ANNUAL REPORT

2023
2024

Omeo District Health

Table of Contents

ACKNOWLEGMENT OF TRADITIONAL

Omeo District Health acknowledges the traditional owners of the land on which the health service is located. We recognise and respect their cultural heritage, beliefs and relationships with the lands. We pay our respects to elders past and present and thank them for their contribution to our health service.

Disclosure index

The annual report of the Omeo District Health (ODH) is prepared in accordance with all relevant Victorian legislation. This index has been prepared in compliance with statutory disclosure requirements.

Legislation	Requirement	Page Reference
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	5
FRD 22	Purpose, functions, powers, and duties	5
FRD 22	Nature and range of services provided	6
FRD 22	Activities, programs, and achievements for the reporting period	10
FRD 22	Significant changes in key initiatives and expectations for the future	10
Management and structure		
FRD 22	Organisational structure	9
FRD 22	Workforce data/employment and conduct principles	12
FRD 22	Occupational Health and Safety	12
Financial information		
FRD 22	Summary of the financial results for the year	20
FRD 22	Significant changes in financial position during the year	20
FRD 22	Operational and budgetary objectives and performance against objectives	20
FRD 22	Subsequent events	20
FRD 22	Details of consultancies under $10,000	21
FRD 22	Details of consultancies over $10,000	21
FRD 22 FRD 22 FRD 22	Disclosure of ICT expenditure Asset Management Accountability Framework Disclosure of review and study expenses	21 14 13
Legislation		
FRD 22	Application and operation of *Freedom of Information Act 1982*	17
FRD 22	Compliance with building and maintenance provisions of *Building Act 1993*	17
FRD 22	Application and operation of *Public Interest Disclosure Act 2012*	16
FRD 22	Statement on National Competition Policy	16
FRD 22	Application and operation of *Carers Recognition Act 2012*	16
FRD 22	Additional information available on request	15
FRD 24	Environmental data reporting	18
FRD 25	*Local Jobs First Act 2003* disclosures	16
SD 5.1.4	Financial Management Compliance attestation	10
SD 5.2.3	Declaration in Report of Operations	10
Attestations		
Attestation on Data Integrity Attestation on managing Conflicts of Interest Attestation on Integrity, Fraud and Corruption Compliance with HealthShare Victoria (HSV) Purchasing Policies		4 4 4 4
Other reporting requirements		
Reporting of outcomes from Statement of Priorities 2023-24 Occupational Violence reporting *Gender Equality Act 2020* Social Procurement Framework reporting Reporting obligations under the *Safe Patient Care Act 2015*		22 13 16 19 16

Attestation

Omeo District Health Financial Management Compliance Attestation Statement

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

Mary Manescu
Chief Executive Officer
Omeo District Health
07/10/2024

Data Integrity Declaration

I, Mary Manescu, 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.

Mary Manescu
Chief Executive Officer
Omeo District Health
07/10/2024

Integrity, Fraud and Corruption Declaration

I, Mary Manescu, 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.

Mary Manescu
Chief Executive Officer
Omeo District Health
07/10/2024

Conflict of Interest Declaration

I, Mary Manescu, certify that Omeo District Health has put in place appropriate internal controls and processes to ensure that it 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.

Mary Manescu
Chief Executive Officer
Omeo District Health
07/10/2024

Compliance with Health Share Victoria (HSV) Purchasing Policies

I, Mary Manescu, certify that Omeo District Health has put in place appropriate internal controls and processes to ensure that it has materially complied with all requirements set out in the HSV Purchasing Policies including mandatory HSV collective agreements as required by the *Health Services Act 1988* (Vic) and has critically reviewed these controls and processes during the year.

Mary Manescu
Chief Executive Officer
Omeo District Health
07/10/2024

Manner of establishment and the relevant Ministers

We are a public health service established under the *Health Services Act 1988* (Vic).
The responsible Ministers are:

Minister for Health:
The Hon Mary-Anne Thomas — From 1 July 2023 to 30 June 2024

Minister for Ambulance Services
The Hon Gabrielle Williams — From 1 July 2023 to 2 October 2023
The Hon Mary-Anne Thomas — From 2 October 2023 to 30 June 2024

The purpose, functions powers and duties

Omeo District Health operates under a guiding Strategic Plan 2018 - 24 which outlines a clear Vision and Mission Statement and a set of Strategic Pillars and Key Objectives.

The Vision of Omeo District Health is
We care about creating a healthy community.

The Mission of Omeo District Health is
To promote and enhance the health and wellbeing of the people of the East Gippsland High Country.

The nature and range of services

Acute Care
4 acute beds
Urgent Care Centre (24/7)

Residential Aged Care
10 high level care beds
4 low level care beds
Respite care
Palliative care

Onsite General Practitioner (GP) (during business hours)
Onsite physiotherapist
Onsite Allied Health Assistant
Onsite occupational therapist
Visiting Speech pathologist
Visiting Dietitian
Visiting Podiatrist

Lifestyle program
Hairdresser

Landscaped gardens
Individual rooms with ensuites
Spacious and welcoming common areas
Fresh, nutritious dining experiences
Gentle exercise program for residents
Aged care family liaison officer

Subacute Care
Transitional care program (on site)
Rehabilitation

Home Based Services
Home respite
Personal Care
Personal support
Domestic Assistance
Home Maintenance
Meals on Wheels
Social Support Group
Community Transport
Allied health
Regional Assessment Service
Assistive technology
Clinical Care

District Nursing Services
Home visiting
Post – acute / post discharge support
Transitional care program (community)

Medical Services
Primary care consultation and referral
Chronic Disease Management
Women's Health
Skin checks and lesions removal
Other infusions and other minor procedures
Visiting specialist - paediatric

Ancillary Services
Radiology
Pathology
Other diagnostic tests

Visiting Services
Palliative Care
Diabetes education
Optometry
Bone densitometry
Breast screening

Dental Services
Royal Flying Doctor Service

Allied Health
Physiotherapy
Occupational Therapy
Podiatry
Speech Pathology
Dietitian
Youth Program
Allied Health Assistant
Equipment Loan program

Referral services to:
- Counselling/social work
- Mental health
- Health promotion

Supporting Portfolios
Administration
Catering and Domestic
Maintenance and Gardens
Occupational Health and Safety
Training and Development
Quality Safety and Risk
Infection Control

Facilities
Community Gym
High Country Men's Shed

Governing body

Through robust governance and a clear strategic direction, the Board of Directors (the Board) ensures the provision of high-quality care for consumers and a safe working environment for staff. The Board guides the entity in accordance with government policy. This involves providing strategic leadership, monitoring performance and ensuring accountability and compliance.

Board of Directors

Mr Simon Lawlor, Chair
Ms Leecia Angus, Vice Chair (1 July 2023 - 31 December 2023)
Ms Melita Ryan, Vice Chair (1 January 2024 - 30 June 2024)
Mr Harry Thomas, Treasurer
Ms Ann Ferguson
Ms Penny Barry
Ms Marianne Shearer
Dr Jeremy Sternson
Mr Ryan Brown

Board Sub Committees

Community Advisory

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.

Ms Penny Barry, Chair
Ms Marianne Shearer
Mr Harry Thomas

Finance, Risk and Audit

The Finance, Risk and Audit committee monitors the effectiveness of ODH's financial reporting, controls and procedures to ensure compliance with budgetary processes and the Financial Framework requirements. It also provides oversight of the Internal and External Audit program and Risk Management Framework.

Mr Harry Thomas, Chair
Ms Ann Ferguson
Ms Leecia Angus
Ms Melita Ryan

Clinical Governance

This Committee is responsible for oversight of the Clinical Governance Framework and the Quality Improvement Program.
An annual calendar informs the agenda and ensures timely completion and evaluation of quality improvement activities.

Ms Marianne Shearer, Chair
Dr Jeremy Sternson
Mr Harry Thomas
Ms Penny Barry

Governing body continued

Credentialing and Privileging

In collaboration with Bairnsdale Regional Health Service and Orbost Regional Health, this committee is responsible for the review of all medical practitioners' credentials, ensuring they are appropriately qualified and experienced to undertake their role within their scope of practice.

Ms Marianne Shearer
Dr Jeremy Sternson

Building, Land and Asset

This committee ensures that the Board has a strategic, sustainable long-term approach to the management and use of existing buildings, land and other assets owned or leased by ODH. Assets include Furniture, Fittings and Equipment (FFE) as well as Information Communication and Technology (ICT) software and infrastructure.

Ms Natalie O'Connell, Independent Chair
Mr Simon Lawlor
Ms Ann Ferguson
Ms Penny Barry
Ms Marianne Shearer
Mr Harry Thomas
Dr Jeremy Sternson

Nomination and Remuneration

This committee supports the Board to ensure appropriate diversity and skills mix is considered in Board Director succession planning and ongoing development. It also provides recommendation to the Board on the recruitment, succession planning and performance review of the Chief Executive Officer.

Ms Melita Ryan, Chair
Ms Ann Ferguson
Mr Simon Lawlor
Ms Leecia Angus

Corporate governance

Executive Management

Chief Executive Officer

Ms Mary Manescu

Works in partnership with the Board to implement the Vision, Mission and strategic direction of the health service. The role provides overall leadership for the organisation, ensures effective resource allocation, implements internal systems and controls that ensures legislative compliance and safe, quality care in line with community needs and Statement of Priorities expectations. The position also performs the Chief Procurement Officer function for ODH.

Director of Nursing

Mr Darren Fitzpatrick (1 July 2023 - 9 August 2023)

Director Clinical Operations

Ms Brenda Birch (1 September 2023 - 15 December 2023)
Ms Prudence Hart (4 December 2023 - 30 June 2024)

