827**	**6,446,839**
TOTAL ASSETS		**10,083,738**	**9,998,039**
Current Liabilities			
Payables	5.2	462,524	295,371
Borrowings	6.1	22,166	12,930
Provisions	3.4	770,251	759,760
Other liabilities	5.3	1,296,463	1,167,670
Total Current Liabilities		**2,551,404**	**2,235,731**
Non-Current Liabilities			
Borrowings	6.1	46,519	25,222
Provisions	3.4	202,544	163,968
Total Non-Current Liabilities		**249,063**	**189,190**
TOTAL LIABILITIES		**2,800,467**	**2,424,921**
NET ASSETS		**7,283,271**	**7,573,118**
EQUITY			
Property, plant and equipment revaluation surplus	4.2(f)	5,107,349	5,107,349
Restricted specific purpose surplus	SCE	106,508	106,508
Contributed capital	SCE	1,793,235	1,793,235
Accumulated surpluses	SCE	276,179	566,026
TOTAL EQUITY		**7,283,271**	**7,573,118**

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 2020

	Note	Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Surplus	Contributed Capital	Accumulated Surpluses	Total
		$	$	$	$	$
Balance at 1 July 2018	**4.2 (f)**	**3,049,328**	**106,508**	**1,793,235**	**1,165,192**	**6,114,263**
Net result for the year		-	-	-	(599,166)	(599,166)
Other comprehensive income for the year		2,058,021	-	-	-	2,058,021
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**

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

Omeo District Health
Cash Flow Statement
For the Financial Year Ended 30 June 2020

	Note	Total 2020 $	Total 2019 $
Cash Flows from Operating Activities			
Operating grants from government - Commonwealth		1,427,458	1,420,382
Operating grants from government - State		2,803,807	2,579,876
Capital grants from government - State		210,634	101,497
Patient fees received		480,618	557,956
Donations and bequests received		-	45,781
GST received from ATO		(10,198)	4,554
Interest and investment income received		40,172	64,040
Other Receipts		1,378,289	1,009,805
Total Receipts		**6,330,780**	**5,783,891**
Employee expenses paid		(4,498,109)	(3,804,001)
Payments for supplies and consumables		(14,264)	(119,085)
Payments for medical indemnity insurance		(5,242)	-
Payments for repairs and Maintenance		(89,965)	-
Finance Costs		(1,553)	-
Other payments		(1,229,043)	(1,569,765)
Total Payments		**(5,838,176)**	**(5,492,851)**
Net Cash Flows from/(used in) Operating Activities	8.1	**492,604**	**291,040**
Cash Flows from Investing Activities			
Purchase of non-financial assets		(153,756)	(244,468)
Proceeds from disposal of non-financial assets		14,200	-
Proceeds from disposal of investments		1,234,325	218,911
Net Cash Flows from/(used in) Investing Activities		**1,094,769**	**(25,557)**
Cash Flows from Financing Activities			
Repayment of borrowings		30,533	(11,336)
Receipt of accommodation deposits		128,793	942,999
Repayment of accommodation deposits		-	(159,841)
Net Cash Flows from /(used in) Financing Activities		**159,326**	**771,822**
Net Increase/(Decrease) in Cash and Cash Equivalents Held		**1,746,699**	**1,037,305**
Cash and cash equivalents at beginning of year		**1,902,245**	**864,940**
Cash and Cash Equivalents at End of Year	6.2	**3,648,944**	**1,902,245**

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

Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Note 1 – Summary of Significant Accounting Policies

These annual financial statements represent the audited general purpose financial statements for Omeo District Health for the year ended 30 June 2020. The report provides users with information about Omeo District Health's stewardship of resources entrusted to it.

(a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable AASBs, 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, and relevant Standing Directions authorised by the Assistant Treasurer.

Omeo District Health is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Service under the AASBs.

(b) Reporting Entity

The financial statements include all the controlled activities of Omeo District Health.
Its principal address is:
Easton Street
Omeo, Victoria 3898

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

(c) Basis of Accounting Preparation and Measurement

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

The accounting policies have been applied in preparing the financial statements for the year ended 30 June 2020, and the comparative information presented in these financial statements for the year ended 30 June 2019.

The financial statements are prepared on a going concern basis (refer to Note 8.8 Economic Dependency).

These financial statements are presented in Australian dollars, the functional and presentation currency of Omeo District Health.

All amounts shown in the financial statements have been rounded to the nearest dollar, unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

Omeo District Health operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds.

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AABSs that have significant effects on the financial statements and estimates relate to:

- The fair value of land, buildings and plant and equipment (refer to Note 4.2 Property, Plant and Equipment), and

- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.4 Employee Benefits in the Balance Sheet).

(c) Basis of Accounting Preparation and Measurement (continued)

A state of emergency was declared in Victoria on 16 March 2020 due to the global coronavirus pandemic, known as COVID-19. A state of disaster was subsequently declared on 2 August 2020.
To contain the spread of the virus and to prioritise the health and safety of our communities various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including Omeo District Health.
In response, Omeo District Health placed restrictions on non-essential visitors, implemented reduced visitor hours, deferred elective surgery and reduced activity, performed COVID-19 testing and implemented work from home arrangements where appropriate.
For further details refer to Note 2.1 Funding delivery of our services, Note 3.1 The cost of delivering our services and Note 4.2 Property, Plant and Equipment.

Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

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

(d) Jointly Controlled Operation

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In respect of any interest in joint operations, Omeo District Health recognises in the financial statements:

- its assets, including its share of any assets held jointly;
- any liabilities including its share of liabilities that it had incurred;
- its revenue from the sale of its share of the output from the joint operation;
- its share of the revenue from the sale of the output by the operation; and
- its expenses, including its share of any expenses incurred jointly.

Omeo District Health is a member of the Gippsland Health Alliance Joint Venture and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.7 Jointly Controlled Operations)

(e) Equity
Contributed Capital

Consistent with the requirements of AASB 1004 *Contributions* , 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 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.

Financial Assets Available-for-Sale Revaluation Surplus

The available-for-sale revaluation surplus arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold, that portion of the surplus which relates to that financial asset is effectively realised and is recognised in the Comprehensive Operating Statement. Where a revalued financial asset is impaired that portion of the surplus which relates to that financial asset is recognised in the Comprehensive Operating Statement.

Specific Restricted Purpose Surplus

The Specific Restricted Purpose Surplus 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: 2 Funding delivery of our services

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

Structure
2.1 Income from Transactions

Note 2.1(a): Income from Transactions

	Total 2020 $	Total 2019 $
Government grants (State) - Operating [1]	2,858,293	2,410,538
Government grants (Commonwealth) - Operating	1,427,458	1,420,382
Government grants (State) - Capital	210,634	101,497
Patient and resident fees	480,618	567,151
Commercial activities [2]	562,123	579,969
Other revenue from operating activities (including non-capital donations)	777,968	628,409
Total Income from Operating Activities	**6,317,094**	**5,707,946**
Other interest	40,172	64,040
Total Income from Non-Operating Activities	**40,172**	**64,040**
Total Income from Transactions	**6,357,266**	**5,771,986**

[1.] Government Grant (State) – Operating includes $200,000 funding which was spent due to the impacts of COVID-19

[2.] Commercial activities represent business activities which health services enter into to support their operations.

Impact of COVID-19 on revenue and income
As indicated at Note 1, Omeo District Health's response to the pandemic included introduction of restrictions for entry and reduced activity. This resulted in Omeo District Health incurring lost revenue as well as direct and indirect COVID-19 costs. The Department of Health and Human Services provided funding which was spent due to COVID-19 impacts on Omeo District Health.

Revenue Recognition
Income is recognised in accordance with either:
(a) contributions by owners, in accordance with AASB 1004;
(b) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
(c) a lease liability in accordance with AASB 16;
(d) a financial instrument, in accordance with AASB 9; or
(e) a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets.*

Government Grants
Income from grants to construct major infrastructure is recognised progressively as the asset is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done.

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when Omeo District Health has an unconditional right to receive the cash which usually coincides with receipt of cash. On initial recognition of the asset, Omeo District Health recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards.

Note 2.1(a): Income from Transactions

As a result of the transitional impacts of adopting AASB 15 and AASB 1058, a portion of the grant revenue has been deferred in deferred grant revenue liability (see note 5.2). If the grant revenue was accounted for under the previous accounting standard AASB 1004 in 2019-20, the total grant revenue received would have been recognised in full.

Performance obligations

The types of government grants recognised under AASB15 *Revenue from Contracts with Customers* includes:

- Commonwealth funding for residential aged care,
- State and Commonwealth grant funding for programs with specific obligations.

For Commonwealth residential aged care, revenue is recognised as the services to residents are delivered. The performance obligation has been selected as it aligns with the terms and conditions of the funding provided.

For State and Commonwealth funded programs, revenue is recognised in accordance with the funding agreement. Omeo District Health exercises judgement over whether performance obligations are met, which includes assessment of total expenditure incurred and whether key performance indicators have been met.

Previous accounting policy for 30 June 2019

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to Omeo District Health without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

Some grants are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider). Omeo District Health recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, Omeo District Health recognises revenue when the grant is received.

Grants can be received as general purpose grants, which refers to grants which are not subject to conditions regarding their use. Alternatively, they may be received as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

Patient and Resident Fees

The performance obligations related to patient fees are based on the delivery of services. These performance obligations have been selected as they align with the terms and conditions of providing the services. Revenue is recognised as these performance obligations are met.

Resident fees are recognised as revenue over time as Omeo District Health provides accommodation. This is calculated on a daily basis and invoiced monthly.

There has ben no change in the recognition of revenue from patient and resident fees as a result of the adoption of AASB 15.

Private Practice Fees

The performance obligations related to private practice fees are based on the delivery of services. These performance obligations have been selected as they align with the terms and conditions agreed with the private provider. Revenue is recognised as these performance obligations are met. Private practice fees include recoupments from the private practice for the use of hospital facilities.

Performance obligations related to commercial activities are based on the delivery of services. These performance obligations have been selected as they align with the terms and conditions per the contract with the provider of the commercial activities.
There has ben no change in the recognition of revenue from private practice fees as a result of the adoption of AASB 15.

Commercial activities

Revenue from commercial activities includes items such as provision of meals, property rental and fundraising activities.

Non-cash contributions from the Department of Health and Human Services
The Department of Health and Human Services makes some payments on behalf of health services as follows:

- The Victorian Managed Insurance Authority non-medical indemnity insurance payments are recognised as revenue following advice from the Department of Health and Human Services

- Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health and Human Services Hospital Circular

Note 2.1(a): Income from Transactions

Commercial activities (Continued)

• Public Private Partnership (PPP) lease and service payments are paid directly to the PPP consortium. Revenue and the matching expense are recognised in accordance with the nature and timing of the monthly or quarterly service payments made by the Department of Health and Human Services.

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

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

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. Omeo District Health recognises revenue when it transfers control of a good or service to the customer i.e. revenue is recognised when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

• Customers obtain control of the supplies and consumables at a point in time when the goods are delivered to and have been accepted at their premises.

• Income from the sale of goods are recognised when the goods are delivered and have been accepted by the customer at their premises

• Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided.

For contracts that permit the customer to return an item, revenue is recognised to the extent it is highly probable that a significant cumulative reversal will not occur. Therefore, the amount of revenue recognised is adjusted for the expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover the returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables and the right to recover returned goods is included in inventory. Omeo District Health reviews its estimate of expected returns at each reporting date and updates the amount of the asset and liability accordingly. As the sales are made with a short credit term, there is no financing element present. There has been no change in the recognition of revenue from the sale of goods as a result of the adoption of AASB 15.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability. Where the performance obligations is satisfied but not yet billed, a contract asset is recorded.

2.1 (b): Other income

	2020 $	2019 $
Other interest	40,172	64,040
Total other income	40,172	64,040

Other income is recognised as revenue when received. Other income includes recoveries for salaries and wages and external services provided, and donations and bequests. If donations are for a specific purpose, they may be appropriated to a surplus, such as the specific restricted purpose surplus.

Interest Income

Interest revenue is recognised on a time proportionate basis that takes into account 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 hospital in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure
3.1 Expenses from Transactions
3.2 Other Economic Flows
3.3 Analysis of expenses and revenue by internally managed and restricted specific purpose funds
3.4 Employee benefits in the Balance Sheet
3.5 Superannuation

Note 3.1: Expenses from Transactions

	Total 2020 $	Total 2019 $
Salaries and wages	3,721,706	3,604,676
On-costs	335,527	314,159
Agency expenses	52,963	-
Fee for service medical officer expenses	427,981	399,421
Workcover premium	37,113	32,424
Total Employee Expenses	**4,575,290**	**4,350,680**
Drug supplies	20,782	14,829
Medical and surgical supplies (including Prostheses)	42,824	46,949
Other supplies and consumables	89,142	74,239
Total Supplies and Consumables	**152,748**	**136,017**
Finance costs	1,553	2,204
Total Finance Costs	**1,553**	**2,204**
Other administrative expenses	1,070,542	1,020,416
Total Other Administrative Expenses	**1,070,542**	**1,020,416**
Fuel, light, power and water	106,659	119,507
Repairs and maintenance	89,965	64,540
Medical indemnity insurance	5,242	4,635
Total Other Operating Expenses	**201,866**	**188,682**
Total Operating Expense	**6,001,999**	**5,697,999**
Depreciation and amortisation (refer Note 4.3)	653,753	674,288
Total Depreciation and Amortisation	**653,753**	**674,288**
Total Non-Operating Expense	**653,753**	**674,288**
Total Expenses from Transactions	**6,655,752**	**6,372,287**

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

Impact of Covid-19 on expenses

As indicated at Note 1(c), Omeo District Health's daily activities were impacted by the pandemic. This resulted in direct and indirect costs being incurred, such as additional medical supplies, maintenance of salary levels for casual and part-time employees, acquisition of minor equipment for testing purposes and redeployment of staff where activities have been impacted by shutdowns.