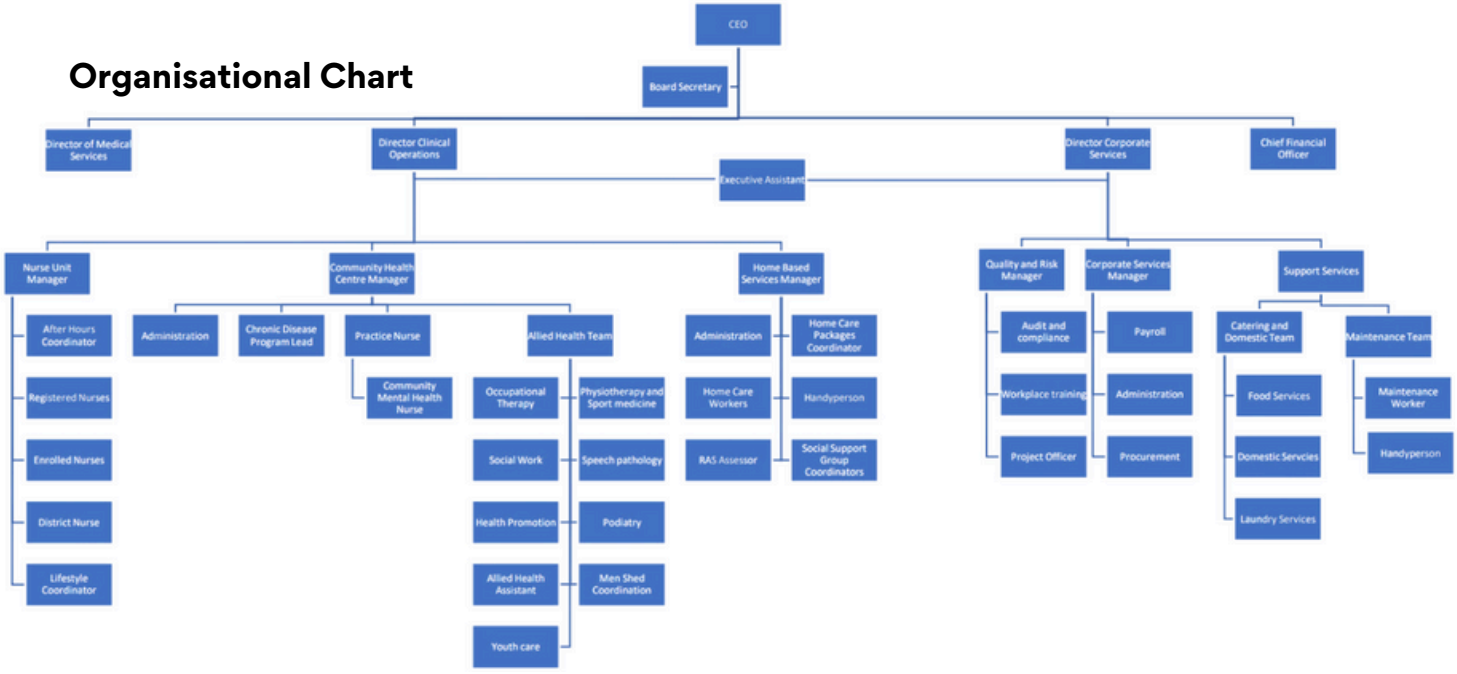
Leads the provision of optimal care through effective clinical leadership and management of staff, and the development of cooperative professional relationships across the organisation, regional health sector and the broader community.

Director Corporate Services

Mr Michael Rowell

Leads the corporate services operations for ODH including financial and business performance, legislative compliance, as well as quality, safety and risk functions.

Organisational Chart



Chief Executive Officer and Chair report – a year in review

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 2024.

Simon Lawlor
Board Chair
Omeo, Victoria
07/10/2024

Despite significant financial and resourcing pressures, we were able to continue to provide access to a range of high-quality and much needed services within the scope of our Small Rural Health Service profile. These services are most valued by our rural community, ensuring continued access locally or as close to home as possible.

At the forefront of our service is our medical model. Through the commitment and support of the principal general practitioner, Dr Charles Luiz, our health service progresses to a stable model of care with increased capacity and continuity of care which addresses the needs of our people in the district. With funding support from the Gippsland Primary Health Network, we implemented a chronic disease model that provides targeted support for our older community, many with a range of complex care needs. This includes implementation of comprehensive assessments and multidisciplinary care plans, health promotion and targeted health literacy to optimise self-care and early intervention.

Leveraging relationships with key partners from across the region, we continued to develop mutually beneficial arrangements that see resources being shared and service continuity across some allied health areas maintained. This is evident in our relationship with Gippsland Health Complete Care and Orbost Regional Health for physiotherapy and sport physiology services. We also successfully trialled an Occupational Therapy Virtual Care Model, which saw staff link over video conference with specialist interstate practitioners to support consultations. Importantly, this innovative model enabled us to maintain an Occupational Therapy service during an extensive period of staff leave. We hope to continue to use this model again, if required.

The coordination of visiting specialists has ensured we continue to provide the community with access to a range of specialities including dental, paediatric, ophthalmology, bone densitometry, breast screen, podiatry and more recently diabetic education. Our regular clinics for these specialities are well attended and are aligned with our strategic priority of providing care closer to home, saving our community from the need to travel for these essential services.

Our nurse led urgent care model continues to provide much needed access to urgent and emergency care. Where medical support is required, virtual access continues to be facilitated primarily via the Victorian Virtual Emergency Department (VVED), which enables our nurses to connect with emergency physicians and experts based in other parts of the state. Where necessary, we also have access to retrieval services such as the Royal Flying Doctor Service, patient transport services and Ambulance Victoria.

This financial year, we welcomed a generous donation that supported us to secure a new electrocardiogram (ECG) machine, while even more of our nursing staff completed training to support the safe provision of imaging and other diagnostic interventions. We also engaged with Bairnsdale Regional Health to provide Advance Life Support training to relevant staff, while Basic Life Support training was delivered through our local Ambulance Victoria team.

Chief Executive Officer and Chair report – a year in review continued

Working closely with colleagues from across the system in particular social workers and care coordinators, we addressed a gap in our residential aged care occupancy to ensure this service remains sustainable. Through the appointment of qualified chefs in the catering department, we strengthened our capacity of menu offerings and are looking to continuously evolve our menu for the benefit of our aged care residents and home-based clients. The residents were heavily involved in the menu redesign through taste tests and menu items consultation, resulting in old favourites featuring on the menu along with a greater number of options. We also introduced a wider range of social activities that our residents and their families value.

The implementation of the BestMed electronic system for the residential aged care area helped transition our practice from a largely paper-based arrangement to a modern, digital prescribing system. This has made it more efficient, safe and timely to prescribe and administer medications to residents. We also implemented a new computer system for our Community Health Centre that integrates with BestMed and helps us achieve a stronger compliance rating with privacy and confidentiality requirements.

Responding to the global shortage of clinical staff, we trialled a number of workforce improvement strategies, including the trial of a healthcare worker model for our residential aged care area. This was positively received and now forms part of our arrangements, complementing routine care arrangements. The international recruitment strategy also helped us strengthen our clinical and non- clinical teams' capacity. An increasing effort was also placed on sourcing access to appropriate accommodation for staff and, where possible, we assisted other agencies that were also impacted by the lack of rental properties in the area.

Where possible we upgraded some of the existing facilities to better support consumers and the broader community. Through a generous donation from the East Gippsland Shire Council, we renovated the Omeo Community Gym and installed a range of new equipment. A generous donation from Aeris Resources enabled renovation of the Quiet Lounge, which offers a comfortable place for families to stay with their loved ones during episodes of care, including end-of-life.

We renovated the former family day care area (also known as the Pink Palace), transforming it into a multi-purpose space that hosts a range of activities from formal meetings to community events such as the launch of our new Strategic Plan. Members of our Omeo gentle exercise class also enjoy using the facility for cuppa and refreshments. Given its location and proximity to the Urgent Care Centre, we are also exploring possible use of this space during emergency situations to further support our community.

We are very proud of our achievements, particularly given our small size and rurality. None of which could have been delivered without the commitment, dedication and support of our staff, our partners and the broader community. Thank you and we look forward to continuing to work together to deliver on our commitments and values, which have been recently redefined though the launch of our new Strategic Plan 2024-27.

Workforce data

Equal Employment Opportunity (EEO)
Omeo District Health is subject to the requirements of the *Quality Opportunity Act 1995* and applies appropriate merit and equity principles in its management of staff and takes responsibility for fair, non-discriminatory behaviour.

Hospitals labour category	JUNE Current Month FTE*		Average Monthly FTE**	
	2023	2024	2023	2024
Nursing	15.88	**11.52**	16.42	**12.87**
Administration and Clerical	7.05	**9.19**	7.18	**8.76**
Medical Support	2.53	**1.45**	1.37	**2.29**
Hotel and Allied Services	7.86	**9.20**	8.30	**9.70**
Medical Officer	1.00	**1.00**	1.00	**1.00**
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)	13.08	**12.53**	11.42	**10.64**

Occupational health and safety

Occupational Health and Safety (OHS) is monitored and reported through the Quality, Safety and Risk Committee meetings, with minutes of meeting and reports presented to the Clinical Governance subcommittee of the Board bi-monthly. Incidents, feedback and risks are reviewed, and actions taken as relevant sustain improvement. This process is assisted by the electronic 'Riskman' incident reporting program.

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

Occupational Health and Safety Statistics	2021 - 22	2022 - 23	2023 - 24
The number of reported hazards/incidents for the year per 100 FTE	517.19	33.56	**44.23**
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	5.17	2.23	**1.43**
The average cost per WorkCover claim for the year ('000)	$15,343	$48,661	**$40,529**

Occupational violence

Definitions of occupational violence:

- **Occupational violence –** any incident where an employee is abused, threatened, or assaulted in circumstances arising out of, or in the course of their employment.
- **Incident –** an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- **Accepted Workcover claims –** accepted Workcover claims that were lodged in 2023-24 financial year.
- **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.

	2023 - 24
Workcover accepted claims with an occupational violence cause per 100 FTE	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	2
Number of occupational violence incidents reported per 100 FTE	2.92
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

Disclosure of review and study expenses

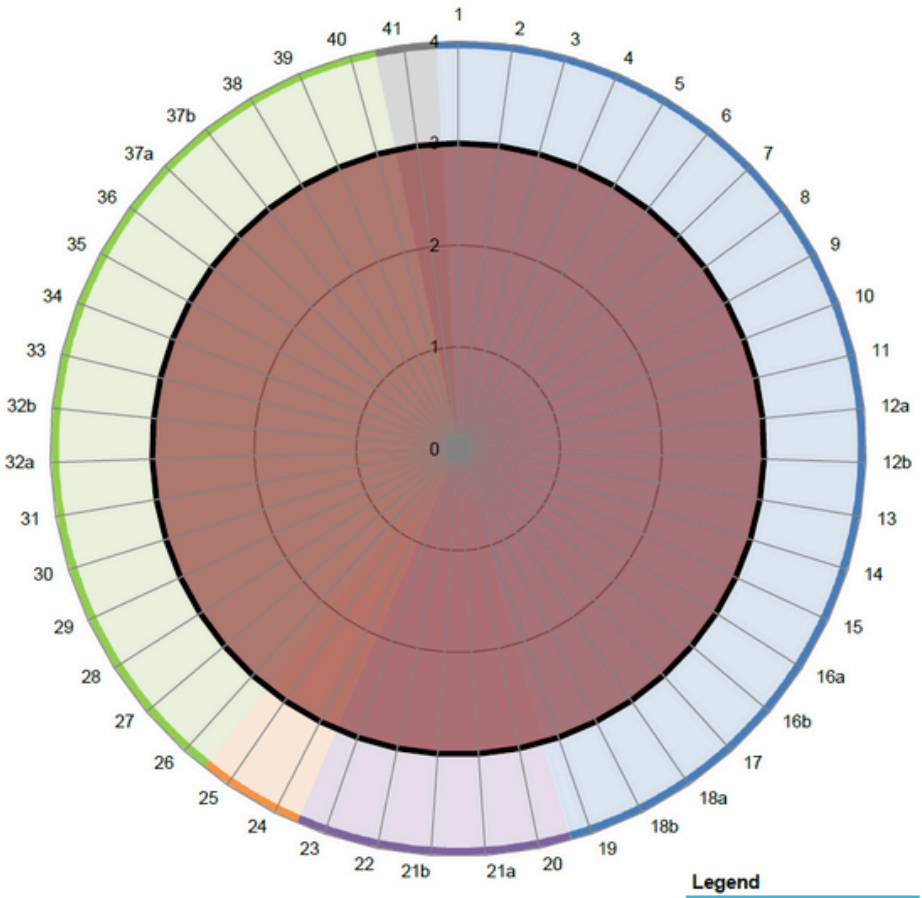
Name of the review (portfolio(s) and output(s) / agency responsible	Reasons for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)	Publicly available (Y/N) and URL
Fire Safety Audit (5 yearly)	Mandatory requirement	On site review by qualified fire safety engineer	To assess compliance with the DHS Capital Development Guidelines 7.2 Fire Risk Management Engineering Guidelines, 2013	$9,450	$9,450	N

Asset management accountability framework

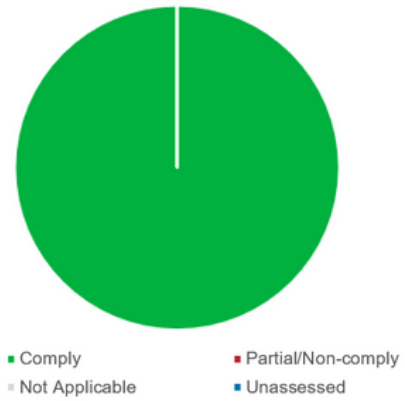
The following section summarises ODH's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF).