Omeo District Health has had no patient admissions relating directly to Covid-19, therefore the impact on the Health Service has been in preventative and preparatory costs only.

Note 3.1: Expenses from Transactions

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 premium.

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

Non-operating expenses

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

Operating lease payments

Operating lease payments up until 30 June 2019 (including contingent rentals) were recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

From 1 July 2019, the following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than $10,000.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occur.

Note 3.2: Other economic flows included in net result

	Total 2020 $'000	Total 2019 $'000
Net gain/(loss) on non financial assets		
Net gain on disposal of property plant and equipment	14,200	-
Total Net Gain/(Loss) on Non Financial Assets	**14,200**	**-**
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service liability	(5,561)	1,135
Total other Gains/(Losses) from Other Economic Flows	**(5,561)**	**1,135**
Total Gains/(Losses) From Other Economic Flows	**8,639**	**1,135**

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

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- reclassified amounts relating to financial instruments held at fair value through other comprehensive income from the reserves to net result 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.

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:

- Revaluation gains/ (losses) of non-financial physical assets (Refer to Note 4.2 Property plant and equipment.)
- Net gain/ (loss) on disposal of non-financial assets
- Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net gain/ (loss) on financial instruments

Net gain/ (loss) on financial instruments at fair value includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost refer to Note 4.1 Investments and other financial assets; and
- disposals of financial assets and derecognition of financial liabilities.

Other gains/ (losses) from other economic flows

Other gains/ (losses) include:

- the revaluation of the present value of the long service leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes in probability factors; and
- transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

Note 3.3: Analysis of Expenses and Revenue by Internally Managed and Restricted Specific Purpose Funds

	Expense		Revenue	
	Total 2020 $	Total 2019 $	Total 2020 $	Total 2019 $
Commercial Activities				
Private practice and other patient activities	568,086	523,801	555,951	519,104
Total Commercial Activities	**568,086**	**523,801**	**555,951**	**519,104**
Other Activities				
Total Other Activities	**-**	**-**	**-**	**-**
TOTAL	**568,086**	**523,801**	**555,951**	**519,104**

Note 3.4: Employee Benefits in the Balance Sheet

	Total 2020 $	Total 2019 $
CURRENT PROVISIONS		
Employee Benefits [i]		
Accrued days off		
- unconditional and expected to be settled wholly within 12 months [ii]	6,958	12,952
Annual leave		
- unconditional and expected to be settled wholly within 12 months [ii]	375,883	356,969
Long service leave		
- unconditional and expected to be settled wholly within 12 months [ii]	90,000	90,000
- unconditional and expected to be settled wholly after 12 months [iii]	223,462	226,898
	696,304	**686,819**
Provisions related to Employee Benefit On-Costs		
Unconditional and expected to be settled within 12 months [ii]	49,298	48,844
Unconditional and expected to be settled after 12 months [iii]	24,649	24,097
	73,947	**72,941**
TOTAL CURRENT PROVISIONS	**770,251**	**759,760**
NON-CURRENT PROVISIONS		
Conditional long service leave	183,099	148,226
Provisions related to employee benefit on-costs	19,445	15,742
TOTAL NON-CURRENT PROVISIONS	**202,544**	**163,968**
TOTAL PROVISIONS	**972,795**	**923,728**

[i] Employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.

[ii] The amounts disclosed are nominal amounts.

[iii] The amounts disclosed are discounted to present values.

Note 3.4: Employee Benefits in the Balance Sheet (Continued)

(a) Employee Benefits and Related On-Costs

	Total 2020	Total 2019
Current Employee Benefits and Related On-Costs	**$**	**$**
Unconditional long service leave entitlements	346,752	350,553
Annual leave entitlements	415,802	394,879
Accrued days off	7,697	14,328
Total Current Employee Benefits and Related On-Costs	**770,251**	**759,760**
Non-Current Employee Benefits and Related On-Costs		
Conditional long service leave entitlements	202,544	163,968
Total Non-Current Employee Benefits and Related On-Costs	**202,544**	**163,968**
TOTAL EMPLOYEE BENEFITS AND RELATED ON-COSTS	**972,795**	**923,728**

(b) Movement in On-Costs Provision

	Total 2020	Total 2019
	$	**$**
Balance at start of year	**88,683**	**75,646**
Additional provisions recognised	10,270	11,902
Unwinding of discount and effect of changes in the discount rate	(5,561)	1,135
Balance at end of year	**93,392**	**88,683**

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 District 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 District Health does not have an unconditional right to defer settlements of these liabilities.

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

Nominal value – if Omeo District Health expects to wholly settle within 12 months; or

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

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 Omeo District Health does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

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

Conditional LSL is disclosed as a non-current liability. Any gain or loss followed 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 3.5: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at	
	Total 2020 $	Total 2019 $	Total 2020 $	Total 2019 $
Defined Contribution Plans:				
First State Super	335,527	260,966	-	-
Hesta	-	46,648	-	-
Total	**335,527**	**307,614**	**-**	**-**

Employees of Omeo District Health are entitled to receive superannuation benefits and it contributes to both defined benefit an defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

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.

Note 4: Key Assets to support service delivery

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

Structure
4.1 Investments and other financial assets
4.2 Property, plant & equipment
4.3 Intangible assets
4.4 Depreciation and amortisation

Note 4.1: Investments and Other Financial Assets

	Operating Fund		Total	
	2020 $	2019 $	2020 $	2019 $
CURRENT				
Term deposits > 3 months	-	1,234,325	-	1,234,325
Equities and Managed Investment Schemes				
TOTAL CURRENT	**-**	**1,234,325**	**-**	**1,234,325**
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	**-**	**1,234,325**	**-**	**1,234,325**
Represented by:				
Health service investments	-	1,234,325	-	1,234,325
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	**-**	**1,234,325**	**-**	**1,234,325**

Investment Recognition

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

Omeo District Health classifies its other financial assets between current and non-current assets based on the Board's intention at balance date with respect to the timing of disposal of each asset. Omeo District Health assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Omeo District Health's investments must comply with Standing Direction 3.7.2 - Treasury Management, including Central Banking System.

All financial assets, except for those measured at fair value through the Comprehensive Operating Statement are subject to annual review for impairment.

Derecognition of Financial Assets

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

- The rights to receive cash flows from the asset have expired; or
- Omeo District Health retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- Omeo District Health has transferred its rights to receive cash flows from the asset and either:
- Has transferred substantially all the risks and rewards of the asset; or
- Has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of Financial Assets

At the end of each reporting period, Omeo District Health assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through the Comprehensive Operating Statement, are subject to annual review for impairment.

In order to determine an appropriate fair value as at 30 June 2020 for its portfolio of financial assets, Omeo District Health used the market value of investments held provided by the portfolio managers.

The above valuation process was used to quantify the level of impairment (if any) on the portfolio of financial assets as at year end.

Note 4.2: Property, plant and equipment

Initial Recognition

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment loss. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a merger/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.

The initial cost for non-financial physical assets under a lease (refer to Note 6.1) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

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.

Land and buildings are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and accumulated impairment loss.

Right-of-use asset acquired by lessees (Under AASB 16 – Leases from 1 July 2019) – Initial measurement

Omeo District Health recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

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

Subsequent measurement: Property, plant and equipment (PPE) as well as right-of-use assets under leases and service concession assets are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard 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) and is summarised on the following page by asset category.

Right-of-use asset – Subsequent measurement

Omeo District Health depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment, other than where the lease term is lower than the otherwise assigned useful life. The right-of-use assets are also subject to revaluation as required by FRD 103I [pending] however as at 30 June 2020 right-of-use assets have not been revalued.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

Revaluations of Non-Current Physical Assets

Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103H *Non-financial Physical Assets*. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

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

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment.

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

Revaluation surplus is not transferred to accumulated funds on de-recognition of the relevant asset, except where an asset is transferred via contributed capital.

In accordance with FRD 103H *Non-financial physical assets*, Omeo District Health's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

Note 4.2: Property, plant and equipment (Continued)

Fair value measurement

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 District 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 District Health determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is Omeo District 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.

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 District 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.

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 4.2: Property, plant and equipment (Continued)

Specialised Land and Specialised Buildings

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

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

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

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

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

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

Vehicles

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

Plant and Equipment

Plant and equipment (including medical equipment, computers and communication equipment and furniture and fittings) 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 2020.

For all assets measured at fair value, the current use is considered the highest and best use.

Note 4.2: Property, Plant and Equipment (Continued)

(a) Gross carrying amount and accumulated depreciation

	Total 2020 $	Total 2019 $
Land - 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	(494,536)	-
Sub-totals Buildings at Fair Value	**4,834,464**	**5,329,000**
Leasehold improvements at cost	23,918	23,918
Less accumulated depreciation	(23,918)	(23,918)
Sub-totals Leasehold Improvements at Cost	**-**	**-**
Building work in progress at cost	3,636	-
TOTAL BUILDINGS	**4,838,100**	**5,329,000**
Plant and equipment at fair value	1,282,437	1,290,429
Less accumulated depreciation	(798,424)	(814,399)
TOTAL PLANT AND EQUIPMENT	**484,013**	**476,030**
Motor vehicles at fair value	265,074	315,128
Less accumulated depreciation	(153,221)	(159,275)
TOTAL MOTOR VEHICLES	**111,853**	**155,853**
Medical equipment at fair value	-	-
Furniture and fittings at fair value	555,557	561,646
Less accumulated depreciation	(432,969)	(433,527)
TOTAL FURNITURE AND FITTINGS	**122,588**	**128,119**
Right of use- plant, equipment, furniture and fittings and vehicles	33,366	-
Less accumulated depreciation	(915)	-
TOTAL RIGHT OF USE - PLANT, EQUIPMENT, FURNITURE AND FITTINGS AND VEHICLES	**32,451**	**-**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**5,862,005**	**6,362,002**

Note 4.2: Property, Plant and Equipment (Continued)

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

Total	Note	Land	Buildings	Plant & equipment	Motor vehicles	Furniture & Fittings	Right of use - PPE, F&V	Assets under construction	Total
		$	$	$	$	$	$	$	$
Balance at 1 July 2018		**338,000**	**3,731,082**	**224,877**	**134,442**	**147,048**	**-**	**-**	**4,575,449**
Additions		-	-	332,351	63,761	6,708	-	-	402,820
Disposals		-	-	-	-	-	-	-	-
Revaluation increments/(decrements)		(65,000)	2,123,021	-	-	-	-	-	2,058,021
Depreciation (refer Note 4.3)	4.4	-	(525,103)	(81,198)	(42,350)	(25,637)	-	-	(674,288)
Balance at 30 June 2019	4.2 (a)	**273,000**	**5,329,000**	**476,030**	**155,853**	**128,119**	**-**	**-**	**6,362,002**
Recognition of right-of-use assets on initial application of AASB 16		-	-	-	-	-	-	-	-
Adjusted balance at 1 July 2019		**273,000**	**5,329,000**	**476,030**	**155,853**	**128,119**	**-**	**-**	**6,362,002**
Additions		-	-	104,824	-	11,930	33,366	3,636	153,756
Disposals		-	-	-	-	-	-	-	-
Depreciation (refer Note 4.3)	4.4	-	(494,536)	(96,841)	(44,000)	(17,461)	(915)	-	(653,753)
Balance at 30 June 2020	4.2 (a)	**273,000**	**4,834,464**	**484,013**	**111,853**	**122,588**	**32,451**	**3,636**	**5,862,005**

Land and Buildings and Leased Assets Carried at Valuation

The Valuer-General Victoria undertook to re-value all of Omeo District Healths 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.

In compliance with FRD 103H, in the year ended 30 June 2020, Omeo District Health's management conducted an annual assessment of the fair value of land and buildings and leased buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General Victoria indices for the financial year ended 30 June 2020.
The VGV indices, which are based on data to March 2020, indicate negative movement of (5)% across all land parcels and a 3% increase in buildings.

Management regards the VGV indices to be a reliable and relevant data set to form the basis of their estimates. Whilst these indices are applicable at 30 June 2020, the fair value of land and buildings will continue to be subjected to the impacts of Covid-19 in future accounting periods.

As the accumulative movement was less than 10% for land and buildings, no managerial revaluation was required.

Note 4.2: Property, Plant and Equipment (Continued)

(c) Fair value measurement hierarchy for assets

	Note	Total Carrying Amount	Fair value measurement at end of reporting period using: Level 1 [i]	Level 2 [i]	Level 3 [i]
Balance at 30 June 2020		**$**	**$**	**$**	**$**
- Non-specialised land		118,000	-	118,000	-
- Specialised land		155,000	-	-	155,000
Total Land at Fair Value	4.2 (a)	**273,000**	**-**	**118,000**	**155,000**
- Non-specialised buildings		275,179	-	275,179	-
- Specialised buildings		4,559,285	-	-	4,559,285
Total Building at Fair Value	4.2 (a)	**4,834,464**	**-**	**275,179**	**4,559,285**
Plant and equipment at fair value	4.2 (a)	484,013	-	-	484,013
Motor vehicles at fair value	4.2 (a)	111,853	-	111,853	-
Furniture and fittings at fair value	4.2 (a)	122,588	-	-	122,588
Right of use PPE, furniture & fittings and vehicles	4.2 (a)	32,451	-	32,451	-
Total Other Plant and Equipment at Fair Value		**750,905**	**-**	**144,304**	**606,601**
Total Property, Plant and Equipment		**5,858,369**	**-**	**537,483**	**5,320,886**

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

Note 4.2: Property, Plant and Equipment (Continued)

(c) Fair value measurement hierarchy for assets (Continued)

	Note	Total Carrying Amount	Fair value measurement at end of reporting period using: Level 1 [i]	Level 2 [i]	Level 3 [i]
Balance at 30 June 2019		**$**	**$**	**$**	**$**
- Non-specialised land		118,000	-	118,000	-
- Specialised land		155,000	-	-	155,000
Total Land at Fair Value	4.2 (a)	**273,000**	**-**	**118,000**	**155,000**
- Non-specialised buildings		290,000		290,000	
- Specialised buildings		5,039,000	-	-	5,039,000
Total Building at Fair Value	4.2 (a)	**5,329,000**	**-**	**290,000**	**5,039,000**
Plant and equipment at fair value	4.2 (a)	476,030	-	-	476,030
Motor vehicles at fair value	4.2 (a)	155,853	-	155,853	-
Furniture and fittings at fair value	4.2 (a)	128,119	-	-	128,119
Total other plant and equipment at fair value		**760,002**	**-**	**155,853**	**604,149**
Total Property, Plant and Equipment		**6,362,002**	**-**	**563,853**	**5,798,149**

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

ii 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 managerial revaluation in 2019.