The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the Department of Treasury and Finance (DTF) website, (https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework).

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



Legend	
Status	**Scale**
Not Applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A



Additional information available on request

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

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- 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 entity;
- details of any major external reviews carried out on the entity;
- details of major research and development activities undertaken by the entity;
- 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 entity to develop community awareness of the entity 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 entity and details of time lost through industrial accidents and disputes;
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- details of all consultancies and contractors including:
  (i) consultants/contractors engaged;
  (ii) services provided; and
  (iii) expenditure committed to for each engagement

Disclosures required under legislation

Safe Patient Care 2015

Omeo District Health has no matters to report in relation to its obligations under section 40 of the *Safe Patient Care Act 2015.*

Local Jobs First Act 2003

In 2023-24 there were no contracts requiring disclosure under the Local Jobs First Policy.

Gender Equality Act 2020

ODH maintains a strong commitment to the Gender Equality Act 2020 and the implementation of it's Diversity, Inclusion and Belonging Policy. This is evidenced by an over 80% female representation in the workforce at all levels of the organisation, and the completion of 14 of its 15 Gender Equality strategies, with 1 still in progress.

Public Interest Disclosures Act 2012

Omeo District Health has in place appropriate procedures for disclosure in accordance with the *Public Interest Disclosure Act 2012*. Procedures can be accessed via our Prompt documents portal. Refer https://www.odh.net.au/login/policies-and-procedures-portal. No disclosures were made under the *Public Interest Disclosure Act 2012* in 2023-24 financial year.

Statement on National Competition Policy

Omeo District Health continues to comply with the National Competition Policy including compliance with the requirements of the policy statement Competitive Neutrality Policy Victoria and subsequent reforms.

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 HealthShare Victoria Procurement policy. ODH underwent an internal audit against HealthShare Victoria procurement policies and procedures and has implemented a range of improvements to processes and systems to ensure ongoing compliance with the policies.

Carers Recognition Act 2012

The Health Service has taken all practical measures to comply with its obligations under the Act. These include :

- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act
- considering the care relationships principles set out in the Act when setting policies and providing services (e.g. reviewing our employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act; in our commitment to a model of care that always involves consumers and their carers in development of care plans and implementation).

Disclosures required under legislation

Building Act 1993

In the year ended 30 June 2024, all buildings of Omeo District Health were owned by Omeo District Health and were fully compliant with the *Building Act 1993*.

All reasonable steps have been taken to ensure that the building and maintenance provisions of the Building Act 1993 are met by adhering to the processes outlined in the ODH Asset Management Plan and following a scheduled maintenance program. This program includes monthly, quarterly and annual preventative maintenance scheduled via facility maintenance software to ensure completion of tasks. Additionally, ODH completed the scheduled, 5 yearly fire safety audit to ensure currency of facility fire management systems. All fire safety measures fulfil their required purpose, and appropriate processes are in place.

Major works completed for the financial year was the replacement of the Lewington House main deck, to ensure it continues to meet current safety and building standards through the replacement of worn timber infrastructure.

Freedom of Information Act 1982

The Victorian *Freedom of Information* (FOI) *Act 1982* provides legally enforceable right of access to information held by government agencies.

FOI requests to ODH should be made in writing. Detailed instructions on how to make an application can be found on the ODH website. Refer to https://www.odh.net.au/health-services-a-z/freedom-of-information. In addition to the application, the website provides details about associated costs and anticipated timeframes to address FOI requests, as relevant.

For more information, the ODH Freedom of Information Officer (Manager, Corporate Services) can be reached on (03) 5159 0100. Alternatively, preliminary inquiries can be sent to reception@omeohs.com.au.

During 2023-24, ODH received no FOI applications.

Environmental performance

	2023 - 24
Electricity Use	
EL1 Total electricity consumption segmented by source	176.67 Mwh
EL2 On-site electricity generated segmented by usage and source	0
EL3 On-site installed generation capacity segmented by source	Diesel: 0.10 MW Solar system: 0.07 MW Total: 0.17 MW
E3 Total energy usage segmented into renewable and non-renewable sources	Renewable 79,722.08 MJ Non-renewable 1,419,889.13 MJ
EL4 Total electricity offsets segmented by offset type	32.84 Mwh
E4 Units of energy used normalised by FTE, headcount, floor area, or other entity or sector specific quantity	Energy per unit of Aged Care OBD: 577.44 MJ Energy per unit of LOS: 12,708.57 MJ/LOS Energy per unit of bed-day (LOS+Aged Care OBD): 552.34 MJ Energy per unit of Separations: 187,451.40 MJ Energy per unit of floor space: 331.26 MJ m2
Stationary Energy	
F1 Total fuels used in buildings and machinery segmented by fuel type	1,698,934.40 MJ
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type	102.96 tonnes CO2
Transportation	
T1 Total energy used in transportation within the entity segmented by fuel type and vehicle category	Diesel: 4,292,42 L Unleaded: 10,015.67 L
T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category	5 fleet petrol 4 fleet diesel
T3 Greenhouse gas emissions from vehicle fleet segmented by fuel type and vehicle category	Diesel: 11,503.69 tonnes CO2 Unleaded: 23,136.20 tonnes CO2
Total energy usage from electricity	424,053.41 MJ
Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings	Nil. They will be considered upon newly completed buildings
Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule	Nil. They will be considered upon newly leased office buildings
NABERS Energy ratings of newly completed/occupied entity-owned office buildings and substantial tenancy fit-outs	N/A
Environmental performance ratings of newly completed entity-owned non-office building or infrastructure projects or upgrades with a value over $1 million, where these ratings have been conducted	N/A

Environmental performance

continued

For the purpose of the following environmental reporting, the organisational boundary is the main Omeo District Health site at 12 Easton Road, Omeo. This includes the ODH Medical Centre and Residential Aged Care Facility, Lewington House.

	2023 - 24
Water Use	
W1 Total units of metered water consumed by water source	1,239.73 kL
W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity	Water per unit of Aged Care: 0.48 kL Water per unit of LOS: 10.51 kL Water per unit of bed-day: 0.46 kL Water per unit of Separations: 100.47 kL Water per unit of floor space: 0.44 kL
Waste and Recycling	
WR1 Total units of waste disposed of by disposal method and material type / waste stream	Clinical waste – sharps Clinical waste
Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method	13,211.82 kg 192 kg per person
Recycling rate	0
Greenhouse Gas	
Greenhouse gas emissions associated with waste disposal	0
Total scope one (direct) greenhouse gas emissions	Carbon Dioxide: 64.75 tonnes CO2 Methane: 0.22 tonnes CO2 Nitrous Oxide: 0.22 tonnes CO2 Total: 65.18 tonnes CO2
Total scope two (indirect electricity) greenhouse gas emissions	77.53 tonnes CO2
Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal	Indirect emissions from Stationary Energy: 31.31 CO2 Any other Scope 3 emissions: 2.08 CO2 Total scope three greenhouse gas emissions: 33.39 CO2 tonnes CO2

Social procurement

Omeo District Health did not have any social procurement activities to report for the 2023-24 financial year. However, it remains committed to engaging social procurement suppliers and will review the requirements of the Social Framework in future years to consider the social impacts of purchases through their procurement processes.

Financial information

	2024 ($000)	2023 ($000)	2022 ($000)	2021 ($000)	2020 ($000)
OPERATING RESULT*	**-415**	**21**	**0**	**8**	**-125**
Total revenue	8,806	8,604	8,911	6,803	6,357
Total expenses	9,922	8,990	9,215	7,244	6,655
Net result from transactions	**-1,116**	**-386**	**-304**	**-441**	**-298**
Total other economic flows	11	-10	86	61	8
Net result	**-1,105**	**-396**	**-218**	**-380**	**-290**
Total assets	12,928	10,459	10,163	10,151	10,084
Total liabilities	4,203	3,269	2,577	3,248	2,801
Net assets/Total equity	**8,725**	**7,190**	**7,586**	**6,903**	**7,283**

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

Reconciliation between the Net result from transactions to the Statement of Priorities Operating Result

	2023 - 24 ($000)
Operating result	-415
Capital purpose income	28
Depreciation and amortisation	-729
Net result from transactions	-1,116

Significant Changes in financial position during the year
Omeo District Health recorded a Net Operating Result for the 2023-24 financial year of -$415K, as opposed to $21K for the previous financial year. Apart from that there were no significant changes in the financial position during 2023-24.
The current asset ratio at 30 June 2024 has decreased slightly to 1.09 (2022-23: 1.28). However, Omeo District Health still had sufficient cash resources to meet its current liabilities.

Operational and budgetary objectives and performance against objectives
Omeo District Health prepares an annual operational budget with the aim being to meet the strategic objectives of the Health Service as confirmed in the Statement of Priorities.
For the financial year 2023-24 ODH recorded a net operating deficit of $415K before capital and specific items. This represents a positive variance of $465K against a deficit operating budget of $880K.

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

Consultancies information

Details of consultancies (under $10,000)

In 2023-24 financial year, there were 14 consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2023-24 financial year in relation to these consultancies is $40,750 (excl. GST).

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

In 2023-24, there were 3 consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2023-24 in relation to these consultancies is $49,580 (excl. GST). Details of these consultancies can be viewed below https:/www.odh.net.au/about-us/publications.

Consultant	Purpose of consultancy	Start Date	End Date	Total approved project fee (excluding GST)	Expenditure 2023-24 (excluding GST)	Future expenditure (excluding GST)
Larter Consulting	MBS billing evaluation for the General Practice	N/A	N/A	17,995	17,995	N/A
TAG Health	Development of a new Strategic Plan	N/A	N/A	20,000	20,000	N/A
E Liepa	Strategic Communication engagement Plan	N/A	N/A	11,585	11,585	N/A

Information and communication technology (ICT) expenditure

The total ICT expenditure incurred during 2023-24 financial year was $0.906 million (excluding GST) with details outlined below:

Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU)		
Total (excluding GST)	Total = Operational expenditure and Capital Expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
$0.400 million	$0.506 million	$0.499 million	$0.007 million

Statement of Priorities (SOP) - Part A

Excellence in Clinical Governance	
We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce and continuing to improve and innovate care.	
Goal	
MA4 Identify and develop clinical service models where face to face consultations can be substituted by virtual care wherever possible (using telehealth, remote monitoring), whilst ensuring strong clinical governance, safety surveillance and patient choice. MA11 Develop strong and effective systems to support early and accurate recognition and management of deterioration of paediatric patients.	
Health Service Deliverables	**Achievements/Outcome**
MA4 Building on similar models developed elsewhere in Victoria, implement a Virtual Inpatient Medical Model to maximise access to acute services closer to home whilst ensuring safe practice within ODH's service capability.	Ongoing Commentary: A trial was successfully conducted for a couple of acute admissions. Deliverable carried forward into the 2024-25 SOP.
MA11 Partner with Safer Care Victoria (SCV) and relevant multidisciplinary groups to establish protocols and auditing processes to manage effective monitoring and escalation of deterioration in paediatric patients via ViCTOR charts.	Achieved Commentary: ODH has reviewed the SCV guidance and implemented the VICTOR track and trigger charts in the Urgent Care Centre. ODH has a policy that captures these requirements, supporting staff to ensure effective monitoring and escalation of deterioration in paediatric patients via ViCTOR charts.
MA11 Improve paediatric patient outcomes through implementation of the "ViCTOR track and trigger" observation chart and escalation system, whenever children have observations taken.	Achieved Commentary: As outlined above, ODH has the appropriate systems in place to guide clinical practice for Urgent Care presentations related to paediatric presentations.
MA11 Implement staff training on the "ViCTOR track and trigger" tool to enhance identification and prompt response to deteriorating paediatric patient conditions.	Achieved Commentary: ODH partners with Bairnsdale Regional Health Service for access to relevant education including Advanced Life Support and response to deteriorating paediatric conditions.
Working to Achieve Long Term Financial Sustainability	
Ensure equitable and transparent use of available resources to achieve optimum outcomes.	
Goal	
MB1 Co-operate with and support Department-led reforms that look towards reducing waste and improving efficiency to address financial sustainability, operational and safety performance, and system management.	
Health Service Deliverables	**Achievements/Outcome**
MB1 Explore opportunities to diversify revenue streams through partnerships, grants, and other innovative financing models to reduce dependence on government funding.	Achieved Commentary: ODH has investigated different funding opportunities including grants and donations. For example, ODH was successful in a grant application to the Gippsland Primary Health Network which enabled the implementation of a chronic disease program focused on early interventions for people over 75 years of age. Some additional funding was also received from community donations. For example, a contribution from BrandT Equipment enabled ODH to purchase a new ECG machine for the Urgent Care.
MB1 Streamline support services operational capacity towards digitally enabled solutions, starting with a focus on facilities management.	Achieved Commentary: Introduced an electronic facility management system which supports staff with lodging maintenance requests electronically. The new system also captures asset information and associated lifecycle information. ODH also introduced an electronic medication prescribing and medication administration system. Both projects helped ODH transition from paper based to digitally enabled solutions streamlining services to better support day to day operation.
Improving equitable to access to healthcare and wellbeing	
Ensure that Aboriginal people have access to a health, wellbeing and care system that is holistic, culturally safe, accessible and empowering. Ensure that communities in rural and regional areas have equitable health outcomes irrespective of locality.	
Goal	
MC1 Address service access issues and equity of health outcomes for rural and regional people including more support for primary, community, home-based and virtual care, and addiction services. MC3 Enhance the provision of appropriate and culturally safe services, programs and clinical trials for and as determined by Aboriginal people, embedding the principles of self-determination.	

Statement of Priorities – Part A

continued

Health Service Deliverables	Achievements/Outcome
MC1 Scale home-based care capacity and streamline service delivery across all relevant streams of care, including a review of the hours of operation and where necessary brokered service arrangements that best support client needs.	Achieved Commentary: Increased number of clients on Home Care packages (from 15 to 19 Home Care Package) and brokered service with a provider for a client with more complex / specialised care needs. This enables our most vulnerable consumers to receive care at home with support tailored to their individual needs.
MC1 Building on similar models developed interstate, trial the implementation of virtual models of care to complement local allied health capacity, ensuring equitable access and continuity of service.	Achieved Commentary: Trialled and implemented an Occupational Therapy virtual model when demand was high and for leave coverage. This enabled ODH to continue to deliver the service to meet referral timelines in line with consumer needs. Virtual models also applied for Urgent Care (via VVED), primary care, some specialist and secondary consultations. This enabled many consumers to connect into care as early as possible and without the need for long distance travel to higher end care.
MC3 Advance staff training opportunities to increase awareness and competency that supports better identification of Aboriginal and Torres Strait Islander clients and support implementation of tailored and culturally appropriate, comprehensive care by Omeo District Health services.	Achieved Commentary: Cultural awareness training is part of our mandatory training program with good attendance via our regional online platform. Staff feedback after training indicated increased awareness and competence about how to provide culturally appropriate care to Aboriginal and Torres Strait Islander consumers. Lewington House staff was able to demonstrate this during an admission for permanent care for an aged consumer that identified as Aboriginal. Community Health Centre staff continues to promote identification of Aboriginal and Torres Strait Islander consumers and ensures up to date recording of information in ODH's primary care medical records system.
A stronger workforce	
There is increased supply of critical roles, which supports safe, high-quality care. Victoria is a world leader in employee experience, with a focus on future roles, capabilities and professional development. The workforce is regenerative and sustainable, bringing a diversity of skills and experience that reflect the people and communities it serves. As a result of a stronger workforce, Victorians receive the right care at the right time closer to home.	
Goal	
MD2 Explore new and contemporary models of care and practice, including future roles and capabilities.	
Health Service Deliverables	**Achievements/Outcome**
MD2 Pilot, implement or evaluate new and contemporary models of care and practice, including future roles and building capability for multidisciplinary practice. For example Health Care Worker trial for residential area After-Hours Hospital Coordinator role Imaging skills for registered nurses supporting the Urgent Care Allied Health Assistants engagement in digitally enabled models of care.	Achieved Commentary: Successfully trial a Health Care Worker model for residential aged care area, complementing routine care arrangements. There were two Health Care Workers employed by ODH following the trial. ODH implemented an afterhours coordinator role aligning role to required expertise. ODH also trained two nurses in imaging to ensure that where necessary consumers get the care, they need locally reducing the need to travel to Bairnsdale (over 1.5hrs away). Applied Allied Health Assistant role to the virtual occupational therapy model enhancing skills set and optimising model of care.
MD2 Explore international recruitment opportunities for short- and long-term engagement.	Achieved Commentary: Successful international recruitment strategy for short and long terms roles enabling ODH to cover critical role in clinical and non-clinical areas. This also assisted in reducing the need for extensive agency nursing cover. Recruited four overseas trained nurses and reduced regular reliance on agency nursing staff from four to one.
Moving from competition to collaboration	
Share knowledge, information and resources with partner health and wellbeing services and care providers. This will allow patients to experience one health, wellbeing and care system through connected digital health information, evidence and data flows, enabled by advanced interoperable platforms.	
Goal	
ME2 Engage in integrated planning and service design approaches, whilst assuring consistent and strong clinical governance, with partners to join up the system to deliver seamless and sustainable care pathways and build sector collaboration.	
Health Service Deliverables	**Achievements/Outcome**
ME2 Collaborate with other health service providers, community organisations, the department and other stakeholders where it makes sense to explore opportunities for shared services, joint procurement, and resource sharing to meet consumer needs, reduce costs and improve efficiency.	Achieved Commentary: Implemented partnerships with Latrobe Regional Health for back of house support in relation to payroll, maximising resource capacity and appropriate expertise given the highly specialist area of work.
ME2 As a priority consider engagement with other home-based services providers to benchmark and enhance service operation and consideration of future opportunities.	Achieved Commentary: Implemented partnerships with Alpine Health for management of home-based services during period of leave. Partnership generated improvements in a number of home-based services systems of operation.

Statement of Priorities – Part A

continued

ME2 Implement Allied Health arrangements with other Community organisations from across the region.	Achieved Commentary: Implemented an arrangement with another health service to facilitate an outreach physiotherapy model. The model provided a shared fortnightly service supporting East Gippsland communities from around Omeo and Orbost.
ME2 Establish a Hospital in the Home arrangement with Bairnsdale Regional Health.	In Progress Commentary: Explored arrangement with Bairnsdale Regional Health, however contractual arrangement not formalised in 2023-24 financial year. To be addressed in 2024-25.
Care close to home	
Primary and community care is accessible and reduces avoidable escalation in acuity of health conditions. When appropriate, hospital care is delivered in the home, including through digital care and connection, to deliver virtual care, telehealth, and other advanced models of care.	
Goal	
EB3 support improved access to service for people managing chronic disease by improving access to home-based and remote service delivery.	
Health Service Deliverables	**Achievements/Outcome**
EB3 Implement an early intervention program that supports older people with more proactive management of their chronic disease or other complex care needs.	Achieved Commentary: Successfully implemented an early intervention program for consumers over 75 years of age. It supports consumers with chronic and complex care needs to receive a comprehensive assessment and multi-disciplinary care plan tailored to their specific health and wellbeing needs. Over 20 consumers have participated in the financial year 2023-24. The service has been funded to continue in 2024-25 with a focus on bedding down the model and streamlining timely follow-up arrangements.

Statement of Priorities – Part B

Key performance measure	Target	Result
Infection prevention control		
Percentage of health care workers immunised for influenza	94%	100%
Patient Experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	*NA
Aboriginal Health		
Percentage of Aboriginal admitted patients who left against medical advice	25% reduction in gap based on prior years annual rate	**0
Organisational Culture		
People matter survey—Percentage of staff with an overall positive response to safety culture survey questions	62%	63%

**Less than 10 responses were received for the period due to the relative size of the Health Service*

***No Aboriginal patients during the reported period*

Key performance indicator	Target	Result
Operating result ($m)	(0.88)	(0.41)
Average number of days to pay trade creditors	60 days	24 days
Average number of days to receiving patient fee debtors	60 days	23 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.22%
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June 2024.	Variance less or equal to $250,000	Not Achieved (Positive variance of $347K)
Actual number of days available cash, measured on the last day of each month.	14 days	4 days

The data included in this annual report was accurate at the time of publication and is subject to validation by official sources from the Department of Health.

Statement of Priorities – Part C

Funding Type	2023-24 activity achievement
Small Rural	
Small Rural Primary Health & HACC	586
Small Rural Residential Care	88

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Omeo District Hospital

Opinion	I have audited the financial report of Omeo District Hospital (the health service) which comprises the: • balance sheet as at 30 June 2024 • 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 material accounting policy information • 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 2024 and its 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.
Other information	The Board of the health service is responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2024, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.
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 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
18 October 2024

Dominika Ryan
as delegate for the Auditor-General of Victoria

Financial Statements
Financial Year ended 30 June 2024

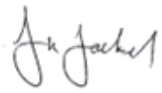
Board member's, accountable officer's, and chief finance & accounting officer's declaration

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2024 and the financial position of Omeo District Health at 30 June 2024.