Note 4.2: Property, Plant and Equipment (Continued)

(d) Reconciliation of Level 3 Fair Value [i]

Total	Note	Land $	Buildings $	Plant & Equipment $	Motor Vehicles $	Furniture & Fittings $
Balance at 1 July 2018	4.2 (b)	**190,000**	**3,166,777**	**224,877**	**-**	**147,048**
Additions/(Disposals)	4.2 (b)	-	-	332,351	-	6,708
- Depreciation and amortisation	4.3	-	(516,305)	(81,198)	-	(25,637)
Items recognised in other comprehensive income						
- Revaluation		(35,000)	2,388,528	-	-	-
Balance at 30 June 2019	4.2 (c)	**155,000**	**5,039,000**	**476,030**	**-**	**128,119**
Additions/(Disposals)	4.2 (b)	-	-	104,824	-	11,930
Gains/(Losses) recognised in net result						
- Depreciation and Amortisation	4.3	-	(479,715)	(96,841)	-	(17,461)
Balance at 30 June 2020	4.2 (c)	**155,000**	**4,559,285**	**484,013**	**-**	**122,588**

[i] Classified in accordance with the fair value hierarchy, refer Note 4.2(c).

Note 4.2: Property, Plant and Equipment (Continued)

(e): Property, Plant and Equipment (Fair value determination)

Asset class		Likely valuation approach	Significant inputs (Level 3 only)[(c)]
Non specialised land		Market approach	n.a.
Specialised land (Crown / Freehold)		Market approach	Community Service Obligations Adjustments [(a)]
Non specialised buildings		Market approach	n.a.
Specialised buildings		Depreciated replacement cost approach	- Cost per square metre - Useful life
Dwellings		Market approach	n.a.
		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

[a] A community Service Obligation (CSO) of 20% was applied to the health services specialised land Classified in accordance with the fair value hierarchy.

Note 4.2: Property, Plant and Equipment (Continued)

(f): Property, Plant and Equipment Revaluation Surplus

	Note	Total 2020 $	Total 2019 $
Property, Plant and Equipment Revaluation Surplus			
Balance at the beginning of the reporting period		5,107,349	3,049,328
Revaluation Increment			
- Land	4.2 (b)	-	(65,000)
- Buildings	4.2 (b)	-	2,123,021
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 4.3: Depreciation and Amortisation

	Total 2020 $	Total 2019 $
Depreciation		
Buildings	494,536	525,103
Plant and equipment	91,790	80,459
Motor vehicles	44,000	42,350
Furniture and fittings	17,461	25,637
GHA Assets	5,051	739
Leased assets (low value and short term)	915	-
Total Depreciation	**653,753**	**674,288**

Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases, assets held for sale, land and

Right-of use assets are depreciated over the shorter of the asset's useful life and the lease term. Where Omeo District Health obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset overs its useful life.

Note 4.4: useful life of non-current assets

	2020	2019
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	3 to 13 years	3 to 13 years
Motor vehicles	3 to 7 years	3 to 7 years

Note 5: Other assets and liabilities

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

Structure
5.1 Receivables and contract assets
5.2 Payables
5.3 Other liabilities

Note 5.1: Receivables and Contract Assets

	Notes	Total 2020 $	Total 2019 $
CURRENT			
Contractual			
Inter Hospital Debtors		5,519	-
Trade Debtors		260,989	208,186
Accrued Investment Income		54,000	-
Accrued Revenue		33,223	139,252
Amounts receivable from governments and agencies		9,509	-
Sub-Total Contractual Receivables		**363,240**	**347,438**
Statutory			
Accrued Revenue - Department of Health and Human Services		495	-
GST Receivable		22,386	12,188
Sub-Total Statutory Receivables		**22,881**	**12,188**
TOTAL CURRENT RECEIVABLES		**386,121**	**359,626**
NON-CURRENT			
Statutory			
Long service leave - Department of Health and Human Services		79,822	84,837
Sub-Total Statutory Receivables		**79,822**	**84,837**
TOTAL NON-CURRENT RECEIVABLES		**79,822**	**84,837**
TOTAL RECEIVABLES		**465,943**	**444,463**

Omeo District Health has not recognised any Allowance for credit losses of contractual receivables in 2020. ($nil in 2019).

Receivables recognition
Receivables consist of:
Contractual 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 subsequently measured at amortised cost using the effective interest method, less any impairment.

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.*

Note 5.2: Payables

	Notes	Total 2020 $	Total 2019 $
CURRENT			
Contractual			
Trade creditors		124,364	83,005
Accrued salaries and wages		83,279	63,127
Accrued expenses		149,304	52,179
		356,947	**198,311**
Statutory			
Department of Health and Human Services		26,129	31,135
Australian Taxation Office		79,448	65,925
		105,577	**97,060**
TOTAL CURRENT PAYABLES		**462,524**	**295,371**
TOTAL PAYABLES		**462,524**	**295,371**

Payables recognition

Payables consist of:

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

Statutory payables, that 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 Nett 60 days.

Maturity analysis of payables

Please refer to Note 7.1(b) for the ageing analysis of payables.

Note 5.3: Other liabilities

	Total 2020 $	Total 2019 $
CURRENT		
Monies held in trust*: Refundable accommodation deposits	1,296,463	1,167,670
Total Current	**1,296,463**	**1,167,670**
Total Other Liabilities	**1,296,463**	**1,167,670**

*** Total Monies Held in Trust Represented by the Following Assets:**		
Cash assets	1,296,463	-
Investment and other financial assets	-	1,167,670
TOTAL	**1,296,463**	**1,167,670**

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

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

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

Note 6: How we finance our operations

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

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

Structure
6.1 Borrowings
6.2 Cash and cash equivalents
6.3 Commitments for expenditure

Note 6.1: Borrowings

	Total 2020 $	Total 2019 $
CURRENT		
Lease liability [(i)]	9,236	-
Advances from government (ii)	12,930	12,930
Total Current Borrowings	**22,166**	**12,930**
NON CURRENT		
Lease liability [(i)]	33,652	-
Advances from government (ii)	12,867	25,222
Total Non Current Borrowings	**46,519**	**25,222**
Total Borrowings	**68,685**	**38,152**

(i) Secured by the assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(ii) These are unsecured loans which bear no interest.

(a) Maturity Analysis of Borrowings
Please refer to Note 7.1 for the ageing analysis of borrowings.

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

(c) Lease Liabilities
Repayments in relation to leases are payable as follows:

	Minimum future lease payments		Present value of minimum future lease payments	
	2020 $	2019 $	2020 $	2019 $
Not later than one year	10,384	-	10,384	-
Later than 1 year and not later than 5 years	35,541	-	32,504	-
Later than 5 years		-	-	-
Minimum lease payments	**45,925**	**-**	**42,888**	**-**
Less future finance charges	(3,037)	-		-
TOTAL	**42,888**	**-**	**42,888**	**-**
Included in the financial statements as:				
Current borrowings - lease liability	9,236	-	9,236	-
Non-current borrowings - lease liability	33,652	-	33,652	-
TOTAL	**42,888**	**-**	**42,888**	**-**

The weighted average interest rate implicit in the finance lease is 4.73% (2019: n/a).

Note 6.1: Borrowings (Continued)

Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment. 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.

Omeo District Health's leasing activities

Omeo District Health has entered into a lease related to motor vehicles and also leases associated with Gippsland Health Alliance. For any new contracts entered into on or after 1 July 2019, Omeo District Health considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition Omeo District Health assesses whether the contract meets three key evaluations which are whether:

· the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Omeo District Health and for which the supplier does not have substantive substitution rights;

· Omeo District Health has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and Omeo District Health has the right to direct the use of the identified asset throughout the period of use; and

· Omeo District Health has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

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.

Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

Lease Liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Omeo District Health's incremental borrowing rate.

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.

Lease Liability – 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.

Short-term leases and leases of low value assets

Omeo District Health has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

Below market/Peppercorn lease

Omeo District Health has no material below market/peppercorn leases.

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable Omeo District Health to further its objectives, are initially and subsequently measured at cost.

These right-of-use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets.

Presentation of right-of-use assets and lease liabilities

Omeo District 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. Lease liabilities are presented as 'borrowings' in the balance sheet.

Note 6.1: Borrowings (Continued)

Recognition and measurement of leases (under AASB 117 until 30 June 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

Omeo District Health determined whether an arrangement was or contained a lease based on the substance of the arrangement and required an assessment of whether fulfilment of the arrangement is dependent on the use of the specific asset; and the arrangement conveyed a right to use the asset.

Leases of property, plant and equipment where Omeo District Health as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the consolidated comprehensive operating statement.

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

Assets held under other leases were classified as operating leases and were not recognised in Omeo District Health's balance sheet. Operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

The impact of initialling applying AASB15 *Revenue from Contracts with Customers* and AASB 1058 *Income of not-for-profit entities* to Omeo District Health's grant revenue did not have an impact on Other Comprehensive Income and the Statement of Cash flows for the financial year.

Operating lease payments up until 30 June 2019 (including contingent rentals) are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.
From 1 July 2019, the following lease payments are recognised on a straight-line basis:

· Short-term leases – leases with a term less than 12 months; and

· Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than $10,000.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occur.

Entity as lessee

Leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. Minimum lease payments are apportioned between reduction of the outstanding lease liability, and the periodic finance expense which is calculated using the interest rate implicit in the lease, and charged directly to the Comprehensive Operating Statement. Contingent rentals associated with leases are recognised as an expense in the period in which they are incurred.

Borrowings

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 Omeo District Health has categorised its liability as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.

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'.

Note 6.2: Cash and Cash Equivalents

	Total 2020 $	Total 2019 $
Cash on hand (excluding monies held in trust)	205	205
Cash at Bank (excluding monies held in trust)	252,651	1,902,040
Cash at Bank - CBS (including monies held in trust)	3,396,088	-
TOTAL CASH AND CASH EQUIVALENTS	**3,648,944**	**1,902,245**

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

Commitments

Future lease payments are recognised on the balance sheet, refer to Note 6.1 Borrowings.

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the Balance Sheet.

There are no known capital commitments as at the date of this report, at 30 June 2020 (30 June 2019: $Nil)

Note 7: Risks, contingencies and valuation uncertainties

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

Structure

7.1 Financial Instruments
7.2 Contingent Assets and Contingent Liabilities

Note 7.1 (a): Financial Instruments

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

(a) Categorisation of financial instruments

Total 2020	Note	Financial Assets at Amortised Cost $	Financial Liabilities at Amortised Cost $	Total $
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	3,648,944	-	3,648,944
Receivables - Trade Debtors	5.1	260,989	-	260,989
Other Receivables	5.1	102,251	-	102,251
Total Financial Assets [i]		**4,012,184**	**-**	**4,012,184**
Financial Liabilities				
Payables	5.2	-	356,947	356,947
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]		**-**	**1,722,095**	**1,722,095**

Note 7.1 (a): Financial Instruments

(a) Categorisation of financial instruments

Total 2019	Note	Financial Assets at Amortised Cost $	Financial Liabilities at Amortised Cost $	Total $
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	1,902,245	-	1,902,245
Receivables - Trade Debtors	5.1	208,186	-	208,186
Other Receivables	5.1	139,252	-	139,252
Investments and Other Financial Assets - Term Deposits	4.1	1,234,325	-	1,234,325
Total Financial Assets [i]		**3,484,008**	**-**	**3,484,008**
Financial Liabilities				
Payables	5.2	-	198,311	198,311
Borrowings	6.1	-	38,152	38,152
Other Financial Liabilities - Refundable Accommodation Deposits	5.3		1,167,670	1,167,670
Total Financial Liabilities [i]		**-**	**1,404,133**	**1,404,133**

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

Categories of Financial Assets under AASB 9 *Financial Instruments*

Financial assets at amortised cost

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

- the assets are held by Omeo District Health to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

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

Omeo District Health recognises the following assets in this category:

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

Note 7.1 (a): Financial Instruments (Continued)

Categories of Financial Assets under AASB 9 *Financial Instruments*

Financial assets at fair value through other comprehensive income

Debt investments are measured at fair value through other comprehensive income if both of the following criteria are met and the assets are not designated as

- the assets are held by Omeo District Health to achieve its objective both by collecting the contractual cash flows and by selling the financial assets, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

Equity investments are measured at fair value through other comprehensive income if the assets are not held for trading and Omeo District Health has irrevocably elected at initial recognition to recognise in this category.

These assets are initially recognised at fair value with subsequent change in fair value in other comprehensive income.

Upon disposal of these debt instruments, any related balance in the fair value reserve is reclassified to profit or loss. However, upon disposal of these equity instruments, any related balance in fair value reserve is reclassified to retained earnings.

Financial assets at fair value through net result

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income as explained above.

However, as an exception to those rules above, Omeo District Health may, at initial recognition, irrevocably designate financial assets as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Categories of financial liabilities

Financial assets and liabilities at fair value through net result are categorised as such at trade date, or if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through net result on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through net result are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows unless the changes in fair value relate to changes in Omeo District Health's own credit risk. In this case, the portion of the change attributable to changes in Omeo District Health's own credit risk is recognised in other comprehensive income with no subsequent recycling to net result when the financial liability is derecognised.