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 7 October, 2024.

Board member	**Accountable Officer**	**Chief Finance & Accounting Officer**
		
Simon Lawlor	Mary Manescu	Steven Jackel
Chair	Chief Executive Officer	Chief Finance and Accounting Officer
Omeo 7 October, 2024	Omeo 7 October, 2024	Omeo 7 October, 2024

Omeo District Health
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2024

	Note	Total 2024 $	Total 2023 $
Revenue and income from transactions			
Operating activities	2.1	8,063,941	7,931,881
Non-operating activities	2.1	144,488	84,065
Share of revenue from joint operations	8.7	597,232	588,285
Total revenue and income from transactions		**8,805,661**	**8,604,231**
Expenses from transactions			
Employee expenses	3.1	(6,606,332)	(6,115,212)
Supplies and consumables	3.1	(300,928)	(255,710)
Finance costs	3.1	(6,446)	(22,158)
Depreciation and amortisation	3.1	(728,838)	(726,476)
Other administrative expenses	3.1	(1,546,629)	(1,184,427)
Other operating expenses	3.1	(233,567)	(214,203)
Share of expenditure from joint operations	8.7	(499,237)	(472,177)
Total Expenses from transactions		**(9,921,977)**	**(8,990,363)**
Net result from transactions - net operating balance		**(1,116,316)**	**(386,132)**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.2	3,233	(4,512)
Other gain/(loss) from other economic flows	3.2	7,160	(5,617)
Total other economic flows included in net result		**10,393**	**(10,129)**
Net result for the year		**(1,105,923)**	**(396,261)**
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.3	**2,641,251**	-
Total other comprehensive income		**2,641,251**	**-**
Comprehensive result for the year		**1,535,328**	**(396,261)**

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

Omeo District Health
Balance Sheet
As at 30 June 2024

	Note	Total 2024 $	Total 2023 $
Current assets			
Cash and cash equivalents	6.2	3,698,103	3,653,667
Receivables	5.1	354,638	302,859
Prepaid expenses		264,467	125,280
Total current assets		**4,317,208**	**4,081,806**
Non-current assets			
Receivables	5.1	62,737	103,034
Property, plant and equipment	4.1(a)	8,308,085	6,136,666
Right of use assets	4.2 (a)	240,598	137,621
Total non-current assets		**8,611,420**	**6,377,321**
Total assets		**12,928,628**	**10,459,127**
Current liabilities			
Payables	5.2	419,969	646,899
Contract liabilities	5.3	9,503	407,626
Borrowings	6.1	77,807	125,534
Employee benefits	3.3	700,054	935,576
Other liabilities	5.4	2,731,228	1,066,069
Total current liabilities		**3,938,561**	**3,181,704**
Non-current liabilities			
Borrowings	6.1	171,111	10,822
Employee benefits	3.3	93,535	76,508
Total non-current liabilities		**264,646**	**87,330**
Total liabilities		**4,203,207**	**3,269,034**
Net assets		**8,725,421**	**7,190,093**
Equity			
Property, plant and equipment revaluation surplus	4.3	8,649,851	6,008,600
Restricted specific purpose reserve	SCE	106,508	106,508
Contributed capital	SCE	1,793,235	1,793,235
Accumulated surplus/(deficit)	SCE	(1,824,173)	(718,250)
Total equity		**8,725,421**	**7,190,093**

This balance sheet should be read in conjunction with the accompanying notes.

Omeo District Health
Cash Flow Statement
For the Financial Year Ended 30 June 2024

	Note	Total 2024 $	Total 2023 $
Cash Flows from operating activities			
Operating grants from government - State		4,037,257	5,284,973
Operating grants from government - Commonwealth		1,861,092	1,188,271
Capital grants from government - State		11,473	98,778
Patient fees received		1,118,047	873,125
Donations and bequests received		17,085	220,731
GST received from ATO		206,510	234,138
Interest and investment income received		144,488	84,065
Other receipts		609,040	664,851
Total receipts		**8,004,992**	**8,648,932**
Payments to employees		(5,848,703)	(5,565,271)
Payments to contractors and consultants		(1,019,680)	(491,316)
Payments for supplies and consumables		(426,085)	(122,950)
Payments for medical indemnity insurance		(8,108)	(7,736)
Payments for repairs and maintenance		(122,448)	(86,787)
Finance Costs		(6,446)	(22,158)
GST paid to ATO		(257,225)	(211,684)
Other payments		(1,690,832)	(1,203,766)
Total payments		**(9,379,527)**	**(7,711,668)**
Net cash flows from/(used in) operating activities	8.1	**(1,374,535)**	**937,264**
Cash Flows from investing activities			
Purchase of property, plant and equipment		(242,585)	(407,435)
Proceeds from disposal of property, plant and equipment		35,332	-
Net cash flows from/(used in) investing activities		**(207,253)**	**(407,435)**
Cash flows from financing activities			
Proceeds from/(repayment of) borrowings		(38,935)	53,953
Receipt of accommodation deposits		1,700,000	740,000
Repayment of accommodation deposits		(34,841)	(363,931)
Net cash flows from /(used in) financing activities		**1,626,224**	**430,022**
Net increase/(decrease) in cash and cash equivalents held		**44,436**	**959,851**
Cash and cash equivalents at beginning of year		3,653,667	2,693,816
Cash and cash equivalents at end of year	6.2	**3,698,103**	**3,653,667**

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 2024

Total	Note	Property, Plant and Equipment Revaluation Surplus $	Restricted Specific Purpose Reserve $	Contributed Capital $	Accumulated Surplus/ (Deficits) $	Total $
Balance at 1 July 2022		**6,008,600**	**106,508**	**1,793,235**	**(321,989)**	**7,586,354**
Net result for the year		-	-	-	(396,261)	(396,261)
Other comprehensive income for the year		-	-	-	-	-
Balance at 30 June 2023		**6,008,600**	**106,508**	**1,793,235**	**(718,250)**	**7,190,093**
Net result for the year		-	-	-	(1,105,923)	(1,105,923)
Other comprehensive income for the year		2,641,251	-	-	-	2,641,251
Balance at 30 June 2024		**8,649,851**	**106,508**	**1,793,235**	**(1,824,173)**	**8,725,421**

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

Omeo District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

Note 1: Basis of preparation

Structure

Omeo District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

Note 1: Basis of preparation

These financial statements represent the audited general purpose financial statements for Omeo District Health for the year ended 30 June 2024. The report provides users with information about Omeo District Health's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements.

Note 1.1: Basis of preparation of the financial statements

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

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

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

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

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

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

The financial statements are presented in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Omeo District Health on 7 October, 2024.

Omeo District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

Note 1.2 Abbreviations and terminology used in the financial statements
The following table sets out the common abbreviations used throughout the financial statements:

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

Note 1.3 Joint arrangements

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

Omeo District Health has the following joint arrangements:

- Gippsland Health Alliance

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

Note 1.4 Material accounting estimates and judgements
Management make estimates and judgements when preparing the financial statements.

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

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

The material accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and relate to the following disclosures:

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.1: Property, plant and equipment
- Note 4.2: Right-of-use assets
- Note 4.4: Depreciation and amortisation
- Note 4.5: Impairment of assets
- Note 5.1: Receivables
- Note 5.2: Payables
- Note 5.3: Contract liabilities
- Note 5.4: Other provisions
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

Omeo District Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

Note 1.5 Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 2022-5: *Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of No-for-profit Public Sector Entities	Reporting periods beginning on or after 1 January 2024.	The impact of adopting this standard has not yet been assessed by management.

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

Note 1.6 Goods and Services Tax (GST)

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

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

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

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

Note 1.7 Reporting Entity

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

Omeo District Health's principal address is:

Easton Street
Omeo, Victoria 3898

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

Note 2: Funding delivery of our services

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

Structure

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

Material judgements and estimates

This section contains the following key judgements and estimates:

Material judgements and estimates	Description
Identifying performance obligations	Omeo District Health applies material judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criterion is met, the contract/funding agreement is treated as a contract with a customer, requiring Omeo District Health to recognise revenue as or when the health service transfers promised goods or services to customers. If this criterion is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	Omeo District Health applies material judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining time of capital grant income recognition	Omeo District Health applies material judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.
Assets and services received free of charge or for nominal consideration	Omeo District Health applies material judgement to determine the fair value of assets and services provided free of charge or for nominal value. Where a reliable market value exists it is used to calculate the equivalent value of the service being provided. Where no reliable market value exists, the service is not recognised in the financial statements.

Note 2.1 Revenue and income from transactions

	Total 2024 $	Total 2023 $
Operating activities		
Revenue from contracts with customers		
Government grants (Commonwealth) - Operating	2,259,215	1,104,373
Patient and resident fees	1,067,358	940,481
Commercial activities [1]	444,973	346,635
Total revenue from contracts with customers	**3,771,546**	**2,391,489**
Other sources of income		
Government grants (State) - Operating	3,996,960	4,893,084
Government grants (State) - Capital	11,473	98,778
Assets received free of charge or for nominal consideration	17,427	229,334
Other revenue from operating activities (including non-capital donations)	266,535	319,196
Total other sources of income	**4,292,395**	**5,540,392**
Total revenue and income from operating activities	**8,063,941**	**7,931,881**
Non-operating activities		
Income from other sources		
Other interest	144,488	84,065
Total other sources of income	**144,488**	**84,065**
Total income from non-operating activities	**144,488**	**84,065**
Total revenue and income from transactions	**8,208,429**	**8,015,946**

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

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

	Total 2024 $	Total 2023 $
Omeo District Health disaggregates revenue by the timing of revenue recognition.		
Goods and services transferred to customers:		
At a point in time	3,724,301	2,373,554
Over time	47,245	17,935
Total revenue from contracts with customers	**3,771,546**	**2,391,489**

How we recognise revenue and income from operating activities
Government operating grants

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

When both these conditions are satisfied, the health service:

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

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

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
  - recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount in accordance with AASB 1058.

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

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

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

Capital grants
Where Omeo District Health receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities arising from a contract with a customer) recognised under other Australian Accounting Standards.
Income is recognised progressively as the asset is constructed which aligns with Omeo District Health's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

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

Commercial activities

Revenue from commercial activities includes property rental income. Commercial activity revenue is recognised over time, upon provision of the goods or service to the customer.

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

	Total 2024 $	Total 2023 $
Cash donations and gifts	17,085	220,731
Personal protective equipment	342	8,603
Total fair value of assets and services received free of charge or for nominal consideration	**17,427**	**229,334**

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

Donations and bequests are generally recognised as income upon receipt (which is when Omeo District Health usually obtained control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

Personal protective equipment
Under the State Supply Arrangement, Health Share Victoria supplies personal protective equipment to Omeo District Health for nil consideration.

Non-cash contributions from the Department of Health
The Department of Health makes some payments on behalf of Omeo District Health as follows:

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

Note 3: The cost of delivering our services

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

Structure

Material judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	Omeo District Health applies material judgment when measuring and classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Omeo District Health does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if Omeo District Health has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.
Measuring employee benefit liabilities	Omeo District Health applies material judgment when measuring its employee benefit liabilities. The health service applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees. • an inflation rate of 4.45%, reflecting the future wage and salary levels • durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 19% and 85% • discounting at the rate of 4.348%, as determined with reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.

Note 3.1 Expenses from transactions

	Note	Total 2024 $	Total 2023 $
Salaries and wages		4,469,562	4,544,618
On-costs		470,731	457,332
Agency expenses		1,019,680	491,316
Fee for service medical officer expenses		577,287	541,612
Workcover premium		69,072	80,334
Total employee expenses		**6,606,332**	**6,115,212**
Drug supplies		15,337	12,780
Medical and surgical supplies		73,160	73,446
Other supplies and consumables		212,431	169,484
Total supplies and consumables		**300,928**	**255,710**
Finance costs		6,446	22,158
Total finance costs		**6,446**	**22,158**
Other administrative expenses		1,546,629	1,184,427
Total other administrative expenses		**1,546,629**	**1,184,427**
Fuel, light, power and water		103,011	119,680
Repairs and maintenance		122,448	86,787
Medical indemnity insurance		8,108	7,736
Total other operating expenses		**233,567**	**214,203**
Total operating expense		**8,693,902**	**7,791,710**
Depreciation and amortisation	4.4	728,838	726,476
Total depreciation and amortisation		**728,838**	**726,476**
Total non-operating expense		**728,838**	**726,476**
Total expenses from transactions		**9,422,740**	**8,518,186**

Note 3.1 Expenses from transactions (continued)

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

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

Other operating expenses

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

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

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

Non-operating expenses

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

Note 3.2 Other economic flows included in net result

	Total 2024 $	Total 2023 $
Net gain/(loss) on disposal of property plant and equipment	3,233	(4,512)
Total net gain/(loss) on non-financial assets	**3,233**	**(4,512)**
Net gain/(loss) arising from revaluation of long service liability	7,160	(5,617)
Total other gains/(losses) from other economic flows	**7,160**	**(5,617)**
Total gains/(losses) from other economic flows	**10,393**	**(10,129)**

How we recognise other economic flows

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

Net gain/(loss) on non-financial assets

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

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

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

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

Note 3.3 Employee benefits in the balance sheet

	Total 2024 $	Total 2023 $
Current employee benefits and related on-costs		
Accrued days off		
Unconditional and expected to be settled wholly within 12 months [i]	25,421	15,130
	25,421	**15,130**
Annual leave		
Unconditional and expected to be settled wholly within 12 months [i]	320,643	405,717
	320,643	**405,717**
Long service leave		
Unconditional and expected to be settled wholly within 12 months [i]	53,164	57,768
Unconditional and expected to be settled wholly after 12 months [ii]	211,271	353,341
	264,435	**411,109**
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months [i]	58,524	57,922
Unconditional and expected to be settled after 12 months [ii]	31,031	45,698
	89,555	**103,620**
Total current employee benefits and related on-costs	**700,054**	**935,576**
Non-current provisions and related on-costs		
Conditional long service leave [ii]	81,559	67,727
Provisions related to employee benefit on-costs [ii]	11,976	8,781
Total non-current employee benefits and related on-costs	**93,535**	**76,508**
Total employee benefits and related on-costs	**793,589**	**1,012,084**

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

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

	Total 2024 $	Total 2023 $
Current employee benefits and related on-costs		
Unconditional accrued days off	27,254	16,963
Unconditional annual leave entitlements	369,800	454,874
Unconditional long service leave entitlements	303,000	463,739
Total current employee benefits and related on-costs	**700,054**	**935,576**
Non-current provisions and related on-costs		
Conditional long service leave entitlements	93,535	76,508
Total non-current employee benefits and related on-costs	**93,535**	**76,508**
Total employee benefits and related on-costs	**793,589**	**1,012,084**

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

Carrying amount at start of year	99,130	101,796
Additional provisions recognised	150,748	84,464
Net (gain)/loss arising from revaluation of long service leave	(7,160)	5,617
Amounts incurred during the year	(141,187)	(92,747)
Carrying amount at end of year	**101,531**	**99,130**

How we recognise employee benefits

Employee benefit recognition

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

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

Annual leave and accrued days off

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

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

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

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

Long service leave

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

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

The components of this current LSL liability are measured at:

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

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

Provision for on-costs related to employee benefits

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

Note 3.4 Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total 2024 $	Total 2023 $	Total 2024 $	Total 2023 $
Defined contribution plans:				
Aware Super	229,400	289,494	-	-
Hesta	84,258	71,887	-	-
Other	151,390	94,637	-	-
Total	**465,048**	**456,018**	**-**	**-**

How we recognise superannuation

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

Defined contribution superannuation plans

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

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

Note 4: Key assets to support service delivery

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

Structure

Material judgements and estimates

This section contains the following key judgements and estimates:

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

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

	Total 2024 $	Total 2023 $
Land at fair value - Crown	140,000	43,000
Land at fair value - Freehold	597,000	332,000
Total land at fair value	**737,000**	**375,000**
Buildings at fair value	6,463,000	4,644,641
Less accumulated depreciation	-	(411,656)
Total buildings at fair value	**6,463,000**	**4,232,985**
Leasehold improvements at fair value	-	318,280
Less accumulated depreciation	-	(68,459)
Total leasehold improvements at fair value	**-**	**249,821**
Works in progress at fair value	**-**	**67,403**
Total land and buildings	**7,200,000**	**4,925,209**
Plant and equipment at fair value	2,139,156	2,065,024
Less accumulated depreciation	(1,353,832)	(1,205,574)
Total plant and equipment at fair value	**785,324**	**859,450**
Motor vehicles at fair value	63,761	63,761
Less accumulated depreciation	(35,636)	(29,260)
Total motor vehicles at fair value	**28,125**	**34,501**
Furniture and fittings at fair value	827,274	803,734
Less accumulated depreciation	(532,638)	(486,228)
Total furniture and fittings at fair value	**294,636**	**317,506**
Total plant, equipment, furniture, fittings and vehicles at fair value	**1,108,085**	**1,211,457**
Total property, plant and equipment	**8,308,085**	**6,136,666**

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

	Note	Land	Buildings	Leasehold Improvements	Building works in Progress	Plant & Equipment	Motor Vehicles	Furniture & Fittings	Total
		$	$	$	$	$	$	$	$
Balance at 1 July 2022		**375,000**	**4,644,641**	**244,452**	**12,566**	**883,525**	**40,877**	**327,847**	**6,528,908**
Additions		-	-	49,750	54,837	172,385	-	34,248	311,220
Disposals		-	-	-	-	(4,512)	-	-	(4,512)
Depreciation	4.4	-	(411,656)	(44,381)	-	(191,948)	(6,376)	(44,589)	(698,950)
Balance at 30 June 2023	4.1 (a)	**375,000**	**4,232,985**	**249,821**	**67,403**	**859,450**	**34,501**	**317,506**	**6,136,666**
Additions		-	-	-	90,452	128,593	-	23,540	242,585
Disposals		-	-	-	-	(32,099)	-	-	(32,099)
Revaluation increments/(decrements)		362,000	2,279,251	-		-	-	-	2,641,251
Net Transfers between classes		-	371,499	(213,644)	(157,855)	-	-	-	-
Depreciation	4.4	-	(420,735)	(36,177)	-	(170,620)	(6,376)	(46,410)	(680,318)
Balance at 30 June 2024	4.1 (a)	**737,000**	**6,463,000**	**-**	**-**	**785,324**	**28,125**	**294,636**	**8,308,085**

Land and Buildings Carried at Valuation

The Valuer-General Victoria undertook to re-value all of Omeo District Health's 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 2024.

How we recognise property, plant and equipment

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

Initial recognition

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

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

Subsequent measurement

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

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

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

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

Revaluation

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

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

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

An independent valuation of Omeo District Health's property, plant and equipment was performed by the VGV on 30 June 2024. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date, under current market conditions.

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

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

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

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

Note 4.2 Right-of-use assets

Note 4.2(a) Gross carrying amount and accumulated depreciation

	Total 2024 $'000	Total 2023 $'000
Right of use vehicles at fair value	302,881	189,794
Less accumulated depreciation	(62,283)	(52,173)
Total right of use vehicles at fair value	**240,598**	**137,621**
Total right of use vehicles at fair value	**240,598**	**137,621**
Total right of use assets	**240,598**	**137,621**

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

	Note	Right-of-use - Vehicles $'000	Total $'000
Balance at 1 July 2022		**68,931**	**68,931**
Additions		96,215	96,215
Depreciation	4.4	(27,525)	(27,525)
Balance at 30 June 2023	4.2 (a)	**137,621**	**137,621**
Additions		204,367	204,367
Disposals		(52,870)	(52,870)
Depreciation	4.4	(48,520)	(48,520)
Balance at 30 June 2024	4.2 (a)	**240,598**	**240,598**

How we recognise right-of-use assets

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

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability.

Initial recognition

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

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

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

Omeo District Health presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service.

Subsequent measurement

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

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

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

Note 4.3 Revaluation Surplus

	Note	Total 2024 $	Total 2023 $
Balance at the beginning of the reporting period		6,008,600	6,008,600
Revaluation increment			
- Land	4.2 (b)	362,000	-
- Buildings	4.2 (b)	2,279,251	-
Balance at the end of the Reporting Period*		**8,649,851**	**6,008,600**
*** Represented by:**			
- Land		735,000	373,000
- Buildings		7,914,851	5,635,600
		8,649,851	**6,008,600**

Note 4.4 Depreciation

	Total 2024 $	Total 2023 $
Depreciation		
Buildings	420,735	411,656
Plant and equipment	164,051	182,166
Motor vehicles	6,376	6,376
GHA Assets	6,569	9,782
Furniture and fittings	46,410	44,589
Leasehold Improvements	36,177	44,381
Total depreciation - property, plant and equipment	**680,318**	**698,950**
Right-of-use assets		
Right of use - vehicles	48,520	27,525
Total depreciation - right-of-use assets	**48,520**	**27,525**
Total depreciation	**728,838**	**726,475**

How we recognise depreciation

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

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

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

	2024	2023
Buildings		
- Structure shell building fabric	20 to 40 years	20 to 40 years
- Site engineering services and central plant	20 to 37 years	20 to 37 years
Central Plant		
- Fit Out	10 to 21 years	10 to 21 years
- Trunk reticulated building system	10 to 21 years	10 to 21 years
Plant and equipment	3 to 13 years	3 to 13 years
Furniture and fitting	10 to 13 years	10 to 13 years
Motor Vehicles	3 to 7 years	3 to 7 years

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

Note 4.5: Impairment of assets

How we recognise impairment

At the end of each reporting period, Omeo District Health reviews the carrying amount of its tangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired. The assessment will include consideration of external sources of information and internal sources of information.

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

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

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

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

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

Omeo District Health did not record any impairment losses against Property, Plant and Equipment for the year ended 30 June 2024 (30 June 2023:Nil).