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. Omeo District Health recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including lease liabilities).

Derivative financial instruments are classified as held for trading financial assets and liabilities. They are initially recognised at fair value on the date on which a derivative contract is entered into. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives after initial recognition are recognised in the consolidated comprehensive operating statement as an 'other economic flow' included in the net result.

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

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

Note 7.1 (a): Financial Instruments (Continued)

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

the rights to receive cash flows from the asset have expired; or

Omeo District Health retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or

Omeo District Health has transferred its rights to receive cash flows from the asset and either:

- has transferred substantially all the risks and rewards of the asset; or
- has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

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

Reclassification of financial instruments: Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when Omeo District Health's business model for managing its financial assets has changes such that its previous model would no longer apply.

Note 7.1 (b): Payables and Borrowings Maturity Analysis

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

Maturity analysis of Financial Liabilities as at 30 June

				Maturity Dates				
	Note	Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 years
2020		$	$	$	$	$	$	$
Financial Liabilities at amortised cost								
Payables	**5.2**	356,947	356,947	356,947	-	-	-	-
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		**1,722,095**	**1,722,095**	**357,387**	**1,326**	**1,316,863**	**46,519**	**-**
2019								
Financial Liabilities at amortised cost								
Payables	**5.2**	198,311	198,311	198,311	-	-	-	-
Borrowings	**6.1**	38,152	38,152	-	-	12,930	25,222	-
Other Financial Liabilities - Refundable Accommodation Deposits	**5.3**	1,167,670	1,167,670	-	-	1,167,670	-	-
Total Financial Liabilities		**1,404,133**	**1,404,133**	**198,311**	**-**	**1,180,600**	**25,222**	**-**

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

Note 7.1 (c): Contractual receivables at amortised cost

1-Jul-19	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	347,438	340,497	4,315	133	2,493	0	**347,438**
Loss allowance			-	-	-	-	-	-

30-Jun-20			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	363,240	349,990	5,420	1,749	6,081	0	**363,240**
Loss allowance			-	-	-	-	-	-

Impairment of financial assets under AASB 9 *Financial Instruments*

Omeo District Health records the allowance for expected credit loss for the relevant financial instruments, in accordance with AASB 9 *Financial Instruments* 'Expected Credit Loss' approach. Subject to AASB 9 *Financial Instruments*, impairment assessment includes Omeo District Health's contractual receivables, statutory receivables and its investment in debt instruments.

Equity instruments are not subject to impairment under AASB 9 *Financial Instruments*. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9 *Financial Instruments*. While cash and cash equivalents are also subject to the impairment requirements of AASB 9 *Financial Instruments*, any identified impairment loss would be immaterial.

Contractual receivables at amortised cost

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

On this basis, Omeo District Health determines the opening loss allowance and the closing loss allowance at end of the financial year as disclosed above.

Note 7.1 (c): Contractual receivables at amortised cost (Continued)

Reconciliation of the movement in the loss allowance for contractual receivables

	Note	*2020*	*2019*
Balance at beginning of the year		**-**	**-**
Opening retained earnings adjustment on adoption of AASB 9		-	-
Opening Loss Allowance	5.1	**-**	**-**
Modification of contractual cash flows on financial assets		-	-
Increase in provision recognised in the net result	3.1	-	-
Reversal of provision of receivables written off during the year as uncollectible		-	-
Reversal of unused provision recognised in the net result		-	-
Balance at end of the year	5.1	**-**	**-**

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.

Statutory receivables and debt investments at amortised cost

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

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

Note 7.2: Contingent assets and contingent liabilities

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

There are no known contingent assets or contingent liabilities for Omeo District Health at the date of this report (30 June 2019:nil).

Note 8: Other disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

Note 8.1: Reconciliation of Net Result for the Year to Net Cash Flow from Operating Activities

	Note		Total 2020 $	Total 2019 $
Net Result for the Year		**OS**	(289,847)	(599,166)
Non-Cash Movements:				
Depreciation and amortisation		4.3	653,753	674,288
Movements included in Investing and Financing Activities:				
Net (Gain)/Loss from Disposal of Non-Financial Physical Assets			(14,200)	-
Movements in Assets and Liabilities:				
Change in Operating Assets and Liabilities				
(Increase)/Decrease in Receivables		5.1	(21,480)	103,212
(Increase)/Decrease in Prepayments			(51,842)	(11,912)
Increase/(Decrease) in Payables		5.2	167,153	(1,977)
Increase/(Decrease) in Provisions			-	135,790
Increase/(Decrease) in Other Liabilities			-	(9,195)
Increase/(Decrease) in employee benefits			49,067	-
NET CASH INFLOW FROM OPERATING ACTIVITIES			**492,604**	**291,040**

Note 8.2: Responsible Persons

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

	Period
Responsible Ministers:	
The Honourable Jenny Mikakos, Minister for Health and Minister for Ambulance Services	01/07/2019 - 30/06/2020
The Honourable Martin Foley, Minister for Mental Health	01/07/2019 - 30/06/2020
The Honourable Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers	01/07/2019 - 30/06/2020
Governing Boards	
Mr. S. Lawlor	01/07/2019 - 30/06/2020
Mrs. K. Commins	01/07/2019 - 30/06/2020
Ms N O'Connell	01/07/2019 - 30/06/2020
Mr. A. McKenzie	01/07/2019 - 30/06/2020
Mrs. M. Ferguson	01/07/2019 - 30/06/2020
Mrs. P. Barry	01/07/2019 - 30/06/2020
Mrs T Tierney	01/07/2019 - 30/06/2020
Mr J Rettino	01/07/2019 - 30/06/2020
Accountable Officers	
Mr Ward Steet (Chief Executive Officer)	01/07/2019 - 15/03/2020
Ms Leanne Stedman (Acting Chief Executive Officer)	16/03/2020 - 30/06/2020

Remuneration of Responsible Persons

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

Income Band	Total 2020 No.	Total 2019 No.
$0 - $10,000	8	9
$40,000 - $49,999	1	-
$120,000 - $129,999	1	-
$130,000 - $139,999	-	1
Total Numbers	**10**	**10**

	2020 $	2019 $
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$162,131**	**$145,948**

Amounts relating to the Governing Board Members and Accountable Officer are disclosed in Omeo District Healths' financial statements.

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

Note 8.3: Remuneration of Executives

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Remuneration of Executive Officers (including Key Management Personnel Disclosed in Note 8.4)	**Total Remuneration**	
	2020 $	**2019 $**
Short-term Benefits	143,998	128,908
Post-employment Benefits	14,367	12,135
Other Long-term Benefits	3,038	3,037
Total Remuneration [i]	161,403	**144,080**
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 Healths 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.

Total remuneration payable to executives during the year included additional executive officers and a number of executives who received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered, and is disclosed in the following categories:

Short-term Employee Benefits
Salaries and wages, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment Benefits
Pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

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

Termination Benefits
Termination of employment payments, such as severance packages.