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
5.2 Payables
5.3 Contract liabilities
5.4 Other liabilities

Material judgements and estimates

This section contains the following key judgements and estimates:

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

Note 5.1 Receivables

	Notes	Total 2024 $	Total 2023 $
Current receivables			
Contractual			
Inter hospital debtors		21,784	25,631
Trade receivables		97,913	181,868
Accrued revenue		234,941	95,360
Total contractual receivables		**354,638**	**302,859**
Non-current receivables			
Contractual			
Long service leave - Department of Health		62,737	103,034
Total contractual receivables		**62,737**	**103,034**
Total non-current receivables		**62,737**	**103,034**
Total receivables and contract assets		**417,375**	**405,893**
(i) Financial assets classified as receivables (Note 7.1(a))			
Total receivables and contract assets		417,375	405,893
Total financial assets classified as receivables	7.1(a)	**417,375**	**405,893**

Note 5.1 Receivables (continued)

How we recognise receivables
Receivables consist of:

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

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

Trade debtors are carried at the 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* .

Impairment losses of contractual receivables
Refer to Note 7.2 (a) for Omeo District Health's contractual impairment losses.

Note 5.2 Payables

	Note	Total 2024 $	Total 2023 $
Current payables			
Contractual			
Trade creditors		115,732	169,786
Accrued salaries and wages		151,032	201,748
Accrued expenses		85,061	165,806
Amounts payable to governments and agencies		17,950	8,650
Total contractual payables		**369,775**	**545,990**
Statutory			
Australian Taxation Office		50,194	100,909
Total statutory payables		**50,194**	**100,909**
Total current payables		**419,969**	**646,899**
(i) Financial liabilities classified as payables (Note 7.1(a))			
Total payables		419,969	646,899
Australian Taxation Office		(50,194)	(100,909)
Total financial liabilties classified as payables	7.1(a)	**369,775**	**545,990**

How we recognise payables
Payables consist of:

- **Contractual payables**, including payables that relate to the purchase of goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Omeo District Health prior to the end of the financial year that are unpaid.
- **Statutory payables,** including Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

Note 5.3 Contract liabilities

	Total 2024 $	Total 2023 $
Current		
Contract liabilities	9,503	407,626
Total current contract liabilities	**9,503**	**407,626**

Note 5.3(a) Contract liabilities

	Total 2024 $	Total 2023 $
Opening balance of contract liabilities	407,626	306,517
Grant consideration for sufficiently specific performance obligations received during the year	294,945	299,803
Revenue recognised for the completion of a performance obligation	(627,067)	(198,694)
Total contract liabilities	**75,504**	**407,626**
*** Represented by:**		
- Current contract liabilities	9,503	407,626
	9,503	**407,626**

How we recognise contract liabilities

Contract liabilities include consideration received in advance for the Commonwealth Home Support Programme (CHSP).

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

Maturity analysis of payables

Please refer to Note 7.2(b) for the ageing analysis of payables.

Note 5.4 Other liabilities

	Notes	Total 2024 $	Total 2023 $
Current monies held it trust			
Refundable accommodation deposits		2,731,228	1,066,069
Total current monies held in trust		**2,731,228**	**1,066,069**
Total other liabilities		**2,731,228**	**1,066,069**
*** Represented by:**			
- Cash assets	6.2	2,731,228	1,066,069
		2,731,228	**1,066,069**

How we recognise other liabilities

Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

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

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

Note 6: How we finance our operations

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

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

Structure

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

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	Omeo District Health applies material judgement to determine if a contract is or contains a lease by considering if the health service: • has the right-to-use an identified asset • has the right to obtain substantially all economic benefits from the use of the leased asset and • can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	Omeo District Health applies material judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	Omeo District Health discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Omeo District Health uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 4% and 5%.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Omeo District Health is reasonably certain to exercise such options. Omeo District Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: • If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. • If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. • The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1 Borrowings

	Note	Total 2024 $	Total 2023 $
Current borrowings			
Lease liability [(i)]	6.1 (a)	77,807	125,534
Total current borrowings		**77,807**	**125,534**
Non-current borrowings			
Lease liability [(i)]	6.1 (a)	171,111	10,822
Total non-current borrowings		**171,111**	**10,822**
Total borrowings		**248,918**	**136,356**

[i] Secured by the assets leased.

How we recognise borrowings

Borrowings refer to lease liabilities and other interest-bearing arrangements.

Initial recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs

Subsequent measurement

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

Maturity analysis

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

Defaults and breaches

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

Note 6.1 (a) Lease liabilities

Omeo District Health's lease liabilities are summarised below:

	Total 2024 $	Total 2023 $
Total undiscounted lease liabilities	260,449	137,363
Less unexpired finance expenses	(11,531)	(1,007)
Net lease liabilities	**248,918**	**136,356**

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

	Total 2024 $	Total 2023 $
Not longer than one year	82,991	126,461
Longer than one year but not longer than five years	177,458	10,902
Minimum future lease liability	**260,449**	**137,363**
Less unexpired finance expenses	(11,531)	(1,007)
Present value of lease liability	**248,918**	**136,356**
*** Represented by:**		
- Current liabilities	77,807	125,534
- Non-current liabilities	171,111	10,822
	248,918	**136,356**

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

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

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

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

Type of asset leased	Lease term
Leased vehicles	2 to 5 years

Note 6.1 (a) Lease liabilities

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

Initial measurement
The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Omeo District Healths incremental borrowing rate. Our lease liability has been discounted by rates of between 4% to 5%.

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

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

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

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

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

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

Note 6.2 Cash and Cash Equivalents

	Note	Total 2024 $	Total 2023 $
Cash on hand (excluding monies held in trust)		205	205
Cash at bank (excluding monies held in trust)		302,193	342,425
Cash at bank - CBS (excluding monies held in trust)		664,477	2,244,968
Total cash held for operations		**966,875**	**2,587,598**
Cash at bank (monies held in trust)		2,731,228	1,066,069
Total cash held as monies in trust		**2,731,228**	**1,066,069**
Total cash and cash equivalents	7.1 (a)	**3,698,103**	**3,653,667**

How we recognise cash and cash equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks, deposits at call and highly liquid investments (with an original maturity date of three months or less).

Cash and cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment purposes and are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

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

Note 6.3 Commitments for expenditure

There are no capital or operating requirements at 30 June 2024 (2023 $Nil)

Note 6.4 Non-cash financing and investing activities

	Total 2024 $'000	Total 2023 $'000
Acquisition of plant and equipment by means of Leases	204,367	96,215
Total non-cash financing and investing activities	**204,367**	**96,215**

Note 7: Risks, contingencies and valuation uncertainties

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

Structure

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

Material judgements and estimates

This section contains the following material judgements and estimates:

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

Key judgements and estimates (continued)

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

Note 7.1: Financial instruments

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

Note 7.1 (a) Categorisation of financial instruments

Total 30 June 2024	Note	Financial Assets at Amortised Cost $	Financial Liabilities at Amortised Cost $	Total $
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	3,698,103	-	3,698,103
Receivables	5.1	417,375	-	417,375
Total Financial Assets [i]		**4,115,478**	**-**	**4,115,478**
Financial Liabilities				
Payables	5.2	-	369,775	369,775
Borrowings	6.1	-	248,918	248,918
Other Financial Liabilities - Refundable Accommodation Deposits	5.4	-	2,731,228	2,731,228
Total Financial Liabilities [i]		**-**	**3,349,921**	**3,349,921**

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

Total 30 June 2023	Note	Financial Assets at Amortised Cost $	Financial Liabilities at Amortised Cost $	Total $
Contractual Financial Assets				
Cash and cash equivalents	6.2	3,653,667	-	3,653,667
Receivables	5.1	405,893	-	405,893
Total Financial Assets [i]		**4,059,560**	**-**	**4,059,560**
Financial Liabilities				
Payables	5.2	-	545,990	545,990
Borrowings	6.1	-	136,356	136,356
Other Financial Liabilities - Refundable Accommodation Deposits	5.4	-	1,066,069	1,066,069
Total Financial Liabilities [i]		**-**	**1,748,415**	**1,748,415**

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

How we categorise financial instruments

Categories of financial assets

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

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

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

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

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

Financial assets at amortised cost

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

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

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

Omeo District Health recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)

Categories of financial liabilities

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

Financial liabilities at amortised cost

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

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

Omeo District Health recognises the following liabilities in this category:

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

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

Offsetting financial instruments

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

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

Derecognition of financial assets

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

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

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.

Note 7.2: Financial risk management objectives and policies

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

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

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

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

Note 7.2 (a) Credit risk

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

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

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

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

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

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

There has been no material change to Omeo District Health's credit risk profile in 2023-24.

Note 7.2 (a) Credit risk

Impairment of financial assets under AASB 9

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

The credit loss allowance is classified as other economic flows in the net result.

Contractual receivables at amortised cost

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

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

30 June 2024	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	322,823	16,583	2,899	12,333	62,737	**417,375**
Loss allowance		-	-	-	-	-	-

30 June 2023	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	220,588	14,190	23,298	44,783	103,034	**405,893**
Loss allowance		-	-	-	-	-	-

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

Statutory receivables and debt investments at amortised cost

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

Statutory receivables are considered to have low credit risk, considering the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, no loss allowance has been recognised.

Note 7.2 (b) Liquidity risk

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

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

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

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

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

Note 7.2 (b) Payables and borrowings maturity analysis

				Maturity Dates				
Total		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 years
30 June 2024	**Note**	$	$	$	$	$	$	$
Payables	**5.2**	369,775	369,775	369,775	-	-	-	-
Borrowings	**6.1**	248,918	248,918	2,280	4,560	70,967	171,111	-
Other Financial Liabilities - Refundable Accommodation Deposits	**5.4**	2,731,228	2,731,228	-	-	500,000	2,231,228	-
Total Financial Liabilities		**3,349,921**	**3,349,921**	**372,055**	**4,560**	**570,967**	**2,402,339**	**-**

				Maturity Dates				
Total		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 years
30 June 2023	**Note**	$	$	$	$	$	$	$
Financial Liabilities at amortised cost								
Payables	**5.2**	545,990	545,990	545,990	-	-	-	-
Borrowings	**6.1**	136,356	136,356	2,280	4,560	118,694	10,822	-
Other Financial Liabilities - Refundable Accommodation Deposits	**5.4**	1,066,069	1,066,069	-	-	500,000	566,069	-
Total Financial Liabilities		**1,748,415**	**1,748,415**	**548,270**	**4,560**	**618,694**	**576,891**	**-**

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

Note 7.3: Contingent assets and contingent liabilities

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

How we measure and disclose contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

Note 7.4: Fair Value Determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Property, plant and equipment
- Right-of-use assets