Note 8.4: Related Parties

Omeo District Healths is a wholly owned and controlled entity of the State of Victoria. Related parties of Omeo District Health include:

- All key management personnel (KMP) and their close family members;
- Cabinet ministers (where applicable) and their close family members;
- Jointly Controlled Operation - A member of a regional Information Technology Joint Venture; and
- All hospitals and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

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

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

Entity	**KMPs**	**Position Title**
Omeo District Health	Mr. S. Lawlor	Board Chair
Omeo District Health	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 District Health	Mrs. P. Barry	Board Member
Omeo District Health	Mr. J Rettino	Board Member
Omeo District Health	Mr. Ward Steet	CEO (resigned)
Omeo District Health	Ms. Leanne Stedman	Acting CEO

The compensation detailed below excludes the salaries and benefits the Portfolio Ministers receive. The Ministers' 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 2020 $	**Total 2019 $**
Compensation - KMPs		
Short-term Employee Benefits [i]	144,726	130,776
Post-employment Benefits	14,367	12,135
Other Long-term Benefits	3,038	3,037
Total [ii]	**162,131**	**145,948**

[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 8.4: Related Parties (Continued)

Significant Transactions with Government Related Entities

Omeo District Health received funding from the Department of Health and Human Services of $2,966,243 (2019: $2,536,574).

During the year, Omeo District Health had the following other government-related entity transactions:
- Commonwealth Government funding received for health related programs totalling $1,427,458 (2019 $1,420,382).
- Latrobe Regional Hospital funding received for HACC related programs totalling $170,520 (2018 $135,699).

Expenses incurred by Omeo District Health in delivering services and outputs are in accordance with Health Purchasing Victoria requirements. Goods and services including procurement, diagnostics, patient meals and multi-site operational support are provided by other Victorian Health Service Providers on commercial terms.

Professional medical indemnity insurance and other insurance products are obtained from the Victorian Managed Insurance Authority.

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

Transactions with KMPs and Other Related Parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with Omeo District Health, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2020.

There were no related party transactions required to be disclosed for Omeo District Health Board of Directors, Chief Executive Officer and Executive Directors in 2020.

Note 8.5: Remuneration of Auditors

	Total 2020	Total 2019
Victorian Auditor-General's Office		
Audit of the Financial Statements	16,300	15,850
TOTAL RENUMERATION OF AUDITORS	**16,300**	**15,850**

Note 8.6: Events Occurring after the Balance Sheet Date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between Omeo District Healths and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period.

Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

The Covid-19 pandemic has created 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 it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Omeo District Health, its operations, its future results and financial position. The state of emergency in Victoria was extended on 8 November 2020 until 6 December 2020.

There are no events occurring after the Balance Sheet Date.

Note 8.7: Jointly Controlled Operations

Name of Entity	Principal Activity	Ownership Interest 2020 %	Ownership Interest 2019 %
Gippsland Health Alliance	Information Technology	2.35	2.43

Omeo District Healths interest in the above jointly controlled operations are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2020 $	2019 $
CURRENT ASSETS		
Cash and Cash Equivalents	143,689	158,352
Receivables	99,727	80,010
TOTAL CURRENT ASSETS	**243,416**	**238,362**
NON-CURRENT ASSETS		
Property, Plant and Equipment	19,580	1,901
TOTAL NON-CURRENT ASSETS	**19,580**	**1,901**
TOTAL ASSETS	**262,996**	**240,263**
CURRENT LIABILITIES		
Payables	18,431	21,761
Right of Use Lease Liability - Current	3,894	-
TOTAL CURRENT LIABILITIES	**22,325**	**21,761**
NON-CURRENT LIABILITIES		
Right of Use Lease Liability - Non Current	6,502	-
TOTAL NON-CURRENT LIABILITIES	**6,502**	**-**
TOTAL LIABILITIES	**28,827**	**21,761**
NET ASSETS	**234,169**	**218,502**
EQUITY		
Accumulated Surpluses/(Deficits)	234,169	218,502
TOTAL EQUITY	**234,169**	**218,502**

Omeo District Healths interest in revenues and expenses resulting from jointly controlled operations are detailed below:

	2020 $	2019 $
REVENUE		
Revenue from Operating Activities	406,688	288,089
TOTAL REVENUE	**406,688**	**288,089**
EXPENSES		
Other Expenses from Continuing Operations	385,970	323,077
Depreciation	5,051	739
TOTAL EXPENSES	**391,021**	**323,816**
NET RESULT	**15,667**	**(35,727)**

* Figures obtained from the unaudited Gippsland Health Alliance Joint Venture annual report.

Contingent Liabilities and Capital Commitments

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

Note 8.8: Economic Dependency

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

Note 8.9: Changes in accounting policy, revision of estimates and corrections of prior period errors

Changes in accounting policy

Leases
This note explains the impact of the adoption of AASB 16 Leases on Omeo District Health's financial statements.
Omeo District Health has applied AASB 16 with a date of initial application of 1 July 2019.

Previously, Omeo District Health determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 – 'Determining whether an arrangement contains a Lease'. Under AASB 16, Omeo District Health assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 6.1.

There was no impact from changes in accounting policy relating to leases.

Leases classified as operating leases under AASB 117
As a lessee, Omeo District Health previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to Omeo District Health. Under AASB 16, Omeo District Health recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low value leases.

Leases as a Lessor
Omeo District Health is not required to make any adjustments on transition to AASB 16 for leases in which it acts as a lessor. Omeo District Health accounted for its leases in accordance with AASB 16 from the date of initial application.

Impacts on financial statements
There was no impact from changes in accounting policy relating to leases.

Revenue from Contracts with Customers
In accordance with FRD 121 requirements, the Omeo District Health has applied the transitional provision of AASB 15, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, Omeo District Health applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application. Omeo District Health has not applied the fair value measurement requirements for right-of-use assets arising from leases with significantly below-market terms and conditions principally to enable the entity to further its objectives as allowed under temporary option under AASB 16 and as mandated by FRD 122.

Comparative information has not been restated.
Note 2.1.1 – Sales of goods and services includes details about the transitional application of AASB 15 and how the standard has been applied to revenue transactions.

Income of Not-for-Profit Entities
In accordance with FRD 122 requirements, Omeo District Health has applied the transitional provision of AASB 1058, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, Omeo District Health applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application.

Comparative information has not been restated.

Note 2.1.2 – Grants includes details about the transitional application of AASB 1058 and how the standard has been applied to revenue transactions.

The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

Note 8.10: AASBs Issued that are not yet Effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2020 reporting period. Department of Treasury and Finance assesses the impact of all these new standards and advises Omeo District Health of their applicability and early adoption where applicable.

As at 30 June 2020, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Omeo District Health has not and does not intend to adopt these standards early.

Standard/Interpretation	*Summary*	*Applicable for annual reporting periods beginning on*	*Impact on public sector entity financial statements*
AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*	This Standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 January 2020	The standard is not expected to have a significant impact on the public sector.
AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 January 2022. However, ED 301 has been issued with the intention to defer application to 1 January 2023.	The standard is not expected to have a significant impact on the public sector.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2019-20 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business.*
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework.*
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform.*
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.*
- AASB 2019-4 *Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements.*
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.*
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).*