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

Valuation hierarchy

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

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

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

	Note	Total carrying amount 30 June 2024 $	Fair value measurement at end of reporting period using: Level 1 [i] $	Level 2 [i] $	Level 3 [i] $
Non-specialised land		325,000	-	325,000	-
Specialised land		412,000	-	-	412,000
Total land at fair value	4.1 (a)	**737,000**	**-**	**325,000**	**412,000**
Non-specialised buildings		605,000	-	605,000	-
Specialised buildings		5,858,000	-	-	5,858,000
Total buildings at fair value	4.1 (a)	**6,463,000**	**-**	**605,000**	**5,858,000**
Plant and equipment	4.1 (a)	785,324	-	-	785,324
Motor vehicles	4.1 (a)	28,125	-	-	28,125
Furniture and fittings	4.1 (a)	294,636	-	-	294,636
Total plant, equipment, furniture, fittings and vehicles at fair value		**1,108,085**	**-**	**-**	**1,108,085**
Right of use assets at fair value	4.2 (a)	240,598	-	-	240,598
Total right-of-use assets at fair value		**240,598**	**-**	**-**	**240,598**
Total non-financial physical assets at fair value		**8,548,683**	**-**	**930,000**	**7,618,683**

	Total carrying amount 30 June 2023 $	Fair value measurement at end of reporting period using: Level 1 [i] $	Level 2 [i] $	Level 3 [i] $
Non-specialised land	125,000	-	125,000	-
Specialised land	250,000	-	-	250,000
Total land at fair value	**375,000**	**-**	**125,000**	**250,000**
Non-specialised buildings	282,306	-	282,306	-
Specialised buildings	3,950,679	-	-	3,950,679
Leasehold Improvements	249,821	-	-	249,821
Total buildings at fair value	**4,482,806**	**-**	**282,306**	**4,200,500**
Plant and equipment	859,450	-	-	859,450
Motor vehicles	34,501	-	-	34,501
Furniture and fittings	317,506	-	-	317,506
Total plant, equipment, furniture, fittings and vehicles at fair value	**1,211,457**	**-**	**-**	**1,211,457**
Right of use assets at fair value	137,621	-	-	137,621
Total right-of-use assets at fair value	**137,621**	**-**	**-**	**137,621**
Total non-financial physical assets at fair value	**6,206,884**	**-**	**407,306**	**5,799,578**

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

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

How we measure fair value of non-financial physical assets

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

Judgements about highest and best use must consider 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.

Omeo District Health has assumed the current use of a non-financial asset is its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

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

Non-specialised land, non-specialised buildings

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2024.

Specialised land and specialised buildings

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

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

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

The CSO adjustment reflects 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 considers the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

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

An independent valuation of Omeo District Health's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2024.

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

Vehicles

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

Furniture, fittings, plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2024

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

Total	Note	Land [i] $	Buildings [i] $	Leasehold Improvements [i] $	Plant and Equipment [i] $	Motor vehicles [i] $	Furniture & fittings [i] $	Right-of-use vehicles i $
Balance at 1 July 2022		**250,000**	**4,347,349**	**244,452**	**883,525**	**40,877**	**327,847**	**68,931**
Additions/(Disposals)		-	-	49,750	167,873	-	34,248	96,215
Depreciation and amortisation		-	(396,670)	(44,381)	(191,948)	(6,376)	(44,589)	(27,525)
Balance at 30 June 2023	7.4 (a)	**250,000**	**3,950,679**	**249,821**	**859,450**	**34,501**	**317,506**	**137,621**
Additions/(Disposals)		-	-	-	96,494	-	23,540	151,497
Depreciation and amortisation		-	(396,670)	(45,254)	(170,620)	(6,376)	(46,410)	(48,520)
- Revaluation		162,000	2,303,991	(204,567)	-	-	-	-
Balance at 30 June 2024	7.4 (a)	**412,000**	**5,858,000**	**-**	**785,324**	**28,125**	**294,636**	**240,598**

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

Fair value determination of level 3 fair value measurement

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

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

Note 8: Other disclosures

This section includes additional material disclosures 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 flows from operating activities

	Note	Total 2024 $	Total 2023 $
Net result for the year		(1,105,923)	(396,261)
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets	3.2	(3,233)	4,512
Depreciation and amortisation of non-current assets	4.4	728,838	726,475
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		(11,482)	356,342
(Increase)/Decrease in prepaid expenses		(139,187)	(15,766)
Increase/(Decrease) in payables and contract liabilities		(625,053)	195,808
Increase/(Decrease) in employee benefits		(218,495)	66,154
Net cash inflow from operating activities		**(1,374,535)**	**937,264**

Note 8.2 Responsible persons disclosures

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
The Honourable Mary-Anne Thomas MP	
Minister for Health	1 Jul 2023 - 30 Jun 2024
Minister for Health Infrastructure	1 Jul 2023 - 30 Jun 2024
Minister for Ambulance Services	3 Oct 2023 - 30 Jun 2024
The Honourable Gabrielle Williams MP	
Former Minister for Mental Health	1 Jul 2023 - 2 Oct 2023
Former Minister for Ambulance Services	1 Jul 2023 - 2 Oct 2023
The Honourable Ingrid Stitt MP	
Minister for Mental Health	2 Oct 2023 - 30 Jun 2024
Minister for Ageing	2 Oct 2023 - 30 Jun 2024
Minister for Multicultural Affairs	2 Oct 2023 - 30 Jun 2024
The Honourable Lizzy Blandthorn MP	
Minister for Children	2 Oct 2023 - 30 Jun 2024
Minister for Disability	2 Oct 2023 - 30 Jun 2024
Governing Boards	
Mr. S. Lawlor	1 Jul 2023 - 30 Jun 2024
Mrs. M. Ferguson	1 Jul 2023 - 30 Jun 2024
Mr. J. Sternson	1 Jul 2023 - 30 Jun 2024
Mrs. M Shearer	1 Jul 2023 - 30 Jun 2024
Ms. P Barry	1 Jul 2023 - 30 Jun 2024
Mr H Thomas	1 Jul 2023 - 30 Jun 2024
Mrs. L Angus	1 Jul 2023 - 30 Jun 2024
Ms. M Ryan	1 Jul 2023 - 30 Jun 2024
Mr. R Brown	1 Jul 2023 - 30 Jun 2024
Accountable Officers	
Mrs Mary Manescu (Chief Executive Officer)	1 Jul 2023 - 30 Jun 2024

Note 8.2 Responsible persons (continued)

Remuneration of Responsible Persons

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

Income Band	Total 2024 No	Total 2023 No
$0 - $10,000	9	8
$30,000 - $39,999	-	1
$200,000 - $209,999	-	1
$230,000 - $239,999	1	-
Total Numbers	**10**	**10**

	Total 2024 $	Total 2023 $
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$264,604**	**$241,085**

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

Note 8.3 Remuneration of executives

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)	Total Remuneration 2024 $	Total Remuneration 2023 $
Short-term benefits	342,462	109,627
Post-employment benefits	32,806	15,329
Other long-term benefits	4,202	1,598
Total remuneration [i]	**379,470**	**126,554**
Total number of executives	4	1
Total annualised employee equivalent [ii]	2.0	1.0

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

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

Total remuneration payable to executives during the year included additional executive officers.

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.

Note 8.4: Related Parties

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

- all key management personnel (KMP) and their close family members and personal business interests
- cabinet ministers (where applicable) and their close family members
- jointly controlled operations – A member of the Gippsland Health Alliance and
- all health services 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 District Health, directly or indirectly.

Key management personnel

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. M. Ferguson	Board Member
Omeo District Health	Mr. J. Sternson	Board Member
Omeo District Health	Mrs. J. M.Shearer	Board Member
Omeo District Health	Ms. P. Barry	Board Member
Omeo District Health	Mr H. Thomas	Board Member
Omeo District Health	Mrs. L. Angus	Board Member
Omeo District Health	Ms. M. Ryan	Board Member
Omeo District Health	Mr R. Brown	Board Member
Omeo District Health	Mrs Mary Manescu	Chief Executive Officer
Omeo District Health	Mrs Brenda Birch	Director of Clinical Operations (1 Sep 2023 - 15 Dec 2023)
Omeo District Health	Mrs Prudence Hart	Director of Clinical Operations (16 Dec 2023 - 30 June 2024)
Omeo District Health	Mr Michael Rowell	Director of Corporate Services
Omeo District Health	Mr Darren Fitzpatrick	Director of Nursing

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

	Total 2024 $	Total 2023 $
Compensation - KMPs		
Short-term Employee Benefits [i]	577,288	322,247
Post-employment Benefits	57,393	38,754
Other Long-term Benefits	9,393	6,638
Total [ii]	**644,074**	**367,639**

[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 of $3,982,930 (2023: $4,944,486) and indirect contributions of $25,304 (2023: $47,277)

Expenses incurred by Omeo District Health in delivering services and outputs are in accordance with HealthShare 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 the Omeo District Health to hold cash (in excess of working capital) in accordance with the State of Victoria's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victoria unless an exemption has been approved by the Minister for Health 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 HealthShare Victoria and 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 or 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 2024 (2023: none).

There were no related party transactions required to be disclosed for the Omeo District Health Board of Directors, Chief Executive Officer and Executive Directors in 2024 (2023: none).

Note 8.5: Remuneration of Auditors

	Total 2024 $	Total 2023 $
Victorian Auditor-General's Office		
Audit of the financial statements	19,700	18,860
Total remuneration of auditors	**19,700**	**18,860**

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Note 8.7 Joint arrangements

	Principal Activity	Ownership Interest 2024 %	Ownership Interest 2023 %
Gippsland Health Alliance	Information Technology	2.17	2.26

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

	2024 $	2023 $
Current assets		
Cash and cash equivalents	296,707	221,915
Receivables	122,630	107,930
Total current assets	**419,337**	**329,845**
Non-current assets		
Property, plant and equipment	10,503	17,072
Total non-current assets	**10,503**	**17,072**
Total assets	**429,840**	**346,917**
Current liabilities		
Payables	45,060	50,008
Right of Use Lease Liability - Current	4,234	4,736
Total current liabilities	**49,294**	**54,744**
Non-current liabilities		
Right of Use Lease Liability - Current	4,208	7,261
Total non-current liabilities	**4,208**	**7,261**
Total liabilities	**53,502**	**62,005**
Net assets	**376,338**	**284,912**
Equity		
Accumulated surplus	376,338	284,912
Total equity	**376,338**	**284,912**

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

	2024 $	2023 $
Revenue and income from transactions		
Revenue from Operating Activities	597,232	588,285
Total revenue and income from transactions	**597,232**	**588,285**
Expenses from transactions		
Other Expenses from Continuing Operations	499,237	472,177
Depreciation	6,569	9,782
Total expenses from transactions	**505,806**	**481,959**
Net result from transactions	**91,426**	**106,326**

Contingent liabilities and capital commitments

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

Note 8.8: Equity

Contributed capital

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

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

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

Specific restricted purpose reserves

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

Property, plant and equipment revaluation surplus

The property, plant and equipment revaluation surplus arises on the revaluation of infrastructure, land and buildings. The revaluation surplus is not normally transferred to accumulated surpluses/(deficits) on derecognition of the relevant asset

Note 8.9: Economic dependency

The Health Service is a public health service governed and managed in accordance with the Health Services Act 1988 and its results form part of the Victorian General Government consolidated financial position. The Health Service provides essential services and is predominantly dependent on the continued financial support of the State Government, particularly the Department of Health, and the Commonwealth funding via the National Health Reform Agreement (NHRA). The State of Victoria plans to continue Health Service operations and on that basis, the financial statements have been prepared on a going concern basis.